

FINDINGS OF THE BARBERS HILL
INDEPENDENT SCHOOL DISTRICT BOARD
OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE
APPLICATION SUBMITTED
BY
ENTERPRISE PRODUCTS OPERATING LLC



December 12, 2011

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OF THE
BARBERS HILL INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES
UNDER THE
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ON THE APPLICATION SUBMITTED BY
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DECEMBER 12, 2011

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SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
ENTERPRISE PRODUCTS OPERATING LLC

STATE OF TEXAS

§

COUNTY OF CHAMBERS

§

On the 12th day of December, 2011, a public meeting of the Board of Trustees of the Barbers Hill Independent School District was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the application of the Enterprise Products Operating LLC (Enterprise Products) for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. After hearing presentations from the District's administrative staff, and from consultants retained by the District to advise the Board in this matter, the Board of Trustees of the Barbers Hill Independent School District makes the following findings with respect to the application of Enterprise Products, and the economic impact of that application:

On October 11, 2011, the Superintendent of Schools of the Barbers Hill Independent School District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts received an Application from Enterprise Products for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is attached as **Attachment A**.

The Applicant, Enterprise Products (Texas Taxpayer Id. 12604305396), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be in good standing with the Texas Comptroller of Public Accounts. See **Attachment B**.

The Board of Trustees has acknowledged receipt of the Application, along with the requisite application fee, as established pursuant to Texas Tax Code § 313.025(a)(1) and Local District Policy.

Board Findings of the Barbers Hill Independent School District

The Application was delivered to the Texas Comptroller's Office for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Chambers County Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054.

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code § 313.026 and a favorable recommendation was issued on November 18, 2011. A copy of the Comptroller's letter is attached to the findings as **Attachment C**.

After receipt of the Application, the Texas Comptroller of Public Accounts caused to be conducted an economic impact evaluation pursuant to Texas Tax Code § 313.026 and the Board of Trustees has carefully considered such evaluation. A copy of the economic impact evaluation is attached to these findings as **Attachment D**.

The Board of Trustees also directed that a specific financial analysis be conducted of the impact of the proposed value limitation on the finances of the Barbers Hill Independent School District. A copy of a report prepared by Moak, Casey & Associates, Inc. is attached to these findings as **Attachment E**.

The Board of Trustees has confirmed that the taxable value of property in the Barbers Hill Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403, Government Code, is as stated in **Attachment F**.

After receipt of the Application, the District entered into negotiations with Enterprise Products, over the specific language to be included in the Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District. The proposed Agreement is attached to these findings as **Attachment G**.

After review of the Comptroller's recommendation, and in consideration of its own economic impact study the Board finds:

Board Finding Number 1.

There is a strong relationship between the Applicant's industry and the types of qualifying jobs to be created by the Applicant and the long-term economic growth plan of this State as described in the strategic plan for economic development (ED Plan) submitted by the Texas Strategic Economic Development Planning Commission under Section 481.033, Texas Government Code.

In support of Finding 1, the economic impact evaluation states:

The Texas Economic Development Plan focuses on attracting and developing industries using technology. It also identifies opportunities for existing Texas industries. The plan centers on promoting economic prosperity throughout Texas and the skilled workers that the Enterprise Products project requires appear to be in line with the focus and themes of the plan. Texas identified energy as one of six target clusters in the Texas Cluster Initiative. The plan stresses the importance of technology in all sectors of the energy industry.

Board Finding Number 2.

The economic condition of Chambers County, Texas, is in need of long-term improvement.

Based on information provided by the Comptroller's Office, Chambers County is the 91st largest in the state in terms of population. Chambers is the state's 25th fastest-growing county from 2009 to 2010. The state population grew by 1.8 percent between 2009 and 2010, while the population of Chambers County increased by 2.5 percent over the same period.

August 2011 employment for Chambers County was up 1.7 percent from August 2010, above the state's 0.6 percent increase in total employment during the same period. The unemployment rate in Chambers County was 10.1 percent in August 2011, more than the current state average of 8.5 percent.

Chambers County does have a higher per capita personal income than the state as a whole. In terms of per capita income, Chambers County's \$45,257 in 2009 ranked 13th among the 254 counties in Texas, while the Texas average was \$38,609 for the same period.

The higher-than-state-average unemployment rate for Chambers County is a long-term concern for economic development in the area, especially with a growing population. Chambers County will benefit from economic activity like that associated with the Enterprise Products project. Major capital investments like this project are beneficial to the community on a number of fronts, including direct and indirect employment, expanded opportunities for existing businesses and increased local tax bases.

Board Finding Number 3.

The average salary level of qualifying jobs is expected to be at least \$85,500 per year. The review of the application by the State Comptroller's Office indicated that this amount—based on Texas Workforce Commission data—complies with the requirement that qualifying jobs must pay 110 percent of the regional manufacturing wage. Enterprise Products indicates that total employment will be approximately four (4) new qualifying jobs.

In support of Finding 3, the economic impact evaluation states:

After construction, the project will create four new jobs when fully operational. All four jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the Houston-Galveston Area State Planning Region, where Chambers County is located was \$51,001 in 2010. The annual average manufacturing wage for 2010 for Chambers County is \$75,855. That same year, the county annual average wage for all industries was \$49,530. In addition to a salary of \$85,500, each qualifying position will receive benefits such as health care, paid sick leave and vacation, education, and 401k.

Board Finding Number 4.

The level of the applicant's average investment per qualifying job over the term of the Agreement is estimated to be approximately \$77.5 million on the basis of the goal of four (4) new qualifying positions for the entire Enterprise Products project.

In support of Finding 4, the economic impact evaluation states:

The project's total investment is \$310 million, resulting in a level of investment per qualifying job of \$77.5 million.

Board Finding Number 5.

Based upon the information provided to the District with regard to the industry standard for staffing ratios of similar projects in the State of Texas, the District has determined that if the job creation requirement set forth in Texas Tax Code § 313.021(2)(A)(iv)(b) was applied, for the size and scope of the project described in the Application, the required number of jobs meets or exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility.

Board Finding Number 6.

Subsequent economic effects on the local and regional tax bases will be significant. In addition, the impact of the added infrastructure will be significant to the region.

Table 1 depicts Enterprise's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 15 years of annual investment and employment levels using software from Regional Economic Models, Inc. (REMII). The impact includes the construction period and the operating period of the project.

Table 1: Estimated Statewide Economic Impact of Investment and Employment in Enterprise

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2012	504	485	989	\$26,342,000	\$27,658,000	\$54,000,000
2013	504	485	989	\$26,342,000	\$32,658,000	\$59,000,000
2014	4	44	48	\$342,000	\$9,658,000	\$10,000,000
2015	4	27	31	\$342,000	\$7,658,000	\$8,000,000
2016	4	17	21	\$342,000	\$5,658,000	\$6,000,000
2017	4	13	17	\$342,000	\$4,658,000	\$5,000,000
2018	4	15	19	\$342,000	\$4,658,000	\$5,000,000
2019	4	18	22	\$342,000	\$4,658,000	\$5,000,000
2020	4	27	31	\$342,000	\$4,658,000	\$5,000,000
2021	4	32	36	\$342,000	\$4,658,000	\$5,000,000
2022	4	26	30	\$342,000	\$4,658,000	\$5,000,000
2023	4	28	32	\$342,000	\$4,658,000	\$5,000,000
2024	4	25	29	\$342,000	\$4,658,000	\$5,000,000
2025	4	26	30	\$342,000	\$4,658,000	\$5,000,000
2026	4	29	33	\$342,000	\$4,658,000	\$5,000,000

Source: CPA, REMI, Enterprise

The statewide average ad valorem tax base for school districts in Texas was \$1.6 billion in 2010. Barbers Hill ISD's ad valorem tax base in 2010 was \$3.369 billion. The statewide average wealth per WADA was estimated at \$345,067 for fiscal 2010-2011. During that same year, Barbers Hill ISD's estimated wealth per WADA was \$718,583.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Chambers County, and the City of Mont Belvieu, with all property tax incentives sought being granted using estimated market value from Enterprise's application. Enterprise has applied for both a value limitation under Chapter 313, Tax Code and tax abatement with the county and city. Table 3 illustrates the estimated tax impact of the Enterprise project on the region if all taxes are assessed.

Board Findings of the Barbers Hill Independent School District

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O		Barbers Hill ISD I&S Levy	Barbers Hill ISD M&O Levy	Barbers Hill ISD M&O and I&S Tax Levies (Before Credit Credited)	Barbers Hill ISD M&O and I&S Tax Levies (After Credit Credited)	Chambers County Tax Levy	City of Mont Belvieu Tax Levy	Estimated Total Property Taxes
			Tax Rate ¹	0.2698	1.0601			0.4518	0.4613	
				\$2,698	\$10,601	\$13,299	\$13,299	\$0	\$0	\$13,299
2012	\$1,000,000	\$1,000,000		\$103,873	\$408,139	\$512,012	\$512,012	\$0	\$0	\$512,012
2013	\$38,500,000	\$38,500,000		\$679,572	\$318,030	\$997,602	\$997,602	\$0	\$0	\$997,602
2014	\$251,880,000	\$30,000,000		\$787,681	\$318,030	\$1,105,711	\$1,092,838	\$0	\$0	\$1,092,838
2015	\$291,950,000	\$30,000,000		\$778,670	\$318,030	\$1,096,700	\$1,083,827	\$325,978	\$332,858	\$1,742,662
2016	\$288,610,000	\$30,000,000		\$769,335	\$318,030	\$1,087,365	\$1,074,492	\$515,312	\$526,187	\$2,115,991
2017	\$285,150,000	\$30,000,000		\$759,163	\$318,030	\$1,077,193	\$1,064,321	\$635,623	\$649,038	\$2,348,982
2018	\$281,380,000	\$30,000,000		\$748,155	\$318,030	\$1,066,185	\$1,053,313	\$626,407	\$639,627	\$2,319,347
2019	\$277,300,000	\$30,000,000		\$735,475	\$318,030	\$1,053,505	\$1,040,632	\$615,790	\$628,786	\$2,285,208
2020	\$272,600,000	\$30,000,000		\$721,958	\$318,030	\$1,039,988	\$1,027,115	\$1,208,945	\$925,845	\$3,161,905
2021	\$267,590,000	\$30,000,000		\$706,768	\$2,777,038	\$3,483,806	\$3,483,806	\$1,183,509	\$1,208,487	\$5,875,802
2022	\$261,960,000	\$261,960,000		\$691,255	\$2,716,082	\$3,407,337	\$3,407,337	\$1,157,531	\$1,181,961	\$5,746,829
2023	\$256,210,000	\$256,210,000		\$671,454	\$2,638,281	\$3,309,735	\$3,309,735	\$1,124,374	\$1,148,104	\$5,582,214
2024	\$248,871,000	\$248,871,000		\$651,027	\$2,558,021	\$3,209,049	\$3,209,049	\$1,090,169	\$1,113,177	\$5,412,395
2025	\$241,300,000	\$241,300,000		\$700,031	\$2,750,567	\$3,450,598	\$3,450,598	\$1,172,228	\$1,196,968	\$5,819,794
2026	\$259,463,000	\$259,463,000								
						Total	\$25,819,976	\$9,655,866	\$9,551,038	\$45,026,880

Assumes School Value Limitation and Tax Abatements from City of Mont Belvieu and Chambers County

Source: CPA, Enterprise

¹Tax Rate per \$100 Valuation

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives										
Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O		Barbers Hill ISD I&S Levy	Barbers Hill ISD M&O Levy		Barbers Hill ISD M&O and I&S Tax Levies	Chambers County Tax Levy	City of Mont Belvieu Tax Levy	Estimated Total Property Taxes
			Tax Rate ¹	0.2698	1.0601			0.4518	0.4613	
2012	\$1,000,000	\$1,000,000		\$2,698	\$10,601		\$13,299	\$4,518	\$4,613	\$22,430
2013	\$38,500,000	\$38,500,000		\$103,873	\$408,139		\$512,012	\$173,939	\$177,610	\$863,561
2014	\$251,880,000	\$251,880,000		\$679,572	\$2,670,180		\$3,349,752	\$1,137,969	\$1,161,985	\$5,649,706
2015	\$291,950,000	\$291,950,000		\$787,681	\$3,094,962		\$3,882,643	\$1,319,001	\$1,346,838	\$6,548,482
2016	\$288,610,000	\$288,610,000		\$778,670	\$3,059,555		\$3,838,224	\$1,303,911	\$1,331,430	\$6,473,566
2017	\$285,150,000	\$285,150,000		\$769,335	\$3,022,875		\$3,792,210	\$1,288,279	\$1,315,468	\$6,395,957
2018	\$281,380,000	\$281,380,000		\$759,163	\$2,982,909		\$3,742,073	\$1,271,247	\$1,298,076	\$6,311,396
2019	\$277,300,000	\$277,300,000		\$748,155	\$2,939,657		\$3,687,813	\$1,252,814	\$1,279,254	\$6,219,881
2020	\$272,600,000	\$272,600,000		\$735,475	\$2,889,833		\$3,625,307	\$1,231,580	\$1,257,572	\$6,114,459
2021	\$267,590,000	\$267,590,000		\$721,958	\$2,836,722		\$3,558,679	\$1,208,945	\$1,234,460	\$6,002,084
2022	\$261,960,000	\$261,960,000		\$706,768	\$2,777,038		\$3,483,806	\$1,183,509	\$1,208,487	\$5,875,802
2023	\$256,210,000	\$256,210,000		\$691,255	\$2,716,082		\$3,407,337	\$1,157,531	\$1,181,961	\$5,746,829
2024	\$248,871,000	\$248,871,000		\$671,454	\$2,638,281		\$3,309,735	\$1,124,374	\$1,148,104	\$5,582,214
2025	\$241,300,000	\$241,300,000		\$651,027	\$2,558,021		\$3,209,049	\$1,090,169	\$1,113,177	\$5,412,395
2026	\$259,463,000	\$259,463,000		\$700,031	\$2,750,567		\$3,450,598	\$1,172,228	\$1,196,968	\$5,819,794
						Total	\$46,862,537	\$15,920,013	\$16,256,004	\$79,038,555

Source: CPA, Enterprise

¹Tax Rate per \$100 Valuation

Board Finding Number 7.

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

The Enterprise Products project remains fully taxable for debt services taxes, with BHISD currently levying a \$0.270 I&S rate. The value of the Enterprise Products project is expected to depreciate over the life of the agreement and beyond, but full access to the additional value will add to the District's projected wealth per ADA that is currently well above what is provided for through the state's facilities program. At its peak taxable value, the project adds about eight percent to BHISD's current tax base, which should assist the District in meeting its debt service obligations.

Board Finding Number 8.

The effect of the applicant's proposal, if approved, on the number or size of needed school district instructional facilities is not expected to increase the District's facility needs, with current trends suggest little underlying enrollment growth based on the impact of the Enterprise Products project.

The summary of financial impact prepared by Moak, Casey & Associates, Inc., indicates that there will be little to no impact on school facilities created by the addition of a manufacturing project. This finding is confirmed by the TEA evaluation of this project's impact on the number and size of school facilities in Barbers Hill ISD as stated in **Attachment D.**

Board Finding Number 9.

The ability of the applicant to locate the proposed facility in another state or another region of this state is substantial, as a result of the highly competitive marketplace for economic development.

In support of Finding 8, the economic impact evaluation states:

According to Enterprise's application, "The Company currently operates in two states, and allocates capital investment to projects and locations that create the best economic return. The existence of a limitation on tax value is a significant factor in calculating the

Board Findings of the Barbers Hill Independent School District

economic return and allocation of reserves to the project. However the Company could redirect its expenditures to its plants in: Hobbs, Texas and Narco, South Louisiana.

Board Finding Number 10.

During the past two years, eight projects in the Houston-Galveston Area State Planning Region applied for value limitation agreements under Tax Code, Chapter 313.

Board Finding Number 11.

The Board of Trustees hired consultants to review and verify the information in the Application from Enterprise Products. Based upon the consultants' review, the Board has determined that the information provided by the Applicant is true and correct.

Board Finding Number 12.

The Board of Trustees has determined that the Tax Limitation Amount requested by Applicant is currently Thirty Million Dollars, which is consistent with the minimum values currently set out by Tax Code, §§ 313.054(a).

According to the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2010 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year, Attachment F, the total 2010 industrial value for Barbers Hill ISD is \$2.03 billion. Barbers Hill ISD is categorized as Subchapter C, which applies only to a school district that has territory in a strategic investment area, as defined under Subchapter O, Chapter 171, Tax Code or located in a county: (1) that has a population of less than 50,000 and (2) in which, from 1990 to 2000, according to the federal decennial census, the population: (A) remained the same; (B) decreased; or (C) increased, but at a rate of not more than three percent per annum. Barbers Hill ISD qualifies as a "rural" school district based on its population characteristics. Given that the value of industrial property in Barbers Hill ISD exceeds \$200 million, it is classified as a Category I district which can offer a minimum value limitation of \$30 million.

Board Finding Number 13.

The Applicant (Taxpayer Id. 12604305396) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on its "good standing" certification as a franchise-tax paying entity.

Board Finding Number 14.

The Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment G, includes adequate and appropriate revenue protection provisions for the District.

In support of this finding, the report of Moak, Casey & Associates, Inc. shows that the District will incur revenue losses in the first and subsequent years the value limitation is in effect without the proposed Agreement. However, with this Agreement, the negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District. Revenue protection measures are in place for the duration of the Agreement.

Board Finding Number 15.

Considering the purpose and effect of the law and the terms of the Agreement, that it is in the best interest of the District and the State to enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

It is therefore ORDERED that the Agreement attached hereto as **Attachment G** is approved and hereby authorized to be executed and delivered by and on behalf of the Barbers Hill Independent School District. It is further ORDERED that these findings and the Attachments referred to herein be attached to the Official Minutes of this meeting, and maintained in the permanent records of the Board of Trustees of the Barbers Hill Independent School District.

Board Findings of the Barbers Hill Independent School District

Dated the 12th day of December 2011.

BARBERS HILL INDEPENDENT SCHOOL DISTRICT

By: 
Carmena Goss, President Board of Trustees

ATTEST:

By: 
Benny May, Secretary Board of Trustees



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

December 2, 2011

President and Members
Board of Trustees
Barbers Hill Independent School District
P. O. Box 1108
Mont Belvieu, Texas 77580

Re: Recommendations and Findings of the firm Concerning Application of Enterprise Products Operating LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President Goss and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Barbers Hill Independent School District, with respect to the pending Application of Enterprise Products Operating LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. Based upon our review we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.
4. All applicable school finance implications arising from the contemplated Agreement have been explored.
5. The proposed Agreement contains adequate revenue protection provisions to protect the interests of the District.

As a result of the foregoing it is our recommendation that the Board of Trustees approve the Application of Enterprise Products Operating LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

Daniel T. Casey

www.moakcasey.com

Phone 512-485-7878

400 W. 15th Street * Suite 1410 * Austin, TX 78701-1648

Fax 512-485-7888

O'HANLON, MCCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

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

KEVIN O'HANLON
CERTIFIED, CIVIL APPELLATE
CERTIFIED, CIVIL TRIAL

LESLIE MCCOLLOM
CERTIFIED, CIVIL APPELLATE
CERTIFIED, LABOR AND EMPLOYMENT
TEXAS BOARD OF LEGAL SPECIALIZATION

JUSTIN DEMERATH

November 30, 2011

President and Members
Board of Trustees
Barbers Hill Independent School District
P. O. Box 1108
Mont Belvieu, Texas 77580

Re: Recommendations and Findings of the Firm Concerning Application of Enterprise Products Operating LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President Goss and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Barbers Hill Independent School District, with respect to the pending Application of Enterprise Products Operating LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. We have also negotiated an Agreement between the District and Enterprise Products Operating LLC. Based upon our review we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.

Letter to Barbers Hill ISD
November 30, 2011
Page 2 of 2

4. All applicable school finance implications arising from the contemplated Agreement have been explored.
5. The proposed Agreement contains adequate legal provisions so as to protect the interests of the District.

As a result of the foregoing conclusions it is our recommendation that the Board of Trustees approve the Application of Enterprise Products Operating LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

A handwritten signature in black ink, appearing to read "K. O'Hanlon", with a stylized flourish at the end.

Kevin O'Hanlon
For the Firm

Attachment A

Application



P.O. Box 4018 Houston, Texas 77210-4018 713.880.6500
2727 North Loop West Houston, Texas 77008-1044 www.epplp.com

July 19, 2011

Barbers Hill ISD
Dr. Greg Poole
PO BOX 1108
Mont Belvieu, TX 77580

Re: Property Tax Abatement Application – Section 313- Value Limitation

Dear Dr. Greg Poole:

Enterprise Products Operating LLC is proposing to construct a new manufacturing facility at our Mont Belvieu complex. This is a grass roots project with an estimated investment cost of \$310,000,000.

Enterprise recognizes that new and retained jobs are as important to the local economy as new capital investment. At any given time during the construction process, there will be several hundred workers at the facility location.

We believe this considerable investment demonstrates our commitment to maintaining our economic presence in the Mont Belvieu area. This facility will promote economic growth and welfare to the community.

We are respectfully requesting a 10 year abatement under The Appraised Value Limitation on Qualified Property (Chapter 313, Tex. Tax Code).

As you are aware, school districts have the option of providing a waiver of the jobs requirement if they determine that the job creation requirement set forth in Texas Tax Code 313.051(b) (i.e. 10 jobs), would exceed the industry standard for the number of employees reasonably necessary for the operation of the facility.

Enterprise Products requests that the Barbers Hill Independent School District's Board of Trustees make such a finding and waive the minimum job creation requirement. Based on the industry standard, the size and scope of this project will require less than ten permanent jobs.

The installation of the new fractionator, however, will create approximately four new permanent full-time positions. The wages for these positions will be at least above 110% of the Chambers county average wage rate. Additionally, benefits such as medical, dental, and life insurance will be provided, as well as 401K and pension plans.



Enterprise Products

P.O. Box 4018 Houston, Texas 77210-4018 713.880.6500
2727 North Loop West Houston, Texas 77008-1044 www.epplp.com

We appreciate your consideration of our application and the above mentioned job requirement waiver request. Please feel free to contact me if you need any additional information.

Background information on Job Waiver request

The new manufacturing facility will create 4 new full time employees.

*Although no employment positions will be created, an additional 8 full time employees will be created through overtime hours and contract labor.

COMPARISON OF STAFFING FOR FRACTIONATORS

Fractionator	FTE <u>Operator</u> <u>s</u>	FTE <u>Maintenance</u>	FTE <u>Admin/Supervision/</u> <u>Safety, etc.</u>	FTE <u>Total</u>
New Frac, Mont Belvieu	4	4	4	12*
Barbers Hill, Mont Belvieu	4	4	4	12*
Seminole, Mont Belvieu	5	4	4	13
West Texas, Mont Belvieu	5	4	5	14
Hobbs, Texas	10	4	2	16
Port Allen, Louisiana	7	5	1	13
Promix, Louisiana	5	6	1	12
Tebone, Louisiana	8	5	1	14
Norco, Louisiana	8	5	1	14
Average	7	5	2	13

If you have any questions, please feel free to contact me by telephone at 713-803-8071 or by email at ctate@epco.com.

Sincerely,

Curt Tate
Tax Director

Enclosures

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)*



Application for Appraised Value Limitation on Qualified Property (Tax Code, Chapter 313, Subchapter B or C)

Form 50-296
(Revised May 2010)

INSTRUCTIONS: This application must be completed and filed with the school district. In order for an application to be processed, the governing body (school board) must elect to consider an application, but — by Comptroller rule — the school board may elect to consider the application only after the school district has received a completed application. Texas Tax Code, Section 313.025 requires that any completed application and any supplemental materials received by the school district must be forwarded within seven days to the Comptroller of Public Accounts.

If the school board elects to consider the application, the school district must:

- notify the Comptroller that the school board has elected to consider the application.

This notice must include:

- the date on which the school district received the application;
- the date the school district determined that the application was complete;
- the date the school board decided to consider the application; and
- a request that the comptroller prepare an economic impact analysis of the application;
- provide a copy of the notice to the appraisal district;
- must complete the sections of the application reserved for the school district and provide information required in the Comptroller rules located at 34 Texas Administrative Code (TAC) Section 9.1054; and
- forward the original completed application to the Comptroller in a three-ring binder with tabs separating each section of the documents, in addition to an electronic copy on CD. See 34 TAC Chapter 9, Subchapter F.

The governing body may, at its discretion, allow the applicant to supplement or amend the application after the filing date, subject to the restrictions in 34 TAC Chapter 9, Subchapter F.

When the Comptroller receives the notice and required information from the school district, the Comptroller will publish all submitted application materials on its Web site. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules as explained in the Confidentiality Notice below.

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. 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, make a recommendation to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

The school board must approve or disapprove the application before the 151st day after the application review start date (the date the application is finally determined to be complete), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to complete the recommendation, economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's Web site to find out more about the program at <http://www.window.state.tx.us/taxinfo/proptax/hb1200/index.html>. There are links on this Web page to the Chapter 313 statute, rules and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION

Date application received by district

July 20, 2010

Authorized School District Representative

First Name

John

Last Name

Koonce

Title

Assistant Superintendent of Finance

School District Name

Barbers Hill Independent School District

Street Address

9600 EAGLE DR

Mailing Address

P O BOX 1108

City

MONT BELVIEU

State

TX

ZIP

77580-1108

Phone Number

(281) 576-2221

Fax Number

(281) 576-5879

Mobile Number (optional)

E-mail Address

Jkoonce@bhisd.net

☒ Yes ☐ No

I authorize the consultant to provide and obtain information related to this application..

☒ Yes ☐ No

Will consultant be primary contact?



Form 50-296

Application for Appraised Value Limitation on Qualified Property

SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized School District Consultant (If Applicable)

First Name

Kevin

Last Name

O'Hanlon

Title

Attorney

Firm Name

O'Hanlon, McCollom & Demerath, PC

Street Address

808 West Avenue

Mailing Address

808 West Avenue

City

Austin

State

TX

ZIP

78701

Phone Number

512-494-9949

Fax Number

512-494-9919

Mobile Number (Optional)

E-mail Address

kohanlon@808west.com

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.

Signature (Authorized School District Representative)

Date

8/23/11

Has the district determined this application complete? ☒ Yes ☐ No

If yes, date determined complete. 8/23/11

Have you completed the school finance documents required by TAC 9.1054(c)(3)? ☐ Yes ☒ No

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

	Checklist	Page X of 16	Check Completed
1	Date application received by the ISD	1 of 16	✓
2	Certification page signed and dated by authorized school district representative	2 of 16	✓
3	Date application deemed complete by ISD	2 of 16	✓
4	Certification pages signed and dated by applicant or authorized business representative of applicant	4 of 16	✓
5	Completed company checklist	12 of 16	✓
6	School finance documents described in TAC 9.1054(c)(3) (Due within 20 days of district providing notice of completed application)	2 of 16	will supplement

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Business Representative (Applicant)

First Name

Curt

Last Name

Tate

Title

Tax Director

Organization

Enterprise Products

Street Address

1100 Louisiana Street

Mailing Address

P.O. Box 4018

City

Houston

State

TX

ZIP

77210

Phone Number

713-803-8071

Fax Number

713-803-1388

Mobile Number (optional)

Business e-mail Address

ctate@eprod.com

Will a company official other than the authorized business representative be responsible for responding to future information requests?

☐ Yes☒ No

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

First Name

Last Name

Title

Organization

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Mobile Number (optional)

E-mail Address

I authorize the consultant to provide and obtain information related to this application.. N/A ☐ Yes ☐ No

Will consultant be primary contact? N/A ☐ Yes ☐ No

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

First Name

Last Name

N/A

Title

Firm Name

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Business email Address

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 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.

Signature (Authorized Business Representative (Applicant))

Date

Curt Jato

7/19/2011

GIVEN under my hand and seal of office this

18th

day of

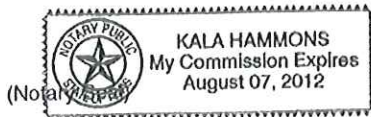
July

2011

Kala Hammons

Notary Public, State of

Texas



My commission expires

8/7/2012

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 § 37.10.

**FEES AND PAYMENTS**

☒ Enclosed is proof of application fee paid to the school district.

For the purpose of this question, "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.

Please answer only either A OR B:

A. 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

B. 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

BUSINESS APPLICANT INFORMATION

Legal Name under which application is made

ENTERPRISE PRODUCTS OPERATING LLC

Texas Taxpayer I.D. Number of entity subject to Tax Code, Chapter 171 (11 digits)

12604305396

NAICS code

325120

Is the applicant a party to any other Chapter 313 agreements? ☒ Yes ☐ No

If yes, please list name of school district and year of agreement.

Barbers Hill ISD, 2009, 2010

APPLICANT BUSINESS STRUCTURE

Registered to do business in Texas with the Texas Secretary of State? ☒ Yes ☐ No

Identify business organization of applicant (corporation, limited liability corporation, etc.)

Limited Liability Company

1. Is the applicant a combined group, or comprised of members of a combined group, as defined by Texas Tax Code Chapter 171.0001(7)? ☐ Yes ☒ No
If so, please attach documentation of the combined group membership and contact information.

2. Is the applicant current on all tax payments due to the State of Texas? ☒ Yes ☐ No

3. Are all applicant members of the combined group current on all tax payments due to the State of Texas? ☒ NA ☐ Yes ☐ No

If the answer to either question is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (Use attachment if necessary.)

**ELIGIBILITY UNDER TAX CODE CHAPTER 313.024**

Are you an entity to which Tax Code, Chapter 171 applies? ☒ Yes ☐ No

The property will be used as an integral part, or as a necessary auxiliary part, in 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

Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☒ No

Will any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☒ No

Will any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☒ No

Are you including property that is owned by a person other than the applicant? ☐ Yes ☒ No

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

PROJECT DESCRIPTION

Provide a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information. (Use attachments as necessary)

Please see attachment A

Describe the ability of your company to locate or relocate in another state or another region of the state.

Enterprise is leading midstream company with large pipeline foot print in TX, LA, NM, CO and WY. These pipelines provide substantial flexibility in plant location.

PROJECT CHARACTERISTICS (CHECK ALL THAT APPLY)

- | | | | |
|---|--|--|---|
| <input checked="" type="checkbox"/> New Jobs | <input checked="" type="checkbox"/> Construct New Facility | <input type="checkbox"/> New Business / Start-up | <input type="checkbox"/> Expand Existing Facility |
| <input type="checkbox"/> Relocation from Out-of-State | <input type="checkbox"/> Expansion | <input checked="" type="checkbox"/> Purchase Machinery & Equipment | |
| <input type="checkbox"/> Consolidation | <input type="checkbox"/> Relocation within Texas | | |

PROJECTED TIMELINE

Begin Construction October 2011 Begin Hiring New Employees March 2013

Construction Complete March 2013 Fully Operational March 2013

Purchase Machinery & Equipment July 2011 Thru March 2013

Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? ☒ Yes ☐ No

Note: Improvements made before that time may not be considered qualified property.

When do you anticipate the new buildings or improvements will be placed in service? March 2013

**ECONOMIC INCENTIVES**

Identify state programs the project will apply for:

State Source

Amount

_____	_____
_____	_____
_____	_____
Total	_____

Will other incentives be offered by local units of government? ☒ Yes ☐ No

Please use the following box for additional details regarding incentives. (Use attachments if necessary.)

Applicant was granted the following tax abatements
 1- City of Mont Belieu - 10 year tax abatement
 2- Chambers County- 9 year tax abatement

THE PROPERTYIdentify county or counties in which the proposed project will be located ChambersCentral Appraisal District (CAD) that will be responsible for appraising the property ChambersWill this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☒ No

List all taxing entities that have jurisdiction for the property and the portion of project within each entity

County: <u>Chambers (100%)</u> <small>(Name and percent of project)</small>	City: <u>City of Mont Belieu (100%)</u> <small>(Name and percent of project)</small>
Hospital District: <u>N/A</u> <small>(Name and percent of project)</small>	Water District: <u>N/A</u> <small>(Name and percent of project)</small>
Other (describe): <u>N/A</u> <small>(Name and percent of project)</small>	Other (describe): <u>N/A</u> <small>(Name and percent of project)</small>

Is the project located entirely within this ISD? ☒ Yes ☐ No
If not, please provide additional information on the project scope and size to assist in the economic analysis.

**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 rural, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's Web site at www.window.state.tx.us/taxinfo/proptax/hb1200/values.html.

At the time of application, what is the estimated minimum qualified investment required for this school district? 30 Million

What is the amount of appraised value limitation for which you are applying? 30 Million

What is your total estimated *qualified* investment? 310 Million

NOTE: See 313.021(1) for full definition. Generally, Qualified Investment is the sum of the investment in tangible personal property and buildings and new improvements made between beginning of the qualifying time period (date of application final approval by the school district) and the end of the second complete tax year.

What is the anticipated date of application approval? December 1, 2011

What is the anticipated date of the beginning of the qualifying time period? December 1, 2011

What is the total estimated investment for this project for the period from the time of application submission to the end of the limitation period? 310 Million

Describe the qualified investment. [See 313.021(1).]

Attach the following items to this application:

- (1) a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021,
- (2) a description of any new buildings, proposed improvements or personal property which you intend to include as part of your minimum qualified investment and
- (3) a map of the qualified investment showing location of new buildings or new improvements with vicinity map.

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

Except for new equipment described in Tax Code §151.318(q) or (q-1), is the proposed tangible personal property to be placed in service for the first time:

- (1) in or on the new building or other new improvement for which you are applying? ☒ Yes ☐ No
- (2) if not in or on the new building or other new improvement for which you are applying for an appraised value limitation, is the personal property necessary and ancillary to the business conducted in the new building or other new improvement? ☒ Yes ☐ No
- (3) on the same parcel of land as the building for which you are applying for an appraised value limitation? ☒ Yes ☐ No

("First placed in service" means the first use of the property by the taxpayer.)

Will the investment in real or personal property you propose be counted toward the minimum qualified investment required by Tax Code §313.023, (or 313.053 for rural school districts) be first placed in service in this state during the applicable qualifying time period? ☒ Yes ☐ No

Does the investment in tangible personal property meet the requirements of Tax Code §313.021(1)? ☒ Yes ☐ No

If the proposed investment includes a building or a permanent, non-removable component of a building, does it house tangible personal property? ☒ Yes ☐ No

QUALIFIED PROPERTY

Describe the qualified property. [See 313.021(2)] (If qualified investment describes qualified property exactly you may skip items (1), (2) and (3) below.)

Attach the following items to this application:

- (1) 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,
- (2) a description of any new buildings, proposed improvements or personal property which you intend to include as part of your qualified property and
- (3) a map of the qualified property showing location of new buildings or new improvements – with vicinity map.

Land

Is the land on which you propose new construction or 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

If you answered "no" to the question above, what is the anticipated date on which you will submit proof of a reinvestment zone with boundaries encompassing the land on which you propose new construction or improvements? _____

Will the applicant own the land by the date of agreement execution? ☒ Yes ☐ No

Will the project be on leased land? ☐ Yes ☒ No

QUALIFIED PROPERTY (CONTINUED)

If the land upon which the new building or new improvement is to be built is part of the qualified property described by §313.021(2)(A), please attach complete documentation, including:

1. Legal description of the land
2. Each existing appraisal parcel number of the land on which the improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property
3. Owner
4. The current taxable value of the land. Attach estimate if land is part of larger parcel.
5. A detailed map (with a vicinity map) showing the location of the land

Attach a map of the reinvestment zone boundaries, certified to be accurate by either the governmental entity creating the zone, the local appraisal district, or a licensed surveyor. (With vicinity map)

Attach the order, resolution or ordinance establishing the zone, and the guidelines and criteria for creating the zone, if applicable.

Miscellaneous

Is the proposed project a building or new improvement to an existing facility? ☐ Yes ☒ No

Attach a description of any existing improvements and include existing appraisal district account numbers.

List current market value of existing property at site as of most recent tax year. 0 (Market Value) 2011 (Tax Year)

Is any of the existing property subject to a value limitation agreement under Tax Code 313? ☐ Yes ☒ No

Will all of the property for which you are requesting an appraised value limitation be free of a tax abatement agreement entered into by a school district for the duration of the limitation? ☒ Yes ☐ No

WAGE AND EMPLOYMENT INFORMATION

What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0

The last complete calendar quarter before application review start date is the:

☐ First Quarter ☒ Second Quarter ☐ Third Quarter ☐ Fourth Quarter of 2011 (year)

What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the TWC?
3694

Note: For job definitions see TAC §9.1051(14) and Tax Code 313.021(3). If the applicant intends to apply a definition for "new job" other than TAC §9.1051(14)(C), then please provide the definition of "new job" as used in this application. N/A

Total number of new jobs that will have been created when fully operational 4

Do you plan to create at least 25 new jobs (at least 10 new jobs for rural school districts) on the land and in connection with the new building or other improvement? ☐ Yes ☒ No

Do you intend to request that the governing body waive the minimum new job creation requirement, as provided under Tax Code §313.025(f-1)? ☒ Yes ☐ No

If you answered "yes" to the question above, attach evidence documenting that the new job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards. **Note: Even if a minimum new job waiver is provided, 80% of all new jobs must be qualifying jobs pursuant to Texas Tax Code, §313.024(d).**

What is the maximum number of qualifying jobs meeting all criteria of §313.021(3) you are committing to create? 4

If this project creates more than 1,000 new jobs, the minimum required wage for this project is 110% of the average county weekly wage for all jobs as described by 313.021(3)(E)(ii).

If this project creates less than 1,000 new jobs, does this district have territory in a county that meets the demographic characteristics of 313.051(2)? (see table of information showing this district characteristic at <http://www.window.state.tx.us/taxinfo/proptax/hb1200/values.html>)

If yes, the applicant must meet wage standard described in 313.051(b) (110% of the regional average weekly wage for manufacturing)

If no, the applicant shall designate one of the wage standards set out in §§313.021(5)(A) or 313.021(5)(B).

**WAGE AND EMPLOYMENT INFORMATION (CONTINUED)**

For the following three wage calculations please include on an attachment the four most recent quarters of data for each wage calculation. Show the average and the 110% calculation. Include documentation from TWC Web site. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(7).

110% of the county average weekly wage for all jobs (all industries) in the county is \$1,047.45

110% of the county average weekly wage for manufacturing jobs in the county is \$1,604.63

110% of the county average weekly wage for manufacturing jobs in the region is 1,078.88

Please identify which Tax Code section you are using to estimate the wage standard required for this project:

☐ §313.021(5)(A) or ☐ §313.021(5)(B) or ☐ §313.021(3)(E)(ii), or ☒ §313.051(b)?

What is the estimated minimum required annual wage for each qualifying job based on the qualified property? \$56,101.76

What is the estimated minimum required annual wage you are committing to pay for each of the qualifying jobs you create on the qualified property? \$85,500

Will 80% of all new jobs created by the owner be qualifying jobs as defined by 313.021(3)? ☒ Yes ☐ No

Will each qualifying job require at least 1,600 of work a year? ☒ Yes ☐ No

Will any of the qualifying jobs be jobs transferred from one area of the state to another? ☐ Yes ☒ No

Will any of the qualifying jobs be retained jobs? ☐ Yes ☒ No

Will any of the qualifying jobs be created to replace a previous employee? ☐ Yes ☒ No

Will any required qualifying jobs be filled by employees of contractors? ☐ Yes ☒ No

If yes, what percent? _____

Does the applicant or contractor of the applicant offer to pay at least 80% of the employee's health insurance premium for each qualifying job? ☒ Yes ☐ No

Describe each type of benefits to be offered to qualifying jobholders. (Use attachments as necessary.)

Enterprise offers medical & dental insurance, life insurance, 401K saving plan, vacation & holiday pay and educational assistance.

ECONOMIC IMPACT

Is an Economic Impact Analysis attached (If supplied by other than the Comptroller's office)? N/A ☐ Yes ☐ No

Is Schedule A completed and signed for all years and attached? ☒ Yes ☐ No

Is Schedule B completed and signed for all years and attached? ☒ Yes ☐ No

Is Schedule C (Application) completed and signed for all years and attached? ☒ Yes ☐ No

Is Schedule D completed and signed for all years and attached? ☒ Yes ☐ No

Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.

If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, please attach a separate schedule showing the amount for each year affected, including an explanation.



COMPANY CHECKLIST AND REQUESTED ATTACHMENTS

	Checklist	Page No.	Check Completed
1	Certification pages signed and dated by Authorized Business Representative (applicant)	7	✓
2	Proof of Payment of Application Fee (Attachment)	3	✓
3	For applicant members, documentation of Combined Group membership under Texas Tax Code 171.0001(7) (if Applicable) (Attachment)	N/A	N/A
4	Detailed description of the project	19-21	✓
5	If project is located in more than one district, name other districts and list percentage in each district (Attachment)	N/A	N/A
6	Description of Qualified Investment (Attachment)	20	✓
7	Map of qualified investment showing location of new buildings or new improvements with vicinity map.	22-24	✓
8	Description of Qualified Property (Attachment)	20	✓
9	Map of qualified property showing location of new buildings or new improvements with vicinity map	22-24	✓
10	Description of Land (Attachment)	30-40	✓
11	A detailed map showing location of the land with vicinity map.	52-54	✓
12	A description of all existing (if any) improvements (Attachment)	N/A	✓
13	Request for Waiver of Job Creation Requirement (if applicable) (Attachment)	1-2	✓
14	Calculation of three possible wage requirements with TWC documentation. (Attachment)	25-28	✓
15	Description of Benefits	29	✓
16	Economic Impact (if applicable)	N/A	N/A
17	Schedule A completed and signed	15	✓
18	Schedule B completed and signed	16	✓
19	Schedule C (Application) completed and signed	17	✓
20	Schedule D completed and signed	18	✓
21	Map of Reinvestment Zone (Attachment) (Showing the actual or proposed boundaries and size, Certified to be accurate by either the government entity creating the zone, the local appraisal district, or a licensed surveyor, with vicinity map)*	52-54	✓
22	Order, Resolution, or Ordinance Establishing the Zone (Attachment)*	55	✓
23	Legal Description of Reinvestment Zone (Attachment)*	56-65	✓
24	Guidelines and Criteria for Reinvestment Zone(Attachment)*	66-69	✓

*To be submitted with application or before date of final application approval by school board.

Schedule A (Rev. May 2010): Investment

Form 50-236

Applicant Name
ISD Name

PROPERTY INVESTMENT AMOUNTS									
(Estimated investment in each year. Do not put cumulative totals.)									
	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: Tangible Personal Property The amount of new investment (original cost) placed in service during this year	Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B Qualifying investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)		
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment)								
	Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)	2011-12							
	Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property)	2011							
	Complete tax years of qualifying time period	1	1,000,000		1,000,000		1,000,000		
		2	38,500,000		38,500,000		38,500,000		
		3	270,500,000		270,500,000		270,500,000		
		4							
		5							
		6							
		7							
		8							
		9							
		10							
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	11							
		12							
		13							
		14							
		15							
		16							
		17							
		18							
		19							
		20							
Credit Settle-Up Period	Continue to Maintain Viable Presence	21							
		22							
		23							
		24							
		25							
		26							
		27							
		28							
		29							
		30							
Post-Settle-Up Period	Post-Settle-Up Period	31							
		32							
		33							
		34							
		35							
		36							
		37							
		38							
		39							
		40							

Barber Hill Enterprise Project

Qualifying Time Period usually begins with the final board approval of the application and extends generally for the following two complete tax years.
This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment - as defined in Tax Code §313.021(1)(A)-(D).
For the purposes of investment, please list amount invested each year, not cumulative totals.

[For the years outside the qualifying time period, this number should simply represent the planned investment in tangible personal property].
Include estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period.
The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).

For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings.
Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value-for planning, construction and operation of the facility.
The most significant example for many projects would be land. Other examples may be items such as professional services, etc.
Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

Notes: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed.
This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter these amounts for future years.

2012
7/19/2011
Curt Jato

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

Schedule B (Rev. May 2010): Estimated Market And Taxable Value

Form 50-296

Applicant Name
ISD Name

		Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Reductions from Market Value	Estimated Taxable Value	
					Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"		Final taxable value for I&S - after all reductions	Final taxable value for M&O--after all reductions
		pre-year 1	2011-2012	2011						
Tax Credit Period (with 50% cap on credit)	Complete tax years of qualifying time period	1	2012-13	2012			1,000,000		1,000,000	1,000,000
		2	2013-14	2013			38,500,000		38,500,000	38,500,000
		3	2014-15	2014			270,500,000	18,620,000	251,880,000	30,000,000
		4	2015-16	2015			310,000,000	18,050,000	291,950,000	30,000,000
		5	2016-17	2016			306,280,000	17,670,000	288,610,000	30,000,000
	Value Limitation Period	6	2017-18	2017			302,250,000	17,100,000	285,150,000	30,000,000
		7	2018-19	2018			297,910,000	16,530,000	281,380,000	30,000,000
		8	2019-20	2019			293,260,000	15,960,000	277,300,000	30,000,000
		9	2020-21	2020			287,990,000	15,390,000	272,600,000	30,000,000
		10	2021-22	2021			282,410,000	14,820,000	267,590,000	30,000,000
	Continue to Maintain Viable Presence	11	2022-23	2022			276,210,000	14,250,000	261,960,000	261,960,000
		12	2023-24	2023			269,700,000	13,490,000	256,210,000	256,210,000
		13	2024-25	2024			262,260,000	13,389,000	248,871,000	248,871,000
	Post- Settle-Up Period	14	2025-26	2025			254,510,000	13,210,000	241,300,000	241,300,000
	Post- Settle-Up Period	15	2026-27	2026			272,583,000	13,120,000	259,463,000	259,463,000

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

This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

Curt Tate

7/19/2011

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

Schedule C- Application: Employment Information

Form 50-296

Applicant Name
ISD Name

				Construction		New Jobs		Qualifying Jobs		
		Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Column A: Number of Construction FTE's or man-hours (specify)	Column B: Average annual wage rates for construction workers	Column C: Number of new jobs applicant commits to create (cumulative)	Column D: Average annual wage rate for all new jobs.	Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs
		pre-year 1	2011-12	2011						
		1	2012-13	2012	500 FTE	\$25 an hour	4	\$85,500.00	4	\$85,500.00
		2	2013-14	2013	500 FTE	\$25 an hour	4	\$85,500.00	4	\$85,500.00
	Tax Credit Period (with 50% cap on credit)	3	2014-15	2014			4	\$85,500.00	4	\$85,500.00
		4	2015-16	2015			4	\$85,500.00	4	\$85,500.00
		5	2016-17	2016			4	\$85,500.00	4	\$85,500.00
		6	2017-18	2017			4	\$85,500.00	4	\$85,500.00
		7	2018-19	2018			4	\$85,500.00	4	\$85,500.00
		8	2019-20	2019			4	\$85,500.00	4	\$85,500.00
		9	2020-21	2020			4	\$85,500.00	4	\$85,500.00
		10	2021-22	2021			4	\$85,500.00	4	\$85,500.00
		11	2022-23	2022			4	\$85,500.00	4	\$85,500.00
Credit Settle-Up Period	Continue to Maintain Viable Presence	12	2023-24	2023			4	\$85,500.00	4	\$85,500.00
		13	2024-25	2024			4	\$85,500.00	4	\$85,500.00
Barb	Post- Settle-Up Period	14	2025-26	2025			4	\$85,500.00	4	\$85,500.00
		15	2026-27	2026			4	\$85,500.00	4	\$85,500.00

Notes: For job definitions see TAC §9.1051(14) and Tax Code §313.021(3).

This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

Curt J. Tate

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

7/19/2011

Schedule D: (Rev. May 2010): Other Tax Information

Applicant Name

ISD Name

Form 50-296

Name					Sales Tax Information			Franchise Tax		Other Property Tax Abatements Sought			
					Sales Taxable Expenditures			Franchise Tax	County	City	Hospital	Other	
					Year	School Year (YYYY-YYYY)	Tax/ Calendar Year YYYY	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)					2011-2012	2011							
Tax Credit Period (with 50% cap on credit)	Complete tax years of qualifying time period	1	2012-13	2012	\$600,000.00	\$900,000.00	\$15,196,069.00	100					-
		2	2013-14	2013	\$600,000.00	\$900,000.00	\$15,196,069.00	100					-
		3	2014-15	2014	\$600,000.00	\$900,000.00	\$15,196,069.00	100					-
		4	2015-16	2015	\$600,000.00	\$900,000.00	\$15,196,069.00	100					-
		5	2016-17	2016	\$600,000.00	\$900,000.00	\$15,196,069.00	75					-
		6	2017-18	2017	\$600,000.00	\$900,000.00	\$15,196,069.00	60					-
		7	2018-19	2018	\$600,000.00	\$900,000.00	\$15,196,069.00	50					-
		8	2019-20	2019	\$600,000.00	\$900,000.00	\$15,196,069.00	50					-
		9	2020-21	2020	\$600,000.00	\$900,000.00	\$15,196,069.00	50					-
		10	2021-22	2021	\$600,000.00	\$900,000.00	\$15,196,069.00	-	25				-
		11	2022-23	2022	\$600,000.00	\$900,000.00	\$15,196,069.00						
		12	2023-24	2023	\$600,000.00	\$900,000.00	\$15,196,069.00						
		13	2024-25	2024	\$600,000.00	\$900,000.00	\$15,196,069.00						
		14	2025-26	2025	\$600,000.00	\$900,000.00	\$15,196,069.00						
		15	2026-27	2026	\$600,000.00	\$900,000.00	\$15,196,069.00						

During planning, construction and operation of the facility.

Page 18

7/19/2011

DATE

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

ATTACHMENT A
APPLICATION FOR TAX ABATEMENT
BARBERS HILL SCHOOL DISTRICT

Proposed Project Description

Enterprise Products Operating LLC proposes to build a new NGL fractionator in Mont Belvieu, Texas. Our current Mont Belvieu NGL fractionator is one of the largest NGL fractionation facilities in the United States.

NGL Fractionation

NGL fractionation is the process of manufacturing raw NGL mix produced by natural gas processing plants into discrete NGL purity components (i.e., ethane, propane, normal butane, iso-butane, and natural gasoline).

Fractionation Process

The fractionation process is accomplished by applying heat and pressure to the mixture of raw NGL hydrocarbons and separating each discrete product at the different boiling points for each NGL component of the mixture. The raw NGL mixture is passed through a specific series of distillation towers: deethanizer, depropanizer, debutanizer, and deisobutanizer. The name of each of these towers corresponds to the NGL component that is separated in that tower. The raw NGL mixture first passes through the deethanizer, where its temperature is increased to the point where ethane (the lightest component) boils off the top of the tower as a gas and is condensed into a purity liquid that is routed to storage. The heavier components in the mixture at the bottom of the tower (i.e., propane, butane, iso butane, and natural gasoline) are routed to the second tower (depropanizer), where the process is repeated and the next lightest component (propane) is separated. This process is repeated until the mixture of liquids has been separated into its purity components.

Demand for NGLs

Sources of U.S. NGL demand include petrochemical consumption, gasoline blending, heating and fuel, and exports. Demand is driven primarily by the petrochemical industry, which accounts for 40-50% of total consumption. The U.S. petrochemical industry uses NGL products as feedstock (i.e. raw material) to produce ethylene, propylene, and butadiene (also known as olefins).

The following factors influence demand for each individual NGL component:

- **Ethane.** Essentially all of the ethane extracted from natural gas is consumed by the petrochemical industry as a feedstock for ethylene production. (Ethylene is a building block for polyethylene, which is the most popular plastic in the world.)
- **Propane.** Approximately 25-30% of propane is used as a feedstock by the petrochemical industry to produce ethylene and propylene. (Like ethylene, propylene is an important building block used in the manufacture of plastics.) The

bulk of the remaining demand for propane is primarily as a heating fuel in the residential and commercial markets.

- **Normal butane.** Normal butane is used as a petrochemical feedstock for the production of ethylene and butadiene (used to make synthetic rubber), as a blendstock for motor gasoline, and as a feedstock to create isobutane.
- **Isobutane.** Isobutane has the same molecular formula as normal butane, but a different structural formula (i.e., atoms are rearranged). Isobutane is used in refinery alkylation to enhance the octane content of motor gasoline.
- **Natural gasoline.** Natural gasoline is used primarily as a blendstock

List of Improvements

Plant Components

- DeEthanizer
- DEPropanizer
- Debutanizer
- Towers
- Heat Medium
- Gasoline Treater
- Compression Equipment

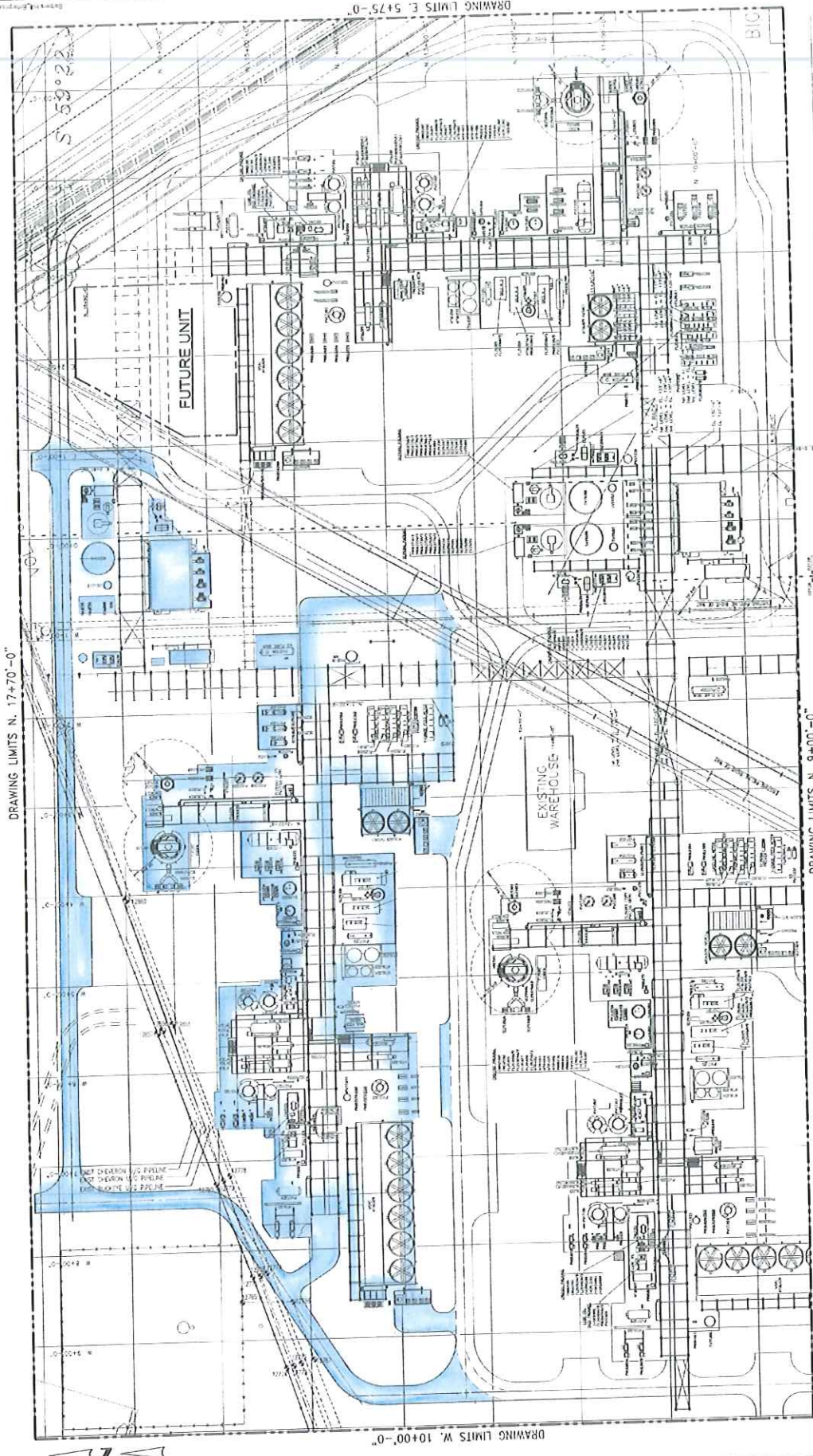


Frac #4 _ NGL Fractionation Facility- Chambers County, TX

Ability to locate or relocate:

The Company currently operates in two states, and allocates capital investment to projects and locations that create the best economic return. The existence of a limitation on tax value is a significant factor in calculating the economic return and allocation of reserves to the project. However the Company could redirect its expenditures to its plants in:

- HOBBS-WEST TEXAS
- NORCO- SOUTH LOUISIANA



DRAWING LIMITS N. 17+70'-0"

DRAWING LIMITS N. 9+00'-0"

[illegible]

Location of Qualified Property/Qualified Investment highlighted in Blue

ISSUED FOR
DATE: 09/2010
CONSTRUCTION

Calculations of wages information---Based on Most Recent Data Available

110% of County Average Weekly Wage for all Jobs

Year	Period	Wages
2010	2Q	857
2010	3Q	929
2010	4Q	1,067
2011	1Q	957

Average= \$952.50 average weekly salary
 X 1.1 (110%)
\$1047.75 110% of County Average Weekly Wage for all Jobs

110% of County Average Weekly Wage for manufacturing Jobs

Year	Period	Wages
2010	2Q	1,305
2010	3Q	1,461
2010	4Q	1,599
2011	1Q	1,470

Average = \$1458.75 average weekly salary
 X 1.1 (110%)
\$1,604.63 110% of County Average Weekly Wage for Manufacturing Jobs

110 % of County Average Weekly Wage for Manufacturing Jobs in Region
(Houston-Galveston)

\$24.52 per hour
 X 40 hr per week
 \$ 980.80 average weekly salary
 X 1.10 (110%)
\$1,078.88
 X 52 weeks
\$56,101.76 110% of County Average Weekly Wage for all Jobs in Region



Quarterly Employment and Wages (QCEW)

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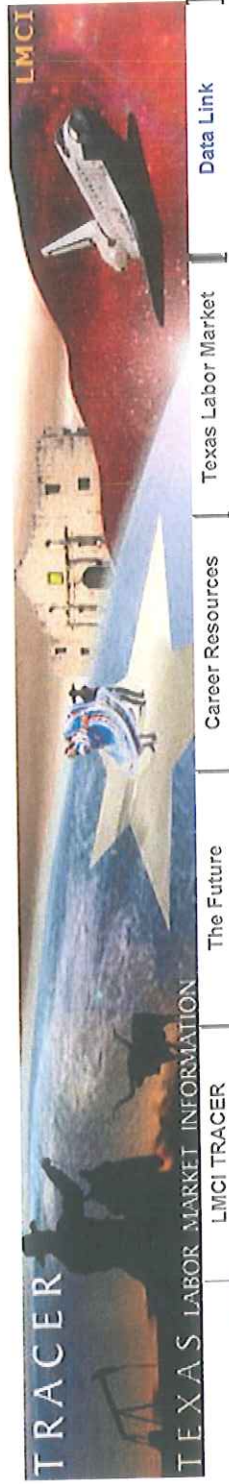
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Page 1 of 1 (40 results/page)									
Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages	
2011	1st Qtr	Chambers County	Private	00	0	10	Total, All Industries	\$957	
2010	2nd Qtr	Chambers County	Private	00	0	10	Total, All Industries	\$857	
2010	3rd Qtr	Chambers County	Private	00	0	10	Total, All Industries	\$929	
2010	4th Qtr	Chambers County	Private	00	0	10	Total, All Industries	\$1,067	

Select Data Type

- All Data Types
- Unemployment (LAUS)
- Employment Estimates (CES)
- Quarterly Employment and Wages (QCEW)
- Wages by Profession
- Projections - Occupation
- Projections - Industry
- Consumer Price Index
- Income
- Staffing Patterns
- Population

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Texas Labor Market

Career Resources

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Quarterly Employment and Wages (QCEW)

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All Data Types

Unemployment (LAUS)

Employment Estimates

(CES)

Quarterly Employment
and Wages (QCEW)

Wages by Profession

Projections - Occupation

Projections - Industry

Consumer Price Index

Income

Staffing Patterns

Population

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2011	1st Qtr	Chambers County	Private	31	2	31-33	Manufacturing	\$1,470
2010	2nd Qtr	Chambers County	Private	31	2	31-33	Manufacturing	\$1,305
2010	3rd Qtr	Chambers County	Private	31	2	31-33	Manufacturing	\$1,461
2010	4th Qtr	Chambers County	Private	31	2	31-33	Manufacturing	\$1,599

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2010 Manufacturing Wages by Council of Government Region
Wages for All Occupations

COG	Wages	
	Hourly	Annual
Texas		
1. Panhandle Regional Planning Commission	\$18.60	\$38,683
2. South Plains Association of Governments	\$16.21	\$33,717
3. NORTEX Regional Planning Commission	\$18.34	\$38,153
4. North Central Texas Council of Governments	\$23.45	\$48,777
5. Ark-Tex Council of Governments	\$15.49	\$32,224
6. East Texas Council of Governments	\$17.63	\$36,672
7. West Central Texas Council of Governments	\$17.48	\$36,352
8. Rio Grande Council of Governments	\$15.71	\$32,683
9. Permian Basin Regional Planning Commission	\$19.90	\$41,398
10. Concho Valley Council of Governments	\$15.33	\$31,891
11. Heart of Texas Council of Governments	\$17.91	\$37,257
12. Capital Area Council of Governments	\$25.37	\$52,778
13. Brazos Valley Council of Governments	\$15.24	\$31,705
14. Deep East Texas Council of Governments	\$15.71	\$32,682
15. South East Texas Regional Planning Commission	\$27.56	\$57,333
16. Houston-Galveston Area Council	\$24.52	\$51,002
17. Golden Crescent Regional Planning Commission	\$20.07	\$41,738
18. Alamo Area Council of Governments	\$17.28	\$35,952
19. South Texas Development Council	\$13.27	\$27,601
20. Coastal Bend Council of Governments	\$21.55	\$44,822
21. Lower Rio Grande Valley Development Council	\$14.35	\$29,846
22. Texoma Council of Governments	\$18.10	\$37,651
23. Central Texas Council of Governments	\$17.21	\$35,788
24. Middle Rio Grande Development Council	\$13.21	\$27,471

Source: Texas Occupational Employment and Wages

Data published: June 2011

Data published annually, next update will be June 2012.

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

Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.

Data intended for TAC 313 purposes only.

15-Description of Benefits

Enterprise Products offers the following benefits to its employees:

Health Care

Paid Sick Leave and Vacation

Education

401 K

**LEGAL DESCRIPTION OF LAND
APPLICATION FOR TAX ABATEMENT
BARBERS HILL SCHOOL DISTRICT**

2006 JAN 20 PM 2:22
11676 02 339 305167639
RETURN TO:COMMERCE TITLE
700 ROLLINGBROOK SUITE E
BAYTOWN, TEXAS 77521OFFICIAL PUBLIC RECORDS
CHAMBERS COUNTY, TEXAS
Susan E. Roshto, County Clerk

GENERAL WARRANTY DEED

THE STATE OF TEXAS §
COUNTY OF CHAMBERS §

KNOW ALL MEN BY THESE PRESENTS:

That I, GLENDA DEL BROWN, of Kendall County, Texas, for and in consideration of the sum of TEN AND NO/100 (\$10.00) DOLLARS and other good and valuable consideration cash to me in hand paid by ENTERPRISE PRODUCTS OPERATING L.P., the receipt of which is hereby acknowledged, have (subject to the exceptions, reservations and covenants hereinafter set forth) GRANTED, SOLD and CONVEYED, and by these presents do (subject to the exceptions, reservations and covenants hereinafter set forth) GRANT, SELL and CONVEY unto the said ENTERPRISE PRODUCTS OPERATING L.P., a Delaware Limited Partnership, whose mailing address is 2727 North Loop West, Houston, Texas 77008, all of that certain lot, tract or parcel of land described in "EXHIBIT A" attached hereto and made a part hereof for all purposes.

It is understood and agreed by and between the parties hereto that this conveyance is made subject to the exceptions set forth in "EXHIBIT B" attached hereto and made a part hereof for all purposes.

It is further understood and agreed by and between the parties hereto that this conveyance is made subject to the following any and all zoning laws, regulations and ordinances of municipal or other governmental authority, and any and all exceptions, reservations, restrictions and easements, if any, affecting the above-described property and shown of record among the Official Public Records of Chambers County, Texas, and any canals, pipelines, easements or rights-of-way

2006 01 16
11:26 08 838 204

therefor physically located on the above-described property, whether documents therefor are recorded in such records or not.

TO HAVE AND TO HOLD the above-described premises (subject to the exceptions, reservations and covenants hereinabove set forth), together with all and singular the rights and appurtenances thereto in anywise belonging, unto the said ENTERPRISE PRODUCTS TEXAS OPERATING L.P., its successors and assigns, forever; and the undersigned hereby binds herself, her heirs, executors and administrators, to WARRANT and FOREVER DEFEND all and singular the said premises (subject to the exceptions, reservations and covenants hereinabove set forth), unto the said ENTERPRISE PRODUCTS TEXAS OPERATING L.P., its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

IN TESTIMONY WHEREOF, Witness my hand this the 23rd day of

Jan, A.D., 2006.

Glenda Del Brown
Glenda Del Brown

THE STATE OF TEXAS §

COUNTY OF KENDALL §

This instrument was acknowledged before me on the 23RD day of JANUARY, A.D., 2006, by GLENDA DEL BROWN.



Janice K. Pfeiffer
Notary Public, State of Texas
Printed Name: JANICE K. PFEIFFER
Commission Expires: 6-19-06

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11526 C 870 297

"EXHIBIT A"

THE STATE OF TEXAS)
COUNTY OF CHAMBERS)

FIELD NOTES of a 126,2412 acre tract of land situated in the T. & N.O.R.R.Co. Survey, Section No. 1, Abstract No. 503 and the Dan Jorgins Survey, Abstract No. 599; and being out of and a part of the residue of a 572.51 Acre tract of land called Second Tract from J.R. Barber to Kirby Oil and Gas Company recorded in Volume 161 at Page 590 of the Deed Records of Chambers County, Texas. This 126.2412 acre tract of land is more particularly described by metes and bounds as follows, to-wit:

NOTE: ALL BEARINGS ARE LAMBERT GRID BEARINGS AND ALL COORDINATES REFER TO THE STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE, 1927 DATUM, AS DEFINED IN ARTICLE 5300A OF THE REVISED CIVIL STATUTES OF THE STATE OF TEXAS.
ALL DISTANCES ARE ACTUAL DISTANCES. SCALE FACTOR = 0.9999062
REFERENCE IS MADE TO PLAT OF EVEN DATE ACCOMPANYING THIS METES AND BOUNDS DESCRIPTION.

BEGINNING at a $\frac{1}{4}$ inch iron rod set for the Northwest corner of this tract of land and the Southwest corner of a 487.009 acre tract of land conveyed in a deed from Glenda Del Brown to Exxon Corporation dated November 1, 1978 and recorded in Volume 425 at Page 515 of the Deed Records of Chambers County, Texas and being in the East Right-of-Way line of Hatcherville Road (70' R.O.W.). This corner as a Texas State Plane Coordinate Value of $X = 762,238.95$ and $Y = 3,293,315.08$.

THENCE North 66 deg 41 min 04 sec East with the North line of this tract of land and the South line of said 487.009 acre tract of land a distance of 3,399.51 feet to a $\frac{1}{4}$ inch iron rod set for the Northeast corner of this tract of land and the Southeast corner of said 487.009 acre tract of land and being in the West Right-of-Way line of the Southern Pacific Railroad (100' R.O.W.). From this corner a found brass disk stamped "Exxon Chemical Company U.S.A." bears South 66 deg 41 min 04 sec West a distance of 2.08 feet.

THENCE South 07 deg 20 min 00 sec East with the East line of this tract of land and West Right-of-Way line of said Southern Pacific Railroad a distance of 1,458.10 feet to a $\frac{1}{4}$ inch iron rod set for the Southeast corner of this tract of land and the Northeast corner of a 117.469 acre tract of land conveyed in a deed from Glenda Del Brown to Enterprise Product Company dated December 05, 1991 and recorded in Volume 162 at Page 169 of the Official Records of Chambers County, Texas. From this corner a found $5/8$ inch iron rod bears North 57 deg 22 min 27 sec East a distance of 2.53 feet.

2006 EK 50 76
11676 ER 339 208

THENCE South 57 deg 22 min 27 sec West with the South line of this tract of land and the North line of said 117.469 acre tract of land a distance of 3,334.56 feet to a $\frac{1}{4}$ inch iron rod set for the Southwest corner of this tract of land and the Northwest corner of said 117.469 acre tract of land, and being in the East Right-of-Way line of said Hatcherville Road. From this corner a found $\frac{5}{8}$ inch iron rod bears North 57 deg 22 min 27 sec East a distance of 3.04 feet.

THENCE North 14 deg 47 min 39 sec West with the West line of this tract of land and the East Right-of-Way line of said Hatcherville Road a distance of 1,714.32 feet to a $\frac{1}{4}$ inch iron rod set for an angle point of this tract of land, and being in the East Right-of-Way line of said Hatcherville Road.

THENCE North 14 deg 23 min 53 sec West with the West line of this tract of land and the East Right-of-Way line of said Hatcherville Road a distance of 248.81 feet to the PLACE OF BEGINNING, containing within said boundaries 126.2412 acres of land.

1

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11676 08 038 209

"EXHIBIT B"

There are no exceptions listed as "a", "b", or "c" in this exhibit. This exhibit begins with the exception designated as "d", and ends with exception designated as "mmm".

- d. Right of Way Deed dated August 21, 1918, recorded in Volume 16 at Page 86 of the Deed Records of Chambers County, Texas from Old River Company to Dayton - Goose Creek Railway Company.
- e. Right of Way dated May 15, 1929, recorded in Volume 28 at Page 150 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Gulf Pipeline Company.
- f. Right of Way dated February 24, 1930, recorded in Volume 30 at Page 339 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Humphrey Corporation.
- g. Right of Way dated December 31, 1931, recorded in Volume 33 at Page 638 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Gulf Pipeline Company.
- h. Right of Way dated June 6, 1947, recorded in Volume 103 at Page 561 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Texas Pipeline Company.
- i. Right of Way dated December 3, 1952, recorded in Volume 146 at Page 537 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Sinclair Pipeline Company.
- j. Right of Way dated June 1, 1954, recorded in Volume 158 at Page 5 of the Deed Records of Chambers County, Texas from Kirby Petroleum Company to Texas natural Gasoline Corporation.
- k. Right of Way dated February 11, 1955, recorded in Volume 165 at Page 509 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Texas Natural Gasoline Corporation.
- l. Right of Way dated December 30, 1955, recorded in Volume 172 at Page 85 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Southern Canal Corporation.
- m. Right of Way dated July 20, 1956, recorded in Volume 181 at Page 43 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Texas Butadiene & Chemical Corporation.
- n. Right of Way Deed dated February 11, 1956, recorded in Volume 183 at Page 369 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Gulf Refining Company.

- o. Right of Way dated February 18, 1958, recorded in Volume 198 at Page 577 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Chambers County Water Control and Improvement District..
- p. Right of Way dated November 11, 1959, recorded in Volume 217 at Page 497 of the Deed Records of Chambers County, Texas from J.R. Barber, et ux to Southern Canal Company.
- q. Right of Way dated November 9, 1960, recorded in Volume 225 at Page 477 of the Deed Records of Chambers County, Texas from J.R. Barber to Southern Canal Company.
- r. Right of Way dated December 19, 1961, recorded in Volume 234 at Page 255 of the Deed Records of Chambers County, Texas from Lula Barber to Southern Canal Company..
- s. Right of Way dated July 6, 1962 recorded in Volume 239 at Page 140 of the Deed Records of Chambers County, Texas from Lula Barber, et al to Colonial Pipeline Company.
- t. Right of Way dated January 29, 1966 recorded in Volume 275 at Page 373 of the Deed Records of Chambers County, Texas from Lula Barber to Sinclair Pipeline Company.
- u. Easement:
To: Southern Canal Company
Recorded: October 18, 1967 in Volume 292 at Page 469 ,Deed Records,Chambers County, Texas.
Purpose: Canal
- v. Easement:
To: Gulf Refining Company
Recorded: February 5, 1968 in Volume 293 at Page 665 ,Deed Records,Chambers County, Texas.
Purpose:
- w. Right of Way dated February 5, 1968, recorded in Volume 294 at Page 203 of the Deed Records of Chambers County, Texas from Lula Barber to Sinclair Pipeline Company.
- x. Right of Way dated , recorded in Volume 165 at Page 509 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Texas Natural Gasoline Corporation.
- y. Right of Way dated April 23, 1970, recorded in Volume 315 at Page 505 of the Deed Records of Chambers County, Texas from Lula Barber to Lo-Vaca Gathering Company..
- z. Right of Way dated May 18, 1970, recorded in Volume 315 at Page 602 of the Deed Records of Chambers County, Texas from Lula Barber to Diamond Shamrock Corporation.
- aa. Right of Way dated May 18, 1970, recorded in Volume 316 at Page 138 of the Deed Records of Chambers County, Texas from Lula Barber to Cities Service Pipeline Company.
- bb. Right of Way dated August 17, 1970, recorded in Volume 318 at Page 466 of the Deed Records of Chambers County, Texas from Lula Barber to Santa Fe Pipeline Company.
- cc. Right of Way Deed dated October 10, 1970, recorded in Volume 320 at Page 162 of the Deed Records of Chambers County, Texas from Lula Barber to Coastal Industrial Water Authority.
- dd. Right of Way dated October 8, 1970, recorded in Volume 320 at Page 337 of the Deed Records of Chambers County, Texas from Lula Barber to Explorer Pipeline Company.

- ee. Right of Way dated July 15, 1975, recorded in Volume 371 at Page 652 of the Deed Records of Chambers County, Texas from Lula Barber to Blg Three Industries, Inc..
- ff. Right of Way dated August 26, 1975, recorded in Volume 373 at Page 405 of the Deed Records of Chambers County, Texas from Delno Brown Executor of the Estate of Lula Barber and Glenda Del Brown to Colonial Pipeline Company
- gg. Right of Way dated February 22, 1977, recorded in Volume 395 at Page 291 of the Deed Records of Chambers County, Texas from Delno Brown Executor of the Estate of Lula Barber and Glenda Del Brown to ARCO Pipeline Company
- hh. Right of Way dated December 21, 1978, recorded in Volume 428 at Page 420 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Lo Vaca Gathering Company
- ii. Right of Way dated February 2, 1979, recorded in Volume 430 at Page 541 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Houston Pipeline Company
- jj. Right of Way dated February 22, 1979, recorded in Volume 431 at Page 653 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Shell Pipeline Corporation
- kk. Right of Way dated October 31, 1980, recorded in Volume 464 at Page 272 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Exxon Pipeline Corporation
- ll. Right of Way dated August 8, 1980, recorded in Volume 467 at Page 447 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Blg Three Industries, Inc..
- mm. Valve Site Lease dated January 12, 1981, recorded in Volume 467 at Page 461 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Blg Three Industries, Inc..
- nn. Right of Way dated May 1, 1981, recorded in Volume 473 at Page 156 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Exxon Pipeline Company
- oo. Right of Way dated April 22, 1981, recorded in Volume 475 at Page 710 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Matador Pipeline Inc..
- pp. Right of Way dated May 18, 1981, recorded in Volume 478 at Page 481 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Matador Pipeline Inc.
- qq. Right of Way dated October 12, 1981, recorded in Volume 485 at Page 1 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Blg Three Industries, Inc..
- rr. Easement:
 - To: Houston Lighting and Power Company
 - Recorded: July 13, 1981 in Volume 478 at Page 481, Deed Records, Chambers County, Texas.
 - Purpose: Utility
- ss. Right of Way dated February 1, 1982, recorded in Volume 493 at Page 446 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Blg Three Industries, Inc..
- tt. Right of Way Contract dated May 31, 1988, recorded in Volume 50 at Page 106 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Mustang Pipeline Company

- uu. Easement:
To: Valero Transmision
Recorded: September 12, 1988 In Volume 56 at page 677 ,Official Public Records,Chambers County, Texas.
Purpose: Pipeline
- vv. Right of Way Contract dated November 8, 1988, recorded In Volume 62 at Page 573 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Hlmont USA
- ww. Right of Way Contract dated December 5, 1991, recorded In Volume 162 at Page 177 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Enterprise Products Company
- xx. Right of Way Contract dated March 13, 1992, recorded In Volume 171 at Page 642 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Koch Pipeline Company
- yy. Right of Way Contract dated March 26, 1992, recorded In Volume 175 at Page 379 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Union Carbide Industrial Gases, Inc.
- zz. Right of Way dated August 11, 1994, recorded In Volume 248 at Page 241 of the Official Public Records of Chambers County, Texas from Exxon to City of Mount Belvieu..
- aaa. Right of Way Contract dated August 28, 1995 recorded In Volume 277 at Page 376 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Chevron USA
- bbb. Right of Way Contract dated June 27, 1995, recorded In Volume 279 at Page 591 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Exxon Pipeline Company
- ccc. Right of Way Contract dated October 29, 1996, recorded In Volume 314 at Page 345 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Mustang Pipeline Company
- ddd. Right of Way Contract dated June 9, 1997, recorded In Volume 334 at Page 362 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Koch Pipeline Company
- eee. Pipeline Right-of-Way Agreement dated July 28, 1998 and recorded In Volume 380 at Page 138 of the Official Public records of Chambers County, Texas.
- fff. Pipeline Work Space Agreement dated September 16, 1998, recorded In Volume 382 at Page 623 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Koch Pipeline Company
- ggg. Pipeline Right-of-Way Agreement dated September 5, 2003 and recorded In Volume 645 at Page 277 of the Official Public records of Chambers County, Texas.
- hhh. Easement:
To: Cobra Oil & Gas Corporation
Recorded: September 14, 2004 In Volume 733 at page 5 ,Official Public Records,Chambers County, Texas.
Purpose: Pipeline
- iii. Surface Agreement dated June 3, 2004 and recorded In Volume 703 at Page 644 of the Official Public records of Chambers County, Texas.

2006	PK	501	86
11676	OR	839	213

- jjj. Surface Agreement dated May 27, 2004 and recorded in Volume 733 at Page 13 of the Official Public records of Chambers County, Texas,
- kkk. Portion of subject property is in the City of Mount Belvieu, Texas, as set forth in Ordinance recorded in Volume 242, Page 324 of the Official Public Records of Chambers County, Texas.
- lll. A gravel road traversing the Southern portion of subject property as evidenced by plat prepared by Chambers Surveying & Mapping by Michael W. Chandler RPLS 5292 and dated July 12, 2005 under Job No. 05-1102
- mmm. Mineral and/or royalty Interest:
 - Interest: An undivided 100%
 - Recorded: September 13, 1954 in Volume 161 at Page 598, Deed Records, Chambers County, Texas.

JAN 27 2006

STATE OF TEXAS

Barbers County

On Jan 27, 2006 at 6:00 PM

AS OLD PUBLIC Records

Barbers County, TEXAS

CLERK NUMBER 0001676

AMOUNT \$6.00

RECEIPT NUMBER 00200294

BY RECEIPTS

STATE OF TEXAS

Barbers County

AS STARTED RECEIVED BY RE. JAN 27, 2006

Barbers County, TEXAS

Recorded

[Handwritten Signature]

⑨ Commerce Title Company
700 Rollingbrook Drive, Ste. E
Baytown, TX. 77521

**EXISTING APPRAISED VALUE AND ACCOUNT NUMBER
APPLICATION FOR TAX ABATEMENT
BARBERS HILL SCHOOL DISTRICT**

Property ID: 1874

Owner: ENTERPRISE PRODUCTS OPERATING LP

Property ID:

Account Number:

1874

00503-00100-00100-070001

Property Legal Description:

Deed Information:

503 TR 1-1 T AND N O

Volume: 838

SEC 1

Page: 205

File Number: 11676

Deed Date: 1/27/2006

Property Location:

Block:

Survey / Sub Division Abstract:

Section / Lot:

Owner Information:

Property Detail:

ENTERPRISE PRODUCTS OPERATING LP

Property Exempt:

Category/SPTB Code: D2

PO BOX 4018

Total Acres: 95.231

Total Living Sqft: See Detail

HOUSTON TX 77210 4018

Owner Interest: 1.000000

Homestead Exemption:

Previous Owner:

Homestead Cap Value: 0

BROWN GLENDA

Land Ag/Timber Value: 0

Land Market Value: 214,270

Improvement Value: 0

Property Market Value: 214,270

Jur Code	Jur Name	Total Market	Homestead	Total Exemption	Taxable
01	CHAMBERS COUNTY	214,270		0	214,270
01R	CHAMBERS COUNTY ROAD	214,270		0	214,270
31	BARBERS HILL ISD	214,270		0	214,270

\$ 284,040 total

Property ID: 1874

Owner: ENTERPRISE PRODUCTS OPERATING LP

Land Detail

Land Sequence 1		
Acres: 95.231	Market Class: RS31LD-10	Market Value: 214,270
Land Method: AC	Ag/Timber Class: ARN	Ag/Timber Value: 4,760
Land Homesiteable: NO	Land Type: NATP	Ag Code:
Front Foot: N/A	Rear Foot: N/A	Lot Depth: N/A
Front Ft Avg: N/A	Lot Depth %: N/A	Land Square Ft: N/A
Land Note:		

Total Land Value: \$ 214,270

Property ID: 1874

Owner: ENTERPRISE PRODUCTS OPERATING LP

Previous Owner Information

Parcel ID	Seller	Buyer	Volume	Page	File Number	Deed Date
1874	BROWN GLENDA	ENTERPRISE PRODUCTS OPERATING LP	838	205	11676	1/27/2006

Property ID: 34652

Owner: ENTERPRISE PRODUCTS OPERATING LP

Property ID:

34652

Account Number:

00503-00100-00100-070400

Property Legal Description:

503 TR 1-1-4 T AND N O

Deed Information:

Volume: 838

Page: 205

File Number: 11676

Deed Date: 1/27/2006

Property Location:

Block:

Survey / Sub Division Abstract:

Section / Lot:

Owner Information:

ENTERPRISE PRODUCTS OPERATING LP

PO BOX 4018

HOUSTON TX 77210 4018

Previous Owner:

BROWN GLENDA

Property Detail:

Property Exempt:

Category/SPTB Code: D2

Total Acres: 10.808

Total Living Sqft: See Detail

Owner Interest: 1.000000

Homestead Exemption:

Homestead Cap Value: 0

Land Ag/Timber Value: 0

Land Market Value: 24,320

Improvement Value: 0

Property Market Value: 24,320

Jur Code	Jur Name	Total Market	Homestead	Total Exemption	Taxable
01	CHAMBERS COUNTY	24,320		0	24,320
01R	CHAMBERS COUNTY ROAD	24,320		0	24,320
10	CITY OF MT BELVIEU	24,320		0	24,320
31	BARBERS HILL ISD	24,320		0	24,320

Property ID: 34652

Owner: ENTERPRISE PRODUCTS OPERATING LP

Land Detail

Land Sequence 1		
Acres: 10.808	Market Class: RS31LD-10	Market Value: 24,320
Land Method: AC	Ag/Timber Class: ARN	Ag/Timber Value: 540
Land Homesiteable: NO	Land Type: NATP	Ag Code:
Front Foot: N/A	Rear Foot: N/A	Lot Depth: N/A
Front Ft Avg: N/A	Lot Depth %: N/A	Land Square Ft: N/A
Land Note:		

Total Land Value: \$ 24,320

Property ID: 34652

Owner: ENTERPRISE PRODUCTS OPERATING LP

Previous Owner Information

Parcel ID	Seller	Buyer	Volume	Page	File Number	Deed Date
34652	BROWN GLENDA	ENTERPRISE PRODUCTS OPERATING LP	838	205	11676	1/27/2006

Property ID: 30934

Owner: ENTERPRISE PRODUCTS OPERATING LP

Property ID:

Account Number:

30934

00503-00100-00100-070010

Property Legal Description:

Deed Information:

503 TR 1-1-0 T AND N O

Volume: 838

Page: 205

File Number: 11676

Deed Date: 1/27/2006

Property Location:

Block:

Survey / Sub Division Abstract:

Section / Lot:

Owner Information:

Property Detail:

ENTERPRISE PRODUCTS OPERATING LP

Property Exempt:

Category/SPTB Code: 02

PO BOX 4018

Total Acres: 20.200

Total Living Sqft: See Detail

HOUSTON TX 77210 4018

Owner Interest: 1.000000

Homestead Exemption:

Previous Owner:

Homestead Cap Value: 0

BROWN GLENDA

Land Ag/Timber Value: 0

Land Market Value: 45,450

Improvement Value: 0

Property Market Value: 45,450

Jur Code	Jur Name	Total Market	Homestead	Total Exemption	Taxable
01	CHAMBERS COUNTY	45,450		0	45,450
01R	CHAMBERS COUNTY ROAD	45,450		0	45,450
10	CITY OF MT BELVIEU	45,450		0	45,450
31	BARBERS HILL ISD	45,450		0	45,450

Property ID: 30934

Owner: ENTERPRISE PRODUCTS OPERATING LP

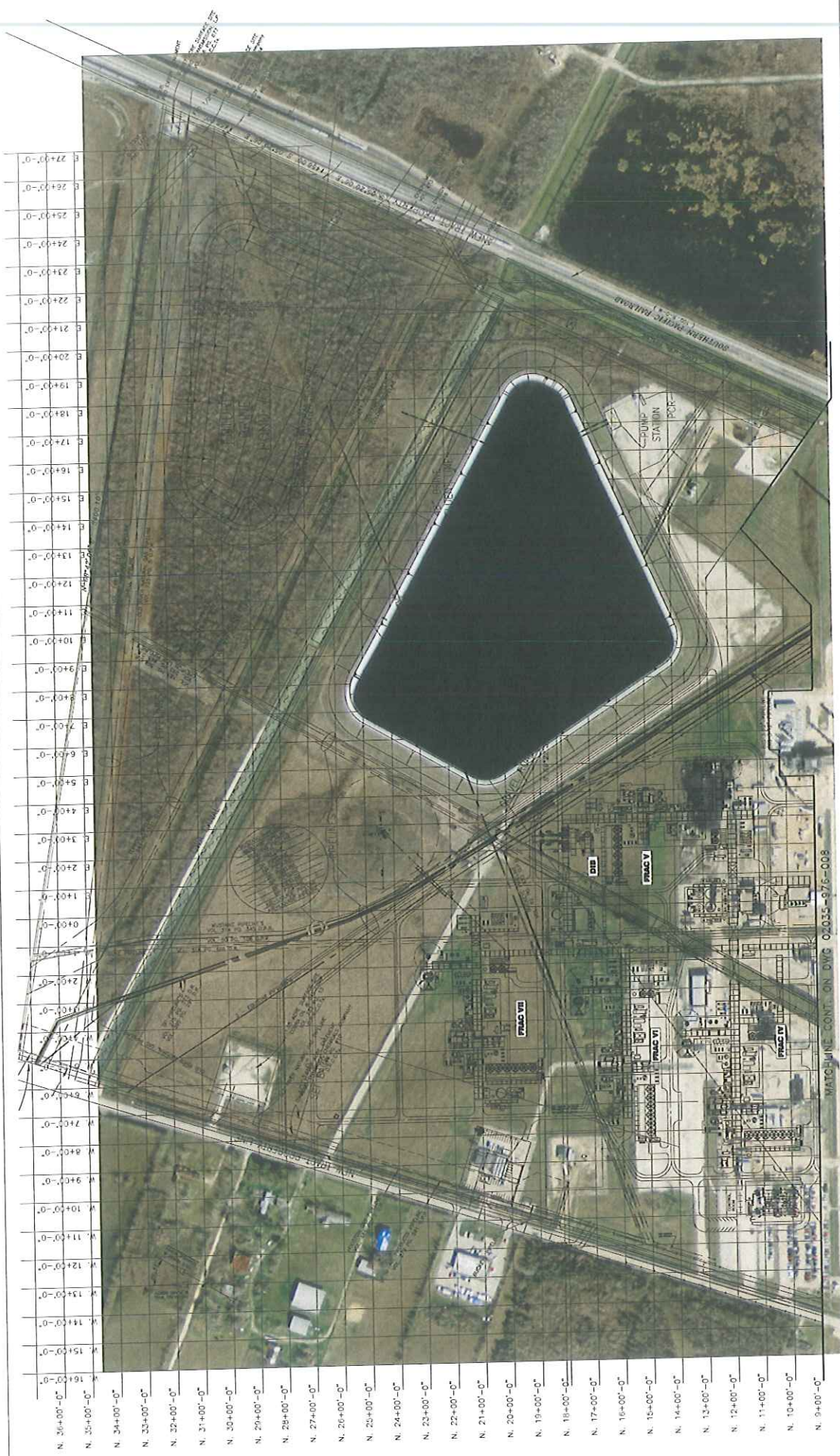
Land Detail

Land Sequence 1		
Acres: 20.2	Market Class: RS31LD-10	Market Value: 45,450
Land Method: AC	Ag/Timber Class: ARN	Ag/Timber Value: 1,010
Land Homesiteable: NO	Land Type: NATP	Ag Code:
Front Foot: N/A	Rear Foot: N/A	Lot Depth: N/A
Front Ft Avg: N/A	Lot Depth %: N/A	Land Square Ft: N/A
Land Note:		

Total Land Value: \$ 45,450

Map of RZ Zone/Vicinity Map

**ORDINANCE ESTABLISHING REINVESTMENT ZONE
APPLICATION FOR TAX ABATEMENT
BARBERS HILL SCHOOL DISTRICT**



REFERENCE DRAWINGS		REVISION		BY		DATE		NO.	
NUMBER	TITLE	NO.	TITLE	NO.	TITLE	NO.	TITLE	NO.	TITLE
1		1		1		1		1	
2		2		2		2		2	
3		3		3		3		3	
4		4		4		4		4	
5		5		5		5		5	
6		6		6		6		6	
7		7		7		7		7	
8		8		8		8		8	
9		9		9		9		9	
10		10		10		10		10	
11		11		11		11		11	
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99		99		99		99		99	
100		100		100		100		100	

PLANT
MONT BELVUE, TEXAS
MONT BELVUE PLANT
STATION PCR
02128-976-SKT2 0

DATE 11/25/00
DRAWN BY
CHECKED BY
APPROVED BY

REVISION
NO. TITLE

BY DATE

NO. TITLE

NO. TITLE

NO. TITLE

NO. TITLE

NO. TITLE

NO. TITLE

NO. TITLE

NO. TITLE

NO. TITLE

NO. TITLE

NO. TITLE

Mont Belvieu, TX - Google Maps - Microsoft Internet Explorer, provided by EP&O, Inc.

http://maps.google.com/

File Edit View Favorites Tools Help

Mont Belvieu, TX - Google Maps

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Google maps Mont Belvieu, TX

Get Directions My Maps

Mont Belvieu Real Estate

View Real Estate in Mont Belvieu TX

Get Recent Listings, Photos & Maps!

HomesforSaleHoustonArea.com

TEXAS

Mont Belvieu, TX - more info

Directions Search nearby more

Hammond Properties

Kenn & Dawn Hammond

Elite Texas Properties - Crosby

www.hammondprops.com

Houston TX

Separating Lines

Fractionator VI

(APPROXIMATE)

MT. BELVIEU

CITY LIMITS

(APPROXIMATE)

Search Maps

Show search options

Print Map Satellite Earth

More Traffic

100%

Street View

Mont Belvieu, TX - Google Maps - Microsoft Internet Explorer, provided by EP&O, Inc.

http://maps.google.com/

File Edit View Favorites Tools Help

Mont Belvieu, TX - Google Maps

Web Images Videos Maps News Shopping Gmail more

Google maps Mont Belvieu, TX

Get Directions My Maps

Mont Belvieu Real Estate

View Real Estate in Mont Belvieu TX

Get Recent Listings, Photos & Maps!

HomesforSaleHoustonArea.com

TEXAS

Mont Belvieu, TX - more info

Directions Search nearby more

Hammond Properties

Kenn & Dawn Hammond

Elite Texas Properties - Crosby

www.hammondprops.com

Houston TX

Separating Lines

Fractionator VI

(APPROXIMATE)

MT. BELVIEU

CITY LIMITS

(APPROXIMATE)

Search Maps

Show search options

Print Map Satellite Earth

More Traffic

100%

Street View

Barbers Hill_Enterprise Products 2012
Page 53

ORDINANCE 2009-017

AN ORDINANCE OF THE CITY OF MONT BELVIEU, TEXAS
DESIGNATING A REINVESTMENT ZONE FOR PURPOSES OF TAX
ABATEMENT FOR THE TAX ABATEMENT APPLICATION SUBMITTED
BY ENTERPRISE PRODUCTS OPERATING LLC ON MAY 21, 2009.

WHEREAS, the City Council of Mont Belvieu (the "City") desires to make available tax abatement relief in the area which is the subject of this ordinance in order to encourage the development of primary employment and to attract major investment; and,

WHEREAS, the City has elected to become eligible to participate in tax abatement under the provisions of the Property Development and Tax Abatement Act, Tex. Tax Code Chapter 312, Subchapter B; and,

WHEREAS, the City has adopted guidelines and criteria governing tax abatement agreements in Ordinance 2009-002; and,

WHEREAS, the City has received an application for tax abatement by Enterprise Products Operating LLC on May 21, 2009; and,

WHEREAS, a public hearing is required by Chapter 312 of the Texas Tax Code prior to approval of a reinvestment zone; and

WHEREAS, the City published notice of a public hearing to be held on June 22, 2009 regarding the designation of the area described in the attached Exhibit 1 as a reinvestment zone for tax abatement purposes;

WHEREAS, all interested members of the public were given an opportunity to make comment at the public hearing

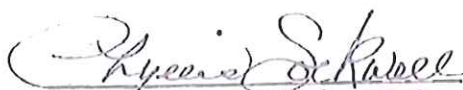
THEREFORE, BE IT ORDAINED
BY THE CITY COUNCIL OF MONT BELVIEU, TEXAS:

1. A reinvestment zone for the purposes of Chapter 312 of the Texas Tax Code is hereby established for the property shown on the attached Exhibit 1.

Passed and Approved this 22nd day of June, 2009.


Nick Dixon, Mayor

ATTEST:


Phyllis Sockwell, City Secretary

2006 FEB 06
11:09 AM 339 305167639
RETURN TO:COMMERCE TITLE
700 ROLLINGBROOK SUITE E
BAYTOWN, TEXAS 77521

GENERAL WARRANTY DEED

OFFICIAL PUBLIC RECORDS
CHAMBERS COUNTY, TEXAS
Susan E. Roshto, County Clerk

THE STATE OF TEXAS §

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF CHAMBERS §

That I, GLENDA DEL BROWN, of Kendall County, Texas, for and in consideration of the sum of TEN AND NO/100 (\$10.00) DOLLARS and other good and valuable consideration cash to me in hand paid by ENTERPRISE PRODUCTS OPERATING L.P., the receipt of which is hereby acknowledged, have (subject to the exceptions, reservations and covenants hereinafter set forth) GRANTED, SOLD and CONVEYED, and by these presents do (subject to the exceptions, reservations and covenants hereinafter set forth) GRANT, SELL and CONVEY unto the said ENTERPRISE PRODUCTS OPERATING L.P., a Delaware Limited Partnership, whose mailing address is 2727 North Loop West, Houston, Texas 77008, all of that certain lot, tract or parcel of land described in "EXHIBIT A" attached hereto and made a part hereof for all purposes.

It is understood and agreed by and between the parties hereto that this conveyance is made subject to the exceptions set forth in "EXHIBIT B" attached hereto and made a part hereof for all purposes.

It is further understood and agreed by and between the parties hereto that this conveyance is made subject to the following any and all zoning laws, regulations and ordinances of municipal or other governmental authority, and any and all exceptions, reservations, restrictions and easements, if any, affecting the above-described property and shown of record among the Official Public Records of Chambers County, Texas, and any canals, pipelines, easements or rights-of-way

therefor physically located on the above-described property, whether documents therefor are recorded in such records or not.

TO HAVE AND TO HOLD the above-described premises (subject to the exceptions, reservations and covenants hereinabove set forth), together with all and singular the rights and appurtenances thereto in anywise belonging, unto the said ENTERPRISE PRODUCTS TEXAS OPERATING L.P., its successors and assigns, forever; and the undersigned hereby binds herself, her heirs, executors and administrators, to WARRANT and FOREVER DEFEND all and singular the said premises (subject to the exceptions, reservations and covenants hereinabove set forth), unto the said ENTERPRISE PRODUCTS TEXAS OPERATING L.P., its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

IN TESTIMONY WHEREOF, Witness my hand this the 23rd day of

Jan, A.D., 2006.

Glenda Del Brown
Glenda Del Brown

THE STATE OF TEXAS §

COUNTY OF KENDALL §

This instrument was acknowledged before me on the 23RD day of JANUARY, A.D., 2006, by GLENDA DEL BROWN.



Janice K. Pfeiffer
Notary Public, State of Texas
Printed Name: JANICE K. PFEIFFER
Commission Expires: 6-19-06

2006 K
11526 CS 270 297

"EXHIBIT A"

THE STATE OF TEXAS)
COUNTY OF CHAMBERS)

FIELD NOTES of a 126.2412 acre tract of land situated in the T. & N.O.R.R.Co. Survey, Section No. 1, Abstract No. 503 and the Dan Jorgins Survey, Abstract No. 599; and being out of and a part of the residue of a 572.51 Acre tract of land called Second Tract from J.R. Barber to Kirby Oil and Gas Company recorded in Volume 161 at Page 590 of the Deed Records of Chambers County, Texas. This 126.2412 acre tract of land is more particularly described by metes and bounds as follows, to-wit:

NOTE: ALL BEARINGS ARE LAMBERT GRID BEARINGS AND ALL COORDINATES REFER TO THE STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE, 1927 DATUM, AS DEFINED IN ARTICLE 5300A OF THE REVISED CIVIL STATUTES OF THE STATE OF TEXAS.
ALL DISTANCES ARE ACTUAL DISTANCES. SCALE FACTOR = 0.9999062
REFERENCE IS MADE TO PLAT OF EVEN DATE ACCOMPANYING THIS METES AND BOUNDS DESCRIPTION.

BEGINNING at a $\frac{1}{4}$ inch iron rod set for the Northwest corner of this tract of land and the Southwest corner of a 487.009 acre tract of land conveyed in a deed from Glenda Del Brown to Exxon Corporation dated November 1, 1978 and recorded in Volume 425 at Page 515 of the Deed Records of Chambers County, Texas and being in the East Right-of-Way line of Hatcherville Road (70' R.O.W.). This corner as a Texas State Plane Coordinate Value of X = 762,238.95 and Y = 3,293,315.08.

THENCE North 66 deg 41 min 04 sec East with the North line of this tract of land and the South line of said 487.009 acre tract of land a distance of 3,399.51 feet to a $\frac{1}{4}$ inch iron rod set for the Northeast corner of this tract of land and the Southeast corner of said 487.009 acre tract of land and being in the West Right-of-Way line of the Southern Pacific Railroad (100' R.O.W.). From this corner a found brass disk stamped "Exxon Chemical Company U.S.A." bears South 66 deg 41 min 04 sec West a distance of 2.08 feet.

THENCE South 07 deg 20 min 00 sec East with the East line of this tract of land and West Right-of-Way line of said Southern Pacific Railroad a distance of 1,458.10 feet to a $\frac{1}{4}$ inch iron rod set for the Southeast corner of this tract of land and the Northeast corner of a 117.469 acre tract of land conveyed in a deed from Glenda Del Brown to Enterprise Product Company dated December 05, 1991 and recorded in Volume 162 at Page 169 of the Official Records of Chambers County, Texas. From this corner a found 5/8 inch iron rod bears North 57 deg 22 min 27 sec East a distance of 2.53 feet.

2006	PK	50	PG
1967	OR	339	208

THENCE South 57 deg 22 min 27 sec West with the South line of this tract of land and the North line of said 117.469 acre tract of land a distance of 3,334.56 feet to a $\frac{1}{4}$ inch iron rod set for the Southwest corner of this tract of land and the Northwest corner of said 117.469 acre tract of land, and being in the East Right-of-Way line of said Hatcherville Road. From this corner a found $\frac{5}{8}$ inch iron rod bears North 57 deg 22 min 27 sec East a distance of 3.04 feet.

THENCE North 14 deg 47 min 39 sec West with the West line of this tract of land and the East Right-of-Way line of said Hatcherville Road a distance of 1,714.32 feet to a $\frac{1}{4}$ inch iron rod set for an angle point of this tract of land, and being in the East Right-of-Way line of said Hatcherville Road.

THENCE North 14 deg 23 min 53 sec West with the West line of this tract of land and the East Right-of-Way line of said Hatcherville Road a distance of 248.81 feet to the PLACE OF BEGINNING, containing within said boundaries 126.2412 acres of land.

"EXHIBIT A"

Page 2 of 2 Pages

2006 WK 01 P6
11676 08 039 200

"EXHIBIT B"

There are no exceptions listed as "a", "b", or "c" in this exhibit. This exhibit begins with the exception designated as "d", and ends with exception designated as "mmm".

- d. Right of Way Deed dated August 21, 1918, recorded in Volume 16 at Page 86 of the Deed Records of Chambers County, Texas from Old River Company to Dayton - Goose Creek Railway Company.
- e. Right of Way dated May 15, 1929, recorded in Volume 28 at Page 150 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Gulf Pipeline Company.
- f. Right of Way dated February 24, 1930, recorded in Volume 30 at Page 339 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Humphrey Corporation.
- g. Right of Way dated December 31, 1931, recorded in Volume 33 at Page 638 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Gulf Pipeline Company.
- h. Right of Way dated June 6, 1947, recorded in Volume 103 at Page 561 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Texas Pipeline Company.
- i. Right of Way dated December 3, 1952, recorded in Volume 146 at Page 537 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Sinclair Pipeline Company.
- j. Right of Way dated June 1, 1954, recorded in Volume 158 at Page 5 of the Deed Records of Chambers County, Texas from Kirby Petroleum Company to Texas natural Gasoline Corporation.
- k. Right of Way dated February 11, 1955, recorded in Volume 165 at Page 509 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Texas Natural Gasoline Corporation.
- l. Right of Way dated December 30, 1955, recorded in Volume 172 at Page 85 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Southern Canal Corporation.
- m. Right of Way dated July 20, 1956, recorded in Volume 181 at Page 43 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Texas Butadiene & Chemical Corporation.
- n. Right of Way Deed dated February 11, 1956, recorded in Volume 183 at Page 369 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Gulf Refining Company.

- o. Right of Way dated February 18, 1958, recorded in Volume 198 at Page 577 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Chambers County Water Control and Improvement District..
- p. Right of Way dated November 11, 1959, recorded in Volume 217 at Page 497 of the Deed Records of Chambers County, Texas from J.R. Barber, et ux to Southern Canal Company.
- q. Right of Way dated November 9, 1960, recorded in Volume 225 at Page 477 of the Deed Records of Chambers County, Texas from J.R. Barber to Southern Canal Company.
- r. Right of Way dated December 19, 1961, recorded in Volume 234 at Page 255 of the Deed Records of Chambers County, Texas from Lula Barber to Southern Canal Company..
- s. Right of Way dated July 6, 1962 recorded in Volume 239 at Page 140 of the Deed Records of Chambers County, Texas from Lula Barber, et al to Colonial Pipeline Company.
- t. Right of Way dated January 29, 1966 recorded in Volume 275 at Page 373 of the Deed Records of Chambers County, Texas from Lula Barber to Sinclair Pipeline Company.
- u. Easement:
To: Southern Canal Company
Recorded: October 18, 1967 in Volume 292 at Page 469 ,Deed Records,Chambers County, Texas.
Purpose: Canal
- v. Easement:
To: Gulf Refining Company
Recorded: February 5, 1968 in Volume 293 at Page 665 ,Deed Records,Chambers County, Texas.
Purpose:
- w. Right of Way dated February 5, 1968, recorded in Volume 294 at Page 203 of the Deed Records of Chambers County, Texas from Lula Barber to Sinclair Pipeline Company.
- x. Right of Way dated , recorded in Volume 165 at Page 509 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Texas Natural Gasoline Corporation.
- y. Right of Way dated April 23, 1970, recorded in Volume 315 at Page 505 of the Deed Records of Chambers County, Texas from Lula Barber to Lo-Vaca Gathering Company..
- z. Right of Way dated May 18, 1970, recorded in Volume 315 at Page 602 of the Deed Records of Chambers County, Texas from Lula Barber to Diamond Shamrock Corporation.
- aa. Right of Way dated May 18, 1970, recorded in Volume 316 at Page 138 of the Deed Records of Chambers County, Texas from Lula Barber to Cities Service Pipeline Company.
- bb. Right of Way dated August 17, 1970, recorded in Volume 318 at Page 466 of the Deed Records of Chambers County, Texas from Lula Barber to Santa Fe Pipeline Company.
- cc. Right of Way Deed dated October 10, 1970, recorded in Volume 320 at Page 162 of the Deed Records of Chambers County, Texas from Lula Barber to Coastal Industrial Water Authority.
- dd. Right of Way dated October 8, 1970, recorded in Volume 320 at Page 337 of the Deed Records of Chambers County, Texas from Lula Barber to Explorer Pipeline Company.

- ee. Right of Way dated July 15, 1975, recorded in Volume 371 at Page 652 of the Deed Records of Chambers County, Texas from Lula Barber to Big Three Industries, Inc..
- ff. Right of Way dated August 26, 1975, recorded in Volume 373 at Page 405 of the Deed Records of Chambers County, Texas from Delno Brown Executor of the Estate of Lula Barber and Glenda Del Brown to Colonial Pipeline Company
- gg. Right of Way dated February 22, 1977, recorded in Volume 395 at Page 291 of the Deed Records of Chambers County, Texas from Delno Brown Executor of the Estate of Lula Barber and Glenda Del Brown to ARCO Pipeline Company
- hh. Right of Way dated December 21, 1978, recorded in Volume 428 at Page 420 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Lo Vaca Gathering Company
- ii. Right of Way dated February 2, 1979, recorded in Volume 430 at Page 541 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Houston Pipeline Company
- jj. Right of Way dated February 22, 1979, recorded in Volume 431 at Page 653 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Shell Pipeline Corporation
- kk. Right of Way dated October 31, 1980, recorded in Volume 464 at Page 272 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Exxon Pipeline Corporation
- ll. Right of Way dated August 8, 1980, recorded in Volume 467 at Page 447 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Big Three Industries, Inc..
- mm. Valve Site Lease dated January 12, 1981, recorded in Volume 467 at Page 461 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Big Three Industries, Inc..
- nn. Right of Way dated May 1, 1981, recorded in Volume 473 at Page 156 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Exxon Pipeline Company
- oo. Right of Way dated April 22, 1981, recorded in Volume 475 at Page 710 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Matador Pipeline Inc..
- pp. Right of Way dated May 18, 1981, recorded in Volume 478 at Page 481 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Matador Pipeline Inc.
- qq. Right of Way dated October 12, 1981, recorded in Volume 485 at Page 1 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Big Three Industries, Inc..
- rr. Easement:
 - To: Houston Lighting and Power Company
 - Recorded: July 13, 1981 in Volume 478 at Page 481, Deed Records, Chambers County, Texas.
 - Purpose: Utility
- ss. Right of Way dated February 1, 1982, recorded in Volume 493 at Page 446 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Big Three Industries, Inc..
- tt. Right of Way Contract dated May 31, 1988, recorded in Volume 50 at Page 106 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Mustang Pipeline Company

- uu. Easement:
To: Valero Transmsslon
Recorded: September 12, 1988 In Volume 56 at page 677 ,Official Public Records,Chambers County, Texas.
Purpose: Pipeline
- vv. Right of Way Contract dated November 8, 1988, recorded In Volume 62 at Page 573 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Hlmont USA
- ww. Right of Way Contract dated December 5, 1991, recorded In Volume 162 at Page 177 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Enterprise Products Company
- xx. Right of Way Contract dated March 13, 1992, recorded In Volume 171 at Page 642 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Koch Pipeline Company
- yy. Right of Way Contract dated March 26, 1992, recorded In Volume 175 at Page 379 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Union Carbide Industrial Gases, Inc.
- zz. Right of Way dated August 11, 1994, recorded In Volume 248 at Page 241 of the Official Public Records of Chambers County, Texas from Exxon to City of Mount Belvieu..
- aaa. Right of Way Contract dated August 28, 1995 recorded In Volume 277 at Page 376 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Chevron USA
- bbb. Right of Way Contract dated June 27, 1995, recorded In Volume 279 at Page 591 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Exxon Pipeline Company
- ccc. Right of Way Contract dated October 29, 1996, recorded In Volume 314 at Page 345 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Mustang Pipeline Company
- ddd. Right of Way Contract dated June 9, 1997, recorded In Volume 334 at Page 362 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Koch Pipeline Company
- eee. Pipeline Right-of-Way Agreement dated July 28, 1998 and recorded In Volume 380 at Page 138 of the Official Public records of Chambers County, Texas.
- fff. Pipeline Work Space Agreement dated September 16, 1998, recorded In Volume 382 at Page 623 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Koch Pipeline Company
- ggg. Pipeline Right-of-Way Agreement dated September 5, 2003 and recorded In Volume 645 at Page 277 of the Official Public records of Chambers County, Texas.
- hhh. Easement:
To: Cobra Oil & Gas Corporation
Recorded: September 14, 2004 In Volume 733 at page 5 ,Official Public Records,Chambers County, Texas.
Purpose: Pipeline
- iii. Surface Agreement dated June 3, 2004 and recorded In Volume 703 at Page 644 of the Official Public records of Chambers County, Texas.
- Barbers Hill_Enterprise Products_2012
Page 63

2005	PK	501	86
11676	CR	833	213

- jjj. Surface Agreement dated May 27, 2004 and recorded in Volume 733 at Page 13 of the Official Public records of Chambers County, Texas.
- kkk. Portion of subject property is in the City of Mount Belvieu, Texas, as set forth in Ordinance recorded in Volume 242, Page 324 of the Official Public Records of Chambers County, Texas.
- lll. A gravel road traversing the Southern portion of subject property as evidenced by plat prepared by Chambers Surveying & Mapping by Michael W. Chandler RPLS 5292 and dated July 12, 2005 under Job No. 05-1102
- mmm. Mineral and/or royalty interest:
 - Interest: An undivided 100%
 - Recorded: September 13, 1954 in Volume 161 at Page 598, Deed Records, Chambers County, Texas.

JAN 27 2006

1275 400 127020 100

Journal Entry

On Jan 27, 2006 at 6:00 PM

AS AID Public Records

Barber F. Bush, County Clerk

CLEAR NUMBER 0001676

AMOUNT \$6.00

RECEIPT NUMBER 00208289

97 ISCLMPS

STATE OF TEXAS

Barber F. Bush

AS CLERK RECEIVED BY CL. JAN 27, 2006

Barber F. Bush, COUNTY CLERK

Recorded

[Handwritten Signature]

⑨ Commerce Title Company
700 Rollingbrook Drive, Ste. E
Baytown, TX. 77521

**GUIDELINES AND CRITERIA FOR CREATING REINVESTMENT ZONE
APPLICATION FOR TAX ABATEMENT
BARBERS HILL SCHOOL DISTRICT**

ORDINANCE NO. 2009 -002

AN ORDINANCE MAKING CERTAIN FINDINGS. OF FACT, ADOPTING GUIDELINES AND CRITERIA FOR TAX ABATEMENT AGREEMENTS, AND PROVIDING FOR A TAX ABATEMENT AGREEMENT WHICH WOULD PERMIT TAX ABATEMENT BY OTHER TAXING ENTITIES TO THE EXCLUSION OF THE CITY OF MONT BELVIEU IN ACCORDANCE WITH CHAPTER 312 OF THE TEXAS TAX CODE.

WHEREAS, pursuant to Chapter 312 of the Texas Tax Code, certain guidelines and criteria are necessary prior to the creation of a reinvestment zone or entering into a tax abatement agreement, and

WHEREAS, the City Council of the City of Mont Belvieu finds and determines that the guidelines and criteria as hereinafter set out are in the best interest of the City of Mont Belvieu to encourage certain types of development to the exclusion of others, and

WHEREAS, the City Council of the City of Mont Belvieu reaffirms its absolute discretion to approve and/or reject any applicant for tax abatement, whether or not an application meets the guidelines as herein stated, and

WHEREAS, the City Council of the City of Mont Belvieu finds and determines that it should consider applications for tax abatement and enter into tax abatement agreements which provide for abatements under criteria established by other taxing entities without city participation;

NOW, THEREFORE,
BE IT ORDAINED BY THE CITY COUNCIL
OF THE CITY OF MONT BELVIEU, TEXAS:

Section 1.

That pursuant to the provisions to the provisions of Section 312.002(d) of the Texas Tax Code, the City of Mont Belvieu does hereby adopt the following guidelines

and criteria for the City of Mont Belvieu to consider and/or to enter into a tax abatement agreement:

Section 2.

The property subject to the abatement must be located within the city limits of the City of Mont Belvieu.

Eligible businesses shall include any business duly authorized to operate in the State of Texas.

Section 3.

Eligible activities in which an abatement may be granted shall include the lesser of either the additional assessed value over the base year value or actual investment resulting from construction or acquisition of fixed assets.

Section 4.

The abatement formula that may be permitted in any abatement agreement shall be:

- 1) Abatement shall not exceed five (5) years, beginning on January 1st after the signing of the tax abatement agreement.
- 2) Years one (1) two (2) and three (3) will be one hundred percent (100%) abatement.
- 3) Year four (4) will be seventy five percent (75%) abatement.
- 4) Year five (5) will be at fifty (50%) abatement.
- 5) Year six (6) the abatement expires and all taxes are paid.

Section 5.

The City may consider an application for abatement when entering into a tax abatement agreement which provides for no abatement to be granted by the City, but which provides for an abatement to be granted by other taxing entities to the extent of the limitations provided under their guidelines and criteria.

PASSED and APPROVED on this, the 23rd day of February, 2009.

APPROVED:

Nick Dixon
Nick Dixon, Mayor

ATTEST:

Phyllis Sockwell
Phyllis Sockwell, City Secretary

Attachment B

Certificate of Account Status



Susan Combs Texas Comptroller of Public Accounts



[Taxable Entity Search Results](#)

Franchise Tax Certification of Account Status

**This Certification Not Sufficient for Filings with
Secretary of State**

[Obtain a certification](#) sufficient for filings with the Secretary of State.

Certification of Account Status

Entity Information:

Status:

Registered Agent:

Registered Agent Resignation
Date:

State of Formation:

File Number:

SOS Registration Date:

Taxpayer Number:

Officers And Directors Information

**ENTERPRISE PRODUCTS
OPERATING LLC**

PO BOX 4018
HOUSTON, TX 77210-4018

IN GOOD STANDING

C T CORPORATION SYSTEM
350 N. ST. PAUL ST. STE. 2900
DALLAS, TX 75201

TX

0800838920

June 30, 2007

12604305396

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Homeland Security](#)

Susan Combs, Texas Comptroller • [Window on State Government](#) • [Contact Us](#)
[Privacy and Security Policy](#) | [Accessibility Policy](#) | [Link Policy](#) | [Public Information Act](#)
[Compact with Texans](#)

Attachment C

State Comptroller's Recommendation

S U S A N
C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



November 18, 2011

Dr. Greg Poole
Superintendent
Barbers Hill Independent School District
P. O. Box 1108
Mont Belvieu, Texas 77580-1108

Dear Superintendent Poole:

On Oct. 11, 2011, the agency received the completed application for a limitation on appraised value originally submitted to the Barbers Hill Independent School District (Barbers Hill ISD) by Enterprise Products Operating LLC (Enterprise Products) on July 20, 2010, under the provisions of Tax Code Chapter 313. This letter presents the Comptroller's recommendation regarding Enterprise Products' application as required by Section 313.025(d), using the criteria set out by Section 313.026. Our review assumes the truth and accuracy of the statements in the application and that, if the application is approved, the applicant would perform according to the provisions of the agreement reached with the school district. Filing an application containing false information is a criminal offense under Texas Penal Code Chapter 37.

According to the provisions of Chapter 313, Barbers Hill ISD is currently classified as a rural school district in Category 1. The applicant properly applied under the provisions of Subchapter C, as applicable to rural school districts, and the amount of proposed qualified investment (\$310,000,000) is consistent with the proposed appraised value limitation sought (\$30 million). The property value limitation amount noted in this recommendation is based on property values available at the time of application and may change prior to the execution of any final agreement.

Enterprise Products is proposing the construction of a manufacturing facility in Chambers County. Enterprise Products is an active franchise taxpayer, as required by Tax Code Section 313.024(a), and is in good standing. After reviewing the application using the criteria listed in Section 313.026, and the information provided by Enterprise Products, the Comptroller's recommendation is that Enterprise Products' application under Tax Code Chapter 313 be approved.

Our recommendation does not address whether the applicant has complied with all Chapter 313 requirements. Chapter 313 places the responsibility to verify that all requirements of the statute have been fulfilled on the school district. Section 313.025 requires the school district to determine if the evidence supports making specific findings that the information in the application is true and correct, the applicant is eligible for a limitation and that granting the application is in the best interest of the school district and state. When approving a job waiver requested under Section 313.025(f-1), the school district must also find that the statutory jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility. As stated above, we prepared the recommendation by generally reviewing the application and supporting documentation in light of the Section 313.026 criteria and a cursory review of the industry standard evidence necessary to support the waiver of the required number of jobs.

Mr. Greg Poole
November 18, 2011
Page Two

The Comptroller's recommendation is based on the final, completed application that has been submitted to this office, and may not be used to support an approval if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application.

This recommendation is contingent on the following:

1. No later than 10 days prior to the meeting scheduled by the district to consider approving the agreement, applicant submitting to this office a draft limitation agreement that complies with the statutes, the Comptroller's rules, and is consistent with the application;
2. The Comptroller providing written confirmation that it received and reviewed the draft agreement and affirming the recommendation made in this letter;
3. The district approving and executing a limitation agreement that has been reviewed by this office within a year from the date of this letter. As required by Comptroller Rule 9.1055 (34 T.A.C. 9.1055), the signed limitation agreement must be forwarded to our office as soon as possible after execution;

During the 81st Legislative Session, House Bill 3676 made a number of changes to the chapter. Please visit our Web site at www.window.state.tx.us/taxinfo/proptax/hb1200 to find an outline of the program and links to applicable rules and forms.

Should you have any questions, please contact Robert Wood, director of Economic Development & Analysis Division, by email at robert.wood@cpa.state.tx.us or by phone at 1-800-531-5441, ext. 3-3973, or direct in Austin at 512-463-3973.

Sincerely,



Martin A. Hubert
Deputy Comptroller

Enclosure

cc: Robert Wood

Attachment D

Economic Analysis

Economic Impact for Chapter 313 Project

Applicant	Enterprise Products Operating LLC
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Barbers Hill ISD
2009-10 Enrollment in School District	4,096
County	Chambers
Total Investment in District	\$310,000,000
Qualified Investment	\$310,000,000
Limitation Amount	\$30,000,000
Number of total jobs committed to by applicant	4*
Number of qualifying jobs committed to by applicant	4
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$1,644.23
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$1,078.88
Minimum Annual Wage committed to by applicant for qualified jobs	\$85,500
Investment per Qualifying Job	\$77,500,000
Estimated 15 year M&O levy without any limit or credit:	\$37,355,422
Estimated gross 15 year M&O tax benefit	\$21,042,561
Estimated 15 year M&O tax benefit (after deductions for estimated school district revenue protection--but not including any deduction for supplemental payments or extraordinary educational expenses):	\$19,938,249
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$90,109
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$17,417,173
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	53.4%
Percentage of tax benefit due to the limitation	99.6%
Percentage of tax benefit due to the credit.	0.4%
* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).	

This presents the Comptroller's economic impact evaluation of Enterprise (the project) applying to Barbers Hill Independent School District (the district), as required by Tax Code, 313.026. This evaluation is based on information provided by the applicant and examines the following criteria:

- (1) the recommendations of the comptroller;
- (2) the name of the school district;
- (3) the name of the applicant;
- (4) the general nature of the applicant's investment;
- (5) the relationship between the applicant's industry and the types of qualifying jobs to be created by the applicant to the long-term economic growth plans of this state as described in the strategic plan for economic development submitted by the Texas Strategic Economic Development Planning Commission under Section 481.033, Government Code, as that section existed before February 1, 1999;
- (6) the relative level of the applicant's investment per qualifying job to be created by the applicant;
- (7) the number of qualifying jobs to be created by the applicant;
- (8) the wages, salaries, and benefits to be offered by the applicant to qualifying job holders;
- (9) the ability of the applicant to locate or relocate in another state or another region of this state;
- (10) the impact the project will have on this state and individual local units of government, including:
 - (A) tax and other revenue gains, direct or indirect, that would be realized during the qualifying time period, the limitation period, and a period of time after the limitation period considered appropriate by the comptroller; and
 - (B) economic effects of the project, including the impact on jobs and income, during the qualifying time period, the limitation period, and a period of time after the limitation period considered appropriate by the comptroller;
- (11) the economic condition of the region of the state at the time the person's application is being considered;
- (12) the number of new facilities built or expanded in the region during the two years preceding the date of the application that were eligible to apply for a limitation on appraised value under this subchapter;
- (13) the effect of the applicant's proposal, if approved, on the number or size of the school district's instructional facilities, as defined by Section 46.001, Education Code;
- (14) the projected market value of the qualified property of the applicant as determined by the comptroller;
- (15) the proposed limitation on appraised value for the qualified property of the applicant;
- (16) the projected dollar amount of the 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 with assumptions of the projected appreciation or depreciation of the investment and projected tax rates clearly stated;
- (17) the projected dollar amount of the taxes that would be imposed on the qualified property, for each tax year of the agreement, if the property receives a limitation on appraised value with assumptions of the projected appreciation or depreciation of the investment clearly stated;
- (18) the projected effect on the Foundation School Program of payments to the district for each year of the agreement;
- (19) the projected future tax credits if the applicant also applies for school tax credits under Section 313.103; and
- (20) the total amount of taxes projected to be lost or gained by the district over the life of the agreement computed by subtracting the projected taxes stated in Subdivision (17) from the projected taxes stated in Subdivision (16).

Wages, salaries and benefits [313.026(6-8)]

After construction, the project will create four new jobs when fully operational. All four jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the Houston-Galveston Area State Planning Region, where Chambers County is located was \$51,001 in 2010. The annual average manufacturing wage for 2010 for Chambers County is \$75,855. That same year, the county annual average wage for all industries was \$49,530. In addition to a salary of \$85,500, each qualifying position will receive benefits such as health care, paid sick leave and vacation, education, and 401k. The project's total investment is \$310 million, resulting in a relative level of investment per qualifying job of \$77.5 million.

Ability of applicant to locate to another state and [313.026(9)]

According to Enterprise's application, "The Company currently operates in two states, and allocates capital investment to projects and locations that create the best economic return. The existence of a limitation on tax value is a significant factor in calculating the economic return and allocation of reserves to the project. However the Company could redirect its expenditures to its plants in:

- HOBBS-WEST TEXAS
- NORCO- SOUTH LOUISIANA"

Number of new facilities in region [313.026(12)]

During the past two years, six projects in the Houston-Galveston Area State Planning Region applied for value limitation agreements under Tax Code, Chapter 313.

Relationship of applicant's industry and jobs and Texas's economic growth plans [313.026(5)]

The Texas Economic Development Plan focuses on attracting and developing industries using technology. It also identifies opportunities for existing Texas industries. The plan centers on promoting economic prosperity throughout Texas and the skilled workers that the Enterprise project requires appear to be in line with the focus and themes of the plan. Texas identified manufacturing as one of six target clusters in the Texas Cluster Initiative. The plan stresses the importance of technology in all sectors of the manufacturing industry.

Economic Impact [313.026(10)(A), (10)(B), (11), (13-20)]

Table 1 depicts Enterprise's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 15 years of annual investment and employment levels using software from Regional Economic Models, Inc. (REM). The impact includes the construction period and the operating period of the project.

Table 1: Estimated Statewide Economic Impact of Investment and Employment in Enterprise

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2012	504	485	989	\$26,342,000	\$27,658,000	\$54,000,000
2013	504	485	989	\$26,342,000	\$32,658,000	\$59,000,000
2014	4	44	48	\$342,000	\$9,658,000	\$10,000,000
2015	4	27	31	\$342,000	\$7,658,000	\$8,000,000
2016	4	17	21	\$342,000	\$5,658,000	\$6,000,000
2017	4	13	17	\$342,000	\$4,658,000	\$5,000,000
2018	4	15	19	\$342,000	\$4,658,000	\$5,000,000
2019	4	18	22	\$342,000	\$4,658,000	\$5,000,000
2020	4	27	31	\$342,000	\$4,658,000	\$5,000,000
2021	4	32	36	\$342,000	\$4,658,000	\$5,000,000
2022	4	26	30	\$342,000	\$4,658,000	\$5,000,000
2023	4	28	32	\$342,000	\$4,658,000	\$5,000,000
2024	4	25	29	\$342,000	\$4,658,000	\$5,000,000
2025	4	26	30	\$342,000	\$4,658,000	\$5,000,000
2026	4	29	33	\$342,000	\$4,658,000	\$5,000,000

Source: CPA, REMI, Enterprise

The statewide average ad valorem tax base for school districts in Texas was \$1.6 billion in 2010. Barbers Hill ISD's ad valorem tax base in 2010 was \$3.369 billion. The statewide average wealth per WADA was estimated at \$345,067 for fiscal 2010-2011. During that same year, Barbers Hill ISD's estimated wealth per WADA was \$718,583. The impact on the facilities and finances of the district are presented in Attachment 2.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Chambers County, and the City of Mont Belvieu, with all property tax incentives sought being granted using estimated market value from Enterprise's application. Enterprise has applied for both a value limitation under Chapter 313, Tax Code and tax abatement with the county and city. Table 3 illustrates the estimated tax impact of the Enterprise project on the region if all taxes are assessed.

Table 2 Estimated Direct Ad Valorem Taxes with all property tax incentives sought										
Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O		Barbers Hill ISD I&S Levy	Barbers Hill ISD M&O Levy	Barbers Hill ISD M&O and I&S Tax Levies (Before Credit Credited)	Barbers Hill ISD M&O and I&S Tax Levies (After Credit Credited)	Chambers County Tax Levy	City of Mont Belvieu Tax Levy	Estimated Total Property Taxes
			Tax Rate ¹	0.2698	1.0601			0.4518	0.4613	
2012	\$1,000,000	\$1,000,000		\$2,698	\$10,601	\$13,299	\$13,299	\$0	\$0	\$13,299
2013	\$38,500,000	\$38,500,000		\$103,873	\$408,139	\$512,012	\$512,012	\$0	\$0	\$512,012
2014	\$251,880,000	\$30,000,000		\$679,572	\$318,030	\$997,602	\$997,602	\$0	\$0	\$997,602
2015	\$291,950,000	\$30,000,000		\$787,681	\$318,030	\$1,105,711	\$1,092,838	\$0	\$0	\$1,092,838
2016	\$288,610,000	\$30,000,000		\$778,670	\$318,030	\$1,096,700	\$1,083,827	\$325,978	\$332,858	\$1,742,662
2017	\$285,150,000	\$30,000,000		\$769,335	\$318,030	\$1,087,365	\$1,074,492	\$515,312	\$526,187	\$2,115,991
2018	\$281,380,000	\$30,000,000		\$759,163	\$318,030	\$1,077,193	\$1,064,321	\$635,623	\$649,038	\$2,348,982
2019	\$277,300,000	\$30,000,000		\$748,155	\$318,030	\$1,066,185	\$1,053,313	\$626,407	\$639,627	\$2,319,347
2020	\$272,600,000	\$30,000,000		\$735,475	\$318,030	\$1,053,505	\$1,040,632	\$615,790	\$628,786	\$2,285,208
2021	\$267,590,000	\$30,000,000		\$721,958	\$318,030	\$1,039,988	\$1,027,115	\$1,208,945	\$925,845	\$3,161,905
2022	\$261,960,000	\$261,960,000		\$706,768	\$2,777,038	\$3,483,806	\$3,483,806	\$1,183,509	\$1,208,487	\$5,875,802
2023	\$256,210,000	\$256,210,000		\$691,255	\$2,716,082	\$3,407,337	\$3,407,337	\$1,157,531	\$1,181,961	\$5,746,829
2024	\$248,871,000	\$248,871,000		\$671,454	\$2,638,281	\$3,309,735	\$3,309,735	\$1,124,374	\$1,148,104	\$5,582,214
2025	\$241,300,000	\$241,300,000		\$651,027	\$2,558,021	\$3,209,049	\$3,209,049	\$1,090,169	\$1,113,177	\$5,412,395
2026	\$259,463,000	\$259,463,000		\$700,031	\$2,750,567	\$3,450,598	\$3,450,598	\$1,172,228	\$1,196,968	\$5,819,794
						Total	\$25,819,976	\$9,655,866	\$9,551,038	\$45,026,880
Assumes School Value Limitation and Tax Abatements from City of Mont Belvieu and Chambers County										

Assumes School Value Limitation and Tax Abatements from City of Mont Belvieu and Chambers County

Source: CPA, Enterprise

¹Tax Rate per \$100 Valuation

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives										
Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O		Barbers Hill ISD I&S Levy	Barbers Hill ISD M&O Levy		Barbers Hill ISD M&O and I&S Tax Levies	Chambers County Tax Levy	City of Mont Belvieu Tax Levy	Estimated Total Property Taxes
			Tax Rate ¹	0.2698	1.0601			0.4518	0.4613	
2012	\$1,000,000	\$1,000,000		\$2,698	\$10,601		\$13,299	\$4,518	\$4,613	\$22,430
2013	\$38,500,000	\$38,500,000		\$103,873	\$408,139		\$512,012	\$173,939	\$177,610	\$863,561
2014	\$251,880,000	\$251,880,000		\$679,572	\$2,670,180		\$3,349,752	\$1,137,969	\$1,161,985	\$5,649,706
2015	\$291,950,000	\$291,950,000		\$787,681	\$3,094,962		\$3,882,643	\$1,319,001	\$1,346,838	\$6,548,482
2016	\$288,610,000	\$288,610,000		\$778,670	\$3,059,555		\$3,838,224	\$1,303,911	\$1,331,430	\$6,473,566
2017	\$285,150,000	\$285,150,000		\$769,335	\$3,022,875		\$3,792,210	\$1,288,279	\$1,315,468	\$6,395,957
2018	\$281,380,000	\$281,380,000		\$759,163	\$2,982,909		\$3,742,073	\$1,271,247	\$1,298,076	\$6,311,396
2019	\$277,300,000	\$277,300,000		\$748,155	\$2,939,657		\$3,687,813	\$1,252,814	\$1,279,254	\$6,219,881
2020	\$272,600,000	\$272,600,000		\$735,475	\$2,889,833		\$3,625,307	\$1,231,580	\$1,257,572	\$6,114,459
2021	\$267,590,000	\$267,590,000		\$721,958	\$2,836,722		\$3,558,679	\$1,208,945	\$1,234,460	\$6,002,084
2022	\$261,960,000	\$261,960,000		\$706,768	\$2,777,038		\$3,483,806	\$1,183,509	\$1,208,487	\$5,875,802
2023	\$256,210,000	\$256,210,000		\$691,255	\$2,716,082		\$3,407,337	\$1,157,531	\$1,181,961	\$5,746,829
2024	\$248,871,000	\$248,871,000		\$671,454	\$2,638,281		\$3,309,735	\$1,124,374	\$1,148,104	\$5,582,214
2025	\$241,300,000	\$241,300,000		\$651,027	\$2,558,021		\$3,209,049	\$1,090,169	\$1,113,177	\$5,412,395
2026	\$259,463,000	\$259,463,000		\$700,031	\$2,750,567		\$3,450,598	\$1,172,228	\$1,196,968	\$5,819,794
						Total	\$46,862,537	\$15,920,013	\$16,256,004	\$79,038,555

Source: CPA, Enterprise

¹Tax Rate per \$100 Valuation

Attachment 1 includes schedules A, B, C, and D provided by the applicant in the application. Schedule A shows proposed investment. Schedule B is the projected market value of the qualified property. Schedule C contains employment information, and Schedule D contains tax expenditures and other tax abatement information.

Attachment 2, provided by the district and reviewed by the Texas Education Agency, contains information relating to the financial impact of the proposed project on the finances of the district as well as the tax benefit of the value limitation. "Table 5" in this attachment shows the estimated 15 year M&O tax levy without the value limitation agreement would be \$37,355,422. The estimated gross 15 year M&O tax benefit, or levy loss, is \$21,042,561.

Attachment 3 is an economic overview of Chambers County.

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.



TEXAS EDUCATION AGENCY

1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • www.tea.state.tx.us

November 8, 2011

Mr. Robert Wood
Director, Economic Development and Analysis
Texas Comptroller of Public Accounts
Lyndon B. Johnson State Office Building
111 East 17th Street
Austin, Texas 78774

Dear Mr. Wood:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Enterprise Products Operation LLC project on the number and size of school facilities in Barbers Hill Independent School District (BHISD). Based on the analysis prepared by Moak, Casey and Associates for the school district and a conversation with the BHISD superintendent, Dr. Greg Poole, the TEA has found that the Enterprise Products Operation LLC project would not have a significant impact on the number or size of school facilities in BHISD.

Please feel free to contact Al McKenzie, manager of forecasting, facilities, and transportation, by phone at (512) 463-9186 or by email at al.mckenzie@tea.state.tx.us if you need further information regarding this issue.

Sincerely,

Belinda Dyer
Division Manager
Office of School Finance

BD/bd



TEXAS EDUCATION AGENCY

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November 8, 2011

Mr. Robert Wood
Director, Economic Development and Analysis
Texas Comptroller of Public Accounts
Lyndon B. Johnson State Office Building
111 East 17th Street
Austin, Texas 78774

Dear Mr. Wood:

The Texas Education Agency has analyzed the revenue gains that would be realized by the proposed Enterprise Products Operation LLC project for the Barbers Hill Independent School District (BHISD). Projections prepared by our Office of School Finance confirm the analysis that was prepared by Moak, Casey and Associates and provided to us by your division. We believe their assumptions regarding the potential revenue gain are valid, and their estimates of the impact of the Enterprise Products Operation LLC project on BHISD are correct.

Please feel free to contact Al McKenzie, manager of forecasting, facilities, and transportation, by phone at (512) 463-9186 or by email at al.mckenzie@tea.state.tx.us if you need further information regarding this issue.

Sincerely,

Belinda Dyer
Division Manager
Office of School Finance

BD/bd

Chambers County

Population

Total county population in 2010 for Chambers County: 32,332, up 2.5 percent from 2009. State population increased 1.8 percent in the same time period. Chambers County was the state's 91th largest county in population in 2010 and the 25th fastest growing county from 2009 to 2010. Chambers County's population in 2009 was 68.9 percent Anglo (above the state average of 46.7 percent), 10.5 percent African-American (below the state average of 11.3 percent) and 18.4 percent Hispanic (below the state average of 36.9 percent). 2009 population of the largest cities and places in Chambers County:

Mont Belvieu:	2,913	Anahuac:	2,081
Beach City:	2,058	Old River-Winfree:	1,812
Cove:	307		

Economy and Income

Employment

August 2011 total employment in Chambers County: 14,368, up 1.7 percent from August 2010. State total employment increased 0.6 percent during the same period.

August 2011 Chambers County unemployment rate: 10.1 percent, up from 9.7 percent in August 2010. The statewide unemployment rate for August 2011 was 8.5 percent, up from 8.2 percent in August 2010.

August 2011 unemployment rate in the city of: NA

(Note: County and state unemployment rates are adjusted for seasonal fluctuations, but the Texas Workforce Commission city unemployment rates are not. Seasonally-adjusted unemployment rates are not comparable with unadjusted rates).

Income

Chambers County's ranking in per capita personal income in 2009: 13th with an average per capita income of \$45,257, down 1.5 percent from 2008. Statewide average per capita personal income was \$38,609 in 2009, down 3.1 percent from 2008.

Industry

Agricultural cash values in Chambers County averaged \$22.26 million annually from 2007 to 2010. County total agricultural values in 2010 were up 44.2 percent from 2009. Major agriculture related commodities in Chambers County during 2010 included:

Aquaculture	Rice	Hunting	Hay	Other Beef
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2010 oil and gas production in Chambers County: 893,453.0 barrels of oil and 8.9 million Mcf of gas. In February 2011, there were 181 producing oil wells and 76 producing gas wells.

Taxes

Sales Tax - Taxable Sales

Quarterly (September 2010 through December 2010)

Taxable sales in Chambers County during the fourth quarter 2010: \$53.17 million, up 18.5 percent from the same quarter in 2009.

Taxable sales during the fourth quarter 2010 in the city of:

Mont Belvieu:	\$21.65 million, up 88.2 percent from the same quarter in 2009.
Anahuac:	\$2.21 million, up 1.5 percent from the same quarter in 2009.
Old River-Winfree:	\$0.00
Cove:	\$1.05 million, up 24.0 percent from the same quarter in 2009.

Annual (2010)

Taxable sales in Chambers County during 2010: \$192.70 million, down 1.9 percent from 2009.

Chambers County sent an estimated \$12.04 million (or 0.07 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010. Taxable sales during 2010 in the city of:

Mont Belvieu:	\$64.92 million, up 14.8 percent from 2009.
Anahuac:	\$8.73 million, down 5.0 percent from 2009.
Old River-Winfree:	\$0.00
Cove:	\$3.77 million, up 5.7 percent from 2009.

Sales Tax - Local Sales Tax Allocations

Monthly

Statewide payments based on the sales activity month of July 2011: \$483.96 million, up 10.0 percent from July 2010.

Payments to all cities in Chambers County based on the sales activity month of July 2011: \$240,575.59, up 53.5 percent from July 2010. Payment based on the sales activity month of July 2011 to the city of:

Mont Belvieu:	\$226,952.78, up 55.1 percent from July 2010.
Anahuac:	\$4,378.77, down 31.8 percent from July 2010.
Old River-Winfree*:	\$5,453.28, up 337.2 percent from July 2010.
Cove:	\$3,790.76, up 35.8 percent from July 2010.

Annual (2010)

Statewide payments based on sales activity months in 2010: \$5.77 billion, up 3.3 percent from 2009. Payments to all cities in Chambers County based on sales activity months in 2010: \$2.33 million, up 8.0 percent from 2009. Payment based on sales activity months in 2010 to the city of:

Mont Belvieu:	\$2.17 million, up 11.7 percent from 2009.
Anahuac:	\$92,526.01, down 38.1 percent from 2009.
Old River-Winfree*:	\$25,685.64, up 20.4 percent from 2009.
Cove:	\$41,933.79, down 3.1 percent from 2009.

*On 10/1/2010, the city of Old River-Winfree's local sales tax rate increased by 0.00 from 1.500 percent to 1.500 percent.

Property Tax

As of January 2009, property values in Chambers County: \$6.94 billion, down 6.3 percent from January 2008 values. The property tax base per person in Chambers County is \$220,680, above the statewide average of \$85,809. About 2.0 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

Chambers County's ranking in state expenditures by county in fiscal year 2010: 87th. State expenditures in the county for FY2010: \$129.70 million, up 0.2 percent from FY2009.

In Chambers County, 8 state agencies provide a total of 45 jobs and \$1.83 million in annualized wages (as of 4th quarter 2010).

Major state agencies in the county (as of fourth quarter 2010):

- Department of Transportation
- Department of Public Safety
- Parks & Wildlife Department
- AgriLife Extension Service
- Health & Human Services Commission

Higher Education

Community colleges in Chambers County fall 2010 enrollment:
None.

Chambers County is in the service area of the following:

Galveston College with a fall 2010 enrollment of 2,318 . Counties in the service area include:
Chambers County
Galveston County
Jefferson County

Lee College with a fall 2010 enrollment of 6,719 . Counties in the service area include:

Chambers County
Hardin County
Harris County
Liberty County

San Jacinto Community College with a fall 2010 enrollment of 32,105. Counties in the service area include:

Chambers County
Harris County

Institutions of higher education in Chambers County fall 2010 enrollment:
None.

School Districts

Chambers County had 3 school districts with 17 schools and 6,678 students in the 2009-10 school year.

(Statewide, the average teacher salary in school year 2009-10 was \$48,263. The percentage of students, statewide, meeting the 2010 TAKS passing standard for all 2009-10 TAKS tests was 77 percent.)

Anahuac ISD had 1,286 students in the 2009-10 school year. The average teacher salary was \$44,844. The percentage of students meeting the 2010 TAKS passing standard for all tests was 82 percent.

Barbers Hill ISD had 4,096 students in the 2009-10 school year. The average teacher salary was \$55,305. The percentage of students meeting the 2010 TAKS passing standard for all tests was 90 percent.

East Chambers ISD had 1,296 students in the 2009-10 school year. The average teacher salary was \$45,678. The percentage of students meeting the 2010 TAKS passing standard for all tests was 80 percent.

Attachment E

Summary of Financial Impact

**SUMMARY OF FINANCIAL IMPACT OF THE PROPOSED
ENTERPRISE PRODUCTS OPERATION LLC PROJECT ON THE
FINANCES OF THE BARBERS HILL ISD UNDER A REQUESTED
CHAPTER 313 PROPERTY VALUE LIMITATION**

September 13, 2011

Final Report

PREPARED BY



Estimated Impact of the Proposed Enterprise Products Operation LLC Project on the Finances of the Barbers Hill ISD under a Requested Chapter 313 Property Value Limitation

Introduction

Enterprise Products Operation LLC (Enterprise Products Operation) has requested that the Barbers Hill ISD (BHISD) consider granting a property value limitation under Chapter 313 of the Tax Code for a new industrial gas manufacturing project. An application was submitted to BHISD on July 20, 2011. Enterprise Products Operation proposes to invest \$310 million to construct a new natural gas processing plant in BHISD.

The Enterprise Products Operation project is consistent with the state's goal to "encourage large scale capital investments in this state." When enacted as House Bill 1200 in 2001, the original language in Chapter 313 of the Tax Code made companies engaged in manufacturing, research and development, and renewable electric energy production eligible to apply to school districts for property value limitations. Subsequent legislative changes expanded eligibility to clean coal projects, nuclear power generation and data centers, among others.

School Finance Mechanics

Under the provisions of Chapter 313, BHISD may offer a minimum value limitation of \$30 million. Based on the application, the qualifying time period would begin with the 2012-13 school year. The full value of the investment is expected to reach \$292 million in 2015-16, with a very modest level of depreciation expected to reduce the taxable value of the project over the course of the value limitation agreement.

The provisions of Chapter 313 call for the project to be fully taxable in the 2012-13 and 2013-14 school years, unless the District and the Company agree to an extension of the start of the qualifying time period. For the purpose of this analysis, it is assumed that the qualifying time period will be the 2012-13 and 2013-14 school years. Beginning in 2014-15, the project would go on the local tax roll at \$30 million and remain at that level of taxable value for eight years for maintenance and operations taxes. The full taxable value of the project could be assessed for debt service taxes on voter-approved bond issues throughout the limitation period, with BHISD currently levying a \$0.270 I&S tax rate.

Under the current school finance system, the property values established by the Comptroller's Office that are used to calculate state aid and recapture lag by one year, a practical consequence of the fact that the Comptroller's Office needs this time to conduct their property value study and now the planned audits of appraisal district operations in alternating years. A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 3-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation period (and thereafter). The school funding formulas use the Comptroller's property values that reflect a reduction due to the property value limitation in years 4-11 as a result of the one-year lag in property values.

For the school finance system that operated prior to the approval of House Bill 1 (HB 1) in the 2006 special session, the third year was typically problematical for a school district that approved a Chapter 313 value limitation. This generally resulted in a revenue loss to the school district in the third year of the agreement that would not be reimbursed by the state, but require some type of compensation from the applicant in the revenue protection provisions of the agreement. In years 4-10, smaller revenue losses would be anticipated when the state property values are aligned at the minimum value established by the Board on both the local tax roll and the corresponding state property value study, assuming a similar deduction is made in the state property values.

Under the HB 1 system, most school districts received additional state aid for tax reduction (ASATR) that was used to maintain their target revenue amounts established at the revenue levels under old law for the 2005-06 or 2006-07 school years, whichever was highest. In terms of new Chapter 313 property value limitation agreements, adjustments to ASATR funding often moderated the impact of the reduced M&O collections as a result of the limitation, in contrast with the earlier formula-driven finance system.

In the case of HB 3646—the school finance system changes approved by the Legislature in 2009—the starting point was the target revenue provisions from HB 1, that were then expanded through the addition of a series of school funding provisions that had operated previously outside the basic allotment and the traditional formula structure, as well as an additional \$120 per WADA guarantee.

Under the provisions of HB 3646, school districts did have the potential to earn revenue above the \$120 per WADA level, up to a maximum of \$350 per WADA above current law. Initial estimates indicate that about 70 percent of all school districts were funded at the minimum \$120 per WADA level, while approximately 30 percent school districts were expected to generate higher revenue amounts per WADA in the 2009-10 school year. This is significant because changes in property values and related tax collections under a Chapter 313 agreement once again have the potential to affect a school district's base revenue, although probably not to the degree experienced prior to the HB 1 target revenue system.

The formula reductions enacted under Senate Bill 1 (SB 1) as approved in the First Called Session in 2011 are designed to make \$4 billion in reductions to the existing school funding formulas for the 2011-12 and 2012-13 school years. For the 2011-12 school year, across-the-board reductions were made that reduced each district's WADA count and resulted in an estimated 797 school districts still receiving ASATR to maintain their target revenue funding levels, while an estimated 227 districts operating directly on the state formulas.

For the 2012-13 school year, the SB 1 changes called for smaller across-the-board reductions and funding ASATR-receiving target revenue districts at 92.35 percent of the level provided for under the existing funding formula. For the 2013-14 school year and beyond, the ASATR reduction percentage will be set in the appropriations bill. The recent legislative session also saw the adoption of a statement of legislative intent to no longer fund target revenue (through ASATR) by the 2017-18 school year.

One key element in any analysis of the school finance implications is the provision for revenue protection in the agreement between the school district and the applicant. In the case of the Enterprise Products Operation project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. This meets the statutory requirement under

Section 313.027(f) (1) of the Tax Code to provide school district revenue protection language in the agreement.

Underlying Assumptions

There are several approaches that can be used to analyze the future revenue stream of a school district under a value limitation. Whatever method is used, a reasonable analysis requires the use of a multi-year forecasting model that covers the years in which the agreement is in effect. The Chapter 313 application now requires 15 years of data and analysis on the project being considered for a property value limitation.

The approach used here is to maintain static enrollment and property values in order to isolate the effects of the value limitation under the school finance system. The current SB 1 reductions are reflected in the underlying models. With regard to ASATR funding, the 92.35 percent reduction enacted for the 2012-13 school year is maintained, since future changes are dependent on legislative action that is difficult to forecast. While there is a statement of intent to no longer fund target revenue by the 2017-18 school year, implementing this change will require future legislative action, with any changes coming through the appropriations process, statutory changes, or both.

Student enrollment counts are held constant at 4,174 students in average daily attendance (ADA) in analyzing the effects of the Enterprise Products Operation project on the finances of BHISD. The District's local tax base reached \$2.8 billion for the 2011 tax year. The underlying \$2.8 billion taxable value for 2011-12 is maintained for the forecast period in order to isolate the effects of the property value limitation. BHISD is a property-wealthy district, with wealth per weighted ADA or WADA of approximately \$588,365 for the 2011-12 school year. These assumptions are summarized in Table 1.

School Finance Impact

A baseline model was prepared for BHISD under the assumptions outlined above through the 2025-26 school year. Beyond the 2010-11 school year, no attempt was made to forecast the 88th percentile or Austin yield that influences future state funding, although BHISD appears to be at a wealth level where this factor has little impact. In the analyses for other districts and applicants on earlier projects, these changes appeared to have little impact on the revenue associated with the implementation of the property value limitation, since the baseline and other models incorporate the same underlying assumptions.

Under the proposed agreement, a second model is established to make a calculation of the "Baseline Revenue" by adding the value of the proposed Enterprise Products Operation facility to the model, but without assuming that a value limitation is approved. The results of the model are shown in Table 2.

A third model is developed which adds the Enterprise Products Operation value but imposes the proposed property value limitation effective in the third year, which in this case is the 2014-15 school year. The results of this model are identified as "Value Limitation Revenue Model" under the revenue protection provisions of the proposed agreement (see Table 3). An M&O tax rate of \$1.06 is used throughout this analysis, reflecting previous voter action to approve a two-cent increase to the District's M&O tax rate.

A summary of the differences between these models is shown in Table 4. The model results show approximately \$35.6 million a year in net General Fund revenue, after recapture and other adjustments have been made.

Under these assumptions, BHISD would experience a revenue loss as a result of the implementation of the value limitation in the 2014-15 school year (-\$133,808). The revenue reduction results from the mechanics of six cents not subject to recapture, which reflect the one-year lag in value associated with the property value study.

As noted previously, no attempt was made to forecast further reductions in ASATR funding beyond the 92.35 percent adjustment adopted for the 2012-13 school year. One risk factor under the estimates presented here relates to the implementation of the value limitation in the 2014-15 school year. The formula loss of \$133,808 cited above between the base and the limitation models is based on an assumption of \$2.35 million in M&O tax savings for Enterprise Products Operation when the \$30 million limitation is implemented. Under the estimates presented here and as highlighted in Table 4, a \$447,627 reduction in recapture costs is expected to offset a portion of this reduction in M&O tax collections. In addition, a \$1.8 million increase in ASATR funding is calculated under the assumptions used here.

Given that the ASATR amount falls below the anticipated tax savings for the project in the first year of implementation of the agreement, there is no financial risk to the District as a result of the adoption of the value limitation agreement in response to future legislative changes in ASATR funding. But significant or complete elimination of ASATR funding could reduce the residual tax savings in the first year that the \$30 million value limitation takes effect. The estimates for the 2015-16 school year and thereafter show the offset coming almost entirely from reductions in the amount of recapture that would be owed by BHISD.

Outside of the consideration of the value limitation, BHISD has considerable exposure to changes in ASATR funding. The District has base target revenue of \$7,061 per WADA in 2011-12, compared with the state average of \$5,182 per WADA. Even with the value limitation in place, the estimates in Table 3 show ASATR funding that averages approximately \$8 million per year over the forecast period. The revenue protection provisions of the agreement cover only the revenue losses associated with adoption of the value limitation, not major changes in state policy with regard to state funding.

The Comptroller's Property Tax Assistance Division announced recently that it would be adopting a rule this fall that would implement the use of two values for Chapter 313 school districts for its 2011 state property value study. These are the state values that will be used to calculate state aid and recapture in the 2012-13 school year.

At the school-district level, a taxpayer benefiting from a property value limitation has two property values assigned by the local appraisal district for their property covered by the limitation: (1) a reduced value for M&O taxes, and (2) the full taxable value for I&S taxes. This situation exists for the eight years that the value limitation is in effect.

Under the property value study conducted by the Comptroller's Office through the 2010 tax year, however, only a single deduction amount was calculated for a property value limitation and the same value is assigned for the M&O and I&S calculations under the school funding formulas. The result of this interpretation is that a "composite" value for a school district with a Chapter 313 agreement is calculated, by averaging the impact of the value reduction across the M&O and I&S tax levies.

Under the Enterprise Products Operation request for a value limitation, the 2014 state property value used for the 2015-16 school year would be the first year that this change in the value study would be reflected in funding formula calculations for the new Enterprise Products Operation project. This change proposed by the Comptroller's Office has been included in the models presented here.

Impact on the Taxpayer

Table 5 summarizes the impact of the proposed property value limitation in terms of the potential tax savings under the property value limitation agreement. The focus of this table is on the M&O tax rate only. As noted previously, the property is fully taxable in the first two years under the agreement. A \$1.06 per \$100 of taxable value M&O rate is assumed in 2011-12 and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total \$21.0 million over the life of the agreement. In addition, Enterprise Products Operation would be eligible for a modest tax credit for taxes paid on value in excess of the value limitation in each of the first two years. The credit amount is paid out slowly through years 4-10 due to statutory limits on the scale of these payments over these seven years, with catch-up payments permitted in years 11-13 and the stat reimbursing school districts for the costs associated with granting the tax credits. The tax credits are expected to total approximately \$0.1 million over the life of the agreement, with no unpaid tax credits anticipated.

The key BHISD revenue losses are associated with the additional six-cent levy not subject to recapture and expected to total approximately -\$1.1 million over the course of the agreement. The potential net tax benefits are estimated to total \$19.9 million over the life of the agreement. While legislative changes to ASATR funding could increase the hold-harmless amount owed in the 2014-15 school year, there would still be a substantial tax benefit to Enterprise Products Operation under the value limitation agreement for the remaining years that the limitation is in effect.

Facilities Funding Impact

The Enterprise Products Operation project remains fully taxable for debt services taxes, with BHISD currently levying a \$0.270 I&S rate. The value of the Enterprise Products Operation project is expected to depreciate at a moderate rate over the life of the agreement and beyond based on the data provided in the application, but full access to the additional value will add to the District's projected wealth per ADA that is currently well above what is provided for through the state's facilities program. At its peak taxable value, this project adds 10.4 percent to BHISD's current tax base, which should assist the District in meeting its debt service obligations.

The Enterprise Products Operation project is not expected to affect BHISD in terms of enrollment. Continued expansion of industrial gas manufacturing could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.

Conclusion

The proposed Enterprise Products Operation manufacturing project enhances the tax base of BHISD. It reflects continued capital investment in industrial gas manufacturing, one of the goals of Chapter 313 of the Tax Code, also known as the Texas Economic Development Act.

Under the assumptions outlined above, the potential tax benefits under a Chapter 313 agreement could reach an estimated \$19.9 million over the course of the agreement. This amount is net of any anticipated revenue losses for the District. The additional taxable value also enhances the tax base of BHISD in meeting its future debt service obligations.

Table 1 – Base District Information with Enterprise Products Operation LLC Project Value and Limitation Values

School Year	ADA	WADA	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
2012-13	4,313.55	5,064.69	\$0.2698	\$2,824,938,060	\$2,824,938,060	\$2,979,887,592	\$2,979,887,592	\$588,365	\$588,365
2013-14	4,313.55	5,064.69	\$0.2698	\$2,892,438,060	\$2,892,438,060	\$2,955,703,552	\$2,955,703,552	\$583,590	\$583,590
2014-15	4,313.55	5,064.69	\$0.2698	\$3,105,818,060	\$2,883,938,060	\$3,023,203,552	\$3,023,203,552	\$596,918	\$596,918
2015-16	4,313.55	5,064.69	\$0.2698	\$3,145,888,060	\$2,883,938,060	\$3,236,583,552	\$3,014,703,552	\$639,049	\$595,240
2016-17	4,313.55	5,064.69	\$0.2698	\$3,142,548,060	\$2,883,938,060	\$3,276,653,552	\$3,014,703,552	\$646,960	\$595,240
2017-18	4,313.55	5,064.69	\$0.2698	\$3,139,088,060	\$2,883,938,060	\$3,273,313,552	\$3,014,703,552	\$646,301	\$595,240
2018-19	4,313.55	5,064.69	\$0.2698	\$3,135,318,060	\$2,883,938,060	\$3,269,853,552	\$3,014,703,552	\$645,618	\$595,240
2019-20	4,313.55	5,064.69	\$0.2698	\$3,131,238,060	\$2,883,938,060	\$3,266,083,552	\$3,014,703,552	\$644,873	\$595,240
2020-21	4,313.55	5,064.69	\$0.2698	\$3,272,663,325	\$3,030,063,325	\$3,262,003,552	\$3,014,703,552	\$644,068	\$595,240
2021-22	4,313.55	5,064.69	\$0.2698	\$3,440,862,725	\$3,203,272,725	\$3,403,428,817	\$3,160,828,817	\$671,992	\$624,091
2022-23	4,313.55	5,064.69	\$0.2698	\$3,423,960,886	\$3,423,960,886	\$3,571,628,217	\$3,334,038,217	\$705,202	\$658,291
2023-24	4,313.55	5,064.69	\$0.2698	\$3,407,274,024	\$3,407,274,024	\$3,554,726,378	\$3,554,726,378	\$701,865	\$701,865
2024-25	4,313.55	5,064.69	\$0.2698	\$3,342,767,846	\$3,342,767,846	\$3,538,039,516	\$3,538,039,516	\$698,570	\$698,570
2025-26	4,313.55	5,064.69	\$0.2698	\$3,321,285,557	\$3,321,285,557	\$3,473,533,338	\$3,473,533,338	\$685,833	\$685,833
2026-27	4,313.55	5,064.69	\$0.2698	\$3,326,276,904	\$3,326,276,904	\$3,452,051,049	\$3,452,051,049	\$681,592	\$681,592

*Tier II Yield: \$47.65; AISD Yield: \$59.97; Equalized Wealth: \$476,500 per WADA

Table 2-- "Baseline Revenue Model"--Project Value Added with No Value Limitation

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
1	2012-13	\$28,779,017	\$1,064,662	\$8,957,755	\$0	-\$5,137,536	\$1,728,094	\$33,263	-\$658	\$35,424,598
2	2013-14	\$29,440,551	\$1,089,063	\$8,202,510	\$0	-\$5,068,225	\$1,767,817	\$48,759	-\$666	\$35,479,808
3	2014-15	\$31,576,157	\$1,089,063	\$7,034,432	\$0	-\$6,035,754	\$1,896,053	\$8,830	-\$734	\$35,568,048
4	2015-16	\$31,968,863	\$1,541,985	\$7,950,477	\$0	-\$7,797,426	\$1,919,634	\$0	-\$799	\$35,582,733
5	2016-17	\$31,936,129	\$1,843,933	\$7,964,142	\$0	-\$8,080,306	\$1,917,669	\$0	-\$808	\$35,580,759
6	2017-18	\$31,902,220	\$1,541,985	\$8,267,090	\$0	-\$8,047,396	\$1,915,633	\$0	-\$807	\$35,578,724
7	2018-19	\$31,865,272	\$1,843,933	\$7,967,523	\$0	-\$8,012,829	\$1,913,414	\$0	-\$805	\$35,576,507
8	2019-20	\$31,825,286	\$1,541,985	\$8,271,870	\$0	-\$7,975,242	\$1,911,013	\$0	-\$803	\$35,574,108
9	2020-21	\$33,211,323	\$1,843,933	\$6,915,079	\$0	-\$8,306,436	\$1,994,240	\$0	-\$837	\$35,657,302
10	2021-22	\$34,859,759	\$1,541,985	\$7,069,148	\$0	-\$9,806,994	\$2,093,224	\$0	-\$914	\$35,756,208
11	2022-23	\$34,694,113	\$1,843,933	\$8,043,203	\$0	-\$10,917,350	\$2,083,277	\$0	-\$949	\$35,746,227
12	2023-24	\$34,530,574	\$1,541,985	\$8,344,715	\$0	-\$10,753,375	\$2,073,457	\$0	-\$941	\$35,736,415
13	2024-25	\$33,898,381	\$1,843,933	\$8,363,424	\$0	-\$10,441,839	\$2,035,496	\$0	-\$920	\$35,698,475
14	2025-26	\$33,687,844	\$1,843,933	\$8,080,300	\$0	-\$9,948,178	\$2,022,854	\$0	-\$900	\$35,685,853
15	2026-27	\$33,736,762	\$1,843,933	\$7,900,448	\$0	-\$9,817,244	\$2,025,791	\$0	-\$896	\$35,688,794

Table 3-- "Value Limitation Revenue Model"--Project Value Added with Value Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
1	2012-13	\$28,779,017	\$1,064,662	\$8,957,755	\$0	-\$5,137,536	\$1,728,094	\$33,263	-\$658	\$35,424,598
2	2013-14	\$29,440,551	\$1,089,063	\$8,202,510	\$0	-\$5,068,225	\$1,767,817	\$48,759	-\$666	\$35,479,808
3	2014-15	\$29,357,246	\$1,089,063	\$8,805,716	\$0	-\$5,588,127	\$1,762,815	\$8,209	-\$682	\$35,434,240
4	2015-16	\$29,357,246	\$1,541,985	\$8,286,719	\$0	-\$5,522,052	\$1,762,815	\$13,199	-\$680	\$35,439,231
5	2016-17	\$29,357,246	\$1,843,933	\$7,984,771	\$0	-\$5,522,052	\$1,762,815	\$13,199	-\$680	\$35,439,231
6	2017-18	\$29,357,246	\$1,541,985	\$8,286,719	\$0	-\$5,522,052	\$1,762,815	\$13,199	-\$680	\$35,439,231
7	2018-19	\$29,357,246	\$1,843,933	\$7,984,771	\$0	-\$5,522,052	\$1,762,815	\$13,199	-\$680	\$35,439,231
8	2019-20	\$29,357,246	\$1,541,985	\$8,286,719	\$0	-\$5,522,052	\$1,762,815	\$13,199	-\$680	\$35,439,231
9	2020-21	\$30,789,346	\$1,843,933	\$6,838,350	\$0	-\$5,807,730	\$1,848,808	\$13,842	-\$713	\$35,525,835
10	2021-22	\$32,486,883	\$1,541,985	\$6,983,663	\$0	-\$7,348,632	\$1,950,740	\$0	-\$793	\$35,613,845
11	2022-23	\$34,649,735	\$1,843,933	\$6,404,763	\$0	-\$9,234,532	\$2,080,613	\$0	-\$892	\$35,743,619
12	2023-24	\$34,486,195	\$1,541,985	\$8,374,844	\$0	-\$10,739,126	\$2,070,792	\$0	-\$939	\$35,733,752
13	2024-25	\$33,854,003	\$1,843,933	\$8,393,694	\$0	-\$10,427,732	\$2,032,831	\$0	-\$918	\$35,695,811
14	2025-26	\$33,643,466	\$1,843,933	\$8,111,133	\$0	-\$9,934,633	\$2,020,189	\$0	-\$898	\$35,683,189
15	2026-27	\$33,692,384	\$1,843,933	\$7,931,473	\$0	-\$9,803,891	\$2,023,126	\$0	-\$895	\$35,686,130

Table 4 – Value Limit less Project Value with No Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid- Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
1	2012-13	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	2013-14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	2014-15	-\$2,218,911	\$0	\$1,771,284	\$0	\$447,627	-\$133,239	-\$620	\$52	-\$133,808
4	2015-16	-\$2,611,617	\$0	\$336,242	\$0	\$2,275,375	-\$156,820	\$13,199	\$119	-\$143,502
5	2016-17	-\$2,578,883	\$0	\$20,629	\$0	\$2,558,254	-\$154,854	\$13,199	\$128	-\$141,527
6	2017-18	-\$2,544,973	\$0	\$19,629	\$0	\$2,525,344	-\$152,818	\$13,199	\$127	-\$139,493
7	2018-19	-\$2,508,025	\$0	\$17,248	\$0	\$2,490,778	-\$150,599	\$13,199	\$125	-\$137,276
8	2019-20	-\$2,468,039	\$0	\$14,849	\$0	\$2,453,191	-\$148,198	\$13,199	\$123	-\$134,877
9	2020-21	-\$2,421,977	\$0	-\$76,729	\$0	\$2,498,707	-\$145,432	\$13,842	\$124	-\$131,466
10	2021-22	-\$2,372,877	\$0	-\$85,485	\$0	\$2,458,362	-\$142,484	\$0	\$122	-\$142,363
11	2022-23	-\$44,378	\$0	-\$1,638,440	\$0	\$1,682,818	-\$2,665	\$0	\$57	-\$2,608
12	2023-24	-\$44,378	\$0	\$30,129	\$0	\$14,250	-\$2,665	\$0	\$1	-\$2,664
13	2024-25	-\$44,378	\$0	\$30,271	\$0	\$14,107	-\$2,665	\$0	\$1	-\$2,664
14	2025-26	-\$44,378	\$0	\$30,833	\$0	\$13,545	-\$2,665	\$0	\$1	-\$2,664
15	2026-27	-\$44,378	\$0	\$31,025	\$0	\$13,353	-\$2,665	\$0	\$1	-\$2,664

Table 5 - Estimated Financial impact of the Enterprise Products Operation LLC Project Property Value Limitation Request Submitted to BHISD at \$1.06 M&O Tax Rate

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	Tax Credits for First Two Years Above Limit	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits
1	2012-13	\$1,000,000	\$1,000,000	\$0	\$1.060	\$10,601	\$10,601	\$0	\$0	\$0	\$0	\$0
2	2013-14	\$38,500,000	\$38,500,000	\$0	\$1.060	\$408,139	\$408,139	\$0	\$0	\$0	\$0	\$0
3	2014-15	\$251,880,000	\$30,000,000	\$221,880,000	\$1.060	\$2,670,180	\$318,030	\$2,352,150	\$0	\$2,352,150	-\$133,808	\$2,218,342
4	2015-16	\$291,950,000	\$30,000,000	\$261,950,000	\$1.060	\$3,094,962	\$318,030	\$2,776,932	\$12,873	\$2,789,805	-\$143,502	\$2,646,303
5	2016-17	\$288,610,000	\$30,000,000	\$258,610,000	\$1.060	\$3,059,555	\$318,030	\$2,741,525	\$12,873	\$2,754,397	-\$141,527	\$2,612,870
6	2017-18	\$285,150,000	\$30,000,000	\$255,150,000	\$1.060	\$3,022,875	\$318,030	\$2,704,845	\$12,873	\$2,717,718	-\$139,493	\$2,578,225
7	2018-19	\$281,380,000	\$30,000,000	\$251,380,000	\$1.060	\$2,982,909	\$318,030	\$2,664,879	\$12,873	\$2,677,752	-\$137,276	\$2,540,476
8	2019-20	\$277,300,000	\$30,000,000	\$247,300,000	\$1.060	\$2,939,657	\$318,030	\$2,621,627	\$12,873	\$2,634,500	-\$134,877	\$2,499,623
9	2020-21	\$272,600,000	\$30,000,000	\$242,600,000	\$1.060	\$2,889,833	\$318,030	\$2,571,803	\$12,873	\$2,584,675	-\$131,466	\$2,453,209
10	2021-22	\$267,590,000	\$30,000,000	\$237,590,000	\$1.060	\$2,836,722	\$318,030	\$2,518,692	\$12,873	\$2,531,564	-\$142,363	\$2,389,202
11	2022-23	\$261,960,000	\$261,960,000	\$0	\$1.060	\$2,777,038	\$2,777,038	\$0	\$0	\$0	\$0	\$0
12	2023-24	\$256,210,000	\$256,210,000	\$0	\$1.060	\$2,716,082	\$2,716,082	\$0	\$0	\$0	\$0	\$0
13	2024-25	\$248,871,000	\$248,871,000	\$0	\$1.060	\$2,638,281	\$2,638,281	\$0	\$0	\$0	\$0	\$0
14	2025-26	\$241,300,000	\$241,300,000	\$0	\$1.060	\$2,558,021	\$2,558,021	\$0	\$0	\$0	\$0	\$0
15	2026-27	\$259,463,000	\$259,463,000	\$0	\$1.060	\$2,750,567	\$2,750,567	\$0	\$0	\$0	\$0	\$0
Totals						\$37,355,422	\$16,402,970	\$20,952,452	\$90,109	\$21,042,561	-\$1,104,312	\$19,938,249
Tax Credit for Value Over Limit in First 2 Years								Year 1 \$0	Year 2 \$90,109	Max Credits \$90,109		
								Credits Earned		\$90,109		
								Credits Paid		<u>\$90,109</u>		
								Excess Credits Unpaid		\$0		

Attachment F

Taxable Value of Property

DATE: 07/27/2011
TIME: 09:47:16

COMPTROLLER OF PUBLIC ACCOUNTS - PROPERTY TAX ASSISTANCE DIVISION
2010 ISD SUMMARY WORKSHEET
036/Chambers
036-902/Barbers Hill ISD

PAGE: 001
REF: PTS265
VER: W

CATEGORY	LOCAL TAX ROLL VALUE	2010 WTD MEAN RATIO	2010 PTD VALUE ESTIMATE	2010 VALUE ASSIGNED
A. SINGLE-FAMILY RESIDENCES	868,883,170	.9828	884,089,510	868,883,170
B. MULTIFAMILY RESIDENCES	2,173,040	N/A	2,173,040	2,173,040
C. VACANT LOTS	30,585,880	N/A	30,585,880	30,585,880
D. RURAL REAL (TAXABLE)	62,988,840	.9560	65,890,487	62,988,840
F1. COMMERCIAL REAL	53,310,840	N/A	53,310,840	53,310,840
F2. INDUSTRIAL REAL	958,775,910	N/A	958,775,910	958,775,910
G. OIL, GAS, MINERALS	50,823,960	N/A	50,823,960	50,823,960
J. UTILITIES	68,254,790	.9534	71,590,927	68,254,790
L1. COMMERCIAL PERSONAL	13,252,340	N/A	13,252,340	13,252,340
L2. INDUSTRIAL PERSONAL	1,072,304,930	N/A	1,072,304,930	1,072,304,930
M. MOBILE HOMES	3,690,550	N/A	3,690,550	3,690,550
N. INTANGIBLE PERS/UNCERT	0	N/A	0	0
O. RESIDENTIAL INVENTORY	6,022,480	N/A	6,022,480	6,022,480
S. SPECIAL INVENTORY	960,110	N/A	960,110	960,110
SUBTOTAL	3,192,026,840		3,213,470,964	3,192,026,840
LESS TOTAL DEDUCTIONS	267,323,288		269,639,697	267,323,288
TOTAL TAXABLE VALUE	2,924,703,552		2,943,831,267	2,924,703,552 T2

CATEGORY D DETAIL	LOCAL TAX ROLL	RATIO	PTD VALUE
MARKET VALUE NON-QUALIFIED ACRES & FARM/RANCH IMP	60,282,730	.9578	62,838,745
PROD VALUE QUALIFIED ACRES	2,705,110	.9168	2,951,742
TAXABLE VALUE	62,988,840		65,890,487

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 (T1, T3, T4, T5 AND T6) IN ADDITION TO THE TRADITIONAL MEASURE (T2). QUESTIONS ABOUT THE EXTENT TO WHICH ANY OF THESE WEALTH MEASURES AFFECT SCHOOL FUNDING SHOULD BE DIRECTED TO THE DIVISION OF STATE FUNDING AT THE TEXAS EDUCATION AGENCY, TELEPHONE #512-463-9238.

T1	T2	T3	T4	T5	T6
2,966,858,222	2,924,703,552	2,891,418,012	2,849,263,342	2,924,703,552	2,849,263,342
LOSS TO THE ADDITIONAL \$10,000 HOMESTEAD EXEMPTION					
50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION					
42,154,570					
75,440,210					

T1 = SCHOOL DISTRICT TAXABLE VALUE BEFORE THE LOSS TO THE ADDITIONAL \$10,000 HOMESTEAD EXEMPTION
T2 = SCHOOL DISTRICT TAXABLE VALUE 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
T5 = T2 BEFORE THE LOSS TO THE TAX CEILING REDUCTION
T6 = T5 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

**** END OF REPORT ****

Attachment G

Participation Agreement

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

by and between

BARBERS HILL INDEPENDENT SCHOOL DISTRICT

and

ENTERPRISE PRODUCTS OPERATING LLC

(Texas Taxpayer ID # 12604305396)

Dated

December 15, 2011

WHEREAS, the Comptroller, pursuant to Texas Tax Code § 313.025(d), reviewed the Application and on November 18, 2011, the Texas Comptroller's Office, via letter, recommended that the Application be approved; and,

WHEREAS, the Comptroller conducted an economic impact evaluation pursuant to Chapter 313 of the Texas Tax Code which was presented to the Board of Trustees at the December 15, 2011 public hearing held in connection with the Board of Trustees' consideration of the Application; and,

WHEREAS, the Board of Trustees carefully reviewed the economic impact evaluation pursuant to Texas Tax Code § 313.026 and carefully considered the Comptroller's positive recommendation for the project; and,

WHEREAS, on December 15, 2011, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District; and,

WHEREAS, on December 15, 2011, the Board of Trustees made factual findings pursuant to Texas Tax Code § 313.025(f), including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) this Agreement is in the best interest of the District and the State of Texas; (iii) the Applicant is eligible for the limitation on appraised value of the Applicant's Qualified Property; (iv) each criterion referenced in Texas Tax Code § 313.025(e) has been met; and (v) the jobs creation requirement in Texas Tax Code § 313.025(f-1) exceeds the industry standard for the number of employees reasonably necessary for the operation of the Qualified Investment; and,

WHEREAS, the Barbers Hill Independent School District was within an area that qualified as a strategic investment area under Texas Tax Code Chapter 171, Subchapter O immediately before that Subchapter expired; and because of that fact, the District qualifies as a rural school district under the provisions of Texas Tax Code § 313.051(a)(1); and,

WHEREAS, on December 15, 2011, the Board of Trustees determined that the Tax Limitation Amount requested by the Applicant, and as defined in Sections 1.2 and 1.3, below, is consistent with the minimum values set out by Texas Tax Code §§ 313.022(b) and 313.052, as such Tax Limitation Amount was computed as of the date of this Agreement; and,

WHEREAS, on December 9, 2011, the District received written notification, pursuant to 34 Texas Administrative Code § 9.1055(e)(2)(A), that the Comptroller reviewed this Agreement, and reaffirmed the recommendation previously made on November 18, 2011 that the Application be approved; and,

WHEREAS, on December 15, 2011, the Board of Trustees approved the form of this Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the President and Secretary of the Board of Trustees to execute and deliver such Agreement to the Applicant;

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

ARTICLE I
AUTHORITY, TERM, DEFINITIONS, AND GENERAL PROVISIONS

Section 1.1. AUTHORITY

This Agreement is executed by the District as its written agreement with the Applicant pursuant to the provisions and authority granted to the District in Texas Tax Code § 313.027.

Section 1.2. TERM OF THE AGREEMENT

This Agreement shall commence and first become effective on the Commencement Date, as defined in Section 1.3, below. In the event that the Applicant makes a Qualified Investment in the amount defined in Section 2.6 below, between the Commencement Date and the end of the Qualifying Time Period, the Applicant will be entitled to the Tax Limitation Amount defined in Section 1.3 below, for the following Tax Years: 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021. The limitation on the local ad valorem property values for Maintenance and Operations purposes shall commence with the property valuations made as of January 1, 2014, the appraisal date for the third full Tax Year following the Commencement Date.

The period beginning with the Commencement Date of December 15, 2011 and ending on December 31, 2013 will be referred to herein as the "Qualifying Time Period," as that term is defined in Texas Tax Code § 313.021(4). The Applicant shall not be entitled to a tax limitation during the Qualifying Time Period.

Unless sooner terminated as provided herein, the limitation on the local ad valorem property values shall terminate on December 31, 2021. This Agreement will terminate, in full, on the Final Termination Date, except as otherwise provided herein. The termination of this Agreement shall not (i) release any obligations, liabilities, rights and remedies arising out of any breach of, or failure to comply with, this Agreement occurring prior to such termination, or (ii) affect the right of a Party to enforce the payment of any amount, including any Tax Credit, to which such Party was entitled before such termination or to which such Party became entitled as a result of an event that occurred before such termination, so long as the right to such payment survives said termination.

Except as otherwise provided herein, the Tax Years for which this Agreement is effective are as set forth below and set forth opposite each such Tax Year are the corresponding year in the term of this Agreement, the date of the Appraised Value determination for such Tax Year, and a summary description of certain provisions of this Agreement corresponding to such Tax Year (it being understood and agreed that such summary descriptions are for reference purposes only, and shall not affect in any way the meaning or interpretation of this Agreement):

Full Tax Year of Agreement	Date of Appraised Value Determination	School Year	Tax Year	Summary Description of Provisions
Partial Year (Commencing December 15, 2011)	January 1, 2011	2011-12	2011	Start of Qualifying Time Period beginning with Commencement Date. No limitation on value. First year for computation of Annual Limit.
1	January 1, 2012	2012-13	2012	Qualifying Time Period. No limitation on value. Possible tax credit in future years.
2	January 1, 2013	2013-14	2013	Qualifying Time Period. No limitation on value. Possible tax credit in future years.
3	January 1, 2014	2014-15	2014	\$ 30 million property value limitation.
4	January 1, 2015	2015-16	2015	\$ 30 million property value limitation. Possible tax credit due to Applicant.
5	January 1, 2016	2016-17	2016	\$ 30 million property value limitation. Possible tax credit due to Applicant.
6	January 1, 2017	2017-18	2017	\$ 30 million property value limitation. Possible tax credit due to Applicant.
7	January 1, 2018	2018-19	2018	\$ 30 million property value limitation. Possible tax credit due to Applicant.
8	January 1, 2019	2019-20	2019	\$ 30 million property value limitation. Possible tax credit due to Applicant.
9	January 1, 2020	2020-21	2020	\$ 30 million property value limitation. Possible tax credit due to Applicant.

Full Tax Year of Agreement	Date of Appraised Value Determination	School Year	Tax Year	Summary Description of Provisions
10	January 1, 2021	2021-22	2021	\$ 30 million property value limitation. Possible tax credit due to Applicant.
11	January 1, 2022	2022-23	2022	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
12	January 1, 2023	2023-24	2023	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
13	January 1, 2024	2024-25	2024	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.

Section 1.3. DEFINITIONS

Wherever used herein, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning, to-wit:

“Act” means the Texas Economic Development Act set forth in Chapter 313 of the Texas Tax Code, as amended.

“Affiliate” means any other person or entity that directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with the Applicant. For purposes of this definition, “control” when used with respect to any person or of an entity means (i) the ownership, directly or indirectly, of fifty (50) percent or more of the voting securities of such person or other entity, or (ii) the right to direct the management or operations of such person or entity, directly or indirectly, whether through the ownership (directly or indirectly) of securities, by contract or otherwise.

“Affiliated Group” means a group of one or more entities in which a controlling interest is owned by a common owner or owners, either corporate or non-corporate, or by one or more of the member entities.

"Aggregate Limit" means, for any Tax Year during the term of this Agreement, the cumulative total of the Annual Limit amount for such Tax Year and for all previous Tax Years during the course of this Agreement, less all amounts paid by the Applicant to or on behalf of the District under Article IV.

"Agreement" means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented from time to time in accordance with Section 6.3.

"Annual Limit" means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Texas Tax Code § 313.027(i). For purposes of this Agreement, the amount of the Annual Limit shall be calculated for each year by multiplying the District's Average Daily Attendance for the applicable school year, as calculated pursuant to Texas Education Code § 42.005, times the greater of \$100, or any larger amount allowed by Texas Tax Code § 313.027(i), if such limit amount is increased for any future year of this Agreement. The Annual Limit shall first be computed for Tax Year 2011, which, by virtue of the Commencement Date is the first year of the Qualifying Time Period under this Agreement.

"Applicant" means Enterprise Products Operating LLC, (Texas Taxpayer ID # 12604305396), the company listed in the Preamble of this Agreement who, on July 20, 2011, filed the Original Application with the District for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The term "Applicant" shall also include the Applicants' assigns and successors-in-interest and their direct and indirect subsidiaries.

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

"Application" means the Original Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C, of the Texas Tax Code) filed with the District by the Applicant on July 20, 2011, which has been certified by the Comptroller's Office to collectively constitute a complete final Application as of the date of October 11, 2011. The term includes all forms required by the Comptroller's Office, the schedules attached thereto, and all other documentation submitted by the Applicant for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

"Appraised Value" shall have the meaning assigned to such term in Section 1.04(8) of the Texas Tax Code.

"Appraisal District" means the Chambers County Appraisal District.

"Board of Trustees" means the Board of Trustees of the Barbers Hill Independent School District.

"Commencement Date" means December 15, 2011, the date upon which this Agreement was approved by the District's Board of Trustees.

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

"Comptroller's Rules" means the applicable rules and regulations of the Comptroller set forth at Chapter 34, Texas Administrative Code, Chapter 9, Subchapter D, together with any court or administrative decisions interpreting same.

"County" means Chambers County, Texas.

"Determination of Breach" shall have the meaning assigned to such term in Section 7.8 of the Agreement

"District" or "School District" means the Barbers Hill Independent School District, being a duly authorized and operating independent school district in the State, having the power to levy, assess, and collect ad valorem taxes within its boundaries and to which Subchapter C of the Act applies. The term also includes any successor independent school district or other successor governmental authority having the power to levy and collect ad valorem taxes for school purposes on the Applicant's Qualified Property or the Applicant's Qualified Investment.

"Final Termination Date" means December 31, 2024. However, any payment obligations of any Party arising under this Agreement prior to the Final Termination Date will survive until paid by the Party owing same.

"Force Majeure" means a failure caused by (a) provisions of law, or the operation or effect of rules, regulations or orders promulgated by any governmental authority having jurisdiction over the Applicant, the Applicant's Qualified Property or the Applicant's Qualified Investment or any upstream, intermediate or downstream equipment or support facilities as are necessary to the operation of the Applicant's Qualified Property or the Applicant's Qualified Investment; (b) any demand or requisition, arrest, order, request, directive, restraint or requirement of any government or governmental agency whether federal, state, military, local or otherwise; (c) the action, judgment or decree of any court; (d) floods, storms, hurricanes, evacuation due to threats of hurricanes, lightning, earthquakes, washouts, high water, fires, acts of God or public enemies, wars (declared or undeclared), blockades, epidemics, riots or civil disturbances, insurrections, strikes, labor disputes (it being understood that nothing contained in this Agreement shall require the Applicant to settle any such strike or labor dispute), explosions, breakdown or failure of plant, machinery, equipment, lines of pipe or electric power lines (or unplanned or forced outages or shutdowns of the foregoing for inspections, repairs or

maintenance), inability to obtain, renew or extend franchises, licenses or permits, loss, interruption, curtailment or failure to obtain electricity, gas, steam, water, wastewater disposal, waste disposal or other utilities or utility services, inability to obtain or failure of suppliers to deliver equipment, parts or material, or inability of the Applicant to ship or failure of carriers to transport electricity from the Applicant's facilities; or (e) any other cause (except financial), whether similar or dissimilar, over which the Applicant has no reasonable control and which forbids or prevents performance.

"Land" shall have the meaning assigned to such term in Section 2.2.

"Maintain Viable Presence" means, after the development and construction of the project described in the Application and in the description of the Applicant's Qualified Investment and Qualified Property as set forth in Section 2.3, below, (i) the operation over the term of this Agreement of the facility or facilities for which the tax limitation is granted, as the same may from time to time be expanded, upgraded, improved, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured, and/or reengineered; (ii) the maintenance of at least the number of New Jobs required by Chapter 313 of the Texas Tax Code from the time they are created until the Final Termination Date; and (iii) the maintenance of at least the number of Qualifying Jobs set forth in the Application from the time they are created until the Final Termination Date.

"M&O Amount" shall have the meaning assigned to such term in Section 3.2 of the Agreement.

"Maintenance and Operations Revenue" or "M&O Revenue" means (i) those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Texas Education Code § 45.002 and Article VII § 3 of the Texas Constitution, plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 of the Texas Education Code or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace District M&O Revenue lost as a result of such similar agreements, less (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the Texas Education Code.

"Market Value" shall have the meaning assigned to such term in Section 1.04(7) of the Texas Tax Code.

"Net Tax Benefit" means an amount (but not less than zero) equal to (i) the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for all Tax Years during the term of this Agreement if this Agreement had not been entered into by the Parties, (ii) adding to the amount determined under clause (i) all Tax Credits received by the Applicant under Chapter 313, Texas Tax Code, and (iii) subtracting from the sum of the amounts determined under clauses (i) and (ii) the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity,

including the State of Texas, for all Tax Years of this Agreement, plus (B) any payments due to the District under Article III under this Agreement.

"New Jobs" means the total number of "new" jobs, defined by 34 Texas Administrative Code § 9.1051, which the Applicant will create in connection with the project which is the subject of its Application. In accordance with the requirements of Texas Tax Code § 313.024(d), Eighty Percent (80%), of all New Jobs created by the Applicant on the project shall also be Qualifying Jobs, as defined below.

"Qualified Investment" has the meaning set forth in Chapter 313 of the Texas Tax Code, as interpreted by the Comptroller's Rules, as these provisions existed on the date of this Agreement, applying any specific requirements for rural school districts imposed by Subchapter C of Chapter 313 of the Texas Tax Code and by the Comptroller's Rules.

"Qualifying Jobs" means the number of New Jobs the Applicant will create in connection with the project which is the subject of its Application, which meet the requirements of Texas Tax Code §313.021(3).

"Qualified Property" has the meaning set forth in Chapter 313 of the Texas Tax Code, as interpreted by the Comptroller's Rules and the Texas Attorney General, as these provisions existed on the date of this Agreement, applying any specific requirements for rural school districts imposed by Subchapter C of Chapter 313 of the Texas Tax Code and by the Comptroller's Rules.

"Qualifying Time Period" means the period that begins on the Commencement Date of December 15, 2011 and ends on December 31, 2013.

"Revenue Protection Amount" means the amount calculated pursuant to Section 3.2 of this Agreement.

"State" means the State of Texas.

"Substantive Document" means a document or other information or data in electronic media determined by the Comptroller to substantially involve or include information or data significant to an application, the evaluation or consideration of an application, or the agreement or implementation of an agreement for limitation of appraised value pursuant to Texas Tax Code, Chapter 313. The term includes, but is not limited to, any application requesting a limitation on appraised value and any amendments or supplements, any economic impact evaluation made in connection with an application, any agreement between applicant and the school district and any subsequent amendments or assignments, any school district written finding or report filed with the comptroller as required under this subchapter, and any application requesting school tax credits under Texas Tax Code, § 313.103.

"Tax Credit" means the tax credit, either to be paid by the District to the Applicant, or to be applied against any taxes that the District imposes on the Applicant's Qualified Property, as computed under the provisions of Subchapter D of the Act, and rules adopted by the Comptroller

and/or the Texas Education Agency, provided that the Applicant complies with the requirements under such provisions, including the timely filing of a completed application under Texas Tax Code § 313.103 and the duly adopted administrative rules.

"Tax Limitation Amount" means the maximum amount which may be placed as the Appraised Value on Qualified Property/Qualified Investment for years three (3) through ten (10) of this Agreement pursuant to Texas Tax Code § 313.054. That is, for each of the eight (8) Tax Years 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021, the Appraised Value of the Applicant's Qualified Investment for the District's maintenance and operations ad valorem tax purposes shall not exceed, and the Tax Limitation Amount shall be, the lesser of:

- (a) the Market Value of the Applicant's Qualified Investment; or
- (b) Thirty Million Dollars (\$30,000,000.00).

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the effective date of this Agreement, as set out by Texas Tax Code § 313.022(b) or § 313.052, as applicable.

"Tax Year" shall have the meaning assigned to such term in Section 1.04(13) of the Texas Tax Code (*i.e.*, the calendar year).

"Taxable Value" shall have the meaning assigned to such term in Section 1.04(10) of the Texas Tax Code.

"Texas Education Agency Rules" means the applicable rules and regulations adopted by the Texas Commissioner of Education in relation to the administration of Chapter 313, Texas Tax Code, which are set forth at Title 19 – Part 2, Texas Administrative Code, together with any court or administrative decisions interpreting same.

ARTICLE II PROPERTY DESCRIPTION

Section 2.1. LOCATION WITHIN A QUALIFIED REINVESTMENT OR ENTERPRISE ZONE

The Applicant's Qualified Property upon which the Applicant's Qualified Investment will be located is within an area designated as a reinvestment zone under Chapter 311 or 312 of the Texas Tax Code. The legal description of the reinvestment zone in which the Applicant's Qualified Property is located is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

Section 2.2. LOCATION OF QUALIFIED PROPERTY

The location of the Applicant's Qualified Property upon which the Applicant's Qualified Investment will be located is described in the legal description which is attached to this Agreement as **EXHIBIT 2** and is incorporated herein by reference for all purposes. The Parties

expressly agree that the boundaries of the Land may not be materially changed from its configuration described in EXHIBIT 2 without the express authorization of each of the Parties.

Section 2.3. DESCRIPTION OF QUALIFIED INVESTMENT AND QUALIFIED PROPERTY

The Qualified Investment and/or Qualified Property that is subject to the Tax Limitation Amount is described in EXHIBIT 3, which is attached hereto and incorporated herein by reference for all purposes ("Applicant's Qualified Investment"). Qualified Investment shall be that property, described in EXHIBIT 3 which is placed in service under the terms of the Application, during the Qualifying Time Period described in both Section 1.2, above and the definition of Qualifying Time Period set forth in Section 1.3, above. Qualified Property shall be all property, described in EXHIBIT 3, including, but not limited to the Applicant's Qualified Investment, together with the land described in EXHIBIT 2 which: 1) is owned by the Applicant; 2) was first placed in service after November 18, 2011, the completed Application date established by the Comptroller; and 3) is used in connection with the activities described in the Application. Property which is not specifically described in EXHIBIT 3 shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Investment or Qualified Property for purposes of this Agreement, unless pursuant to Texas Tax Code § 313.027(e) and Section 8.3 of this Agreement, the Board of Trustees, by official action, provides that such other property is a part of the Applicant's Qualified Investment for purposes of this Agreement.

Property owned by the Applicant which is not described on EXHIBIT 3 may not be considered to be Qualified Property unless the Applicant:

- (a) submits to the District and the Comptroller a written request to add such property to this Agreement, which request shall include a specific description of the additional property to which the Applicant requests that the Tax Limitation Amount apply;
- (b) notifies the District and the Comptroller of any other changes to the information that was provided in the Application approved by the District; and,
- (c) provides any additional information reasonably requested by the District or the Comptroller necessary to re-evaluate the economic impact analysis for the new or changed conditions.

Section 2.4. APPLICANT'S OBLIGATIONS TO PROVIDE CURRENT INVENTORY OF QUALIFIED PROPERTY

At the end of the Qualifying Time Period, or at any other time when there is a material change in the Applicant's Qualified Property located on the land described in EXHIBIT 2; upon a reasonable request of the District, the Comptroller, or the Appraisal District, the Applicant shall provide to the District, the Comptroller, and the Appraisal District a specific and detailed description of the tangible personal property, buildings, or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Applicant's Qualified Property to which the Tax Limitation Amount applies including maps or surveys of

sufficient detail and description to locate all such described property within the boundaries of the real property which is subject to this Agreement.

Section 2.5. QUALIFYING USE

The Applicant's Qualified Investment described above in Section 2.3 qualifies for a Tax Limitation Agreement under Texas Tax Code § 313.024(b)(1) as a manufacturing facility.

Section 2.6. LIMITATION ON APPRAISED VALUE

So long as the Applicant makes a Qualified Investment in the amount Thirty Million Dollars (\$30,000,000.00), or greater, during the Qualifying Time Period; and unless this Agreement has been terminated as provided herein before such Tax Year, for each of the following eight (8) Tax Years 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021, the Appraised Value of the Applicant's Qualified Investment for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

- (a) the Market Value of the Applicant's Qualified Investment; or
- (b) Thirty Million Dollars (\$30,000,000.00).

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the effective date of this Agreement, as set out by Texas Tax Code § 313.022 (b) or § 313.052.

ARTICLE III PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 3.1. INTENT OF THE PARTIES

Subject to the limitations contained in this Agreement (including Section 5.1), it is the intent of the Parties that the District shall, in accordance with the provisions of Texas Tax Code § 313.027(f)(1), be compensated by the Applicant for any loss that the District incurs in its Maintenance and Operations Revenue as a result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement. Such payments shall be independent of, and in addition to, all such other payments as are set forth in Article IV. Subject only to the limitations contained in this Agreement (including Section 5.1), it is the intent of the Parties that the risk of any negative financial consequence to the District in making the decision to enter into this Agreement will be borne by the Applicant and not by the District, and paid by the Applicant to the District in addition to any and all payments due under Article IV.

Section 3.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT

Subject to the provisions of Sections 5.1 and 5.2, the amount to be paid by the Applicant to compensate the District for loss of Maintenance and Operations Revenue resulting from, or on

Section 3.6. DELIVERY OF CALCULATIONS

On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 3.4 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 3.2 and/or 3.3 and Article IV, and/or under Section 5.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's offices, personnel, books, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation and fee for a period of five (5) years after payment. The Applicant shall not be liable for any of Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement or the fee paid by the Applicant to the Third Party pursuant to Section 3.7, if such fee is timely paid.

Section 3.7. PAYMENT BY APPLICANT

The Applicant shall pay any amount determined to be due and owing to the District under this Agreement on or before the January 31 next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Third Party for all calculations under this Agreement under Section 3.6, above, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or tax credit or other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement. For no Tax Year during the term of this Agreement shall the Applicant be responsible for the payment of any expenses under this Section 3.7 and Section 3.6, above, in excess of Ten Thousand Dollars (\$10,000.00).

Section 3.8. RESOLUTION OF DISPUTES

Pursuant to Sections 3.3, 3.4 and 3.6, should the Applicant disagree with the certification containing the calculations, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days of receipt of the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the District's Board of Trustees within thirty (30) days of the final determination of certification containing the calculations.

Section 3.9. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT

If, at the time the Third Party selected under Section 3.4 makes its calculations under this Agreement, the Applicant has appealed any matter relating to the values placed by the Appraisal District on the Qualified Property, and such appeal remains unresolved, the Third Party shall base its calculations upon the values placed upon the Qualified Property by the Appraisal District.

If as a result of an appraisal appeal or for any other reason, the Taxable Value of the Applicant's Qualified Investment and/or the Applicant's Qualified Property is changed, once the determination of the new Taxable Value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations for the applicable year or years using the new Taxable Value. In the event the new calculations result in a change in any amount paid or payable by the Applicant under this Agreement, the Party from whom the adjustment is payable shall remit such amounts to the other Party within thirty (30) days of the receipt of the new calculations from the Third Party.

Section 3.10. EFFECT OF STATUTORY CHANGES

Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 5.1, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State because of its participation in this Agreement, the Applicant shall make payments to the District, up to the revenue protection amount limit set forth in Section 5.1, that are necessary to offset any negative impact on the District as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on the District.

ARTICLE IV

Section 4.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS

In interpreting the provisions of Article IV, the parties agree as follows:

(a) Amounts Exclusive of Indemnity Amounts

In addition to undertaking the responsibility for the payment of all of the amounts set forth under Article III, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the Supplemental Payments set forth in this Article IV (the "Supplemental Payments"). The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313, Texas Tax Code, unless it is explicitly set forth in this Agreement. It is the express

intent of the Parties that the Applicant's obligation to make Supplemental Payments under this Article IV are separate and independent of the obligation of the Applicant to pay the amounts described in Article III; provided, however, that all payments under Articles III and IV are subject to the limitations contained in Section 5.1, and that all payments under this Article IV are subject to the separate limitations contained in Section 4.4.

(b) Adherence to Statutory Limits on Supplemental Payments

It is the express intent of the Parties that any Supplemental Payments made to or on behalf of the District by the Applicant, under this Article IV, shall not exceed the limit imposed by the provisions of Texas Tax Code 313.027(i), as such limit is allowed or required to be increased by the Legislature in a future year of this Agreement; however in such event, it shall not exceed the Stipulated Supplemental Payment Amount described in Sections 4.2 and 4.3, below.

Section 4.2. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO AGGREGATE LIMIT

During the term of this Agreement, the District shall not be entitled to receive Supplemental Payments that exceed the lesser of:

(a) the Applicant's "Stipulated Supplemental Payment Amount", which is hereby defined as Thirty-Eight and Three-Tenths Percent (38.3%) of the Net Tax Benefit,; or,

(b) the Aggregate Limit.

Section 4.3. ANNUAL CALCULATION OF STIPULATED SUPPLEMENTAL PAYMENT AMOUNT

The Parties agree that for each Tax Year during the term of this Agreement, beginning with the third full year (Tax Year 2014), the Stipulated Supplemental Payment Amount, described in Section 4.2 will annually be calculated based upon the then most current estimate of tax savings to the Applicant, which will be made, based upon assumptions of student counts, tax collections, and other applicable data, in accordance with the following formula:

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

Minus,

The Taxable Value of the Applicant's Qualified Property for such Tax Year after giving effect to this Agreement (i.e., the Taxable Value of the Applicant's Qualified Property used for

the District's maintenance and operations tax purposes for such Tax Year, or school taxes due to any other governmental entity, including the State of Texas, for such Tax Year);

Multiplied by,

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

Plus,

Any Tax Credit received by the Applicant with respect to such Tax Year;

Minus,

Any amounts previously paid to the District under Article III;

Multiplied by,

The number 0.383;

Minus,

Any amounts previously paid to the District under Sections 4.2 and 4.3 with respect to such Tax Year.

In the event that there are changes in the data upon which the calculations set forth herein are made, the Third Party described in Section 3.4, above, shall adjust the Stipulated Supplemental Payment Amount calculation to reflect such changes in the data.

Section 4.4. CALCULATION OF ANNUAL SUPPLEMENTAL PAYMENTS TO THE DISTRICT AND APPLICATION OF AGGREGATE LIMIT

For each Tax Year during the term of this Agreement, beginning with Tax Year three (Tax Year 2014) and continuing thereafter through Tax Year thirteen (Tax Year 2024), the District, or its successor beneficiary should one be designated under Section 4.6, below, shall not be entitled to receive Supplemental Payments, computed under Sections 4.2 and 4.3, above, that exceed the Aggregate Limit.

If, for any Tax Year during the term of this Agreement the payment of the Applicant's Stipulated Supplemental Payment Amount, calculated under Sections 4.2 and 4.3, above for such Tax Year, exceeds the Aggregate Limit for that Tax Year, the difference between the Applicant's Stipulated Supplemental Payment Amount so calculated and the Aggregate Limit for such Tax Year, shall be carried forward from year-to-year into subsequent Tax Years during the term of this Agreement, and to the extent not limited by the Aggregate Limit in any subsequent Tax Year during the term of this Agreement, shall be paid to the District.

Any of the Applicant's Stipulated Supplemental Payment Amount, which cannot be paid to the District prior to the end of Tax Year thirteen (Tax Year 2024), because such payment would exceed the Aggregate Limit, will be deemed to have been cancelled by operation of law, and the Applicant shall have no further obligation with respect thereto.

Section 4.5. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS

- (a) All calculations required by this Article IV, including but not limited to: (i) the calculation of the Applicant's Stipulated Supplemental Payment Amount; (ii) the determination of both the Annual Limit and the Aggregate Limit; (iii) the effect, if any, of the Aggregate Limit upon the actual amount of the Applicant's Supplemental Payments eligible to be paid to the District by the Applicant; and, (iv) the carry forward and accumulation of any of the Applicant's Stipulated Supplemental Payment Amounts unpaid by the Applicant due to the Aggregate Limit in previous years, shall be calculated by the Third Party selected pursuant to Section 3.4.
- (b) The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 3.6.
- (c) The payment of all amounts due under this Article shall be made at the time set forth in Section 3.7.

Section 4.6. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY

At any time during this Agreement, the Board of Trustees may, in its sole discretion, so long as such decision does not result in additional costs to the Applicant under this Agreement, direct that the Applicant's payment under this Article IV be made to the District's educational foundation, or to a similar entity. Such foundation or entity may only use such funds received under this Article IV to support the educational mission of the District and its students. Any designation of such a foundation or entity must be made by recorded vote of the Board of Trustees at a properly posted public meeting of the Board of Trustees. Any such designation will become effective after public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 6.1, below. Such designation may be rescinded by the Board of Trustees, by Board action, at any time and any such rescission will be effective after delivery of notice of such action to the Applicant in conformance with the provisions of Section 8.1.

Any designation of a successor beneficiary under this Section shall not alter the Aggregate Limit on Supplemental Payments described in Section 4.4, above.

ARTICLE V ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

SECTION 5.1. ANNUAL LIMITATION AFTER FIRST THREE YEARS

Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year during the term of this Agreement after the 2014 Tax Year, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles III and IV with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Section 3.4 and Section 3.6, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles III and IV shall be reduced until such excess is eliminated.

Section 5.2. OPTION TO CANCEL AGREEMENT

In the event that any payment otherwise due from the Applicant to the District under Article III and/or Article IV with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 5.1 above, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to cancel this Agreement by notifying the District of its election in writing not later than the July 31 of the year next following the Tax Year with respect to which a reduction under Section 5.1 is applicable. Any cancellation of this Agreement under the foregoing provisions of this Section 5.2 shall be effective immediately prior to the second Tax Year next following the Tax Year in which the reduction giving rise to the option occurred. In addition to the foregoing, in the event the Applicant determines that it will not commence or complete construction of the Applicant's Qualified Investment, the Applicant shall have the option, during the Qualifying Time Period, to terminate this Agreement by notifying the District in writing of its exercise of such option. Any termination of this Agreement under the immediately preceding sentence shall be effective immediately prior to the beginning of the Tax Year immediately following the Tax Year during which such notification is delivered to the District. Upon such termination this Agreement shall terminate and be of no further force or effect; provided, however, that the Parties respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged.

ARTICLE VI TAX CREDITS

Section 6.1. APPLICANT'S ENTITLEMENT TO TAX CREDITS

The Applicant shall be entitled to Tax Credits from the District under and in accordance with the provisions of Subchapter D of the Act and Comptroller Rules, provided that the Applicant complies with the requirements under such provisions, including the filing of a completed Application under Section 313.103 of the Texas Tax Code and Comptroller Rules.

Section 6.2. DISTRICT'S OBLIGATIONS WITH RESPECT TO TAX CREDITS

The District shall timely comply and shall cause the District's collector of taxes to timely comply with their obligations under Subchapter D of the Act and Comptroller Rules, including, but not limited to, such obligations set forth in Section 313.104 of the Texas Tax Code, and either Comptroller and/or Texas Education Agency Rules.

Section 6.3. COMPENSATION FOR LOSS OF TAX CREDIT PROTECTION REVENUES

If after the Applicant has actually received the benefit of a Tax Credit under Section 6.1, the District does not receive aid from the State pursuant to Texas Education Code § 42.2515 or other similar or successor statute with respect to all or any portion of such Tax Credit for reasons other than the District's failure to comply with the requirements for obtaining such aid, then the District shall notify the Applicant in writing thereof and the circumstances surrounding the State's failure to provide such aid to the District. The Applicant shall pay to the District the amount of such Tax Credit for which the District did not receive such aid within thirty (30) calendar days after receipt of such notice, and such payment shall be subject to the same provisions for late payment as are set forth in Section 7.4 and 7.5. If the District receives aid from the State for all or any portion of a Tax Credit with respect to which the Applicant has made a payment to the District under this Section 6.3, then the District shall pay to the Applicant the amount of such aid within thirty (30) calendar days after the District's receipt thereof.

ARTICLE VII ADDITIONAL OBLIGATIONS OF APPLICANT

Section 7.1. DATA REQUESTS

During the term of this Agreement, and upon the written request of one Party or by the Comptroller (the "Requesting Party"), the other Party shall provide the Requesting Party with all information reasonably necessary for the Requesting Party to determine whether the other Party is in compliance with its obligations, including any employment obligations which may arise under this Agreement. The Applicant shall allow authorized employees of the District, the Comptroller, and/or the Appraisal District to have access to the Applicant's Qualified Property and/or business records, in accordance with Texas Tax Code § 22.07, during the term of this Agreement, in order to inspect the project to determine compliance with the terms hereof. All inspections will be made at a mutually agreeable time after the giving of not less than forty-eight (48) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property. All inspections may be accompanied by one or more representatives of the Applicant, and shall be

conducted in accordance with the Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District, the Comptroller, or the Appraisal District with any technical or business information that is private personnel data, proprietary, a trade secret or confidential in nature or is subject to a confidentiality agreement with any third party.

Section 7.2. REPORTS TO OTHER GOVERNMENTAL AGENCIES

The Applicant shall timely make any and all reports that are or may be required under the provisions of law or administrative regulation, including but not limited to the annual report or certifications that may be required to be submitted by the Applicant to the Comptroller under the provisions of Texas Tax Code § 313.032. The Applicant shall forward a copy of all such required reports or certifications to the District contemporaneously with the filing thereof. The obligation to make all such required filings shall be a material obligation under this Agreement.

Section 7.3. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE

By entering into this Agreement, the Applicant warrants that:

- (a) it will abide by all of the terms of the Agreement;
- (b) it will Maintain Viable Presence in the District through the Final Termination Date of this Agreement; provided, however, that notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of this Agreement, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure, provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure; and,
- (c) it will meet applicable minimum eligibility requirements under Texas Tax Code, Chapter 313 throughout the value limitation and tax-credit settle-up periods.

Section 7.4. CONSEQUENCES OF EARLY TERMINATION OR OTHER BREACH BY APPLICANT

(a) In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 5.2, or in the event that the Applicant or its successor-in-interest fails to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, after the notice and cure period provided by Section 7.8, then the District shall be entitled to the recapture of all ad valorem tax revenue lost as a result of this Agreement together with the payment of penalty and interest, as calculated in accordance with Section 7.5, on that recaptured ad valorem tax revenue. For purposes of this recapture calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Article III. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV.

(b) Notwithstanding Section 7.4(a), in the event that the District determines that the Applicant has failed to Maintain Viable Presence and provides written notice of termination of the Agreement, then the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of such termination notice. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem taxes for all of the Tax Years for which a Tax Limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 7.5. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Article III. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV. Upon payment of such liquidated damages, the Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

Section 7.5. CALCULATION OF PENALTY AND INTEREST

In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes owed less all credits under Section 7.4 for each Tax Year during the term of this Agreement since the Commencement Date. The District shall calculate penalty or interest for each Tax Year during the term of this Agreement since the Commencement Date in accordance with the methodology set forth in Chapter 33 of the Texas Tax Code, as if the base amount calculated for such Tax Year less all credits under Section 7.4 had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code § 33.01(a), or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code § 33.01(c), or its successor statute.

Section 7.6 MATERIAL BREACH OF AGREEMENT

The Applicant shall be in Material Breach of this Agreement if it commits one or more of the following acts or omissions:

- (a) Applicant is determined to have failed to meet its obligations to have made accurate material representations of fact in the submission of its Application as is required by Section 8.13, below.
- (b) Applicant fails to Maintain Viable Presence in the District, as required by Section 7.3 of this Agreement, through the Final Termination Date of this Agreement.
- (c) Applicant fails to make any payment required under Articles III or IV of this Agreement on or before its due date.

- (d) Applicant fails to create and maintain at least the number of New Jobs set forth it committed to create and maintain as set forth on Schedule C, Column C of its Application.
- (e) Applicant fails to create and maintain at least the number of New Jobs set forth it committed to create and maintain as set forth on Schedule C, Column E of its Application.
- (f) Applicant fails to create and maintain at least Eighty Percent (80%) of all New Jobs as Qualifying Jobs.
- (g) Applicant makes any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement, in excess of the amounts set forth in Articles III and IV, above. Voluntary donations made by the Applicant to the District after the date of execution of this Agreement, and not mandated by this Agreement or made in recognition of or in consideration for this Agreement, are not barred by this provision.
- (h) Applicant fails to comply in any material respects with any other term of this Agreement, or the Applicant fails to meet its obligations under the applicable Comptroller's Rules, and under the Texas Economic Development Act.

Section 7.7 LIMITED STATUTORY CURE OF MATERIAL BREACH

In accordance with the provisions of Texas Tax Code § 313.0275, for any full Tax Year which commences after the project has become operational, the Applicant may cure the Material Breach of this Agreement, described in Sections 7.6(d) and 7.6(e) or 7.6(f), above, without the termination of the remaining term of this Agreement. In order to cure any such non-compliance with Sections 7.6(d) and 7.6(e) or 7.6(f) for such Tax Year, the Applicant may make the liquidated damages payment required by Texas Tax Code § 313.0275(b), in accordance with the provisions of Texas Tax Code § 313.0275(c).

Section 7.8. DETERMINATION OF MATERIAL BREACH AND TERMINATION OF AGREEMENT

Prior to making a determination under Section 7.4 or Section 7.6 that the Applicant is in Material Breach of this Agreement, such as making a material misrepresentation in the Application, failing to Maintain Viable Presence in the District as required by Section 7.3 of this Agreement, failing to make any payment required under this Agreement when due, or that the Applicant has otherwise committed a Material Breach of this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the Material Breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, the Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that a Material Breach of this Agreement has not occurred, and/or that it has cured or undertaken to cure any such Material Breach.

If the Board of Trustees is not satisfied with such response and/or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to the Applicant, conduct a hearing called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to whether or not a Material Breach of this Agreement has occurred, the date such breach occurred, if any, and whether or not any such breach has been cured. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall also terminate the Agreement and determine the amount of recaptured taxes under Section 7.4 (net of all credits under Section 7.4), and the amount of any penalty and/or interest under Section 7.5 that are owed to the District.

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

Section 7.9. DISPUTE RESOLUTION

After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 7.8, the Applicant shall have ninety (90) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within ninety (90) days after the Applicant's receipt of notice of the Board of Trustee's Determination of Material Breach under Section 7.8, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then residing in Chambers County, Texas. The Parties agree to sign a document that designates the mediator and the mediation will be governed by the provisions of Chapter 154 of the Texas Civil Practice and Remedies Code and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator's fees and expenses and the Applicant shall bear one-half of such mediator's fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation.

In the event that any mediation is not successful in resolving the dispute or that payment is not received before the expiration of such ninety (90) days, the District shall have the remedies for the collection of the amounts determined under Section 7.8 as are set forth in Texas Tax Code Chapter 33, Subchapters B and C, for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees and a tax lien on the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Texas Tax Code § 33.07 to the attorneys representing the District pursuant to Texas Tax Code § 6.30.

In any event where a dispute between the District and the Applicant under this Agreement cannot be resolved by the Parties, after completing the procedures required above in this Section, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in any judicial proceeding, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any covenant, agreement or undertaking made by a Party pursuant to this Agreement.

Section 7.10. LIMITATION OF OTHER DAMAGES

Notwithstanding anything contained in this Agreement to the contrary, in the event of default or breach of this Agreement by the Applicant, the District's damages for such a default shall under no circumstances exceed the greater of either any amounts calculated under Sections 7.4 and 7.5 above, or the monetary sum of the difference between the payments and credits due and owing to the Applicant at the time of such default and the District taxes that would have been lawfully payable to the District had this Agreement not been executed. In addition, the District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement.

The Parties further agree that the limitation of damages and remedies set forth in this Section 7.10 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 7.11. BINDING ON SUCCESSORS

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

ARTICLE VIII MISCELLANEOUS PROVISIONS

Section 8.1. INFORMATION AND NOTICES

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

Notices to the District shall be addressed to the District's Authorized Representative as follows:
Dr. Greg Poole, Superintendent

BARBERS HILL INDEPENDENT SCHOOL DISTRICT

P.O. Box 1108

9600 Eagle Drive.

Mont Belvieu, Texas 77580

Fax: (281) 576-3410

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

Notices to the Applicant shall be addressed to:

ATTN: CURT TATE, Director of Property and Transaction Tax

ENTERPRISE PRODUCTS OPERATING LLC

P.O. Box 4018

Houston, Texas 77210-4018

1100 Louisiana Street

Houston, Texas 77002

Fax: (281-887-7139)

With copies to:

ATTN: RAYMOND ALBRECHT, Assistant General Counsel

ENTERPRISE PRODUCTS OPERATING LLC

P.O. Box 4018

Houston, Texas 77210-4018

1100 Louisiana Street

Houston, Texas 77002

And

Timothy E. Young

Ikard Wynne LLP

2801 Via Fortuna, Suite 501

Austin, Texas 78746

Fax: (512) 275-7333

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

Section 8.2. EFFECTIVE DATE, TERMINATION OF AGREEMENT

- (a) This Agreement shall be and become effective on the date of final approval of this Agreement by the Board of Trustees,
- (b) The obligation to Maintain Viable Presence under this Agreement shall remain in full force and effect through the Final Termination Date.
- (c) In the event that the Applicant fails to make a Qualified Investment in the amount of Thirty Million Dollars (\$30,000,000.00), or greater, during the Qualifying Time Period, this Agreement shall become null and void on December 31, 2013.

Section 8.3. AMENDMENTS TO AGREEMENT; WAIVERS

This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties. Waiver of any term, condition or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition or provision, or a waiver of any other term, condition or provision of this Agreement. By official action of the Board of Trustees, this Agreement may be amended to include, in the Applicant's Qualified Investment, additional or replacement Qualified Property not specified in **EXHIBIT 3**, provided that the Applicant reports to the District, the Comptroller, and the Appraisal District, in the same format, style, and presentation as the Application, all relevant investment, value, and employment information that is related to the additional or replacement property. Any amendment of the Agreement adding additional or replacement Qualified Property pursuant to this Section 8.3 shall, (1) require that all property added by amendment be eligible property as defined by Texas Tax Code, § 313.024; (2) clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and (3) define minimum eligibility requirements for the recipient of limited value. This Agreement may not be amended to extend the value limitation time period beyond its eight year statutory term.

Section 8.4. ASSIGNMENT

The Applicant may assign this Agreement, or a portion of this Agreement, to an Affiliate or a new owner or lessee of all or a portion of the Applicant's Qualified Property and/or the Applicant's Qualified Investment, provided that the Applicant shall provide written notice of such assignment to the District. Upon such assignment, the Applicant's assignee will be liable to the District for outstanding taxes or other obligations arising under this Agreement. A recipient of limited value under Texas Tax Code, Chapter 313 shall notify immediately the District, the Comptroller, and the Appraisal District in writing of any change in address or other contract information for the owner of the property subject to the limitation agreement for the purposes of Texas Tax Code § 313.032. The assignee's or its reporting entity's Texas Taxpayer Identification Number shall be included in the notification.

Section 8.5. MERGER

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

Section 8.6. MAINTENANCE OF COUNTY APPRAISAL DISTRICT RECORDS

When appraising the Applicant's Qualified Property and the Applicant's Qualified Investment subject to a limitation on Appraised Value under this Agreement, the Chief Appraiser of the Appraisal District shall determine the Market Value thereof and include both such Market Value and the appropriate value thereof under this Agreement in its appraisal records.

Section 8.7. GOVERNING LAW

This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in Chambers County, Texas.

Section 8.8. AUTHORITY TO EXECUTE AGREEMENT

Each of the Parties represents and warrants that its undersigned representative has been expressly authorized to execute this Agreement for and on behalf of such Party.

Section 8.9. SEVERABILITY

If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision or condition cannot be so reformed, then such term, provision or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality and enforceability of the remaining terms, provisions and conditions contained herein (and any other application such term, provision or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in a mutually acceptable manner so as to effect the original intent of the Parties as closely as possible to the end that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 8.9, the term "Law" shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

Section 8.10. PAYMENT OF EXPENSES

Except as otherwise expressly provided in this Agreement, or as covered by the application fee, (i) each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement, and (ii) in the event of a dispute between the Parties in connection with this Agreement, the prevailing Party in the resolution of any such dispute, whether by litigation or otherwise, shall be entitled to full recovery of all attorneys' fees (including a reasonable hourly fee for in-house legal counsel), costs and expenses incurred in connection therewith, including costs of court, from the non-prevailing Party..

Section 8.11. INTERPRETATION

When a reference is made in this Agreement to a Section, Article or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The words "include," "includes" and "including" when used in this Agreement shall be deemed in such case to be followed by the phrase "but not limited to" words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require. This Agreement is the joint product of the Parties and each provision of this Agreement has been subject to the mutual consultation, negotiation and agreement of each Party and shall not be construed for or against any Party.

Section 8.12. EXECUTION OF COUNTERPARTS

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

Section 8.13. ACCURACY OF REPRESENTATIONS CONTAINED IN APPLICATION

The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application. The Applicant warrants that all material representations, information, and facts contained in the Application are true and correct. The parties further agree that the Application and all the attachments thereto are included by reference into this Agreement as if set forth herein in full.

In the event that the Board of Trustees, after completing the procedures required by Sections 7.8 and 7.9 of this Agreement, makes a written determination that the Application was either incomplete or inaccurate as to any material representation, information, or fact, the Agreement shall be invalid and void except for the enforcement of the provisions required by 34 Texas Administrative Code § 9.1053(f)(2)(K).

Section 8.14. PUBLICATION OF DOCUMENTS

The Parties acknowledge that the District is required to publish the Application and its required schedules, or any amendment thereto; all economic analyses of the proposed project submitted to the District; the approved and executed copy of this Agreement or any amendment thereto; and each application requesting Tax Credits under Texas Tax Code § 313.103, as follows:

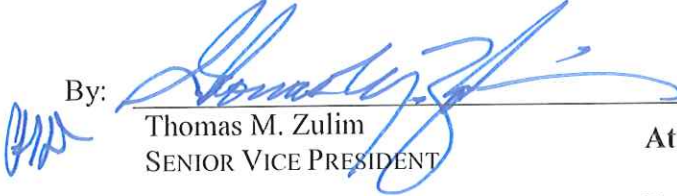
- a. Within seven days of such document, the District shall submit a copy to the Comptroller for publication on the Comptroller's Internet website.
- b. District shall provide on its website a link to the location of those documents posted on the Comptroller's website.

This Section 8.14 does not require the publication of information that is confidential under Texas Tax Code § 313.028.

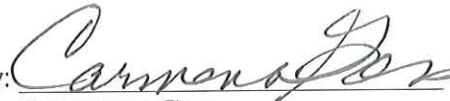
IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this ____ day of December, 2011.

**ENTERPRISE PRODUCTS
OPERATING, LLC**, a Texas
Limited Liability Company

By: Enterprise Products OLPGP, Inc.,
a Delaware corporation
Its Sole Manager

By: 
Thomas M. Zulim
SENIOR VICE PRESIDENT

**BARBERS HILL INDEPENDENT
SCHOOL DISTRICT**

By: 
CARMENA GOSS
President
Board of Trustees

Attest:


By: 
BENNY MAY
Secretary
Board of Trustees

EXHIBIT 1

DESCRIPTION OF QUALIFIED REINVESTMENT ZONE

A Reinvestment Zone was originally created on June 22, 2009 by action of the City Council of the City of Mont Belvieu, Texas in adopting *City of Mont Belvieu Ordinance No. 2009-017*. A map of the Reinvestment Zone created by *City of Mont Belvieu Ordinance No. 2009-017* is attached, below to this EXHIBIT 1.

As a result of the action of the City Council of the City of Mont Belvieu, Texas, the Reinvestment Zone includes real property within the City of Mont Belvieu, Texas and Chambers County, Texas, more specifically described by the metes and bounds description chart also attached to this EXHIBIT 1.

2008 08 01 36
1162 08 339 20516634
RETURN TO:COMMERCE TITLE
700 ROLLINGBROOK SUITE E
BAYTOWN, TEXAS 77521

GENERAL WARRANTY DEED

OFFICIAL PUBLIC RECORDS
CHAMBERS COUNTY, TEXAS
Susan E. Roshto, County Clerk

THE STATE OF TEXAS §

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF CHAMBERS §

That I, GLENDA DEL BROWN, of Kendall County, Texas, for and in consideration of the sum of TEN AND NO/100 (\$10.00) DOLLARS and other good and valuable consideration cash to me in hand paid by ENTERPRISE PRODUCTS OPERATING L.P., the receipt of which is hereby acknowledged, have (subject to the exceptions, reservations and covenants hereinafter set forth) GRANTED, SOLD and CONVEYED, and by these presents do (subject to the exceptions, reservations and covenants hereinafter set forth) GRANT, SELL and CONVEY unto the said ENTERPRISE PRODUCTS OPERATING L.P., a Delaware Limited Partnership, whose mailing address is 2727 North Loop West, Houston, Texas 77008, all of that certain lot, tract or parcel of land described in "EXHIBIT A" attached hereto and made a part hereof for all purposes.

It is understood and agreed by and between the parties hereto that this conveyance is made subject to the exceptions set forth in "EXHIBIT B" attached hereto and made a part hereof for all purposes.

It is further understood and agreed by and between the parties hereto that this conveyance is made subject to the following any and all zoning laws, regulations and ordinances of municipal or other governmental authority, and any and all exceptions, reservations, restrictions and easements, if any, affecting the above-described property and shown of record among the Official Public Records of Chambers County, Texas, and any canals, pipelines, easements or rights-of-way

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therefor physically located on the above-described property, whether documents therefor are recorded in such records or not.

TO HAVE AND TO HOLD the above-described premises (subject to the exceptions, reservations and covenants hereinabove set forth), together with all and singular the rights and appurtenances thereto in anywise belonging, unto the said ENTERPRISE PRODUCTS TEXAS OPERATING L.P., its successors and assigns, forever; and the undersigned hereby binds herself, her heirs, executors and administrators, to WARRANT and FOREVER DEFEND all and singular the said premises (subject to the exceptions, reservations and covenants hereinabove set forth), unto the said ENTERPRISE PRODUCTS TEXAS OPERATING L.P., its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

IN TESTIMONY WHEREOF, Witness my hand this the 23rd day of Jan, A.D., 2006.

Glenda Del Brown
Glenda Del Brown

THE STATE OF TEXAS §

COUNTY OF KENDALL §

This instrument was acknowledged before me on the 23RD day of JANUARY, A.D., 2006, by GLENDA DEL BROWN.



Janice K. Pfeiffer
Notary Public, State of Texas
Printed Name: JANICE K. PFEIFFER
Commission Expires: 12-19-06

"EXHIBIT A"

THE STATE OF TEXAS)
COUNTY OF CHAMBERS)

FIELD NOTES of a 126.2412 acre tract of land situated in the T. & N.O.R.R.Co. Survey, Section No. 1, Abstract No. 503 and the Dan Jergins Survey, Abstract No. 599; and being out of and a part of the residue of a 572.51 Acre tract of land called Second Tract from J.R. Barber to Kirby Oil and Gas Company recorded in Volume 161 at Page 598 of the Deed Records of Chambers County, Texas. This 126.2412 acre tract of land is more particularly described by metes and bounds as follows, to-wit:

NOTE: ALL BEARINGS ARE LAMBERT GRID BEARINGS AND ALL COORDINATES REFER TO THE STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE, 1927 DATUM, AS DEFINED IN ARTICLE 5300A OF THE REVISED CIVIL STATUTES OF THE STATE OF TEXAS.
ALL DISTANCES ARE ACTUAL DISTANCES. SCALE FACTOR = 0.9999062
REFERENCE IS MADE TO PLAT OF EVEN DATE ACCOMPANYING THIS METES AND BOUNDS DESCRIPTION.

BEGINNING at a $\frac{1}{4}$ inch iron rod set for the Northwest corner of this tract of land and the Southwest corner of a 487.009 acre tract of land conveyed in a deed from Glenda Del Brown to Exxon Corporation dated November 1, 1978 and recorded in Volume 425 at Page 515 of the Deed Records of Chambers County, Texas and being in the East Right-of-Way line of Hatcherville Road (70' R.O.W.). This corner as a Texas State Plane Coordinate Value of X = 762,238.95 and Y = 3,293,315.08.

THENCE North 66 deg 41 min 04 sec East with the North line of this tract of land and the South line of said 487.009 acre tract of land a distance of 3,399.51 feet to a $\frac{1}{4}$ inch iron rod set for the Northeast corner of this tract of land and the Southeast corner of said 487.009 acre tract of land and being in the West Right-of-Way line of the Southern Pacific Railroad (100' R.O.W.). From this corner a found brass disk stamped "Exxon Chemical Company U.S.A." bears South 66 deg 41 min 04 sec West a distance of 2.08 feet.

THENCE South 07 deg 20 min 00 sec East with the East line of this tract of land and West Right-of-Way line of said Southern Pacific Railroad a distance of 1,458.10 feet to a $\frac{1}{4}$ inch iron rod set for the Southeast corner of this tract of land and the Northeast corner of a 117.469 acre tract of land conveyed in a deed from Glenda Del Brown to Enterprise Product Company dated December 05, 1991 and recorded in Volume 162 at Page 169 of the Official Records of Chambers County, Texas. From this corner a found $\frac{5}{8}$ inch iron rod bears North 57. deg 22 min 27 sec East a distance of 2.53 feet.

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THENCE South 57 deg 22 min 27 sec West with the South line of this tract of land and the North line of said 117.469 acre tract of land a distance of 3,334.56 feet to a $\frac{1}{4}$ inch iron rod set for the Southwest corner of this tract of land and the Northwest corner of said 117.469 acre tract of land, and being in the East Right-of-Way line of said Hatcherville Road. From this corner a found $\frac{5}{8}$ inch iron rod bears North 57 deg 22 min 27 sec East a distance of 3.04 feet.

THENCE North 14 deg 47 min 39 sec West with the West line of this tract of land and the East Right-of-Way line of said Hatcherville Road a distance of 1,714.32 feet to a $\frac{1}{4}$ inch iron rod set for an angle point of this tract of land, and being in the East Right-of-Way line of said Hatcherville Road.

THENCE North 14 deg 23 min 53 sec West with the West line of this tract of land and the East Right-of-Way line of said Hatcherville Road a distance of 248.81 feet to the PLACE OF BEGINNING, containing within said boundaries 126.2412 acres of land.

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"EXHIBIT B"

There are no exceptions listed as "a", "b", or "c" in this exhibit. This exhibit begins with the exception designated as "d", and ends with exception designated as "mmm".

- d. Right of Way Deed dated August 21, 1918, recorded in Volume 16 at Page 86 of the Deed Records of Chambers County, Texas from Old River Company to Dayton - Goose Creek Railway Company.
- e. Right of Way dated May 15, 1929, recorded in Volume 28 at Page 150 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Gulf Pipeline Company.
- f. Right of Way dated February 24, 1930, recorded in Volume 30 at Page 339 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Humphrey Corporation.
- g. Right of Way dated December 31, 1931, recorded in Volume 33 at Page 638 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Gulf Pipeline Company.
- h. Right of Way dated June 6, 1947, recorded in Volume 103 at Page 561 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Texas Pipeline Company
- i. Right of Way dated December 3, 1952, recorded in Volume 146 at Page 537 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Sinclair Pipeline Company.
- j. Right of Way dated June 1, 1954, recorded in Volume 158 at Page 5 of the Deed Records of Chambers County, Texas from Kirby Petroleum Company to Texas natural Gasoline Corporation.
- k. Right of Way dated February 11, 1955, recorded in Volume 165 at Page 509 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Texas Natural Gasoline Corporation.
- l. Right of Way dated December 30, 1955, recorded in Volume 172 at Page 85 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Southern Canal Corporation.
- m. Right of Way dated July 20, 1956, recorded in Volume 181 at Page 43 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Texas Butadiene & Chemical Corporation.
- n. Right of Way Deed dated February 11, 1956, recorded in Volume 183 at Page 369 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Gulf Refining Company.

- o. Right of Way dated February 18, 1958, recorded in Volume 198 at Page 577 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Chambers County Water Control and Improvement District.
- p. Right of Way dated November 11, 1959, recorded in Volume 217 at Page 497 of the Deed Records of Chambers County, Texas from J.R. Barber, et ux to Southern Canal Company.
- q. Right of Way dated November 9, 1960, recorded in Volume 225 at Page 477 of the Deed Records of Chambers County, Texas from J.R. Barber to Southern Canal Company.
- r. Right of Way dated December 19, 1961, recorded in Volume 234 at Page 255 of the Deed Records of Chambers County, Texas from Lula Barber to Southern Canal Company.
- s. Right of Way dated July 6, 1962 recorded in Volume 239 at Page 140 of the Deed Records of Chambers County, Texas from Lula Barber, et al to Colonial Pipeline Company.
- t. Right of Way dated January 29, 1966 recorded in Volume 275 at Page 373 of the Deed Records of Chambers County, Texas from Lula Barber to Sinclair Pipeline Company.
- u. Easement:
To: Southern Canal Company
Recorded: October 18, 1967 in Volume 292 at Page 469, Deed Records, Chambers County, Texas.
Purpose: Canal
- v. Easement:
To: Gulf Refining Company
Recorded: February 5, 1968 in Volume 293 at Page 665, Deed Records, Chambers County, Texas.
Purpose:
- w. Right of Way dated February 5, 1968, recorded in Volume 294 at Page 203 of the Deed Records of Chambers County, Texas from Lula Barber to Sinclair Pipeline Company.
- x. Right of Way dated , recorded in Volume 165 at Page 509 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Texas Natural Gasoline Corporation.
- y. Right of Way dated April 23, 1970, recorded in Volume 315 at Page 505 of the Deed Records of Chambers County, Texas from Lula Barber to Lo-Vaca Gathering Company.
- z. Right of Way dated May 18, 1970, recorded in Volume 315 at Page 602 of the Deed Records of Chambers County, Texas from Lula Barber to Diamond Shamrock Corporation.
- aa. Right of Way dated May 18, 1970, recorded in Volume 316 at Page 138 of the Deed Records of Chambers County, Texas from Lula Barber to Cities Service Pipeline Company.
- bb. Right of Way dated August 17, 1970, recorded in Volume 318 at Page 466 of the Deed Records of Chambers County, Texas from Lula Barber to Santa Fe Pipeline Company.
- cc. Right of Way Deed dated October 10, 1970, recorded in Volume 320 at Page 162 of the Deed Records of Chambers County, Texas from Lula Barber to Coastal Industrial Water Authority.
- dd. Right of Way dated October 8, 1970, recorded in Volume 320 at Page 337 of the Deed Records of Chambers County, Texas from Lula Barber to Explorer Pipeline Company.

- ee. Right of Way dated July 15, 1975, recorded in Volume 371 at Page 652 of the Deed Records of Chambers County, Texas from Lula Barber to Blg Three Industries, Inc..
- ff. Right of Way dated August 26, 1975, recorded in Volume 373 at Page 405 of the Deed Records of Chambers County, Texas from Delno Brown Executor of the Estate of Lula Barber and Glenda Del Brown to Colonial Pipeline Company
- gg. Right of Way dated February 22, 1977, recorded in Volume 395 at Page 291 of the Deed Records of Chambers County, Texas from Delno Brown Executor of the Estate of Lula Barber and Glenda Del Brown to ARCO Pipeline Company
- hh. Right of Way dated December 21, 1978, recorded in Volume 428 at Page 420 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Lo Vaca Gathering Company
- ii. Right of Way dated February 2, 1979, recorded in Volume 430 at Page 541 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Houston Pipeline Company
- jj. Right of Way dated February 22, 1979, recorded in Volume 431 at Page 653 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Shell Pipeline Corporation
- kk. Right of Way dated October 31, 1980, recorded in Volume 464 at Page 272 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Exxon Pipeline Corporation
- ll. Right of Way dated August 8, 1980, recorded in Volume 467 at Page 447 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Blg Three Industries, Inc..
- mm. Valve Site Lease dated January 12, 1981, recorded in Volume 467 at Page 461 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Blg Three Industries, Inc..
- nn. Right of Way dated May 1, 1981, recorded in Volume 473 at Page 156 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Exxon Pipeline Company
- oo. Right of Way dated April 22, 1981, recorded in Volume 475 at Page 710 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Matador Pipeline Inc..
- pp. Right of Way dated May 18, 1981, recorded in Volume 478 at Page 481 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Matador Pipeline Inc.
- qq. Right of Way dated October 12, 1981, recorded in Volume 485 at Page 1 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Blg Three Industries, Inc..
- rr. Easement:
 - To: Houston Lighting and Power Company
 - Recorded: July 13, 1981 in Volume 478 at Page 481 ,Deed Records,Chambers County, Texas.
 - Purpose: Utility
- ss. Right of Way dated February 1, 1982, recorded in Volume 493 at Page 446 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Blg Three Industries, Inc..
- tt. Right of Way Contract dated May 31, 1988, recorded in Volume 50 at Page 106 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Mustang Pipeline Company

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- uu. Easement:
To: Valero Transmission
Recorded: September 12, 1988 in Volume 56 at page 677 ,Official Public Records,Chambers County, Texas.
Purpose: Pipeline
- vv. Right of Way Contract dated November 8, 1988, recorded in Volume 62 at Page 573 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Hlmont USA
- ww. Right of Way Contract dated December 5, 1991, recorded in Volume 162 at Page 177 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Enterprise Products Company
- xx. Right of Way Contract dated March 13, 1992, recorded in Volume 171 at Page 642 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Koch Pipeline Company
- yy. Right of Way Contract dated March 26, 1992, recorded in Volume 175 at Page 379 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Union Carbide Industrial Gases, Inc.
- zz. Right of Way dated August 11, 1994, recorded in Volume 248 at Page 241 of the Official Public Records of Chambers County, Texas from Exxon to City of Mount Belvieu..
- aaa. Right of Way Contract dated August 28, 1995 recorded in Volume 277 at Page 376 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Chevron USA
- bbb. Right of Way Contract dated June 27, 1995, recorded in Volume 279 at Page 591 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Exxon Pipeline Company
- ccc. Right of Way Contract dated October 29, 1996, recorded in Volume 314 at Page 345 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Mustang Pipeline Company
- ddd. Right of Way Contract dated June 9, 1997, recorded in Volume 334 at Page 362 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Koch Pipeline Company
- eee. Pipeline Right-of-Way Agreement dated July 28, 1998 and recorded in Volume 380 at Page 138 of the Official Public records of Chambers County, Texas.
- fff. Pipeline Work Space Agreement dated September 16, 1998, recorded in Volume 382 at Page 623 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Koch Pipeline Company
- ggg. Pipeline Right-of-Way Agreement dated September 5, 2003 and recorded in Volume 645 at Page 277 of the Official Public records of Chambers County, Texas.
- hhh. Easement:
To: Cobra Oil & Gas Corporation
Recorded: September 14, 2004 in Volume 733 at page 5 ,Official Public Records,Chambers County, Texas.
Purpose: Pipeline
- iii. Surface Agreement dated June 3, 2004 and recorded in Volume 703 at Page 644 of the Official Public records of Chambers County, Texas.

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- jjj. Surface Agreement dated May 27, 2004 and recorded in Volume 733 at Page 13 of the Official Public records of Chambers County, Texas.
- kkk. Portion of subject property is in the City of Mount Belvieu, Texas, as set forth in Ordinance recorded in Volume 242, Page 324 of the Official Public Records of Chambers County, Texas.
- lll. A gravel road traversing the Southern portion of subject property as evidenced by plat prepared by Chambers Surveying & Mapping by Michael W. Chandler RPLS 5292 and dated July 12, 2005 under Job No. 05-1102
- mmm. Mineral and/or royalty interest:
 - Interest: An undivided 100%
 - Recorded: September 13, 1954 in Volume 161 at Page 598, Deed Records, Chambers County, Texas.

JAN 27 2006

STATE OF TEXAS

Chadwick County

On Jan 27, 2006 at 6:00 PM

AS ORDER PUBLIC RECORDS

Barbara E. Rosales, COUNTY CLERK

CLERK NUMBER 0001676

AMOUNT \$6.00

RECEIPT NUMBER 00208829

BY RECEIPTS
STATE OF TEXAS

Chadwick County

AS ORDERED BY J.E. JAN 27, 2006

Barbara E. Rosales, COUNTY CLERK

Recorded



⑨ Commerce Title Company
700 Rollingbrook Drive, Ste. E
Baytown, TX. 77521

EXHIBIT 2

LOCATION OF QUALIFIED INVESTMENT/QUALIFIED PROPERTY

All Qualified Property owned by the Applicant and located within the boundaries of both the Barbers Hill Independent School District and the Reinvestment Zone originally created on June 22, 2009 by action of the City Council of the City of Mont Belvieu, Texas in adopting *City of Mont Belvieu Ordinance No. 2009-017*.

A map of the Reinvestment Zone created by *City of Mont Belvieu Ordinance No. 2009-017* is attached to **EXHIBIT 1**.

Specifically, all Qualified Property of the Applicant located within the boundaries on the map and/or chart attached to **EXHIBIT 1** is included.

EXHIBIT 3

DESCRIPTION OF THE APPLICANT'S QUALIFIED INVESTMENT/QUALIFIED PROPERTY

The proposed project will consist of a new Unit 6 NGL fractionator with DIB. The plant Components consist of:

- DeEthanizer
- DePropanizer
- DeButanizer
- DeIsobutanizer (DIB)
- Towers
- Heat Medium
- Gasoline Treater
- Compression Equipment

The facility will also require a relatively small amount of personal property. All of the property for which the Applicant is seeking a limitation on appraised value will be owned by the Applicant or a valid assignee pursuant to this Agreement.