

Attachment A

Application



# 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              |  |  |
|---|--|--|
| Authorized School District Representative                               |  | Date application received by district<br>8/16/2011 |
| First Name<br><b>John</b>   | Last Name<br><b>Koonce</b>                 |  |
| Title<br><b>Assistant Superintendent of Finance</b>                     |  |  |
| School District Name<br><b>Barbers Hill Independent School District</b> |  |  |
| Street Address<br><b>9600 Eagle Drive</b>                               |  |  |
| Mailing Address<br><b>PO Box 1108</b>                                   |  |  |
| City<br><b>Mont Belvieu</b>   | State<br><b>Texas</b>                      | ZIP<br><b>77580-1108</b>                           |
| Phone Number<br><b>281-576-2221</b>                                     | Fax Number<br><b>281-576-5879</b>          |  |
| Mobile Number (optional)  | E-mail Address<br><b>Jkoonce@bhisd.net</b> |  |

I authorize the consultant to provide and obtain information related to this application. . . . .  Yes  No

Will consultant be primary contact? . . . . .  Yes  No

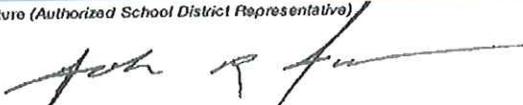


SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized School District Consultant (If Applicable)

|   |   |                     |
|---|---|---------------------|
| First Name<br><b>Kevin</b>                                | Last Name<br><b>O'Hanlon</b>                  |                     |
| Title<br><b>Attorney</b>                                  |   |                     |
| Firm Name<br><b>O'Hanlon, McCollom &amp; Demerath, PC</b> |   |                     |
| Street Address<br><b>808 West Avenue</b>                  |   |                     |
| Mailing Address<br><b>808 West Avenue</b>                 |   |                     |
| City<br><b>Austin</b>                                     | State<br><b>TX</b>                            | ZIP<br><b>78701</b> |
| Phone Number<br><b>512-494-9949</b>                       | Fax Number<br><b>512-494-9919</b>             |                     |
| Mobile Number (Optional)                                  | E-mail Address<br><b>kohanlon@808west.com</b> |                     |

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)<br> | Date |
|---|------|

Has the district determined this application complete? .....  Yes  No

If yes, date determined complete. \_\_\_\_\_

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<br><b>John</b>                               |  | Last Name<br><b>Thompson</b>                                   |                     |
| Title<br><b>VP of Tax</b>                               |  |  |                     |
| Organization<br><b>Cedar Bayou Fractionators, LP</b>    |  |  |                     |
| Street Address<br><b>1000 Louisiana St., Suite 4300</b> |  |  |                     |
| Mailing Address<br><b>same</b>                          |  |  |                     |
| City<br><b>Houston</b>                                  |  | State<br><b>Texas</b>  | ZIP<br><b>77002</b> |
| Phone Number<br><b>713-584-1580</b>                     |  | Fax Number<br><b>713-888-4265</b>                              |                     |
| Mobile Number (optional)                                |  | Business e-mail Address<br><b>jthompson@targaresources.com</b> |                     |

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<br><b>Dorothy</b>                         |  | Last Name<br><b>Pearson</b>                          |                     |
| Title<br><b>Director-Indirect Tax</b>                |  |  |                     |
| Organization<br><b>Targa Resources</b>               |  |  |                     |
| Street Address<br><b>1000 Louisiana, Suite 4300</b>  |  |  |                     |
| Mailing Address<br><b>1000 Louisiana, Suite 4300</b> |  |  |                     |
| City<br><b>Houston</b>                               |  | State<br><b>Texas</b>                                | ZIP<br><b>77002</b> |
| Phone Number<br><b>713-584-1477</b>                  |  | Fax Number<br><b>713-888-4265</b>                    |                     |
| Mobile Number (optional)                             |  | E-mail Address<br><b>DPearson@targaresources.com</b> |                     |

I authorize the consultant to provide and obtain information related to this application..  Yes  No

Will consultant be primary contact?  Yes  No



Application for Appraised Value Limitation on Qualified Property

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Company Consultant (If Applicable)

First Name

Mike

Title

Tax Agent

Firm Name

K E Andrews

Street Address

1900 Dalrock Road

Mailing Address

1900 Dalrock Road

City

Rowlett

Phone Number

469-298-1594

Business email Address

mfry@keatax.com

Last Name

Fry

State

Texas

Fee Number

469-298-1619

Zip

75088

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.

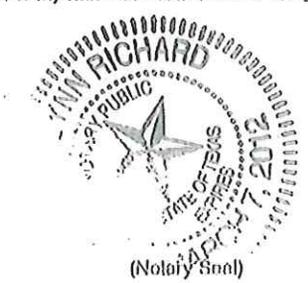
Signature (Authorized Business Representative (Applicant))

*John S. Fry*

Date

8/14/2011

GIVEN under my hand and seal of office this 10<sup>th</sup> day of August, 2011



*Richard Lynn Richard*  
Notary Public, State of Texas

My commission expires April 27, 2012

If you make a false statement on this application, you could be found guilty of a Class B 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

Cedar Bayou Fractionators, LP

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

17605551617

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.

N/A

**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 Partnership

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)

# See Attachment

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

# See Attachment

**PROJECT CHARACTERISTICS (CHECK ALL THAT APPLY)**

- New Jobs
- Construct New Facility
- New Business / Start-up
- Expand Existing Facility
- Relocation from Out-of-State
- Expansion
- Purchase Machinery & Equipment
- Consolidation
- Relocation within Texas

**PROJECTED TIMELINE**

Begin Construction October 2011      Begin Hiring New Employees June 2012  
 Construction Complete January 2013      Fully Operational January 2013  
 Purchase Machinery & Equipment January 2012

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? January 2013

**ECONOMIC INCENTIVES**

Identify state programs the project will apply for:

| State Source | Amount |
|--------------|--------|
| N/A          |        |
|              |        |
| 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.)

Seeking abatement with Chambers County with the following percentages through year 5 of the project. Year 1-100%, Year 2-100%, Year 3-75%, Year 4-60%, Year 5-50%. Seeking Mont Belvieu City abatement with the following percentages through year 10 of the project. Year 1-100%, Year 2-100%, Year 3-100%, Year 4-100%, Year 5-75%, Year 6-60%, Year 7-50%, Year 8-50%, Year 9-50%, Year 10-25%

**THE PROPERTY**

Identify county or counties in which the proposed project will be located Chambers

Central Appraisal District (CAD) that will be responsible for appraising the property Chambers

Will 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: Chambers - 100% City: Mont Belvieu - 100%  
(Name and percent of project) (Name and percent of project)

Hospital District: N/A Water District: N/A  
(Name and percent of project) (Name and percent of project)

Other (describe): N/A Other (describe): N/A  
(Name and percent of project) (Name and percent of project)

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? 272,500,000

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 15, 2011

What is the anticipated date of the beginning of the qualifying time period? December 15, 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? 275,000,000

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 [x] 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) 2010 (Tax Year)

Is any of the existing property subject to a value limitation agreement under Tax Code 313? ... [ ] Yes [x] 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? ... [x] 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 [x] 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? 53 (Fifty-Three)

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 10

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? ... [x] 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 [x] 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? 8

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 \$1,047.75  
 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? \$56,102.00

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? \$56,102.00

- 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.)

**See Attachment**

**ECONOMIC IMPACT**

- Is an Economic Impact Analysis attached (If supplied by other than the Comptroller's office)? .....  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.

**CONFIDENTIALITY NOTICE**

**Property Tax Limitation Agreement Applications  
Texas Government Code Chapter 313  
Confidential Information Submitted to the Comptroller**

Generally, an application for property tax value limitation, the information provided therein, and documents submitted in support thereof, are considered public information subject to release under the Texas Public Information Act.

There is an exception, outlined below, by which information will be withheld from disclosure.

The Comptroller's office will withhold information from public release if:

- 1) it describes the specific processes or business activities to be conducted or the specific tangible personal property to be located on real property covered by the application;
- 2) the information has been segregated in the application from other information in the application; and
- 3) the party requesting confidentiality provides the Comptroller's office a list of the documents for which confidentiality is sought and for each document lists the specific reasons, including any relevant legal authority, stating why the material is believed to be confidential.

All applications and parts of applications which are not segregated and marked as confidential as outlined above will be considered public information and will be posted on the internet.

Such information properly identified as confidential will be withheld from public release unless and until the governing body of the school district acts on the application, or we are directed to do so by a ruling from the Attorney General.

Other information in the custody of a school district or the comptroller submitted in connection with the application, including information related to the economic impact of a project or the essential elements of eligibility under Texas Tax Code, Chapter 313, such as

the nature and amount of the projected investment, employment, wages, and benefits, will not be considered confidential business information and will be posted on the internet.

All documents submitted to the Comptroller, as well as all information in the application once the school district acts thereon, are subject to public release unless specific parts of the application or documents submitted with the application are identified as confidential. Any person seeking to limit disclosure of such submitted records is advised to consult with their legal counsel regarding disclosure issues and also to take the appropriate precautions to safeguard copyrighted material, trade secrets, or any other proprietary information. The Comptroller assumes no obligation or responsibility relating to the disclosure or nondisclosure of information submitted by respondents. A person seeking to limit disclosure of information must submit in writing specific detailed reasons, including any relevant legal authority, stating why that person believes the material to be confidential.

The following outlines how the Comptroller's office will handle requests for information submitted under the Texas Public Information Act for application portions and submitted records appropriately identified as confidential.

- This office shall forward the request for records and a copy of the documents at issue to the Texas Attorney General's office for an opinion on whether such information may be withheld from disclosure under the Texas Public Information Act.
- The Comptroller will notify the person who submitted the application/documents when the information is forwarded to the Attorney General's office.
- Please be aware that this Office is obligated to comply with an Attorney General's decision, including release of information ruled public even if it was marked confidential.

**COMPANY CHECKLIST AND REQUESTED ATTACHMENTS**

|    | Checklist  | Page X of 16 | Check Completed |
|----|--|--------------|-----------------|
| 1  | Certification pages signed and dated by Authorized Business Representative (applicant)   | 4 of 16      | ✓               |
| 2  | Proof of Payment of Application Fee (Attachment)   | 5 of 16      | ✓               |
| 3  | For applicant members, documentation of Combined Group membership under Texas Tax Code 171.0001(7) (if Applicable) (Attachment)  | 5 of 16      | N/A             |
| 4  | Detailed description of the project  | 6 of 16      | ✓               |
| 5  | If project is located in more than one district, name other districts and list percentage in each district (Attachment)  | 7 of 16      | N/A             |
| 6  | Description of Qualified Investment (Attachment)   | 8 of 16      | ✓               |
| 7  | Map of qualified investment showing location of new buildings or new improvements with vicinity map.   | 8 of 16      | ✓               |
| 8  | Description of Qualified Property (Attachment)   | 8 of 16      | ✓               |
| 9  | Map of qualified property showing location of new buildings or new improvements with vicinity map  | 8 of 16      | ✓               |
| 10 | Description of Land (Attachment)   | 9 of 16      | ✓               |
| 11 | A detailed map showing location of the land with vicinity map.   | 9 of 16      | ✓               |
| 12 | A description of all existing (if any) improvements (Attachment)   | 9 of 16      | ✓               |
| 13 | Request for Waiver of Job Creation Requirement (if applicable) (Attachment)  | 9 of 16      | N/A             |
| 14 | Calculation of three possible wage requirements with TWC documentation. (Attachment)   | 10 of 16     | ✓               |
| 15 | Description of Benefits  | 10 of 16     | ✓               |
| 16 | Economic Impact (if applicable)  | 10 of 16     | N/A             |
| 17 | Schedule A completed and signed  | 13 of 16     | ✓               |
| 18 | Schedule B completed and signed  | 14 of 16     | ✓               |
| 19 | Schedule C (Application) completed and signed  | 15 of 16     | ✓               |
| 20 | Schedule D completed and signed  | 16 of 16     | ✓               |
| 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)* | 9 of 16      | ✓               |
| 22 | Order, Resolution, or Ordinance Establishing the Zone (Attachment)*  | 9 of 16      | ✓               |
| 23 | Legal Description of Reinvestment Zone (Attachment)*   | 9 of 16      | ✓               |
| 24 | Guidelines and Criteria for Reinvestment Zone(Attachment)*   | 9 of 16      | ✓               |

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



APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Company Consultant (If Applicable)

First Name

Milke

Last Name

Fry

Title

Tax Agent

Firm Name

K E Andrews

Street Address

1900 Dalrock Road

Mailing Address

1900 Dalrock Road

City

Rowlett

State

Texas

Zip

75088

Phone Number

469-298-1594

Fax Number

469-298-1619

Business email Address

mfry@keatax.com

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))

*John S. Fry*

08/10/2011

GIVEN under my hand and seal of office this 16<sup>th</sup> day of August, 2011



*Richard Lynn Richard*  
Notary Public, State of Texas

My commission expires August 7, 2013

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.

Attachment

B

Proof of Payment of Application Fee

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)*

Attachment

C

Documentation of Combined Group Membership

N/A

Attachment

D

Detailed Description of Project

Detailed Description of Project:  
BARBERS HILL SCHOOL DISTRICT

Proposed Project Description

Cedar Bayou Fractionators, LP proposes to build a new NGL fractionator in Mont Belvieu, Texas.

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 isobutene.
- **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

Ability to locate or relocate:

CBF currently operates in two states. They allocate 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, CBF could redirect its expenditures to its plants in:

**Cameron - Louisiana**  
**Lake Charles - Louisiana**

Attachment

E

District Allocation of Project

**District Allocation:**

**Cedar Bayou Fractonators LP is located 100% in Chambers County and Barbers Hill ISD**

Attachment

F

Description of Qualified Investment

Detailed Description of Qualified Investment  
BARBERS HILL SCHOOL DISTRICT

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- Natural gasoline. Natural gasoline is used primarily as a blendstock.

#### List of Improvements

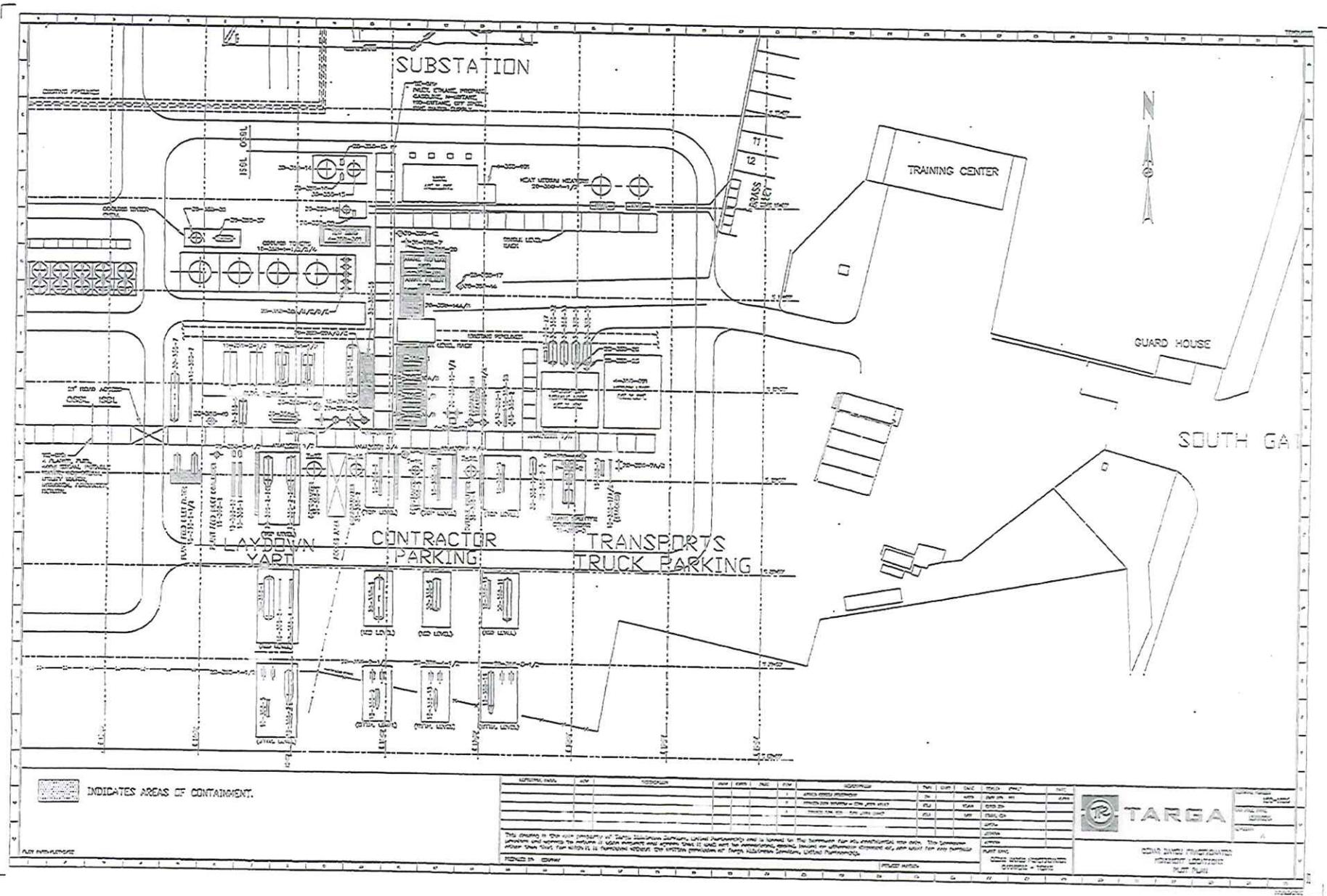
##### Plant Components

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

Attachment

G

Map of Qualified Investment



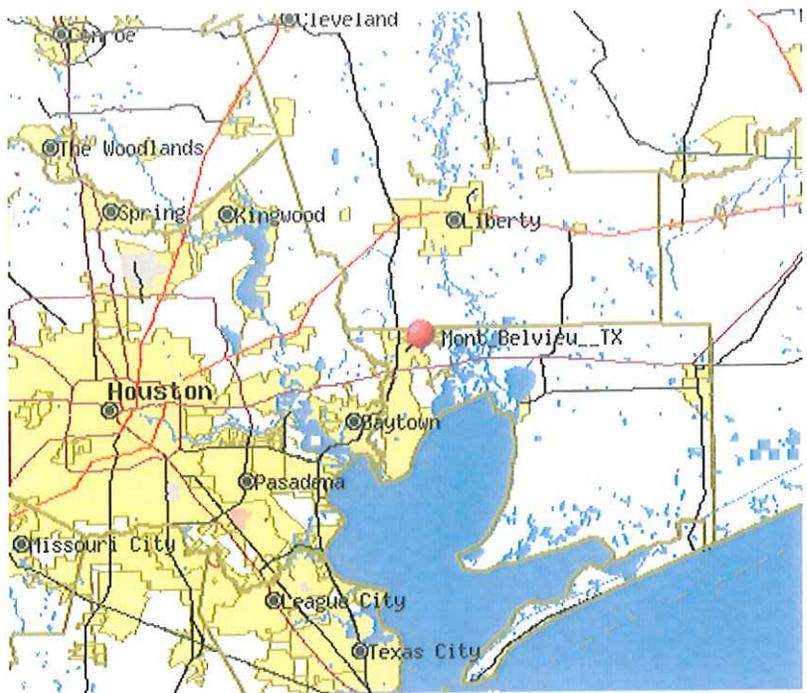
INDICATES AREAS OF CONTAINMENT.

| REVISION | DATE     | DESCRIPTION          | BY  | CHKD |
|----------|----------|----------------------|-----|------|
| 1        | 01-15-01 | ISSUE FOR PERMITTING | ... | ...  |
| 2        | 02-15-01 | REVISED PERMITTING   | ... | ...  |
| 3        | 03-15-01 | REVISED PERMITTING   | ... | ...  |
| 4        | 04-15-01 | REVISED PERMITTING   | ... | ...  |
| 5        | 05-15-01 | REVISED PERMITTING   | ... | ...  |
| 6        | 06-15-01 | REVISED PERMITTING   | ... | ...  |
| 7        | 07-15-01 | REVISED PERMITTING   | ... | ...  |
| 8        | 08-15-01 | REVISED PERMITTING   | ... | ...  |
| 9        | 09-15-01 | REVISED PERMITTING   | ... | ...  |
| 10       | 10-15-01 | REVISED PERMITTING   | ... | ...  |
| 11       | 11-15-01 | REVISED PERMITTING   | ... | ...  |
| 12       | 12-15-01 | REVISED PERMITTING   | ... | ...  |



CONTRACT DOCUMENTS  
REVISION LOG  
PROJECT NAME

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Attachment

H

Description of Qualified Property

Detailed Description of Qualified Property  
BARBERS HILL SCHOOL DISTRICT

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#### List of Improvements

##### Plant Components

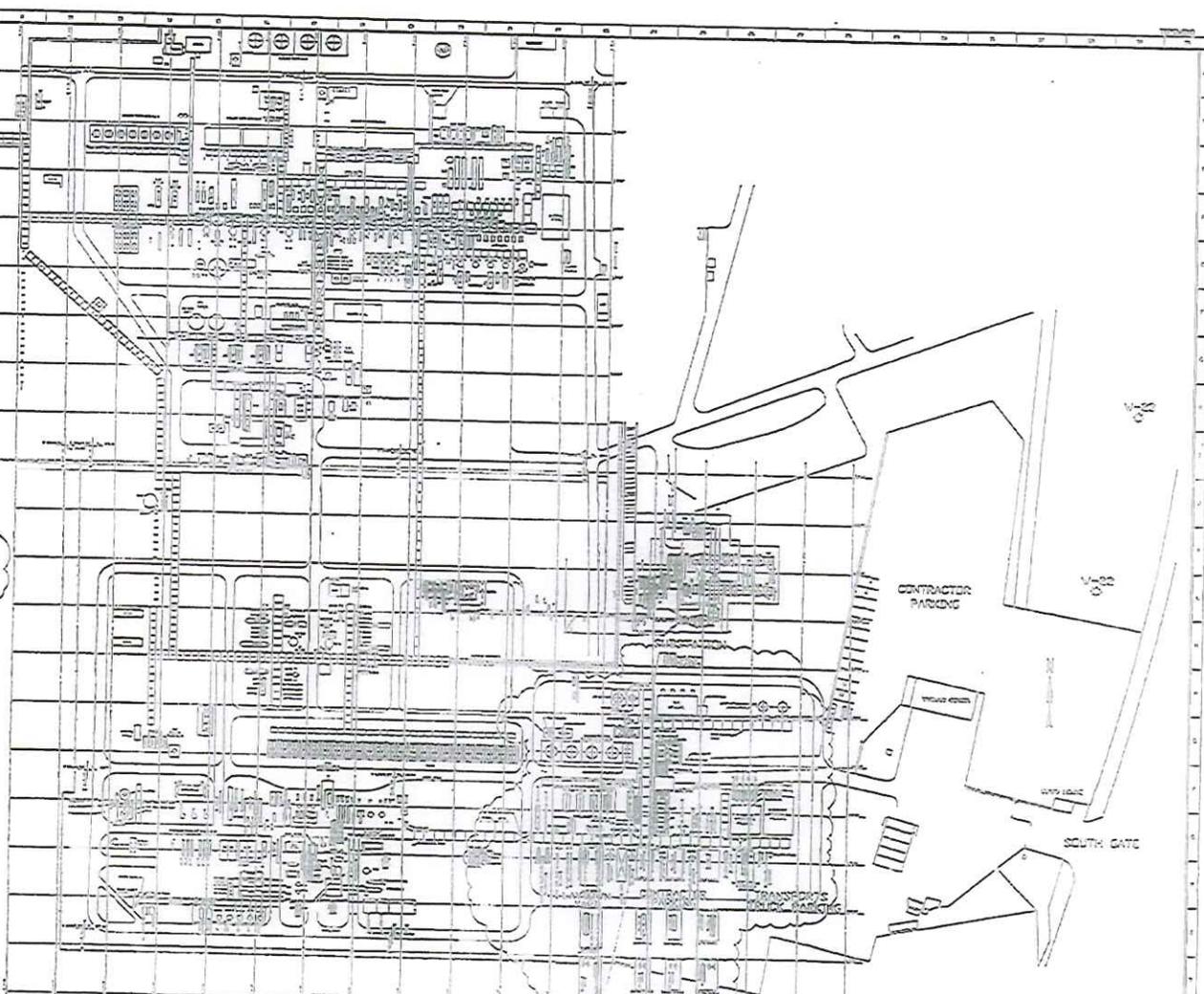
- DeEthanolizer
- DePropanizer
- Debutanizer
- Towers
- Heat Medium
- Gasoline Treater
- Compression Equipment

Attachment

I

Map of Qualified Property

CLOUDED AREAS REPRESENT NEW EQUIPMENT FOR CPD JOB 10047



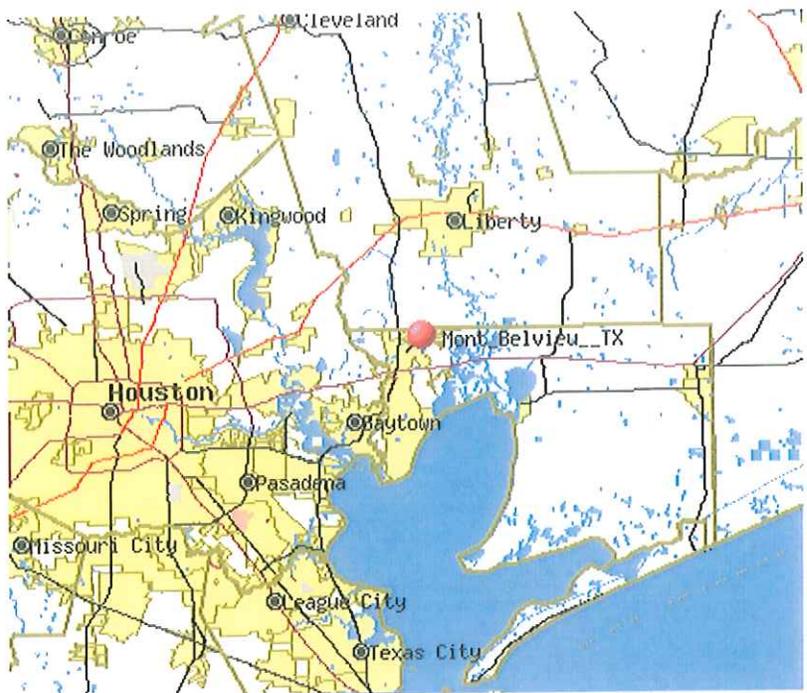
| STANDARD AREA | NEW | REVISION | DATE | BY | APP. | REVISION | DATE     | BY  | APP. | REVISION | DATE | BY | APP. |
|---------------|-----|----------|------|----|------|----------|----------|-----|------|----------|------|----|------|
|               |     |          |      |    |      | 1.00     | 01/15/00 | JAN |      |          |      |    |      |
|               |     |          |      |    |      | 2.00     | 01/15/00 | JAN |      |          |      |    |      |
|               |     |          |      |    |      | 3.00     | 01/15/00 | JAN |      |          |      |    |      |
|               |     |          |      |    |      | 4.00     | 01/15/00 | JAN |      |          |      |    |      |
|               |     |          |      |    |      | 5.00     | 01/15/00 | JAN |      |          |      |    |      |
|               |     |          |      |    |      | 6.00     | 01/15/00 | JAN |      |          |      |    |      |
|               |     |          |      |    |      | 7.00     | 01/15/00 | JAN |      |          |      |    |      |
|               |     |          |      |    |      | 8.00     | 01/15/00 | JAN |      |          |      |    |      |
|               |     |          |      |    |      | 9.00     | 01/15/00 | JAN |      |          |      |    |      |
|               |     |          |      |    |      | 10.00    | 01/15/00 | JAN |      |          |      |    |      |



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SOLUTIONS

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PLAT BASH PLANS



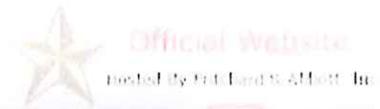
Attachment

J

Description of Land

# Chambers County Appraisal District

Chief Appraiser - Michael L. Fregla, RPA



Real Estate Roll Search Results: --- 28 matches found

| Account / Geo Number                     | Market Value | Parcel ID | Property Type | Current Status      | Address/Location | City/State/Zip        |
|--|--------------|-----------|---------------|---------------------|------------------|-----------------------|
| <a href="#">00004-07601-00000-090001</a> | 29,340       | 1185      | Real Estate   | TARGA DOWNSTREAM LP |                  | MONT BELVIEU TX 77523 |
| <a href="#">00004-07901-00000-090001</a> | 31,130       | 1188      | Real Estate   | TARGA DOWNSTREAM LP |                  | MONT BELVIEU TX 77523 |
| <a href="#">00004-00900-00000-090001</a> | 424,030      | 1864      | Real Estate   | TARGA DOWNSTREAM LP |                  | MONT BELVIEU TX 77523 |
| <a href="#">00024-00300-00100-090001</a> | 1,578,600    | 2761      | Real Estate   | TARGA DOWNSTREAM LP |                  | MONT BELVIEU TX       |
| <a href="#">00024-00400-00100-090001</a> | 1,258,920    | 2762      | Real Estate   | TARGA DOWNSTREAM LP |                  | MONT BELVIEU TX       |
| <a href="#">00024-00500-00300-090001</a> | 653,040      | 2763      | Real Estate   | TARGA DOWNSTREAM LP |                  | MONT BELVIEU TX       |
| <a href="#">61500-00004-00000-000100</a> | 16,070       | 12214     | Real Estate   | TARGA DOWNSTREAM LP | WARREN RD        | MONT BELVIEU TX       |
| <a href="#">00005-02300-00000-090001</a> | 315,730      | 12757     | Real Estate   | TARGA DOWNSTREAM LP | N HWY 146        | MONT BELVIEU TX 77523 |
| <a href="#">00012-16301-00000-090001</a> | 83,920       | 17615     | Real Estate   | TARGA DOWNSTREAM LP | WINFREE RD       | MONT BELVIEU TX 77523 |
| <a href="#">00012-01200-00100-090001</a> | 39,850       | 17617     | Real Estate   | TARGA DOWNSTREAM LP |                  | MONT BELVIEU TX 77523 |

1 2 3

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# Chambers County Appraisal District

Chief Appraiser - Michael L. Fregla, RPA



Official Website

Hosted by FirstLightWeb.com, Inc.



Real Estate Roll Search Results: --- 28 matches found

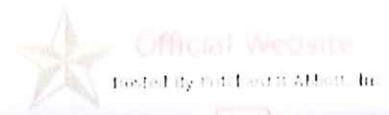
| Account / Cross Number                   | Market Value | Parcel ID | Property Type | Class Name          | Property Location | City/State/Zip        |
|--|--------------|-----------|---------------|---------------------|-------------------|-----------------------|
| <a href="#">00012-04600-00100-090001</a> | 270,000      | 17618     | Real Estate   | TARGA DOWNSTREAM LP | HWY 146           | MONT BELVIEU TX 77523 |
| <a href="#">00012-04701-00000-090001</a> | 17,500       | 17619     | Real Estate   | TARGA DOWNSTREAM LP |                   | MONT BELVIEU TX 77523 |
| <a href="#">00012-11300-00300-090001</a> | 7,671,250    | 17621     | Real Estate   | TARGA DOWNSTREAM LP |                   | MONT BELVIEU TX 77523 |
| <a href="#">00012-04702-00000-090001</a> | 45,000       | 17622     | Real Estate   | TARGA DOWNSTREAM LP |                   | MONT BELVIEU TX 77523 |
| <a href="#">00005-01102-00000-090001</a> | 265,720      | 17623     | Real Estate   | TARGA DOWNSTREAM LP |                   | MONT BELVIEU TX 77523 |
| <a href="#">00013-14500-00000-010000</a> | 206,580      | 17626     | Real Estate   | TARGA DOWNSTREAM LP |                   | MONT BELVIEU TX 77523 |
| <a href="#">00012-12300-00100-090001</a> | 2,800        | 17628     | Real Estate   | TARGA DOWNSTREAM LP | HWY 146           | MONT BELVIEU TX 77523 |
| <a href="#">00024-00300-00200-090001</a> | 36,000       | 19289     | Real Estate   | TARGA DOWNSTREAM LP |                   | MONT BELVIEU TX       |
| <a href="#">00024-00400-00200-090001</a> | 324,000      | 19290     | Real Estate   | TARGA DOWNSTREAM LP |                   | MONT BELVIEU TX       |
| <a href="#">00004-03500-00000-090001</a> | 18,000       | 20399     | Real Estate   | TARGA DOWNSTREAM LP |                   | MONT BELVIEU TX 77523 |

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Chambers County Appraisal District  
 Chief Appraiser - Michael L. Fregia, RPA



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| Account / Geo Number     | Market Value | Parcel ID | Property Type | Owner Name          | Address / Location | City/State / Zip      |
|--------------------------|--------------|-----------|---------------|---------------------|--------------------|-----------------------|
| 00004 05801-00000 090001 | 563,760      | 20401     | Real Estate   | TARGA DOWNSTREAM LP |                    | MONT BELVIEU TX 77523 |
| 00004 07102-00000 090001 | 1,037,340    | 20402     | Real Estate   | TARGA DOWNSTREAM LP |                    | MONT BELVIEU TX 77523 |
| 00004 02402-00100 090100 | 125,460      | 36643     | Real Estate   | TARGA DOWNSTREAM LP |                    | MONT BELVIEU TX 77523 |
| 00004 05600-00000 090100 | 284,630      | 36866     | Real Estate   | TARGA DOWNSTREAM LP |                    | MONT BELVIEU TX 77523 |
| 00004 06902-00000 090300 | 59,720       | 49225     | Real Estate   | TARGA DOWNSTREAM LP |                    | MONT BELVIEU TX 77523 |
| 00005 01102-00000 090100 | 58,410       | 49226     | Real Estate   | TARGA DOWNSTREAM LP | SUN OIL ROAD       | MONT BELVIEU TX 77523 |
| 00012 01200-00000 090510 | 4,270        | 49303     | Real Estate   | TARGA DOWNSTREAM LP |                    |                       |
| 00012 11800-00300 090200 | 2,810        | 50049     | Real Estate   | TARGA DOWNSTREAM LP |                    | MONT BELVIEU TX 77523 |

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STATE OF TEXAS)  
 COUNTY OF CHAMBERS)

FIELD NOTES of a 53.880 acre tract of land situated in the William Bloodgood League, Abstract Number 4, Chambers County, the Henry Griffith League, Abstract Number 12, Chambers County, the William Bloodgood Augmentation Survey, Abstract Number 5, Chambers County, and being out of and a part of a 242.5057 acre tract of land called Tract 9 and conveyed to Midstream Combination Corp. by Chevron U.S.A. Inc., in deed dated August 20, 1998, and recorded in Volume 308 at Page 85 of the Official Public Records of Chambers County. This 53.880 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, AS DEFINED BY ARTICLE 21.071 OF THE NATURAL RESOURCES CODE OF THE STATE OF TEXAS, 1927 DATUM. ALL DISTANCES ARE ACTUAL DISTANCES. REFERENCE IS MADE TO PLAT OF EVEN DATE ACCOMPANYING THIS METES AND BOUNDS DESCRIPTION.

BEGINNING at a brass cap set in concrete for the Northeast corner of this tract of land, having a State Plane Coordinate Value of  $Y = 752,799.30$  and  $X = 3,299,929.27$ . From this BEGINNING corner a 1 1/4 inch iron pipe found for the Northeast corner of said Bloodgood League, an interior corner of the Henry Griffith League, Abstract Number 12, Chambers County, an angle point in the North line of said 242.5057 acres, and an angle point in the South line of a tract of land conveyed to Texas Eastern Transmission Corporation by O. Z. Smith, et ux. in deed dated January 3, 1959, and recorded in Volume 127 at Page 201 of the Deed Records of Chambers County bears North  $15^{\circ} 54' 31''$  West a distance of 1245.27 feet.

THENCE in a southerly direction with the East line of this tract of land the following courses to brass cap set in concrete:

South  $16^{\circ} 19' 31''$  East 495.89 feet;  
 North  $79^{\circ} 11' 30''$  East 39.03 feet;  
 South  $13^{\circ} 05' 10''$  East 72.16 feet;  
 South  $74^{\circ} 48' 00''$  West 36.40 feet;  
 South  $15^{\circ} 20' 53''$  East 1099.45 feet to a brass cap set

in concrete for the Southeast corner of this tract of land.

THENCE South  $76^{\circ} 53' 10''$  West with the South line of this tract of land a distance of 1143.43 feet to a brass cap set in concrete for the Southwest corner of this tract of land, in the West line of said 242.5057 acres, and in the East line of a 25.28 acre tract of land called FARM Tract and conveyed to Exxon Pipeline Corporation in Partition deed dated July 22, 1971, and recorded in Volume 326 at Page 645 of the Deed Records of Chambers County

PAGE NO. 3 51.480 ACRES

THENCE North  $11^{\circ} 44' 58''$  West with the West line of this tract of land, the West line of said 242.5057 acres, and the East line of said 25.28 acres a distance of 626.28 feet to a brass cap set in concrete for an interior corner of this tract of land, an interior corner of said 242.5057 acres, and the Northeast corner of said 25.28 acres,

THENCE South  $76^{\circ} 49' 25''$  West with the a South line of this tract of land, a South line of said 242.5057 acres, and the North line of said 25.28 acres a distance of 152.77 feet to a brass cap set in concrete for the most Northerly Southwest corner of this tract of land

THENCE in a Westerly and Northerly direction with the West line of this tract of land the following courses to brass caps set in concrete:

North  $19^{\circ} 42' 27''$  East 81.08 feet;  
 North  $13^{\circ} 03' 18''$  West 228.62 feet;  
 South  $76^{\circ} 56' 42''$  West 278.41 feet;  
 South  $13^{\circ} 03' 18''$  East 77.07 feet;  
 South  $76^{\circ} 56' 42''$  West 133.07 feet;  
 North  $13^{\circ} 03' 18''$  West 114.52 feet;  
 South  $76^{\circ} 56' 42''$  West 171.82 feet;  
 North  $13^{\circ} 03' 18''$  West 350.11 feet to a brass cap set

in concrete for the Northwest corner of this tract of land, in a non-tangent curve to the right.

THENCE in a Northeasterly direction with the north line of this tract of land and said non-tangent curve to the right, concave Southeast, having a central angle of  $18^{\circ} 33' 31''$ , a radius of 1195.34 feet, an arc length of 282.95 feet, and a chord bearing and distance of North  $51^{\circ} 10' 11''$  East 382.28 feet to a brass cap set in concrete for a corner of this tract of land and the end of said curve.

THENCE in an Easterly direction with the North line of this tract of land the following courses to brass caps set in concrete:

North  $72^{\circ} 12' 42''$  East 104.35 feet;  
 North  $74^{\circ} 27' 33''$  East 93.65 feet;  
 North  $77^{\circ} 15' 59''$  East 1211.38 feet to the PLACE OF

BEGINNING, containing within said boundaries 51.480 acres of land.

SURVEYED: December 8, 1997.

PAGE NO. 1 - 53.380 ACRES

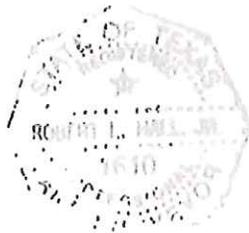
SURVEYOR'S CERTIFICATE

I, Robert L. Mail, Jr., Reg Professional Land Surveyor No. 1610, do hereby certify that the foregoing field notes were prepared from an actual survey made on the ground on the date shown and that all lines, boundaries and landmarks are accurately described therein.

WITNESS my hand and seal at Baytown, Texas, this the 12th., day of December, A.D., 1997.



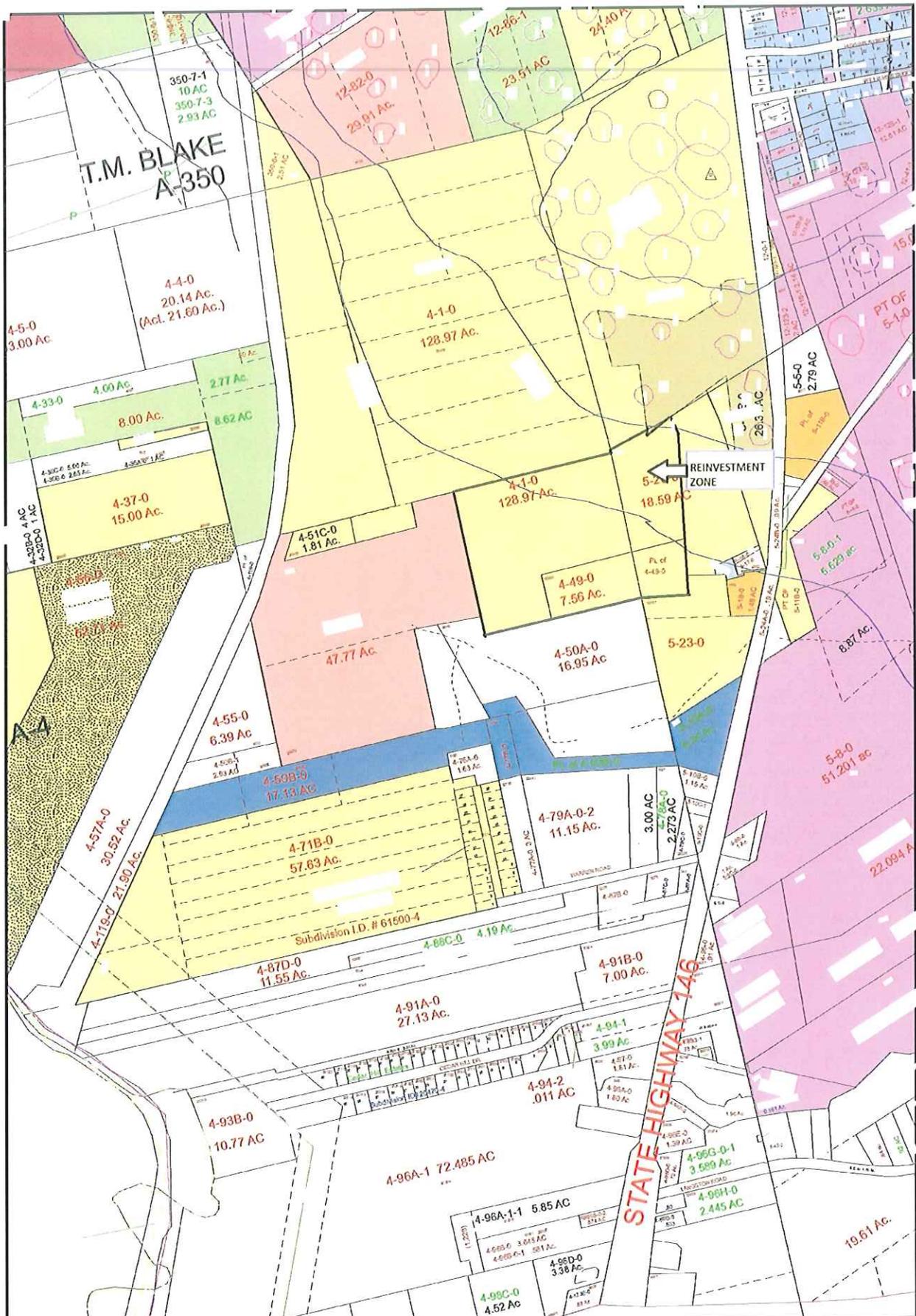
REG. PROFESSIONAL LAND SURVEYOR  
NO. 1610  
97-13684.FDR



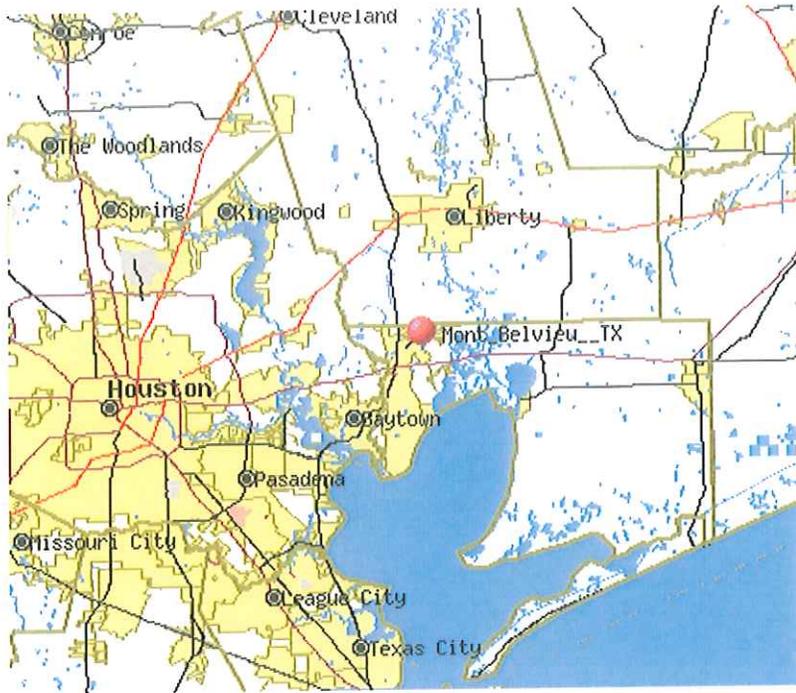
Attachment

K

Detailed Map Showing Location of Land



|                                       |     |             |     |      |                |         |   |
|---------------------------------------|-----|-------------|-----|------|----------------|---------|---|
| GRAPHIC SCALE<br>0 300 600<br>1"=600' | REV | DESCRIPTION | DWN | DATE | SCALE: 1"=600' | DATE    | PROJECT NAME<br>LCR00B6<br>DRAWING NUMBER<br>383-3400-B6<br>REVISION<br>0   |
|                                       |     |             |     |      | OWN BY: NMD    | 2/23/11 |   |
|                                       |     |             |     |      | DESIGNED BY:   |         | <br><b>TARGA</b><br>INDUSTRIAL OWNERSHIP- MONT BELVIEU |
|                                       |     |             |     |      | FINAL OK:      |         |   |
|                                       |     |             |     |      | ENGR:          |         |   |
|                                       |     |             |     |      | APPROV:        |         |   |
|                                       |     |             |     |      | PLANT NAME:    |         |   |
|                                       |     |             |     |      | MONT BELVIEU   |         |   |



Attachment

L

Description of Existing Improvements

No Pre-existing Improvements

Attachment

M

Request for Waiver of Job Creation Requirement

N/A

Attachment

N

Calculation of Wage Requirements

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

**Texas Workforce Commission**

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  - Quarterly Employment and Wages (QCEW)
  - Wages by Profession
  - Projections - Occupation
  - Projections - Industry
  - Consumer Price Index
  - Income
  - Staffing Patterns
  - Population

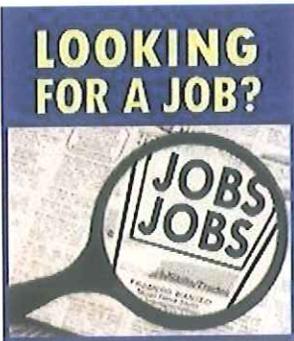
## Quarterly Employment and Wages (QCEW)

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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          |

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  - Consumer Price Index
  - Income
  - Staffing Patterns
  - Population

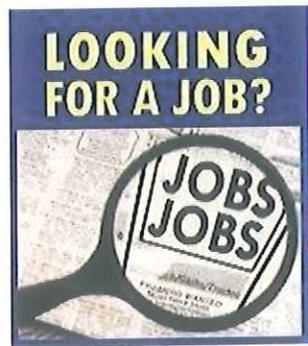
## Quarterly Employment and Wages (QCEW)

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

## Attachment

0

### Description of Benefits

Cedar Bayou offers the following benefits to employees:

Health Care

Paid Sick Leave

Education

Retirement Benefits

Attachment

P

Economic Impact

N/A

Attachment

Q

Schedule A

Schedule A (Rev. May 2010): Investment

Applicant Name Cedar Bayou Fractionators, LP  
 ISD Name Barbers Hill ISD

Form 50-296

| PROPERTY INVESTMENT AMOUNTS   |   |      |                            |  |   |   |  |  |  |
|---|---|------|----------------------------|--|---|---|--|--|--|
| (Estimated investment in each year. Do not put cumulative totals.)  |   |      |                            |  |   |   |  |  |  |
|   |   | Year | School Year<br>(YYYY-YYYY) | Tax Year<br>(Fill in actual tax<br>year below)<br>YYYY | Column A:<br>Tangible<br>Personal Property<br>The amount of new investment<br>(original cost) placed in service<br>during this year | Column B:<br>Building or permanent<br>nonremovable component<br>of building (annual amount<br>only) | Column C:<br>Sum of A and B<br>Qualifying Investment<br>(during the qualifying<br>time period) | Column D:<br>Other investment that is not<br>qualified investment but<br>investment affecting economic<br>impact and total value | Column E:<br>Total Investment<br>(A+B+D) |
| The year preceding<br>the first complete tax<br>year of the qualifying<br>time period<br>(assuming no<br>deferrals) | Investment made before filing complete application<br>with district (neither qualified property nor eligible to<br>become qualified investment)   |      |                            |  |   |   |  |  |  |
|   | Investment made after filing complete application<br>with district, but before final board approval of<br>application (eligible to become qualified property)   |      | 2011-2012                  | 2011   | 2,500,000   |   |  |  | 2,500,000                                |
|   | Investment made after final board approval of<br>application and before Jan. 1 of first complete tax<br>year of qualifying time period (qualified<br>investment and eligible to become qualified<br>property) |      |                            |  |   |   |  |  |  |
| Complete tax years of qualifying time<br>period   |   | 1    | 2012-2013                  | 2012   | \$ 271,000,000.00   | \$ 1,500,000  | \$ 272,500,000.00  |  | \$ 272,500,000.00                        |
|   |   | 2    | 2013-2014                  | 2013   | \$ -  |   | \$ -   |  | \$ -                                     |
| Tax Credit Period<br>(with 50% cap on<br>credit)  | Value Limitation Period   | 3    | 2014-2015                  | 2014   |   |   |  |  |  |
|   |   | 4    | 2015-2016                  | 2015   |   |   |  |  |  |
|   |   | 5    | 2016-2017                  | 2016   |   |   |  |  |  |
|   |   | 6    | 2017-2018                  | 2017   |   |   |  |  |  |
|   |   | 7    | 2018-2019                  | 2018   |   |   |  |  |  |
|   |   | 8    | 2019-2020                  | 2019   |   |   |  |  |  |
|   |   | 9    | 2020-2021                  | 2020   |   |   |  |  |  |
|   |   | 10   | 2021-2022                  | 2021   |   |   |  |  |  |
| Credit Settle-Up<br>Period  | Continue to Maintain Viable Presence  | 11   | 2022-2023                  | 2022   |   |   |  |  |  |
|   |   | 12   | 2023-2024                  | 2023   |   |   |  |  |  |
|   |   | 13   | 2024-2025                  | 2024   |   |   |  |  |  |
| Post- Settle-Up Period  |   | 14   | 2025-2026                  | 2025   |   |   |  |  |  |
| Post- Settle-Up Period  |   | 15   | 2026-2027                  | 2026   |   |   |  |  |  |

Qualifying Time Period usually begins with the final board approval of the application and extends generally for the following two complete tax years.

Column A: 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.

Column B: 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).

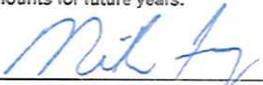
For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings.

Column D: 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 those amounts for future years.

  
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R

Schedule B

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

Applicant Name **Cedar Bayou Fractionators, LP**  
 ISD Name **Barbers Hill ISD**

Form 50-296

|                            |   | Year        | School Year<br>(YYYY-YYYY) | Tax Year<br>(Fill in actual<br>tax year)<br>YYYY | Qualified Property                   |  |  | Reductions from<br>Market Value | Estimated Taxable Value                               |  |
|----------------------------|---|-------------|----------------------------|--|--------------------------------------|--|--|---------------------------------|---|--|
|                            |   |             |                            |  | Estimated<br>Market Value<br>of Land | Estimated Total Market<br>Value of new buildings<br>or other new<br>improvements | Estimated Total Market<br>Value of tangible personal<br>property in the new building<br>or "in or on the new<br>improvement" | Exempted Value                  | Final taxable value for I&S -<br>after all reductions | Final taxable value for<br>M&O--after all reductions |
|                            |   | pre- year 1 | 2011-2012                  | 2011   |                                      |  |  |                                 |   |  |
|                            | Complete tax<br>years of qualifying<br>time period  | 1           | 2012-2013                  | 2012   |                                      |  | \$ 2,500,000   | \$ -                            | \$ 2,500,000  | \$ 2,500,000   |
|                            |   | 2           | 2013-2014                  | 2013   |                                      | \$ 1,500,000   | \$ 223,500,000   | \$ -                            | \$ 225,000,000  | \$ 225,000,000                                       |
|                            | Tax Credit<br>Period (with<br>50% cap on<br>credit) | 3           | 2014-2015                  | 2014   |                                      | \$ 1,425,000   | \$ 212,325,000   | \$ -                            | \$ 213,750,000  | \$ 30,000,000  |
|                            |   | 4           | 2015-2016                  | 2015   |                                      | \$ 1,353,750   | \$ 201,708,750   | \$ -                            | \$ 203,062,500  | \$ 30,000,000  |
|                            |   | 5           | 2016-2017                  | 2016   |                                      | \$ 1,286,063   | \$ 191,623,313   | \$ -                            | \$ 192,909,375  | \$ 30,000,000  |
|                            |   | 6           | 2017-2018                  | 2017   |                                      | \$ 1,221,759   | \$ 182,042,147   | \$ -                            | \$ 183,263,906  | \$ 30,000,000  |
|                            |   | 7           | 2018-2019                  | 2018   |                                      | \$ 1,160,671   | \$ 172,940,040   | \$ -                            | \$ 174,100,711  | \$ 30,000,000  |
|                            |   | 8           | 2019-2020                  | 2019   |                                      | \$ 1,102,638   | \$ 164,293,038   | \$ -                            | \$ 165,395,675  | \$ 30,000,000  |
|                            |   | 9           | 2020-2021                  | 2020   |                                      | \$ 1,047,506   | \$ 156,078,386   | \$ -                            | \$ 157,125,892  | \$ 30,000,000  |
|                            |   | 10          | 2021-2022                  | 2021   |                                      | \$ 995,131   | \$ 148,274,466   | \$ -                            | \$ 149,269,597  | \$ 30,000,000  |
| Credit Settle-Up<br>Period | Continue to<br>Maintain Viable<br>Presence          | 11          | 2022-2023                  | 2022   |                                      | \$ 945,374   | \$ 140,860,743   | \$ -                            | \$ 141,806,117  | \$ 141,806,117                                       |
|                            |   | 12          | 2023-2024                  | 2023   |                                      | \$ 898,105   | \$ 133,817,706   | \$ -                            | \$ 134,715,811  | \$ 134,715,811                                       |
|                            |   | 13          | 2024-2025                  | 2024   |                                      | \$ 853,200   | \$ 127,126,821   | \$ -                            | \$ 127,980,021  | \$ 127,980,021                                       |
|                            | Post- Settle-Up Period                              | 14          | 2025-2026                  | 2025   |                                      | \$ 810,540   | \$ 120,770,480   | \$ -                            | \$ 121,581,020  | \$ 121,581,020                                       |
|                            | Post- Settle-Up Period                              | 15          | 2026-2027                  | 2026   |                                      | \$ 770,013   | \$ 114,731,956   | \$ -                            | \$ 115,501,969  | \$ 115,501,969                                       |

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.

*Mih Ly*

*8/15/2011*

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Schedule C

**Schedule C- Application: Employment Information**

Applicant Name Cedar Bayou Fractionators, LP  
 ISD Name Barbers Hill ISD

Form 50-296

|  |   | Year        | School Year<br>(YYYY-YYYY) | Tax Year<br>(Fill in actual tax<br>year)<br>YYYY | Construction   |   | New Jobs  |  | Qualifying Jobs  |  |
|--|---|-------------|----------------------------|--|--|---|---|--|--|--|
|  |   |             |                            |  | Column A:<br>Number of<br>Construction<br>FTE's or man-<br>hours (specify) | Column B:<br>Average<br>annual wage<br>rates for<br>construction<br>workers | Column C:<br>Number of<br>new<br>jobs applicant<br>commits to<br>create<br>(cumulative) | Column D:<br>Average<br>annual wage<br>rate for all<br>new jobs. | Column E:<br>Number of qualifying<br>jobs applicant<br>commits to create<br>meeting all criteria of<br>Sec. 313.021(3)<br>(cumulative) | Column F:<br>Average<br>annual wage<br>of qualifying<br>jobs |
|  |   | pre- year 1 | 2011-2012                  | 2011   | 50 FTE   | \$ 52,000.00  | 0   | \$ -   | 0  | \$ -   |
|  | Complete tax<br>years of<br>qualifying time<br>period | 1           | 2012-2013                  | 2012   | 500 FTE  | \$ 52,000.00  | 10  | \$ 56,102.00   | 8  | \$ 56,102.00   |
|  |   | 2           | 2013-2014                  | 2013   |  |   | 10  | \$ 56,102.00   | 8  | \$ 56,102.00   |
|  | Tax Credit Period<br>(with 50% cap on<br>credit)      | 3           | 2014-2015                  | 2014   |  |   | 10  | \$ 56,102.00   | 8  | \$ 56,102.00   |
|  |   | 4           | 2015-2016                  | 2015   |  |   | 10  | \$ 56,102.00   | 8  | \$ 56,102.00   |
|  |   | 5           | 2016-2017                  | 2016   |  |   | 10  | \$ 56,102.00   | 8  | \$ 56,102.00   |
|  |   | 6           | 2017-2018                  | 2017   |  |   | 10  | \$ 56,102.00   | 8  | \$ 56,102.00   |
|  |   | 7           | 2018-2019                  | 2018   |  |   | 10  | \$ 56,102.00   | 8  | \$ 56,102.00   |
|  |   | 8           | 2019-2020                  | 2019   |  |   | 10  | \$ 56,102.00   | 8  | \$ 56,102.00   |
|  |   | 9           | 2020-2021                  | 2020   |  |   | 10  | \$ 56,102.00   | 8  | \$ 56,102.00   |
|  |   | 10          | 2021-2022                  | 2021   |  |   | 10  | \$ 56,102.00   | 8  | \$ 56,102.00   |
|  | Credit Settle-Up<br>Period                            | 11          | 2022-2023                  | 2022   |  |   | 10  | \$ 56,102.00   | 8  | \$ 56,102.00   |
|  |   | 12          | 2023-2024                  | 2023   |  |   | 10  | \$ 56,102.00   | 8  | \$ 56,102.00   |
|  |   | 13          | 2024-2025                  | 2024   |  |   | 10  | \$ 56,102.00   | 8  | \$ 56,102.00   |
|  | Post- Settle-Up Period                                |             | 14                         | 2025-2026  | 2025   |   | 10  | \$ 56,102.00   | 8  | \$ 56,102.00   |
|  | Post- Settle-Up Period                                |             | 15                         | 2026-2027  | 2026   |   | 10  | \$ 56,102.00   | 8  | \$ 56,102.00   |

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.

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Schedule D

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

Applicant Name

Cedar Bayou Fractionators, LP

ISD Name

Barbers Hill ISD

Form 50-296

|  |  |                         |                         |                        | 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 | 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                   |   |   |   |   |   |   |   |
|  | Complete tax years of qualifying time period | 1                       | 2012-2013               | 2012                   | \$ 226,667  | \$ 306,667  | \$ 360,455  | 100   | 100   |   |   |
|  |  | 2                       | 2013-2014               | 2013                   | \$ 226,667  | \$ 306,667  | \$ 338,843  | 100   | 100   |   |   |
|  | Tax Credit Period (with 50% cap on credit)   | Value Limitation Period | 3                       | 2014-2015              | 2014  | \$ 226,667  | \$ 306,667  | \$ 138,843  | 75  | 100   |   |
|  |  |                         | 4                       | 2015-2016              | 2015  | \$ 226,667  | \$ 306,667  | \$ 164,943  | 60  | 100   |   |
|  |  |                         | 5                       | 2016-2017              | 2016  | \$ 226,667  | \$ 306,667  | \$ 193,443  | 50  | 75  |   |
|  |  |                         | 6                       | 2017-2018              | 2017  | \$ 226,667  | \$ 306,667  | \$ 209,243  |   | 60  |   |
|  |  |                         | 7                       | 2018-2019              | 2018  | \$ 226,667  | \$ 306,667  | \$ 226,443  |   | 50  |   |
|  |  |                         | 8                       | 2019-2020              | 2019  | \$ 226,667  | \$ 306,667  | \$ 336,343  |   | 50  |   |
|  |  |                         | 9                       | 2020-2021              | 2020  | \$ 226,667  | \$ 306,667  | \$ 456,100  |   | 50  |   |
|  |  |                         | 10                      | 2021-2022              | 2021  | \$ 226,667  | \$ 306,667  | \$ 704,800  |   | 25  |   |
| Credit Settle-Up Period  | Continue to Maintain Viable Presence         | 11                      | 2022-2023               | 2022                   | \$ 226,667  | \$ 306,667  | \$ 735,900  |   |   |   |   |
|  |  | 12                      | 2023-2024               | 2023                   | \$ 226,667  | \$ 306,667  | \$ 768,100  |   |   |   |   |
|  |  | 13                      | 2024-2025               | 2024                   | \$ 226,667  | \$ 306,667  | \$ 816,500  |   |   |   |   |
| Post- Settle-Up Period   |  | 14                      | 2025-2026               | 2025                   | \$ 226,667  | \$ 306,667  | \$ 867,000  |   |   |   |   |
| Post- Settle-Up Period   |  | 15                      | 2026-2027               | 2026                   | \$ 226,667  | \$ 306,667  | \$ 919,600  |   |   |   |   |

\*For planning, construction and operation of the facility.

*Mick Foy*

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

8/15/2011

DATE

Attachment

U

Map of Reinvestment Zone



Attachment

V

Order, Resolution or Ordinance Establishing Zone

ORDINANCE NO. 2010-003

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 CEDAR BAYOU FRACTIONATORS, L.P. ON JANUARY 25, 2010

WHEREAS, the City Council of the City 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 adopted guidelines and criteria governing tax abatements agreement in Ordinance 2009-021;

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 Monday, March 22, 2010 regarding the designation of the area described in the attached Exhibit 1 as a reinvestment zone for tax abatement purposes; and

WHEREAS, all interested members of the public were given an opportunity to make a comment at the public hearing; and NOW, THEREFORE,

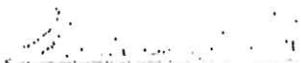
BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MONT BELVIEU, TEXAS:

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 on this, the 22nd day March, 2010.

  
Nick Dixon, Mayor

ATTEST:

  
City Secretary

CITY OF MOUNT BELVIEU

By: Nick Dixon  
(Signature)

Nick Dixon Mayor  
(Printed Name and Title)

6-29-11  
(Date)

ATTEST:

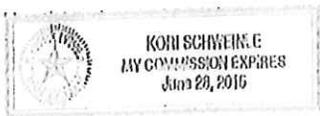
Phyllis Sockwell  
Phyllis Sockwell, City Secretary

ACKNOWLEDGMENT

STATE OF TEXAS                    §  
  §  
COUNTY OF CHAMBERS           §

Before me, the undersigned authority on this day personally appeared Nick Dixon of the City of Mount Belvieu, Texas, a Type-A general law municipality, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said municipality.

Given under my hand and seal of office this the 27<sup>th</sup> day of June, 2011.



Kori Schweinle  
Notary Public in and for the State of Texas

COPY

ORDINANCE NO. 2011 043

AN ORDINANCE OF THE CITY OF MONT BELVIEU, TEXAS  
AUTHORIZING THE MAYOR TO EXECUTE A TAX ABATEMENT  
AGREEMENT FOR PROPERTY LOCATED IN CEDAR BAYOU  
FRACTIONATORS, L.P. (TARGA) REINVESTMENT ZONE IN THE FORM  
ATTACHED HERETO AS EXHIBIT "A"; ESTABLISHING AN EFFECTIVE  
DATE; PROVIDING A SEVERABILITY CLAUSE

WHEREAS, the City of Mont Belvieu, Texas, (the "City") desires to grant a tax abatement for Economic Development Programs in accordance with the authority granted to municipalities pursuant to Chapter 312 of the Texas Tax Code;

WHEREAS, the City wishes to provide tax abatement incentives for the purpose of encouraging the development of primary employment and attracting major economic investments in the City through the development or expansion of development of land for commercial and industry related uses (the "Project");

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

WHEREAS, the City adopted guidelines and criteria governing tax abatement agreements and established a proper reinvestment zone;

WHEREAS, the City recognizes the positive economic impact the Project will have on the community and desires to offer tax abatement incentives through the Tax Abatement Agreement and executed in conjunction with the Chapter 380 Agreement to encourage development of the Project which will generate ad valorem property taxes and employment in the community;

NOW, THEREFORE,

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

Section 1. All of the recitals stated above and in the Abatement Agreement attached hereto as Exhibit "A" are found to be true and correct.

Section 2. The Abatement Agreement attached hereto as Exhibit "A" is hereby granted and approved.

Section 3. The Mayor of the City is hereby authorized to execute the Abatement Agreement attached hereto as Exhibit "A."

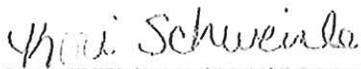
Section 4. Should any sentence, paragraph, subdivision, clause, phrase or section of this Ordinance, or the Abatement Agreement attached hereto as Exhibit "A", be held to be unconstitutional, illegal or invalid, the same shall not affect the validity of this Ordinance, or the Abatement Agreement as a whole or any part or provisions thereof, other than the part so declared to be invalid, illegal or unconstitutional.

Section 5. This Ordinance shall take effect immediately on the Effective Date of the Abatement Agreement attached hereto as Exhibit "A" and after the passage and the publication of the caption of this Ordinance.

PASSED and APPROVED on this, the 27 day of June, 2011.

  
\_\_\_\_\_  
Nick Dixon, Mayor

ATTEST:

  
\_\_\_\_\_  
City Secretary



Attachment

W

Legal Description of Reinvestment Zone

STATE OF TEXAS)  
 COUNTY OF CHAMBERS)

FIELD NOTES of a 53.880 acre tract of land situated in the William Bloodgood League, Abstract Number 4, Chambers County, the Henry Griffith League, Abstract Number 12, Chambers County, the William Bloodgood Augmentation Survey, Abstract Number 5, Chambers County, and being out of and a part of a 242.5057 acre tract of land called Tract 9 and conveyed to Midstream Combination Corp. by Chevron U.S.A. Inc., in deed dated August 20, 1996, and recorded in Volume 108 at Page 85 of the Official Public Records of Chambers County. This 53.880 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, AS DEFINED BY ARTICLE 21 OF THE NATURAL RESOURCES CODE OF THE STATE OF TEXAS, 1927 DATUM. ALL DISTANCES ARE ACTUAL DISTANCES. REFERENCE IS MADE TO PLAT OF EVEN DATE ACCOMPANYING THIS METES AND BOUNDS DESCRIPTION.

BEGINNING at a brass cap set in concrete for the Northeast corner of this tract of land, having a State Plane Coordinate Value of  $Y = 752,799.30$  and  $X = 3,299,929.27$ . From this BEGINNING corner a 1 1/4 inch iron pipe found for the Northeast corner of said Bloodgood League, an interior corner of the Henry Griffith League, Abstract Number 12, Chambers County, an angle point in the North line of said 242.5057 acres, and an angle point in the South line of a tract of land conveyed to Texas Eastern Transmission Corporation by O. Z. Smith, et ux. in deed dated January 7, 1959, and recorded in Volume 127 at Page 202 of the Deed Records of Chambers County bears North  $14^{\circ} 06' 33''$  West a distance of 1745.27 feet.

THENCE in a southerly direction with the East line of this tract of land the following courses to brass caps set in concrete:

South  $15^{\circ} 19' 31''$  East 495.89 feet;  
 North  $79^{\circ} 11' 30''$  East 39.03 feet;  
 South  $11^{\circ} 05' 10''$  East 72.16 feet;  
 South  $74^{\circ} 48' 00''$  West 36.40 feet;  
 South  $15^{\circ} 20' 55''$  East 1099.45 feet to a brass cap set

in concrete for the Southeast corner of this tract of land.

THENCE south  $76^{\circ} 53' 10''$  West with the South line of this tract of land a distance of 1149.43 feet to a brass cap set in concrete for the Southwest corner of this tract of land, in the West line of said 242.5057 acres, and in the East line of a 25.18 acre tract of land called First Tract and conveyed to Exxon Pipeline Corporation in Partition Deed dated July 22, 1971, and recorded in Volume 126 at Page 645 of the Deed Records of Chambers County.

PAGE NO. 1 51.850 ACRES

THENCE North  $11^{\circ} 44' 58''$  West with the West line of this tract of land, the West line of said 242.5057 acres, and the East line of said 25.28 acres a distance of 626.28 feet to a brass cap set in concrete for an interior corner of this tract of land, an interior corner of said 242.5057 acres, and the Northeast corner of said 25.28 acres.

THENCE South  $76^{\circ} 19' 25''$  West with the a South line of this tract of land, a South line of said 242.5057 acres, and the North line of said 25.28 acres a distance of 152.77 feet to a brass cap set in concrete for the most Northerly Southwest corner of this tract of land.

THENCE in a Westerly and Northerly direction with the West line of this tract of land the following courses to brass caps set in concrete:

North  $19^{\circ} 42' 37''$  East 81.08 feet;  
 North  $13^{\circ} 03' 18''$  West 226.62 feet;  
 South  $76^{\circ} 56' 42''$  West 278.41 feet;  
 South  $13^{\circ} 03' 18''$  East 17.07 feet;  
 South  $76^{\circ} 56' 42''$  West 133.07 feet;  
 North  $13^{\circ} 03' 18''$  West 114.52 feet;  
 South  $76^{\circ} 56' 42''$  West 171.52 feet;  
 North  $13^{\circ} 03' 18''$  West 150.11 feet to a Brass cap set

in concrete for the Northwest corner of this tract of land, in a non-tangent curve to the right.

THENCE in a Northeasterly direction with the North line of this tract of land and said non-tangent curve to the right, concave Southeast, having a central angle of  $15^{\circ} 33' 13''$ , a radius of 2185.34 feet, an arc length of 382.95 feet, and a chord bearing and distance of North  $59^{\circ} 10' 11''$  East 282.28 feet to a Brass cap set in concrete for a corner of this tract of land and the end of said curve.

THENCE in an Easterly direction with the North line of this tract of land the following courses to brass caps set in concrete:

North  $72^{\circ} 12' 42''$  East 106.35 feet;  
 North  $74^{\circ} 27' 33''$  East 93.65 feet;  
 North  $77^{\circ} 15' 59''$  East 1231.38 feet to the PLACE OF

BEGINNING, containing within said boundaries 51.850 acres of land.

SURVEYED: December 8, 1997.

PAGE NO. 1 OF 2 PAGES

SURVEYOR'S CERTIFICATE

I, Robert G. Hall, Jr., Reg. Professional Land Surveyor No. 1610, do hereby certify that the foregoing field notes were prepared from an actual survey made on the ground on the date shown and that all lines, boundaries and landmarks are accurately described therein.

WITNESS my hand and seal at Baytown, Texas, this the 12th., day of December A.D., 1937.



REG. PROFESSIONAL LAND SURVEYOR  
NO. 1610  
97-13888.FDM



Attachment

X

Guidelines and Criteria for Reinvestment Zone

ORDINANCE NO. 2009-002

AN ORDINANCE MAKING CERTAIN FINDINGS, OF FACT, GUIDELINES AND CRITERIA FOR TAX ABATEMENT APPLICABLE AND PROVIDING FOR A TAX ABATEMENT AGREEMENT WHICH WOULD PERMIT TAX ABATEMENT BY OTHER TAXING ENTITIES, WHICH DOES NOT VIOLATE THE PROVISIONS OF THE CITY OF MONT BELVILLO AS WITH CHAPTER 312 OF THE TEXAS TAX CODE.

COPIES  
MENTS,  
WHICH  
DOES TO  
CHANGE

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

ax Code,  
tion of a  
nd

WHEREAS, the City Council of the City of Mont Belvillo determines that the guidelines and criteria as hereinafter set forth are in the best interest of the City of Mont Belvillo to encourage economic development to the exclusion of others; and

finds and  
are in the  
types of

WHEREAS, the City Council of the City of Mont Belvillo has the absolute discretion to approve and/or reject any application for tax abatement, whether or not an application meets the guidelines stated; and

affirms its  
for tax  
as herein

WHEREAS, the City Council of the City of Mont Belvillo determines that it should consider applications for tax abatement into tax abatement agreements which provide for the guidelines established by other taxing entities without city participation;

finds and  
and enter  
into under  
on;

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

Section 1,

That pursuant to the provisions of the Texas Tax Code, the City of Mont Belvillo does hereby adopt the following guidelines:

312.002(d) of the  
following guidelines

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

a tax abatement

Section 2,

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

city limits of the

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

to operate in the

Section 3,

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

include the transfer of investment

Section 4,

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

agreement shall

- 1) Abatement shall not exceed two (2) years, beginning on 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.

beginning on the signing of the tax abatement agreement shall be one hundred percent (100%) abatement.

Section 5,

The City may consider an application for abatement which provides for no abatement to be granted which provides for an abatement to be granted by other taxing authorities to the extent of the limitations provided under their jurisdiction and criteria.

entering into a tax abatement by the City, but to the extent of

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

APPROVED:

*Mark D. ...*  
Mark Dixon, Mayor

ATTEST:

*Phyllis ...*  
Phyllis Bookwall, City Secretary

Attachment

Y

Certificate of Account Status



TEXAS COMPTROLLER OF PUBLIC ACCOUNTS  
SUSAN COMBS • COMPTROLLER • AUSTIN, TEXAS 78774

July 22, 2011

CERTIFICATE OF ACCOUNT STATUS

THE STATE OF TEXAS  
COUNTY OF TRAVIS

I, Susan Combs, Comptroller of Public Accounts of the State of Texas, DO  
HEREBY CERTIFY that according to the records of this office

CEDAR BAYOU FRACTONATORS, L.P.

is, as of this date, in good standing with this office having no franchise  
tax reports or payments due at this time. This certificate is valid through  
the date that the next franchise tax report will be due November 15, 2011.

This certificate does not make a representation as to the status of the  
entity's registration, if any, with the Texas Secretary of State.

This certificate is valid for the purpose of conversion when the converted  
entity is subject to franchise tax as required by law. This certificate is  
not valid for any other filing with the Texas Secretary of State.

GIVEN UNDER MY HAND AND  
SEAL OF OFFICE in the City of  
Austin, this 22nd day of  
July 2011 A.D.

A handwritten signature in cursive script that reads "Susan Combs".

Susan Combs  
Texas Comptroller

Taxpayer number: 17605551617

File number: 0010375011