FINDINGS OF THE BRAZOSPORT INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT ON THE APPLICATION SUBMITTED BY THE DOW CHEMICAL COMPANY AGROSCIENCES PROJECT

May 1, 2012

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OF THE
BRAZOSPORT INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
THE DOW CHEMICAL COMPANY FOR THE
AGROSCIENCES PROJECT

MAY 1, 2012

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STATE OF TEXAS §

COUNTY OF BRAZORIA §

On the 1st day of May, 2012, a public meeting of the Board of Trustees of the Brazosport Independent School District was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the application of The Dow Chemical Company (Dow) for an Appraised Value Limitation on Qualified Property for its Agrosciences project, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. After hearing presentations from the District's administrative staff, and from consultants retained by the District to advise the Board in this matter, the Board of Trustees of the Brazosport Independent School District makes the following findings with respect to the application of Dow, and the economic impact of that application:

On March 19, 2012 the Superintendent of Schools of the Brazosport Independent School District, acting as an agent of the Board of Trustees, and the Texas Comptroller of Public Accounts received a completed Application from Dow for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code for its Agrosciences project, which will produce dichlorophenol, a substance used in manufacturing herbicides. A copy of the Application is attached as **Attachment A**.

The Applicant, Dow (Texas Taxpayer Id. 13517811181), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be in good standing with the Texas Comptroller of Public Accounts. See **Attachment B**.

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

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

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code § 313.026 and a favorable recommendation was issued on April 9, 2012. A copy of the Comptroller's letter is attached to the findings as **Attachment C**.

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

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

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

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

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

Board Finding Number 1.

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

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

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

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Board Finding Number 2.

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

Based on information provided by the Comptroller's Office, Brazoria County is the 15th largest county in the state in terms of population. Population growth in Brazoria County is positive, although at a relatively modest growth rate. The state population grew by 1.8 percent between 2009 and 2010, while the population of Brazoria County increased by 1.7 percent over the same period.

September 2011 employment for Brazoria County was up 1.8 percent from September 2010, above the state's 0.9 percent increase in total employment during the same period. The unemployment rate in Brazoria County was 9.0 percent in September 2011, above the current state average of 8.5 percent. The Brazoria County unemployment rate increased slightly from 8.9 percent a year ago to the 9.0 percent level in September 2011.

Brazoria County continues to have a slightly lower per capita personal income than the state as a whole. In terms of per capita income, Brazoria County's $37,523 in 2009 ranked 54th among the 254 counties in Texas, while the Texas average was $38,609 for the same period.

Brazoria County will benefit from economic activity like that associated with the Dow Agrosciences project. Major capital investments like this project are beneficial to the community on a number of fronts, including direct and indirect employment, expanded opportunities for existing businesses and increased local tax bases. This should be beneficial, given Brazoria County's unemployment rate and below-state-average per capita personal income.

Board Finding Number 3.

> **The average salary level of qualifying jobs is expected to be at least $56,102 per year. The review of the application by the State Comptroller's Office indicated that this amount—based on Texas Workforce Commission data—complies with the requirement that qualifying jobs must pay 110 percent of the regional average manufacturing wage. Dow indicates that total employment once the project begins operations will be approximately ten (10) new jobs, eight (8) of which will be qualifying jobs.**

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

After construction, the project will create ten new jobs when fully operational. Eight jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the Houston-Galveston Area Council Region, where Brazoria County is located was $51,002 in 2010. The annual average manufacturing wage for 2010-2011 for Brazoria County is $91,936. That same year, the county annual average wage for all industries was $45,812. In addition to a salary of $56,102, each qualifying position will receive benefits such as medical

and dental insurance, life insurance, 401 k savings plan, pension plan or personal savings account, vacation and holiday pay, employee stock purchase plan, family and personal counseling services.

Board Finding Number 4.

> **The level of the applicant's average investment per qualifying job over the term of the Agreement is estimated to be approximately $18.75 million on the basis of the goal of eight (8) new qualifying positions for the entire Dow project.**

In support of Finding 4, the economic impact evaluation states:
The project's total investment is $150 million, resulting in a relative level of investment per qualifying job of $18.75 million.

Board Finding Number 5.

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

Table 1 shows Dow Agrosciences's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 16 years of annual investment and employment levels using software from Regional Economic Models, Inc. (REMI). The impact includes the construction period and the operating period of the project.

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

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2012	71	65	136	$3,817,053	$4,182,947	$8,000,000
2013	150	143	293	$8,589,743	$9,410,257	$18,000,000
2014	54	88	142	$3,679,304	$7,320,696	$11,000,000
2015	10	50	60	$1,100,380	$4,899,620	$6,000,000
2016	10	54	64	$1,122,380	$5,877,620	$7,000,000
2017	10	51	61	$1,144,830	$5,855,170	$7,000,000
2018	10	57	67	$1,167,730	$5,832,270	$7,000,000
2019	10	55	65	$1,191,080	$5,808,920	$7,000,000
2020	10	58	68	$1,214,900	$6,785,100	$8,000,000
2021	10	63	73	$1,239,200	$6,760,800	$8,000,000
2022	10	59	69	$1,263,990	$7,736,010	$9,000,000
2023	10	58	68	$1,289,270	$6,710,730	$8,000,000
2024	10	60	70	$1,315,050	$6,684,950	$8,000,000
2025	10	54	64	$1,341,350	$7,658,650	$9,000,000
2026	10	56	66	$1,368,180	$7,631,820	$9,000,000
2027	10	58	68	$1,395,540	$8,604,460	$10,000,000

Source: CPA, REMI, Dow Agrosciences

The statewide average ad valorem tax base for school districts in Texas was $1.6 billion in 2010. Brazosport ISD's ad valorem tax base in 2010 was $7.5 billion. The statewide average wealth per WADA was estimated at $345,067 for fiscal 2010-2011. During that same year, Brazosport ISD's estimated wealth per WADA was $475,934.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Brazoria County, Port of Freeport, Velasco Drainage District, Brazosport College, and City of Freeport, with all property tax incentives sought being granted using estimated market value from Dow Chemical's application. Dow Chemical has applied for a value limitation under Chapter 313, Tax Code, tax abatements with the county, port, drainage district, and college, and an industrial district agreement (IDA) with the city. Table 3 illustrates the estimated tax impact of the Dow Chemical project on the region if all taxes are assessed.

Table 2 Estimated Direct Ad Valorem Taxes with all property tax incentives sought													
Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O		Brazosport ISD I&S Levy	Brazosport ISD M&O Levy	Brazosport ISD M&O and I&S Tax Levies (Before Credit Credited)	Brazosport ISD M&O and I&S Tax Levies (After Credit Credited)	Brazoria County Tax Levy	Port of Freeport Tax Levy	Velasco Drainage District Tax Levy	Brazosport College Tax Levy	Industrial District Agreement (IDA) Tax Levy	Estimated Total Property Taxes
			Tax Rate[1]	0.2015	1.0400			0.4631	0.0535	0.0909	0.1902	0.7083	
2013	$20,005,840	$20,005,840		$40,312	$208,061	$248,373	$248,373	$0	$0	$0	$0	$0	$248,373
2014	$62,505,840	$62,505,840		$125,949	$650,061	$776,010	$776,010	$0	$0	$0	$0	$0	$776,010
2015	$150,005,840	$30,000,000		$302,262	$312,000	$614,262	$614,262	$0	$0	$0	$0	$0	$614,262
2016	$144,005,840	$30,000,000		$290,172	$312,000	$602,172	$553,877	$0	$0	$0	$0	$0	$553,877
2017	$138,245,840	$30,000,000		$278,565	$312,000	$590,565	$542,271	$0	$0	$0	$0	$0	$542,271
2018	$132,716,240	$30,000,000		$267,423	$312,000	$579,423	$531,129	$0	$0	$0	$0	$0	$531,129
2019	$127,407,824	$30,000,000		$256,727	$312,000	$568,727	$520,432	$0	$0	$0	$0	$0	$520,432
2020	$122,311,745	$30,000,000		$246,458	$312,000	$558,458	$510,164	$566,427	$65,437	$111,190	$232,606	$866,293	$2,352,116
2021	$117,419,508	$30,000,000		$236,600	$312,000	$548,600	$500,306	$543,771	$62,819	$106,743	$223,303	$831,642	$2,268,584
2022	$112,722,962	$30,000,000		$227,137	$312,000	$539,137	$490,842	$522,021	$60,307	$102,473	$214,371	$798,378	$2,188,393
2023	$108,214,277	$108,214,277		$218,052	$1,125,428	$1,343,480	$1,343,480	$501,141	$57,895	$98,374	$205,797	$766,445	$2,973,132
2024	$103,885,939	$103,885,939		$209,330	$1,080,414	$1,289,744	$1,289,744	$481,097	$55,579	$94,440	$197,565	$735,789	$2,854,213
2025	$99,730,735	$99,730,735		$200,957	$1,037,200	$1,238,157	$1,238,157	$461,854	$53,356	$90,662	$189,663	$706,359	$2,740,051
2026	$95,741,740	$95,741,740		$192,920	$995,714	$1,188,634	$1,188,634	$443,381	$51,222	$87,036	$182,077	$678,106	$2,630,455
2027	$91,912,304	$91,912,304		$185,203	$955,888	$1,141,091	$1,141,091	$425,647	$49,173	$83,555	$174,794	$650,984	$2,525,244
						Total	$11,488,772	$3,945,339	$455,787	$774,472	$1,620,175	$6,033,996	$24,318,542
Assumes School Value Limitation and Tax Abatements with the County, Port, Drainage District, College District, and IDA.													

Source: CPA, Dow Agrosciences
[1]Tax Rate per $100 Valuation

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives													
Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O		Brazosport ISD I&S Levy	Brazosport ISD M&O Levy		Brazosport ISD M&O and I&S Tax Levies	Brazoria County Tax Levy	Port of Freeport Tax Levy	Velasco Drainage District Tax Levy	Brazosport College Tax Levy	Industrial District Agreement (IDA) Tax Levy	Estimated Total Property Taxes
			Tax Rate[1]	0.2015	1.0400			0.4631	0.0535	0.0909	0.1902	0.7083	
2013	$20,005,840	$20,005,840		$40,312	$208,061		$248,373	$92,647	$10,703	$18,187	$38,046	$141,695	$549,650
2014	$62,505,840	$62,505,840		$125,949	$650,061		$776,010	$289,465	$33,441	$56,822	$118,870	$442,708	$1,717,316
2015	$150,005,840	$150,005,840		$302,262	$1,560,061		$1,862,323	$694,679	$80,253	$136,366	$285,274	$1,062,440	$4,121,334
2016	$144,005,840	$144,005,840		$290,172	$1,497,661		$1,787,833	$666,892	$77,043	$130,911	$273,863	$1,019,944	$3,956,487
2017	$138,245,840	$138,245,840		$278,565	$1,437,757		$1,716,322	$640,218	$73,962	$125,675	$262,909	$979,148	$3,798,234
2018	$132,716,240	$132,716,240		$267,423	$1,380,249		$1,647,672	$614,610	$71,003	$120,648	$252,393	$939,984	$3,646,311
2019	$127,407,824	$127,407,824		$256,727	$1,325,041		$1,581,768	$590,027	$68,163	$115,823	$242,298	$902,386	$3,500,465
2020	$122,311,745	$122,311,745		$246,458	$1,272,042		$1,518,500	$566,427	$65,437	$111,190	$232,606	$866,293	$3,360,453
2021	$117,419,508	$117,419,508		$236,600	$1,221,163		$1,457,763	$543,771	$62,819	$106,743	$223,303	$831,642	$3,226,041
2022	$112,722,962	$112,722,962		$227,137	$1,172,319		$1,399,456	$522,021	$60,307	$102,473	$214,371	$798,378	$3,097,006
2023	$108,214,277	$108,214,277		$218,052	$1,125,428		$1,343,480	$501,141	$57,895	$98,374	$205,797	$766,445	$2,973,132
2024	$103,885,939	$103,885,939		$209,330	$1,080,414		$1,289,744	$481,097	$55,579	$94,440	$197,565	$735,789	$2,854,213
2025	$99,730,735	$99,730,735		$200,957	$1,037,200		$1,238,157	$461,854	$53,356	$90,662	$189,663	$706,359	$2,740,051
2026	$95,741,740	$95,741,740		$192,920	$995,714		$1,188,634	$443,381	$51,222	$87,036	$182,077	$678,106	$2,630,455
2027	$91,912,304	$91,912,304		$185,203	$955,888		$1,141,091	$425,647	$49,173	$83,555	$174,794	$650,984	$2,525,244
						Total	$20,197,125	$7,533,877	$870,355	$1,478,905	$3,093,829	$11,522,301	$44,696,393

Source: CPA, Dow Agrosciences
[1]Tax Rate per $100 Valuation

Board Finding Number 6.

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

The Agrosciences project remains fully taxable for debt services taxes, with BISD currently levying a $0.202 I&S rate. With the addition of this project, in the peak year of taxable project value, the district could potentially make a modest reduction to it's I&S tax rate.

Board Finding Number 7.

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

The summary of financial impact prepared by Moak, Casey & Associates, Inc., indicates that there will not be a significant impact on school facilities created by the new chemical manufacturing project. This finding is confirmed by the TEA evaluation of this project's impact on the number and size of school facilities in Brazosport ISD as stated in **Attachment D**.

Board Finding Number 8.

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

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

According to Dow Chemical's application,

> According to Dow Agrosciences's application, "The Dow Chemical Company is a leading science and technology company that provides innovative chemical, plastic and agricultural products and services to many essential consumer markets. Dow's global manufacturing presence provides substantial flexibility in plant location. In the U.S., Dow has manufacturing locations in AR, CA ,CT, GA, IL, KY, LA, MA, MI, MO, NJ, NY, NC, OH, TN, PA, TX and WV."

Board Finding Number 9.

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

Board Finding Number 10.

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

Board Finding Number 11.

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

According to the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2011 Preliminary Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year, Attachment F, the total 2011 taxable value for Brazosport ISD is $6.3 billion, with industrial property valued at $4.7 billion. Brazosport ISD is categorized as Subchapter C, rural district. Given that the total amount of taxable industrial property in Brazosport ISD exceeds $200 million, it is classified as a Category I district which can offer a minimum value limitation of $30 million.

Board Finding Number 12.

The Applicant (Taxpayer Id. 13517811181) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on its "good standing" certification as a franchise-tax paying entity.

Board Finding Number 13.

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

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

Board Finding Number 14.

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

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

Dated the 1st day of May 2012.

BRAZOSPORT INDEPENDENT SCHOOL DISTRICT

By: Ruth Ann Few
Ruth Ann Few, President, Board of Trustees

ATTEST:

By: Ron Damian
Ron Damian, Secretary, Board of Trustees

MOAK, CASEY & ASSOCIATES
SCHOOL FINANCE & ACCOUNTABILITY EXPERTS

LYNN M. MOAK, PARTNER DANIEL T. CASEY, PARTNER

April 24, 2012

President and Members
Board of Trustees
Brazosport Independent School District
P.O. Box Drawer Z
Freeport, Texas 77542

Re: Recommendations and Findings of the Firm Concerning Application of The DOW Chemical Company for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President Few and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Brazosport Independent School District, with respect to the pending Application of The DOW Chemical Company for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively involved in reviewing the pending Application and verifying its contents. Based upon our review we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.

2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.

3. The Applicant has the current means and ability to complete the proposed project.

4. All applicable school finance implications arising from the contemplated Agreement have been explored.

5. The proposed Agreement contains adequate revenue protection provisions to protect the interests of the District.

As a result of the foregoing, it is our recommendation that the Board of Trustees approve the Application of The DOW Chemical Company for the requested Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

Daniel T. Casey

www.moakcasey.com
Phone 512-485-7878 400 W. 15th Street★Suite 1410★Austin, TX 78701-1648 Fax 512-485-7888

O'HANLON, MCCOLLOM & DEMERATH

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CERTIFIED, CIVIL TRIAL

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

JUSTIN DEMERATH

April 24, 2012

President and Members
Board of Trustees
Brazosport Independent School District
P.O. Drawer Z
Freeport, Texas 77541

Re: Recommendations and Findings of the Firm Concerning Application of Dow Agrosciences LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, first qualifying year 2013

Dear President Few and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Brazosport Independent School District, with respect to the pending Application of Dow Agrosciences for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, for an agreement with a first qualifying time year of 2013. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. We have also negotiated an Agreement between the District and Dow Agrosciences. Based upon our review we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.

2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.

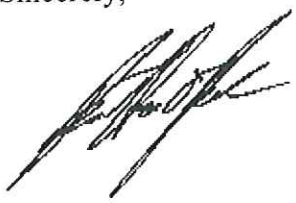
3. The Applicant has the current means and ability to complete the proposed project.

4. All applicable school finance implications arising from the contemplated Agreement have been explored.

5. The proposed Agreement contains adequate legal provisions so as to protect the interests of the District.

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

Sincerely,



Kevin O'Hanlon
For the Firm

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: October 24, 2011

First Name	Last Name
Karin	Holacka

Title: Superintendent

School District Name: Brazosport ISD

Street Address: 301 W. Brazoswood Dr., Clute, TX 77531

Mailing Address: P.O. Drawer Z

City	State	ZIP
Freeport	TX	77542

Phone Number	Fax Number
979-730-7000	979-266-2486
Mobile Number (optional)	E-mail Address
	kholacka@brazosportisd.net

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: Dan
Last Name: Casey
Title: Partner
Firm Name: Moak, Casey & Associate
Street Address: 400 W. 15th Street, Suite 1410
Mailing Address: same
City: Austin
State: TX
ZIP: 78701-1648
Phone Number: 512-485-7878
Fax Number: 512-485-7888
Mobile Number (Optional):
E-mail Address: dcasey@moakcasey.com

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

Signature (Authorized School District Representative): [signature]
December 21
Date: 11-10-11

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

If yes, date determined complete. , 2011

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	✓

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Business Representative (Applicant)

First Name
Chaney

Last Name
Moore

Title
Property Tax Manager

Organization
The Dow Chemical Company

Street Address
2301 N. Brazosport Blvd.

Mailing Address
2301 N. Brazosport Blvd.

City
Freeport

State
TX

ZIP
77541

Phone Number
979.238.5576

Fax Number
979.238.0207

Mobile Number (optional)
979.236.7479

Business e-mail Address
CTMoore@Dow.com

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

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

First Name

Last Name

Title

Organization

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Mobile Number (optional)

E-mail Address

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

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

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

First Name

Last Name

Title

Firm Name

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Business email Address

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

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

Signature *(Authorized Business Representative (Applicant))*

Date

10-24-11

GIVEN under my hand and seal of office this 24th day of October, 2011

JACLYN D. GEORGE NOTARY PUBLIC STATE OF TEXAS EXPIRES 09-24-2014

(Notary Seal)

Jaclyn D George

Notary Public, State of Texas

My commission expires 9-24-2014

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

FEES AND PAYMENTS

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

For the purpose of this question, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.

Please answer only either A OR B:

A. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code, 313.027(i)? ☐ Yes ☑ No

B. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? ☐ Yes ☑ No

BUSINESS/APPLICANT INFORMATION

Legal Name under which application is made

Dow Agrosciences LLC

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

13517811181

NAICS code

325320

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.

Brazosport ISD 2002 and 2010

APPLICANT BUSINESS STRUCTURE

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

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

Limited Liability Corporation

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.)

Form 50-296 Application for Appraised Value Limitation on Qualified Property

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 Attached Description

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

See Attached Description

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 2012 Begin Hiring New Employees 2013

Construction Complete 2014 Fully Operational 2014

Purchase Machinery & Equipment 2012-2014

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? 2012-2014

ECONOMIC INCENTIVES

Identify state programs the project will apply for:

State Source	Amount
Total	

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

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

Tax Abatements wth the County, Port, Drainage District, College and IDAs.

THE PROPERTY

Identify county or counties in which the proposed project will be located: Brazoria County

Central Appraisal District (CAD) that will be responsible for appraising the property: Brazoria County Appraisal District

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: Brazoria 100% (Name and percent of project)

City: Industrial District Agreement 100% (not in city limits) (Name and percent of project)

Hospital District: _____ (Name and percent of project)

Water District: Velasco Drainage District 100% (Name and percent of project)

Other (describe): Port of Freeport 100% (Name and percent of project)

Other (describe): Brazosport College 100% (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? 150 Million

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

What is the anticipated date of application approval? May 2012

What is the anticipated date of the beginning of the qualifying time period? May 2012

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? 150 Million

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

Attach the following items to this application:

(1) a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021,

(2) a description of any new buildings, proposed improvements or personal property which you intend to include as part of your minimum qualified investment and

(3) a map of the qualified investment showing location of new buildings or new improvements with vicinity map.

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

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

(1) in or on the new building or other new improvement for which you are applying? ☑ Yes ☐ No

(2) if not in or on the new building or other new improvement for which you are applying for an appraised value limitation, is the personal property necessary and ancillary to the business conducted in the new building or other new improvement? ☑ Yes ☐ No

(3) on the same parcel of land as the building for which you are applying for an appraised value limitation? ☑ Yes ☐ No

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

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

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

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

QUALIFIED PROPERTY

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

Attach the following items to this application:

(1) a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021,

(2) a description of any new buildings, proposed improvements or personal property which you intend to include as part of your qualified property and

(3) a map of the qualified property showing location of new buildings or new improvements – with vicinity map.

Land

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

If you answered "no" to the question above, what is the anticipated date on which you will submit proof of a reinvestment zone with boundaries encompassing the land on which you propose new construction or improvements? May 2012

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

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

QUALIFIED PROPERTY (CONTINUED)

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

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

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

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

Miscellaneous

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

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

List current market value of existing property at site as of most recent tax year. N/A (Market Value) _____ (Tax Year)

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

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

WAGE AND EMPLOYMENT INFORMATION

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

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

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

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

5052

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. _____

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? ☑ Yes ☐ No

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

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

What is the maximum number of qualifying jobs meeting all criteria of §313.021(3) you are committing to create? 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 $969.10

110% of the county average weekly wage for manufacturing jobs in the county is $1,944.80

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? $56,102.20

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? $56,102.20

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	✓
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	✓
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	To be supplemented
23	Legal Description of Reinvestment Zone (Attachment)*	9 of 16	To be supplemented
24	Guidelines and Criteria for Reinvestment Zone(Attachment)*	9 of 16	To be supplemented

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

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)

Enterprise Name :	Dow Chemical Company
Report Name :	CD00010000 2010 TEXAS EXT FORM 05-1641
Report Description :	2010 TEXAS EXT FORM 05-164
Date Refreshed :	10/4/2011
Time Refreshed :	12:16:17 PM
Date Printed :	10/4/2011
Time Printed :	12:18:47 PM
Case Number :	1
Tax Year :	2010
Base Calc :	TXX10
Constant :	N
Custom Calc :	
Entity :	CD00010000
Entity Group :	
Column File :	TX0003
Alternate Column File :	
Data Spec :	TXX10
Range File :	
Location Code :	TX
From Row :	1
Thru Row :	99999
Version Number :	1281
User ID :	MWK
Report Package :	tx

TX298P01 F0.00.01

TX2011 05-165
Ver. 2.0 (9-09/2)

Tcode 13298

TEXAS FRANCHISE TAX
EXTENSION AFFILIATE LIST

Reporting entity taxpayer number: 13812851288
Report year: 2011
Reporting entity taxpayer name: THE DOW CHEMICAL COMPANY

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. DOW SOUTH AFRICA HOLDINGS (0877)	381285127	X
2. WARBLER 1 LLC (1081)	383594985	X
3. DOW TRENT LIMITED (1075)	000000001	X
4. DOW UK LIMITED (1076)	000000002	X
5. BUILDSCAPE LLC (1050)	593681220	X
6. ESSEX SPECIALTY PRODUCTS LLC (POST 200	222425568	X
7. CHEMARS III LLC (RFGL 1161)	760732339	X
8. DW DEXCO INVESTMENT LLC (RFGL 1170)	381285124	X
9. SPHERIC DEVELOPMENT LLC (RFGL 1240)	134356383	X
10. GNS TECHNOLOGIES, LLC	270050101	X
11. DOW HOLDINGS LLC	383021197	X
12. DOW HYDROCARBONS AND RESOURCES LLC	383008322	X
13. DOW PACIFIC HOLDINGS B.V.	000000003	X
14. DOW CAPITAL INTERNATIONAL LLC	900404459	X
15. DOW ROOFING SYSTEMS LLC	32037816827	X
16. PROJECT ALPENA	000000004	X
17. TEXAS LNG HOLDINGS LLC (RFGL 1193)	134290705	X
18. KDP HOLDCO US LLC	000000005	X
19. STYRON LLC	000000006	X
20. FILMTEC CORPORATION	13826338363	X
21. DOW DEUTSCHLAND INC. (POST -00)	382750231	X

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TX2011 05-165
Ver. 2.0 (9-09/2)

TEXAS FRANCHISE TAX
EXTENSION AFFILIATE LIST

Tcode 13298

Reporting entity taxpayer number: 13812851288
Report year: 2011
Reporting entity taxpayer name: THE DOW CHEMICAL COMPANY

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. DOW FINANCIAL SERVICES INC.	382900737	X
2. DOW ENVIRONMENTAL INC.	943032723	X
3. ESSEX CHEMICAL CORPORATION	221569963	X
4. DOW PIPELINE COMPANY	17417110461	X
5. CAYUSE PIPELINE, INC.	17419639491	X
6. DOW INTRASTATE GAS COMPANY	720910103	X
7. RAVENWORKS LTD.	382606901	X
8. DOW ENGINEERING, INC.	741691545	X
9. DOW ENGINEERING COMPANY	17416535577	X
10. GREAT WESTERN PIPELINE COMPANY, INC.	382490880	X
11. MIDLAND PIPELINE CORP.	382051442	X
12. DOW CHEMICAL INTER-AMERICAN LIMITED	381401714	X
13. DOWBRANDS INC.	382625941	X
14. DC PARTNERSHIP MANAGEMENT INC.	383021196	X
15. ROFAN SERVICES INC.	13828538556	X
16. LIANA LIMITED	382720200	X
17. DOW CREDIT CORPORATION	13827063036	X
18. DOW CHEMICAL INTERNATIONAL LTD.	381737993	X
19. DCIL - ECUADOR(0037)	000000007	X
20. DCIL LTD(0228)	000000008	X
21. DCIL - INDIA(0229)	000000009	X

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1. DCIL LTD(0231)	000000010	X
2. DCIL LTD(0232)	000000011	X
3. DCIL LTD - INDIA(0881)	000000012	X
4. CALVIN CAPITAL LLC	800259683	X
5. DOW CHEMICAL DELAWARE CORP.	382342582	X
6. 100 INDEPENDENCE MALL WEST LLC	611567921	X
7. DOFINCO, INC.	382449438	X
8. DCOMCO, INC.	13820515461	X
9. DIAMOND CAPITAL MANAGEMENT INC.	383082218	X
10. RAVEN GROUP LTD.	17604561518	X
11. MYCOGEN CORPORATION	953802654	X
12. WENBEN INC.	383259830	X
13. CENTEN AG INC.	383355904	X
14. CD POLYMERS INC.	383381083	X
15. CHEMARS INC.	383374164	X
16. INTARSIA CORPORATION	383377901	X
17. DSL HOLDINGS INC.	931233800	X
18. TCM TECHNOLOGIES INC.	383388082	X
19. SENTRACHEM US, INC.	043337631	X
20. HAMPSHIRE HOLDINGS, INC.	043329141	X
21. HAMPSHIRE CHEMICAL CORP.	10431657443	X

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EXTENSION AFFILIATE LIST

Tcode 13298

Reporting entity taxpayer number: 13812851288

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Reporting entity taxpayer name: THE DOW CHEMICAL COMPANY

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. IFCO INC.	980133746	X
2. DOW GLOBAL TECHNOLOGIES INC.	980133745	X
3. K-DOW TECHNOLOGIES LLC (old)	364642443	X
4. MYCOGEN PLANT SCIENCE, INC.	800050604	X
5. MYCOGEN CROP PROTECTION, INC.	13306687081	X
6. ANGUS CHEMICAL COMPANY	13631855577	X
7. CANSTATES HOLDINGS INC.	731103605	X
8. FLEXIBLE PRODUCTS COMPANY	15808075400	X
9. AGRIGENETICS, INC.	13305928635	X
10. AGRIGENETICS MOLOKAI LLC (0177)	990355550	X
11. RENZE SEEDS LLC	263359085	X
12. BRODBECK SEEDS LLC	263594839	X
13. PFISTER SEEDS LLC	270534228	X
14. MYCOGEN SEEDS-PUERTO RICO CORPORATION	311283941	X
15. GENERAL LATEX AND CHEMICAL CORPORATION	041360675	X
16. DOW INTERNATIONAL HOLDINGS COMPANY	383657644	X
17. DENMERCO INC. (POST 2002)	383418765	X
18. DOW CUSTOMS & TRADE LLC	680582252	X
19. DOW DEUTSCHLAND MANAGEMENT INC.	134314579	X
20. DML HOLDING INC.	134316190	X
21. GWN HOLDING, INC.	753213148	X

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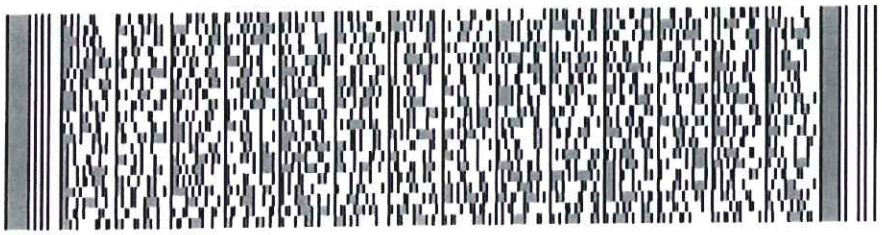
Texas Comptroller Official Use Only



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Ver. 2.0 (9-09/2)
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TEXAS FRANCHISE TAX
EXTENSION AFFILIATE LIST

Reporting entity taxpayer number: 13812851288
Report year: 2011
Reporting entity taxpayer name: THE DOW CHEMICAL COMPANY

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. POLY-CARB, INC.	341130940	X
2. U.S. LABORATORIES, INC.	17511806451	X
3. TEXAS TRIUMPH SEED CO., INC.	17511806451	
4. MONTEREY SEED COMPANY, INC.	17526639129	
5. DOW PETROCHEMICALS HOLDING LLC	611567920	X
6. DAULET HOLDCO LLC	611567924	X
7. K-DOW OMC LLC	300503095	X
8. DAIRYLAND SEED CO., INC.	13910298713	X
9. MYCOSUB BH INC	330345918	X
10. MYCOGEN FAR EAST ASIA CORPORATION	330614300	X
11. MYCOSUB BA INC	330345919	X
12. PARASITIX CORPORATION	330497436	X
13. PROJECT ALPENA	000000013	X
14. UNION CARBIDE CORPORATION	11314217305	
15. PENUELAS TECHNOLOGY PARK LLC (2118)	660622283	X
16. UCMG LLC (2074)	061557912	X
17. CHEMARS II LLC(1087)	383606743	X
18. UNION CARBIDE CHEMICALS & PLASTICS TEC	061258216	X
19. KDP UC LLC	611567923	X
20. K-DOW PDC LLC	000000014	X
21. AMERCHOL CORPORATION	12221799054	X

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TEXAS FRANCHISE TAX
EXTENSION AFFILIATE LIST

Tcode 13298

Reporting entity taxpayer number: 13812851288
Report year: 2011
Reporting entity taxpayer name: THE DOW CHEMICAL COMPANY

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. UNION CARBIDE ETHYLENE OXIDE/GLYCOL CO	30113853961	[X]
2. BENEFIT CAPITAL MANAGEMENT CORPORATION	061204181	[X]
3. CALIDRIA CORPORATION	061102281	[X]
4. CATALYSTS ADSORBENTS & PROCESS SYSTEMS	19000180828	[X]
5. GLOBAL INDUSTRIAL CORPORATION	11327985344	[X]
6. KTI CHEMICALS, INC.	11329013095	[X]
7. UC FINCO INC.	061080439	[X]
8. SOUTH CHARLESTON SEWAGE TREATMENT COMP	550462374	[X]
9. SEADRIFT PIPELINE CORPORATION	11361054973	[ ]
10. UNION CARBIDE POLYOLEFINS DEVELOPMENT	30114205674	[X]
11. UNION CARBIDE SUBSIDIARY C, INC.	10610842279	[X]
12. UNION CARBIDE WIRE AND CABLE COMPANY,	132613538	[X]
13. UCAR EMULSION SYSTEMS INTERNATIONAL, I	621561414	[X]
14. UCAR INTERAM INC.	11325848742	[ ]
15. UCAR LOUISIANA PIPELINE COMPANY	132815163	[X]
16. UCAR PIPELINE INCORPORATED	11326135370	[ ]
17. UMETCO MINERALS CORPORATION	061102283	[X]
18. UMETCO MINERALS EXPLORATION CORPORATIO	132592312	[X]
19. UNION CARBIDE SUBSIDIARY Q INC.	061554525	[X]
20. UNION CARBIDE PAN AMERICA, INC.	132585077	[X]
21. UNISON TRANSFORMER SERVICES, INC.	15506567922	[X]

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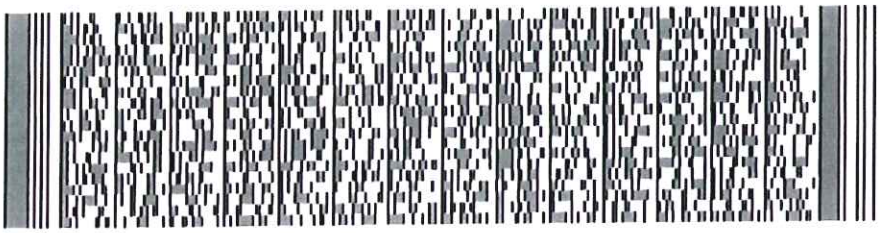

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TEXAS FRANCHISE TAX
EXTENSION AFFILIATE LIST

Reporting entity taxpayer number: 13812851288
Report year: 2011
Reporting entity taxpayer name: THE DOW CHEMICAL COMPANY

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. UNION CARBIDE ASIA PACIFIC, INC.	061252149	X
2. UNION CARBIDE INTER AMERICA, INC. (DEL	136103754	X
3. BLUE CREEK COAL COMPANY, INC.	061102285	X
4. UNION CARBIDE MIDDLE EAST LIMITED	136103756	X
5. MORTELL COMPANY	13615054858	X
6. AMERICAN MORTELL CORPORATION	17413956735	X
7. FORBANCO INC.	382513537	X
8. DOW CHEMICAL TELECOMMUNICATIONS CORP.	382039834	X
9. AUSTRALIA AND NEW ZEALAND EXPLORATION	132675493	X
10. DOW INTERNATIONAL TECHNOLOGY CORPORATI	320198434	X
11. ROHM AND HAAS TEXAS INCORPORATED	741703761	X
12. ROHM AND HAAS ELECTRONIC MATERIALS LLC	043252691	X
13. ROHM AND HAAS ELECTRONIC MATERIALS CMP	510107908	X
14. ROHM AND HAAS ELECTRONIC MATERIALS CMP	980624153	X
15. CVD INCORPORATED	061113497	X
16. ROHM AND HAAS CHEMICALS LLC	753175238	X
17. ROHM AND HAAS CREDIT LLC	510120889	X
18. ROHM AND HAAS (BERMUDA), LTD.	980092170	X
19. ROHM AND HAAS COMPANY	231028370	X
20. ROHM AND HAAS COLOMBIA, LTDA.	000000015	X
21. ROHM AND HAAS QUIMICA LTDA	980385010	X

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TEXAS FRANCHISE TAX
EXTENSION AFFILIATE LIST

Tcode 13298

Reporting entity taxpayer number	Report year	Reporting entity taxpayer name
13812851288	2011	THE DOW CHEMICAL COMPANY

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. ROHM AND HAAS HOLDINGS LLC	000000016	X
2. ROHM AND HAAS COMPANY - ASIA BRANCH	000000017	X
3. ROHM AND HAAS COMPANY - MEXICAN BRANCH	000000018	X
4. Charles Lennig and Company LLC	231615336	X
5. AGROFRESH INC.	364064051	X
6. MORTON INTERMEDIATE COMPANY	202003547	X
7. ROHM AND HAAS EQUITY CORPORATION	510306123	X
8. ROHM AND HAAS CANADA FINANCE COMPANY	000000019	X
9. ROHM AND HAAS DENMARK INVESTMENTS LLC	232881530	X
10. ROH VENTURE GMBH	980341224	X
11. ROHM AND HAAS GERMAN REAL ESTATE GMBH	980518639	X
12. ROHM AND HAAS LUXEMBOURG HOLDING S.A.R	980643275	X
13. ROHM AND HAAS INVESTMENT HOLDINGS INC.	232849256	X
14. ROH MONOMER HOLDING COMPANY	510406654	X
15. ROHM AND HAAS LATIN AMERICA, INC.	510240844	X
16. ROHM AND HAAS LATIN AMERICA INC. - ARG	510240844	X
17. ROHM AND HAAS CHINA, INC.	510312913	X
18. ROHM AND HAAS SOUTHEAST ASIA, INC.	510255710	X
19. ROHM AND HAAS SOUTHEAST ASIA INC. - TH	000000020	X
20. ROHM AND HAAS ELECTRONIC MATERIALS HOL	522046864	X
21. ROHM AND HAAS ASIA, INC.	231573175	X

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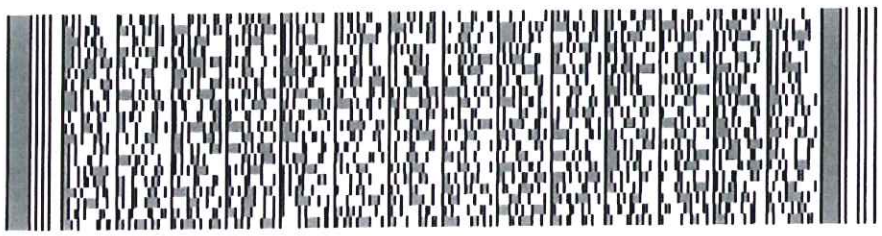

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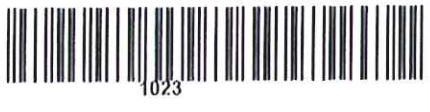

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1. ROHM AND HAAS ASIA, INC. - MALAYSIAN B	000000021	X
2. ROHM AND HAAS ASIA, INC. - VIETNAM BRA	000000022	X
3. ROHM AND HAAS ASIA, INC. - INDONESIAN	000000023	X
4. ROHM AND HAAS INTERNATIONAL HOLDINGS I	201591794	X
5. SILICON VALLEY CHEMICAL LABORATORIES I	770258051	X
6. ROHM AND HAAS ELECTRONIC MATERIALS CMP	522069283	X
7. ROHM AND HAAS ELECTRONIC MATERIALS CMP	510335932	X
8. ROHM AND HAAS ELECTRONIC MATERIALS CMP	000000024	X
9. RODEL CHINA REPRESENTATIVE OFFICE	000000025	X
10. DOW AGROSCIENCES LLC	13517811181	X
11. MORTON INTERNATIONAL, LLC	364140798	X
12. CHEMTECH II LP	980134598	X
13. CHEMTECH PORTFOLIO INC	15218697793	X
14. CHEMTECH PORTFOLIO II INC	386082028	X
15. DOW AGROSCIENCES INTERNATIONAL LTD	351781710	X
16. DOW TECHNOLOGY INVESTMENTS LLC	260564994	X
17. PHYTOGEN SEED COMPANY LLC	13307841430	X
18. DOW NETHERLANDS HOLDING LLC	770708504	X
19. DOW INTERNATIONAL TECHNOLOGY CORPORATI	320198434	X
20.		☐
21.		☐

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1. Project Description

This project will design and construct a new Dichlorophenol plant in Freeport, Texas. Dichlorophenol is used in the production of Dow Agrosciences Frontline 2,4-D herbicide.

The proposed improvements for this project include: site improvements, installation of pipeways and utility services, foundations and process equipment including vessels, pumps, pipes, valves, filters and electrical and instrument systems. Project will also include any other necessary equipment to construct a fully functioning manufacturing plant.

Construction will start in the 2nd quarter of 2012 and will be complete in 2nd quarter 2013. There will be an anticipated 200 construction jobs at peak. The project will create 10 new jobs.

The land these projects will be sited on is to be cleared. There are existing plant improvements. The shut down Dow Agrosciences Symtet plant has been shut down since 2009. It has been disconnected, decommissioned and will be demolished prior to the new plant being built.

There is existing infrastructure, pipelines and utilities that will be tied in to.

The Dow Chemical Company respectfully requests the appraised value limitation to apply to all of the Proposed Improvements.

2. Ability to Relocate

The Dow Chemical Company is a leading science and technology company that provides innovative chemical, plastic and agricultural products and services to many essential consumer markets. Dow's global manufacturing presence provides substantial flexibility in plant location. In the U.S., Dow has manufacturing locations in AR, CA ,CT, GA, IL, KY, LA, MA, MI, MO, NJ, NY, NC, OH, TN, PA, TX and WV.

3. Benefits

The Dow Chemical company offers Medical and Dental Insurance, Life Insurance, 401 K savings plan, Pension Plan or Personal Savings Account, Vacation and Holiday Pay, employee Stock Purchase Plan, Family and Personal counseling services.

ATTACHMENT 6/8

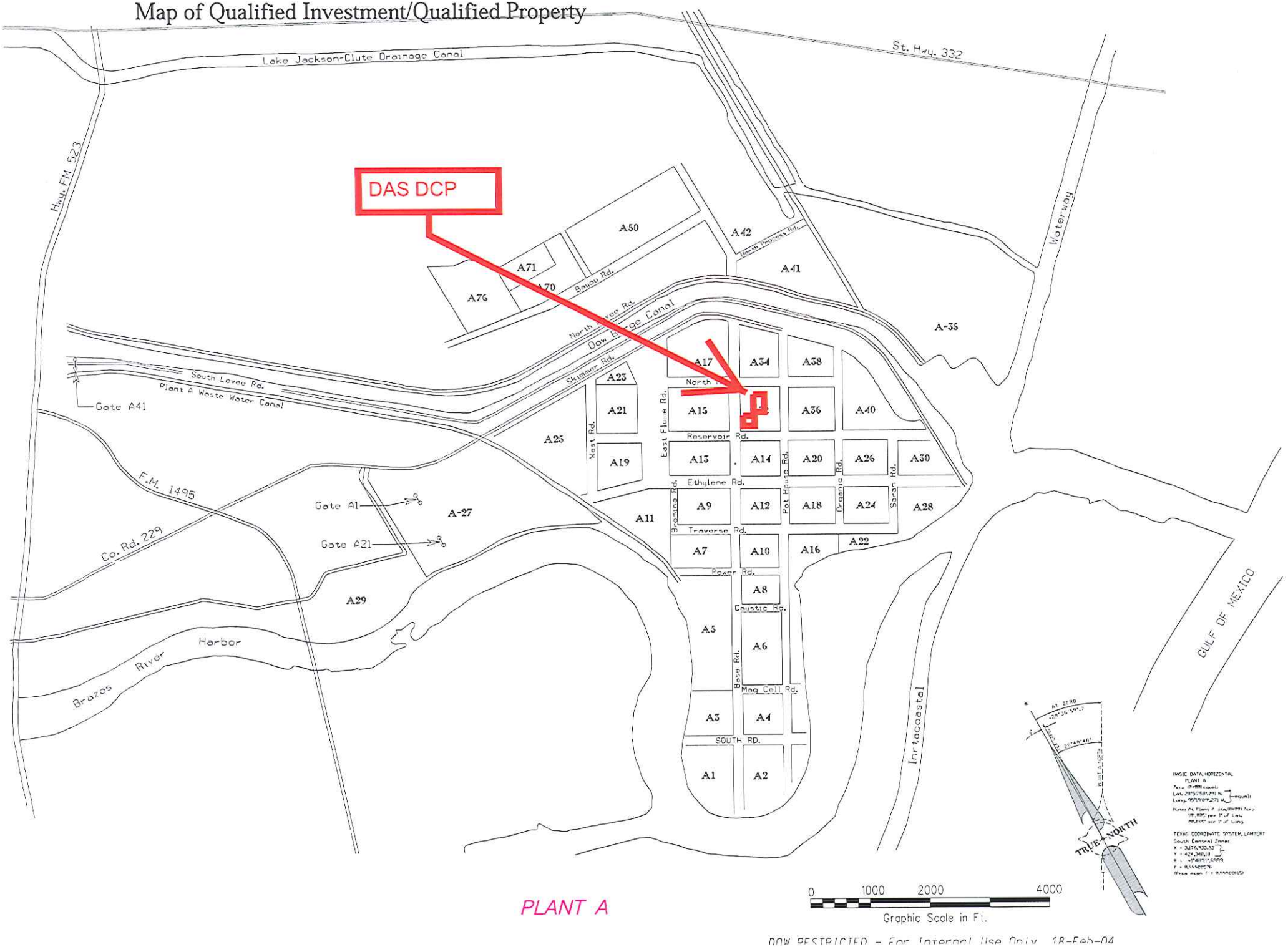
Description of Qualified Investment and Qualified Property

This project will design and construct a new Dichlorophenol plant in Freeport, Texas. Dichlorophenol is used in the production of Dow Agrosciences Frontline 2,4-D herbicide.

The proposed improvements for this project include: site improvements, installation of pipeways and utility services, foundations and process equipment including vessels, reactors, pumps, pipes, valves, filters and electrical and instrument systems.

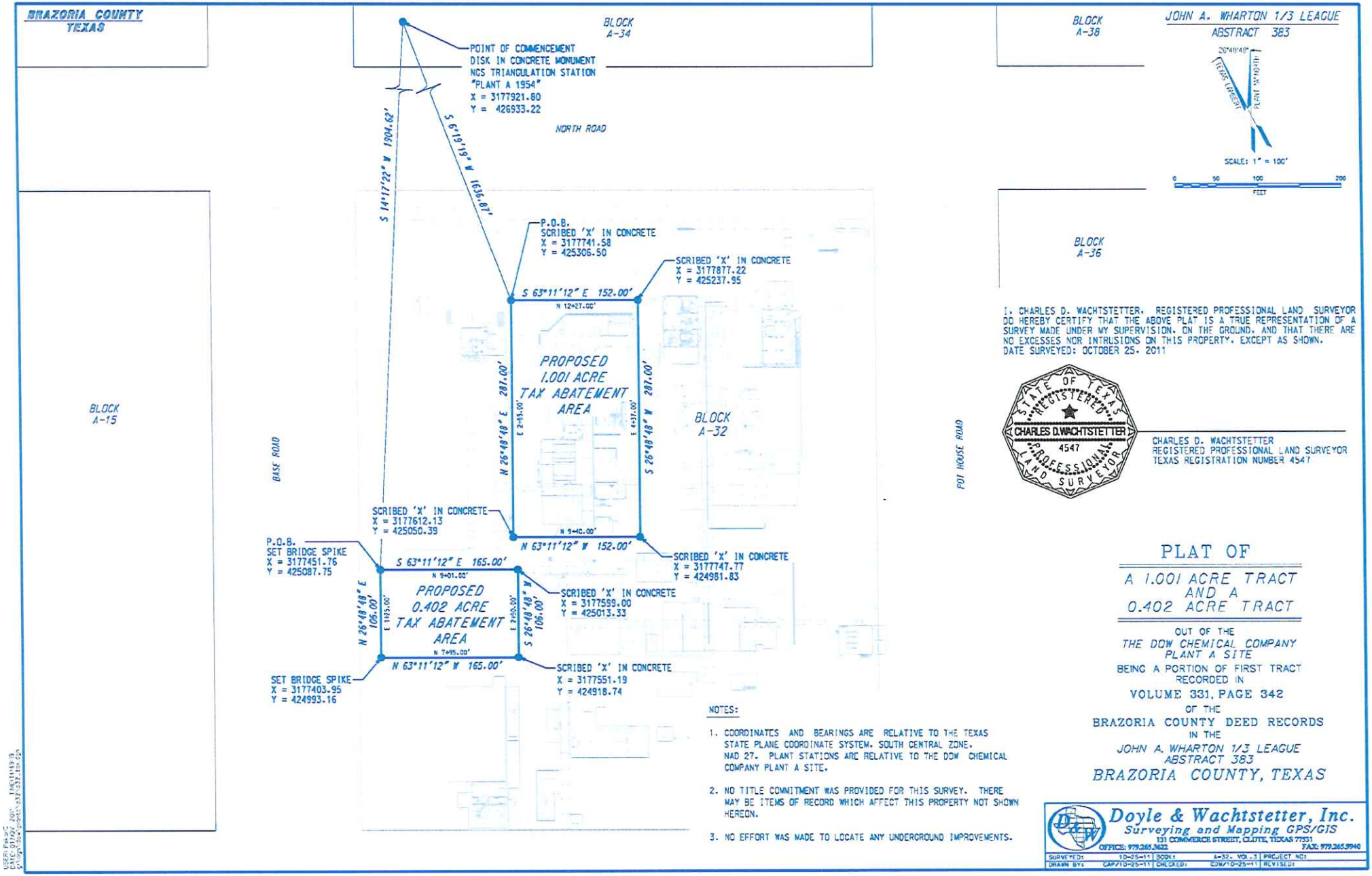
Project will also include any other necessary equipment to construct a fully functioning manufacturing plant.

Map of Qualified Investment/Qualified Property



PLANT A

DOW RESTRICTED - For Internal Use Only 18-Feb-04



I, CHARLES D. WACHTSTETTER, REGISTERED PROFESSIONAL LAND SURVEYOR DO HEREBY CERTIFY THAT THE ABOVE PLAT IS A TRUE REPRESENTATION OF A SURVEY MADE UNDER MY SUPERVISION, ON THE GROUND, AND THAT THERE ARE NO EXCESSES NOR INTRUSIONS ON THIS PROPERTY, EXCEPT AS SHOWN.
DATE SURVEYED: OCTOBER 25, 2011

STATE OF TEXAS
REGISTERED
CHARLES D. WACHTSTETTER
4547
PROFESSIONAL
LAND SURVEYOR

CHARLES D. WACHTSTETTER
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS REGISTRATION NUMBER 4547

PLAT OF

A 1.001 ACRE TRACT AND A 0.402 ACRE TRACT

OUT OF THE
THE DOW CHEMICAL COMPANY
PLANT A SITE
BEING A PORTION OF FIRST TRACT
RECORDED IN
VOLUME 331, PAGE 342
OF THE
BRAZORIA COUNTY DEED RECORDS
IN THE
JOHN A. WHARTON 1/3 LEAGUE
ABSTRACT 383
BRAZORIA COUNTY, TEXAS

NOTES:

1. COORDINATES AND BEARINGS ARE RELATIVE TO THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NAD 27. PLANT STATIONS ARE RELATIVE TO THE DOW CHEMICAL COMPANY PLANT A SITE.
2. NO TITLE COMMITMENT WAS PROVIDED FOR THIS SURVEY. THERE MAY BE ITEMS OF RECORD WHICH AFFECT THIS PROPERTY NOT SHOWN HEREON.
3. NO EFFORT WAS MADE TO LOCATE ANY UNDERGROUND IMPROVEMENTS.

Doyle & Wachtstetter, Inc.
Surveying and Mapping GPS/GIS
131 COMMERCE STREET, CLUTE, TEXAS 77531
OFFICE: 979.265.3622 FAX: 979.265.5940

SURVEYED:	10-25-11	BOOK:	A-32, VOL. 3	PROJECT NO:	
DRAWN BY:	CAP/10-25-11	CHECKED:	CDW/10-25-11	REVISED:	

Doyle & Wachtstetter, Inc
Surveying and Mapping • GPS/GIS

0.402 ACRE TRACT
BLOCK A-32
J. A. WHARTON SURVEY, ABSTRACT 383
BRAZORIA COUNTY, TEXAS

ALL THAT CERTAIN 0.402 ACRE of land out of the "First Tract" conveyed from the Austin Company to the Dow Chemical Company in Volume 331, Page 342 of the Brazoria County Deed Records and being located in Block A-32 of the Dow Chemical Company Plant "A" site and situated in the John A. Wharton Survey, Abstract 383, Brazoria County, Texas, and more particularly described by metes and bounds using survey terminology which refers to the Texas State Plane Coordinate System, South Central Zone (NAD 27), in which the directions are Lambert grid bearing and the distances are horizontal surface level lengths (SF = 0.99988615) as follows:

COMMENCING at a found disk in a concrete monument, National Geodetic Survey Triangulation Station "Plant A, 1954" at position X=3177921.80 and Y=426933.22;

THENCE South 14°17'22" West, a distance of 1904.62 feet to a set bridge spike for the **POINT OF BEGINNING** of the herein described tract at position X=3177451.76 and Y=425087.75 and at Dow Chemical Company Plant "A" coordinates (N 9 + 01.00, E 1 + 25.00);

THENCE South 63°11'12" East, a distance of 165.00 feet to a set scribed "X" in concrete for corner at position X=3177599.00 and Y=425013.33 and at Dow Chemical Company Plant "A" coordinates (N 9 + 01.00, E 2 + 90.00);

THENCE South 26°48'48" West, a distance of 106.00 feet to a set scribed "X" in concrete for corner at position X=3177551.19 and Y=424918.74 and at Dow Chemical Company Plant "A" coordinates (N 7 + 95.00, E 2 + 90.00);

THENCE North 63°11'12" West, a distance of 165.00 feet to a set bridge spike for corner at position X=3177403.95 and Y=424993.16 and at Dow Chemical Company Plant "A" coordinates (N 7 + 95.00, E 1 + 25.00);

THENCE North 26°48'48" East, a distance of 106.00 feet to the **POINT OF BEGINNING**, containing 0.402 acre of land, more or less.

Charles D. Wachtstetter
Registered Professional Land Surveyor
Texas Registration Number 4547
October 25, 2011

STATE OF TEXAS
REGISTERED
CHARLES D. WACHTSTETTER
4547
PROFESSIONAL
LAND SURVEYOR

131 Commerce Street • Clute, Texas 77531-5601
Phone: 979-265-3622 • Fax: 979-265-9940 • Email: DW-Surveyor.com

Doyle & Wachtstetter, Inc
Surveying and Mapping • GPS/GIS

1.001 ACRE TRACT
BLOCK A-32
J. A. WHARTON SURVEY, ABSTRACT 383
BRAZORIA COUNTY, TEXAS

ALL THAT CERTAIN 1.001 ACRES of land out of the "First Tract" conveyed from the Austin Company to the Dow Chemical Company in Volume 331, Page 342 of the Brazoria County Deed Records and being located in Block A-32 of the Dow Chemical Company Plant "A" site and situated in the John A. Wharton Survey, Abstract 383, Brazoria County, Texas, and more particularly described by metes and bounds using survey terminology which refers to the Texas State Plane Coordinate System, South Central Zone (NAD 27), in which the directions are Lambert grid bearing and the distances are horizontal surface level lengths (SF=0.99988615) as follows:

COMMENCING at a found disk in a concrete monument, National Geodetic Survey Triangulation Station "Plant A, 1954" at position X=3177921.80 and Y=426933.22;

THENCE South 6°19'19" West, a distance of 1636.87 feet to a set scribed "X" in concrete for the **POINT OF BEGINNING** of the herein described tract at position X=3177741.58 and Y=425306.50 and at Dow Chemical Company Plant "A" coordinates (N 12 + 27.00, E 2 + 85.00);

THENCE South 63°11'12" East, a distance of 152.00 feet to a set scribed "X" in concrete for corner at position X=3177877.22 and Y=425237.95 and at Dow Chemical Company Plant "A" coordinates (N 12 + 27.00, E 4 + 37.00);

THENCE South 26°48'48" West, a distance of 287.00 feet to a set scribed "X" in concrete for corner at position X=3177747.77 and Y=424981.83 and at Dow Chemical Company Plant "A" coordinates (N 9 + 40.00, E 4 + 37.00);

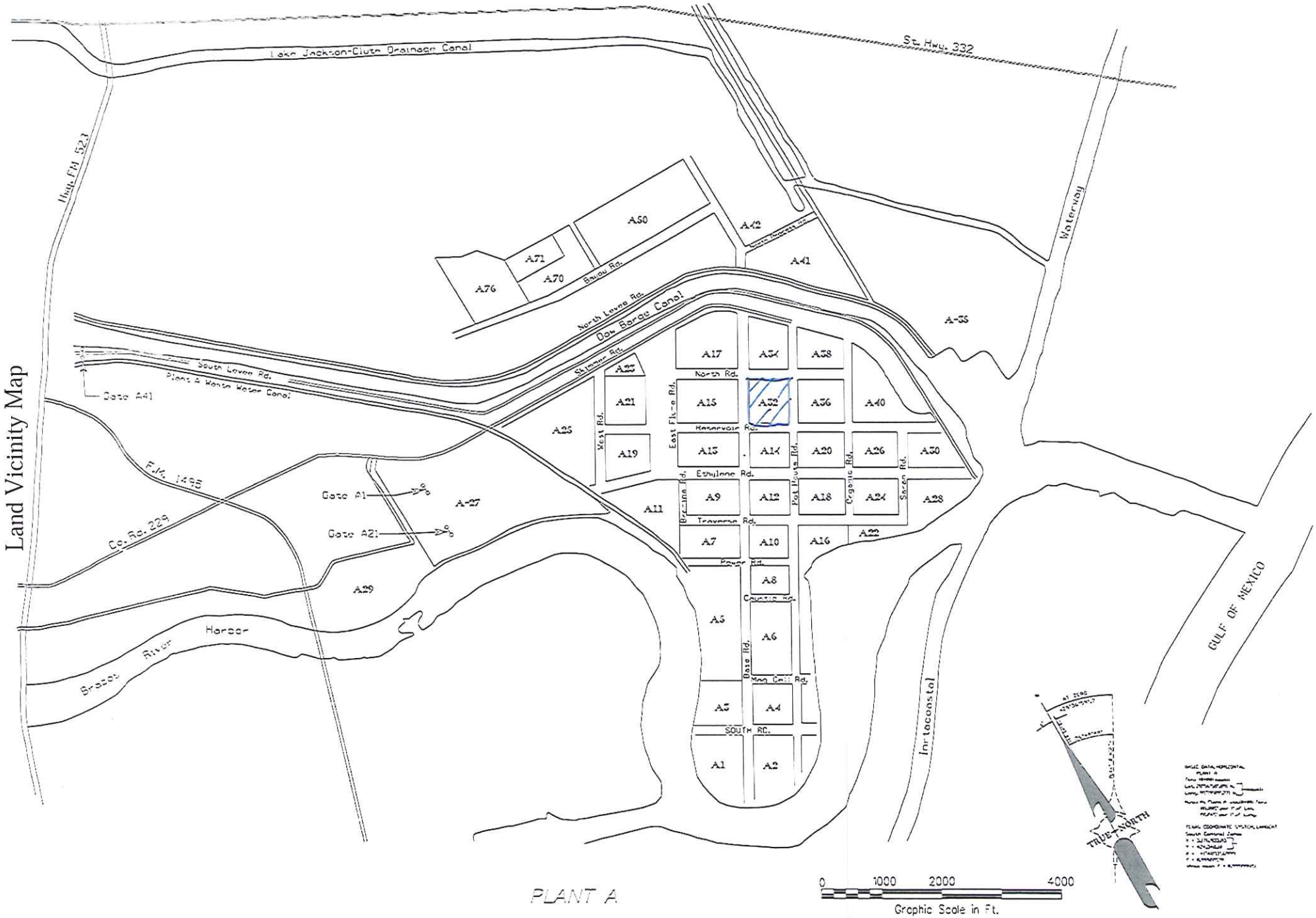
THENCE North 63°11'12" West, a distance of 152.00 feet to a set scribed "X" in concrete for corner at position X=3177612.13 and Y=425050.39 and at Dow Chemical Company Plant "A" coordinates (N 9 + 40.00, E 2 + 85.00);

THENCE North 26°48'48" East, a distance of 287.00 feet to the **POINT OF BEGINNING**, containing 1.001 acres of land, more or less.

Charles D. Wachtstetter
Registered Professional Land Surveyor
Texas Registration Number 4547
October 25, 2011

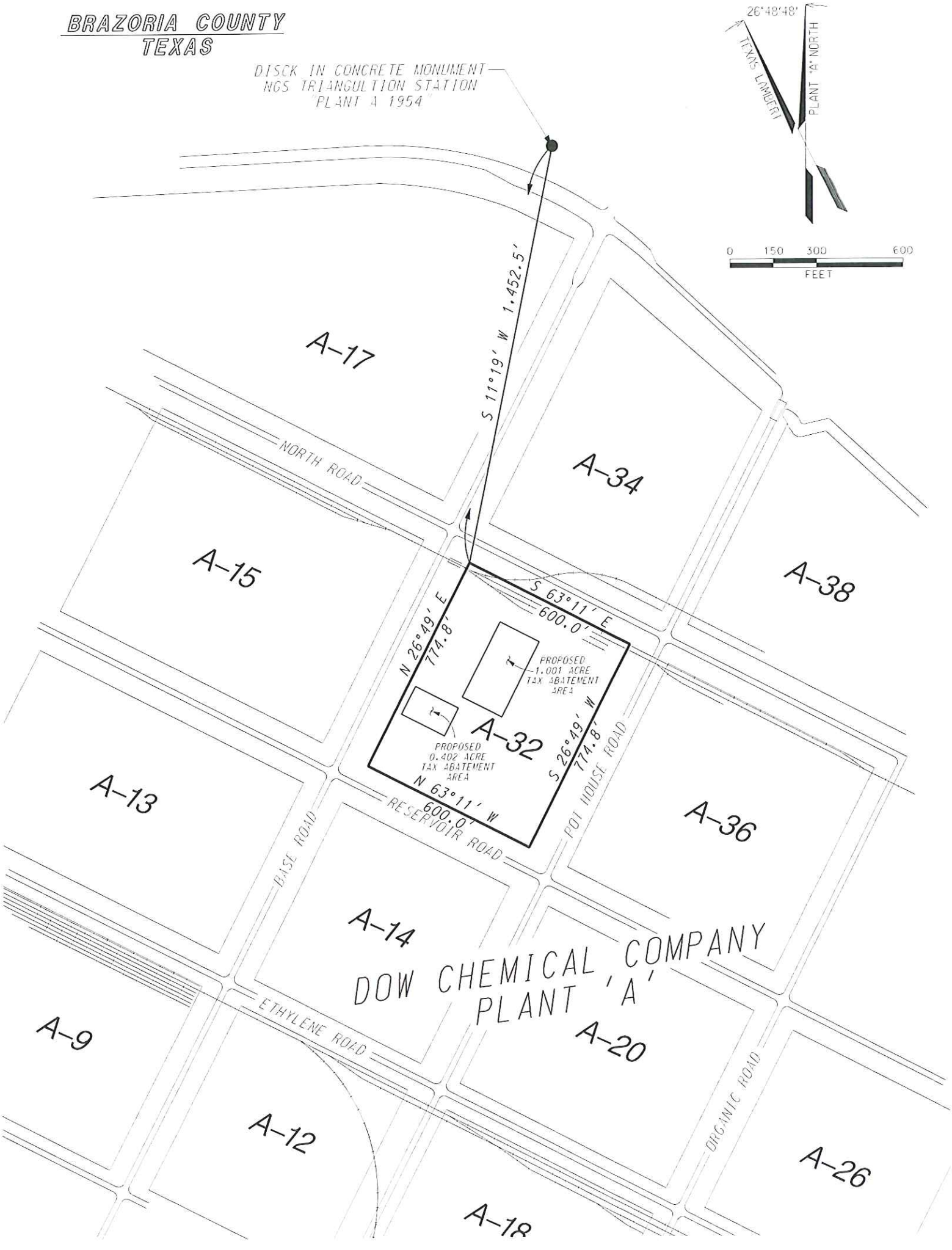
131 Commerce Street • Clute, Texas 77531-5601
Phone: 979-265-3622 • Fax: 979-265-9940 • Email: DW-Surveyor.com

Land Vicinity Map



PLANT A

DOW RESTRICTED - For Internal Use Only 18-Feb-04


BRAZORIA COUNTY
TEXAS
DISCK IN CONCRETE MONUMENT
NGS TRIANGULTION STATION
PLANT A 1954
26°48'48"
TEXAS LAMBERT
PLANT "A" NORTH
0 150 300 600
FEET
S 11°19' W 1,452.5'
A-17
A-34
NORTH ROAD
A-15
A-38
S 63°11' E
600.0'
N 26°49' E
774.8'
PROPOSED
1.001 ACRE
TAX ABATEMENT
AREA
PROPOSED
0.402 ACRE
TAX ABATEMENT
AREA
A-32
S 26°49' W
774.8'
N 63°11' W
600.0'
POI HOUSE ROAD
A-13
BASE ROAD
RESERVOIR ROAD
A-36
A-14
DOW CHEMICAL, COMPANY
PLANT 'A'
ETHYLENE ROAD
A-9
A-20
ORGANIC ROAD
A-12
A-26
A-18

Description of Existing Improvements

Parcel Information

The Dow Agrosciences project will build a Dichlorophenol plant in The Dow Chemical Plant A32 block. The proposed site will be made up of two tracts, for a combined 1.421 acres. The tracts are part of tax parcel 0383-0010-000. Each acre is valued at $4,000 for a total of $5,680.

There are existing improvements on the proposed site. There is a shut down Dow Agrosciences facility on the proposed site. The plant is slated for demolition. As of 1/1/2011 the improvements had an appraised value of $842,890. All improvements will be removed prior to the construction of the DCP facility.

BRAZORIA COUNTY APPRAISAL DISTRICT
CERTIFICATION OF APPRAISED VALUE OF PROPERTIES
AS OF JANUARY 1, 2011

TO: BRAZORIA COUNTY

FROM: BRAZORIA COUNTY APPRAISAL DISTRICT

DATE: January 6, 2012

The Brazoria County Appraisal District hereby certifies that the following appraised values as of January 1, 2011, for property of "**Dow Agrosciences**" described in Exhibit "A" attached hereto are listed in the records of the Brazoria County Appraisal District and indicated by the following account numbers:

PERSONAL PROPERTY ACCOUNT(S).	APPRAISED VALUE(S)
n/a	
n/a	

LAND ACCOUNT(S)	
0383-0010-000*	$3,333,120

IMPROVEMENT ACCOUNT(S)	
8800-1500-000**	$22,128,100

Certified this 6th day of January, 2012.

1.001ac @ $4,000 = $4,000 *
0.42 ac @ $4,000 = $1,680 *
Improvements = $842,890 **

BRAZORIA COUNTY APPRAISAL DISTRICT

Cheryl Evans

Cheryl Evans, Chief Appraiser

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

110% of County Average Weekly Wage for all Jobs

Year	Period	Wages
2010	3Q	838
2010	4Q	897
2011	1Q	920
2011	2Q	869

Average= $881 average weekly salary
X 1.1 (110%)
$969.10 *110% of County Average Weekly Wage for all Jobs*

110% of County Average Weekly Wage for Manufacturing Jobs

Year	Period	Wages
2010	3Q	1,538
2010	4Q	1,744
2011	1Q	2,083
2011	2Q	1,707

Average= $1,768 average weekly salary
X 1.1 (110%)
$1,944.80 *110% of County Average Weekly Wage for all Jobs*

110 % of County Average Weekly Wage for Manufacturing Jobs in Region (South East Texas Regional Planning Commission)

$24.52 per hour
X 40 hr per week
$ 980.8 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*

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

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

Source: Texas Occupational Employment and Wages
Data published: June 2011
Data published annually, next update will be June 2012.

Note: Data is not supported by the Bureau of Labor Statistics (BLS).
Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.
Data intended for TAC 313 purposes only.

Quarterly Employment and Wages (QCEW)

Back

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2010	1st Qtr	Brazoria County	Total All	00	0	10	Total, All Industries	$840
2010	2nd Qtr	Brazoria County	Total All	00	0	10	Total, All Industries	$831
2010	3rd Qtr	Brazoria County	Total All	00	0	10	Total, All Industries	$838
2010	4th Qtr	Brazoria County	Total All	00	0	10	Total, All Industries	$897
2011	1st Qtr	Brazoria County	Total All	00	0	10	Total, All Industries	$920
2011	2nd Qtr	Brazoria County	Total All	00	0	10	Total, All Industries	$869
2011	2nd Qtr	Brazoria County	Total All	31	2	31-33	Manufacturing	$1,707
2011	1st Qtr	Brazoria County	Total All	31	2	31-33	Manufacturing	$2,083
2010	4th Qtr	Brazoria County	Total All	31	2	31-33	Manufacturing	$1,744
2010	3rd Qtr	Brazoria County	Total All	31	2	31-33	Manufacturing	$1,538
2010	2nd Qtr	Brazoria County	Total All	31	2	31-33	Manufacturing	$1,590
2010	1st Qtr	Brazoria County	Total All	31	2	31-33	Manufacturing	$1,799

ATTACHMENT 22

Brazosport Independent School District
Resolution for Designation of Reinvestment Zone

WHEREAS, Section 312.0025 of the Texas Tax Code permits a school district to designate a reinvestment zone if that designation is reasonably likely to contribute to the expansion of primary employment in the reinvestment zone, or attract major investment in the reinvestment zone that would be a benefit to property in the reinvestment zone and to the school district and contribute to the economic development of the region of this state in which the school district is located; and,

WHEREAS, the Brazosport Independent School District (the "District") desires to encourage the development of primary employment and to attract major investment in the District that would be a benefit to property in a reinvestment zone created by the District and to the school district and contribute to the economic development of the region in which the school district is located; and,

WHEREAS, the District has received an application for limitation on appraised value of property for school district maintenance and operations taxes (the "Application") by The Dow Chemical Company; and,

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

WHEREAS, the District published notice of a public hearing to be held on_____ __, 2012, regarding the designation of the area described in the attached Exhibit 1 as a reinvestment zone for the purposes of Chapter 313 of the Texas Tax Code; and

WHEREAS, the improvements set forth in the Application by The Dow Chemical Company are feasible and of benefit to the reinvestment zone after expiration of an agreement for limitation on appraised value; and

WHEREAS, the District wishes to create a reinvestment zone within the boundaries of the school district in Brazoria county as shown on the map attached as Exhibit 1; and

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

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE BRAZOSPORT COUNTY INDEPENDENT SCHOOL DISTRICT:

SECTION 1. That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

SECTION 2. That the Board of Trustees of the Brazosport County Independent School District, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

(a) That the public hearing on the adoption of *The Dow Chemical Company Reinvestment Zone* has been properly called, held and conducted, and that notices of such hearing have been published as required by law and mailed to the respective presiding officers of the governing bodies of all taxing units overlapping the territory inside the proposed reinvestment zone; and,

(b) That the boundaries of *The Dow Chemical Company Reinvestment Zone* be and, by the adoption of this Resolution, is declared and certified to be, the area as described in the description attached hereto as "**Exhibit 1**"; and,

(c) That the map attached hereto as "**Exhibit 2"** is declared to be and, by the adoption of this Resolution is certified to accurately depict and show the boundaries of *The Dow Chemical Company Reinvestment Zone* which is normatively described in **Exhibit 1**; and further certifies that the property described in **Exhibit 1** is inside the boundaries shown on Exhibit 2; and,

(d) That creation of *The Dow Chemical Company Reinvestment Zone* with boundaries as described in **Exhibit 1** and **Exhibit 2** will result in benefits to the Brazosport County Independent School District and to land included in the zone, and that the improvements sought are feasible and practical; and,

(e) *The Dow Chemical Company Reinvestment Zone* described in **Exhibit 1** and **Exhibit 2** meets the criteria set forth in Texas Tax Code §312.0025 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, in that it is reasonably likely that the designation will contribute to the retention or expansion of primary employment, and/or will attract investment in the zone that will be a benefit to the property, and would contribute to economic development within the Brazosport County Independent School District.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, the Brazosport County Independent School District, hereby creates a reinvestment zone under the provisions of Tex. Tax Code § 312.0025, encompassing the area described by the descriptions in **Exhibit 1** and **Exhibit 2,** and such reinvestment zone is hereby designated and shall hereafter be referred to as *The Dow Chemical Company Reinvestment Zone.*

SECTION 4. That *The Dow Chemical Company Reinvestment Zone* shall take effect upon adoption by the Board of Trustees and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of such designation.

SECTION 5. That if any section, paragraph, clause or provision of this Resolution shall for any reason beheld to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

SECTION 6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject of the meeting of the Brazosport County Independent School District Board of Trustees, at which this Resolution was adopted, was posted at a place convenient and readily accessible at all times, as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended; and that a public hearing was held prior to the designation of such reinvestment zone, and that proper notice of the hearing was published in newspapers of general circulation in Brazosport County of the State of Texas, and furthermore, such notice was, in fact, delivered to the presiding officer of any effected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED AND ADOPTED on this _____ day of May, 2012.

Brazosport County Independent School District

By: _____
Ruth Few
President
Board of Trustees

ATTEST:_____
Bobby Sharp
Secretary
Board of Trustees

Reinvestment Zone

11.1acres of land situated in the John A. Wharton Survey, Abstract 383, Brazoria County, Texas, out of the "First Tract" conveyed from the Austin Company to the Dow Chemical Company in Volume 331, Page 32 of the Brazoria County Deed Records and being block A-32 of the Dow Chemical Company Pant "A" site and being more particularly described as follows;

Commencing at a disk in a concrete monument, National Geodetic Survey Triangulation Station "Plant A 1954";

Thence South 11° 19' West, a distance of 1,452.5' feet to a point contiguous with North Road, said road being a private road located within the Dow Chemical Plant A Site, same being the **Point Of Beginning** of the herein described tract;

Thence South 63° 11' East, a distance of 600.0' feet to a point;

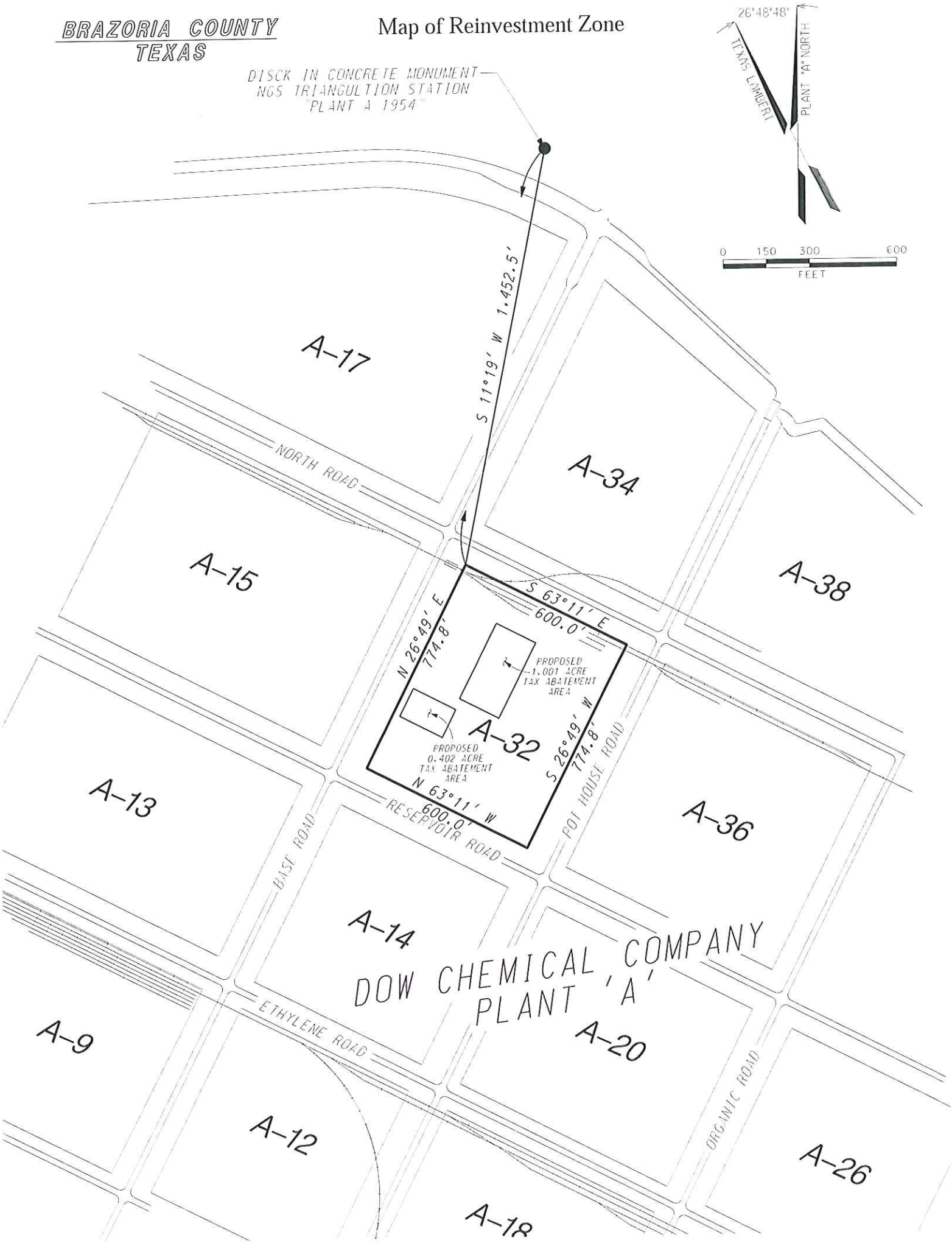
Thence South 26° 49' West, a distance of 774.8' feet to a point;

Thence North 63° 11' West, a distance of 600.0' feet to a point;

Thence North 26° 49' East, a distance of 774.8' feet to the **Point Of Beginning**, containing 11.1 acres of land, more or less.

BRAZORIA COUNTY
TEXAS

Map of Reinvestment Zone



Attachment B

Certificate of Account Status

TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

SUSAN COMBS • COMPTROLLER • AUSTIN, TEXAS 78774

April 24, 2012

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

DOW AGROSCIENCES LLC

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 May 15, 2012.

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 24th day of
April 2012 A.D.

Susan Combs

Texas Comptroller

Taxpayer number: 13517811181
File number: 0702845223

File Number: 0702045225

Form 05-304 (Rev. 12-07/17)

Attachment C

State Comptroller's Recommendation

SUSAN COMBS

TEXAS COMPTROLLER of PUBLIC ACCOUNTS

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

April 9, 2012

Karin Holacka
Superintendent
Brazosport ISD
P. O. Drawer Z
Freeport, Texas 77542

Dear Superintendent Holacka:

On Mar. 19, 2012, the Comptroller received the completed application (Application #216) for a limitation on appraised value under the provisions of Tax Code Chapter 313[1]. This application was originally submitted in October, 2011 to the Brazosport Independent School District (Brazosport ISD) by Dow Agrosciences LLC (Dow Agrosciences). This letter presents the results of the comptroller's review of the application:

1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and

2) under Section 313.025(d), to make a recommendation to the governing body of the school district as to whether the application should be approved or disapproved using the criteria set out by Section 313.026.

Brazosport ISD is currently classified as a rural school district in Category 1 according to the provisions of Chapter 313. Therefore, the applicant properly applied under the provisions of Subchapter C, applicable to rural school districts. The amount of proposed qualified investment ($150,000,000) is consistent with the proposed appraised value limitation sought ($30 million). The property value limitation amount noted in this recommendation is based on property values available at the time of application and may change prior to the execution of any final agreement. DOW Agrosciences is proposing the construction of a manufacturing facility in Brazoria County. DOW Agrosciences is an active franchise taxpayer in good standing, as required by Tax Code Section 313.024(a).

As required by Section 313.024(h), the Comptroller has determined that the property, as described by the application, meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

After reviewing the application using the criteria listed in Section 313.026, and the information provided by DOW Agrosciences, the Comptroller's recommendation is that DOW Agrosciences's application under Tax Code Chapter 313 be approved.

Our review of the application assumes the truth and accuracy of the statements in the application and that, if the application is approved, the applicant would perform according to the provisions of the agreement reached with the school district. Our recommendation does not address whether the applicant has complied with all Chapter 313 requirements. The school district is responsible for verifying that all requirements of the statute have been fulfilled. Additionally, Section 313.025 requires the school district to determine if the evidence supports making specific findings that the information in the application is

[1] All statutory references are to the Texas TaxCode, unless otherwise noted.

true and correct, the applicant is eligible for a limitation and that granting the application is in the best interest of the school district and state. As stated above, we prepared the recommendation by generally reviewing the application and supporting documentation in light of the Section 313.026 criteria.

The Comptroller's recommendation is based on the application that has been submitted and reviewed by the Comptroller. The recommendation may not be used by the ISD to support its approval of the property value limitation agreement if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this recommendation is contingent on future compliance with the Chapter 313 and the Texas Administrative Code, with particular reference to the following requirements related to the execution of the agreement:

1. The applicant must provide the Comptroller a copy of the proposed limitation on appraised value agreement no later than 10 days prior to the meeting scheduled by the district to consider approving the agreement, so that the Comptroller may review it for compliance with the statutes and the Comptroller's rules as well as consistency with the application;
2. The Comptroller providing written confirmation that it received and reviewed the draft agreement and affirming the recommendation made in this letter;
3. The district must approve and execute a limitation agreement that has been reviewed by this office within a year from the date of this letter; and
4. Section 313.025 requires the district to provide to the Comptroller a copy of the signed limitation agreement within 7 days after execution.

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

Sincerely,

Martin A. Hubert
Deputy Comptroller

Enclosure

cc: Robert Wood

Attachment D

Economic Analysis

Economic Impact for Chapter 313 Project

Applicant	Dow Agrosciences LLC
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Brazosport ISD
2009-10 Enrollment in School District	12,671
County	Brazoria
Total Investment in District	$150,000,000
Qualified Investment	$150,000,000
Limitation Amount	$30,000,000
Number of total jobs committed to by applicant	10
Number of qualifying jobs committed to by applicant	8
Average Weekly Wage of Qualifying Jobs committed to by applicant	$1,078.88
Minimum Weekly Wage Required Tax Code, 313.051(b)	$1,078.88
Minimum Annual Wage committed to by applicant for qualified jobs	$56,102
Investment per Qualifying Job	$18,750,000
Estimated 15 year M&O levy without any limit or credit:	$16,919,060
Estimated gross 15 year M&O tax benefit	$8,708,355
Estimated 15 year M&O tax benefit (*after* deductions for estimated school district revenue protection--but not including any deduction for supplemental payments or extraordinary educational expenses):	$8,547,892
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	$338,061
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	$8,371,168
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	50.5%
Percentage of tax benefit due to the limitation	96.1%
Percentage of tax benefit due to the credit.	3.9%

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

(1) the recommendations of the comptroller;
(2) the name of the school district;
(3) the name of the applicant;
(4) the general nature of the applicant's investment;
(5) the relationship between the applicant's industry and the types of qualifying jobs to be created by the applicant to the long-term economic growth plans of this state as described in the strategic plan for economic development submitted by the Texas Strategic Economic Development Planning Commission under Section 481.033, Government Code, as that section existed before February 1, 1999;
(6) the relative level of the applicant's investment per qualifying job to be created by the applicant;
(7) the number of qualifying jobs to be created by the applicant;
(8) the wages, salaries, and benefits to be offered by the applicant to qualifying job holders;
(9) the ability of the applicant to locate or relocate in another state or another region of this state;
(10) the impact the project will have on this state and individual local units of government, including:
    (A) tax and other revenue gains, direct or indirect, that would be realized during the qualifying time period, the limitation period, and a period of time after the limitation period considered appropriate by the comptroller; and
    (B) economic effects of the project, including the impact on jobs and income, during the qualifying time period, the limitation period, and a period of time after the limitation period considered appropriate by the comptroller;
(11) the economic condition of the region of the state at the time the person's application is being considered;
(12) the number of new facilities built or expanded in the region during the two years preceding the date of the application that were eligible to apply for a limitation on appraised value under this subchapter;
(13) the effect of the applicant's proposal, if approved, on the number or size of the school district's instructional facilities, as defined by Section 46.001, Education Code;
(14) the projected market value of the qualified property of the applicant as determined by the comptroller;
(15) the proposed limitation on appraised value for the qualified property of the applicant;
(16) the projected dollar amount of the taxes that would be imposed on the qualified property, for each year of the agreement, if the property does not receive a limitation on appraised value with assumptions of the projected appreciation or depreciation of the investment and projected tax rates clearly stated;
(17) the projected dollar amount of the taxes that would be imposed on the qualified property, for each tax year of the agreement, if the property receives a limitation on appraised value with assumptions of the projected appreciation or depreciation of the investment clearly stated;
(18) the projected effect on the Foundation School Program of payments to the district for each year of the agreement;
(19) the projected future tax credits if the applicant also applies for school tax credits under Section 313.103; and
(20) the total amount of taxes projected to be lost or gained by the district over the life of the agreement computed by subtracting the projected taxes stated in Subdivision (17) from the projected taxes stated in Subdivision (16).

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

After construction, the project will create ten new jobs when fully operational. Eight jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the Houston-Galveston Area Council Region, where Brazoria County is located was $51,002 in 2010. The annual average manufacturing wage for 2010-2011 for Brazoria County is $91,936. That same year, the county annual average wage for all industries was $45,812. In addition to a salary of $56,102, each qualifying position will receive benefits such as medical and dental insurance, life insurance, 401k savings plan, pension plan or personal savings account, vacation and holiday pay, employee stock purchase plan, family and personal counseling services. The project's total investment is $150 million, resulting in a relative level of investment per qualifying job of $18.8 million.

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

According to Dow Agrosciences's application, "The Dow Chemical Company is a leading science and technology company that provides innovative chemical, plastic and agricultural products and services to many essential consumer markets. Dow's global manufacturing presence provides substantial flexibility in plant location. In the U.S., Dow has manufacturing locations in AR, CA ,CT, GA, IL, KY, LA, MA, MI, MO, NJ, NY, NC, OH, TN, PA, TX and WV."

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

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

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

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

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

Table 1 depicts Dow Agrosciences's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 16 years of annual investment and employment levels using software from Regional Economic Models, Inc. (REMI). The impact includes the construction period and the operating period of the project.

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

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2012	71	65	136	$3,817,053	$4,182,947	$8,000,000
2013	150	143	293	$8,589,743	$9,410,257	$18,000,000
2014	54	88	142	$3,679,304	$7,320,696	$11,000,000
2015	10	50	60	$1,100,380	$4,899,620	$6,000,000
2016	10	54	64	$1,122,380	$5,877,620	$7,000,000
2017	10	51	61	$1,144,830	$5,855,170	$7,000,000
2018	10	57	67	$1,167,730	$5,832,270	$7,000,000
2019	10	55	65	$1,191,080	$5,808,920	$7,000,000
2020	10	58	68	$1,214,900	$6,785,100	$8,000,000
2021	10	63	73	$1,239,200	$6,760,800	$8,000,000
2022	10	59	69	$1,263,990	$7,736,010	$9,000,000
2023	10	58	68	$1,289,270	$6,710,730	$8,000,000
2024	10	60	70	$1,315,050	$6,684,950	$8,000,000
2025	10	54	64	$1,341,350	$7,658,650	$9,000,000
2026	10	56	66	$1,368,180	$7,631,820	$9,000,000
2027	10	58	68	$1,395,540	$8,604,460	$10,000,000

Source: CPA, REMI, Dow Agrosciences

The statewide average ad valorem tax base for school districts in Texas was $1.6 billion in 2010. Brazosport ISD's ad valorem tax base in 2010 was $7.5 billion. The statewide average wealth per WADA was estimated at $345,067 for fiscal 2010-2011. During that same year, Brazosport ISD's estimated wealth per WADA was $475,934. The impact on the facilities and finances of the district are presented in Attachment 2.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Brazoria County, Port of Freeport, Velasco Drainage District, Brazosport College, and City of Freeport, with all property tax incentives sought being granted using estimated market value from Dow Chemical's application. Dow Chemical has applied for a value limitation under Chapter 313, Tax Code, tax abatements with the county, port, drainage district, and college, and an industrial district agreement (IDA) with the city. Table 3 illustrates the estimated tax impact of the Dow Chemical project on the region if all taxes are assessed.

Table 2 Estimated Direct Ad Valorem Taxes with all property tax incentives sought													
Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O		Brazosport ISD I&S Levy	Brazosport ISD M&O Levy	Brazosport ISD M&O and I&S Tax Levies (Before Credit Credited)	Brazosport ISD M&O and I&S Tax Levies (After Credit Credited)	Brazoria County Tax Levy	Port of Freeport Tax Levy	Velasco Drainage District Tax Levy	Brazosport College Tax Levy	Industrial District Agreement (IDA) Tax Levy	Estimated Total Property Taxes
			Tax Rate[1]	0.2015	1.0400			0.4631	0.0535	0.0909	0.1902	0.7083	
2013	$20,005,840	$20,005,840		$40,312	$208,061	$248,373	$248,373	$0	$0	$0	$0	$0	$248,373
2014	$62,505,840	$62,505,840		$125,949	$650,061	$776,010	$776,010	$0	$0	$0	$0	$0	$776,010
2015	$150,005,840	$30,000,000		$302,262	$312,000	$614,262	$614,262	$0	$0	$0	$0	$0	$614,262
2016	$144,005,840	$30,000,000		$290,172	$312,000	$602,172	$553,877	$0	$0	$0	$0	$0	$553,877
2017	$138,245,840	$30,000,000		$278,565	$312,000	$590,565	$542,271	$0	$0	$0	$0	$0	$542,271
2018	$132,716,240	$30,000,000		$267,423	$312,000	$579,423	$531,129	$0	$0	$0	$0	$0	$531,129
2019	$127,407,824	$30,000,000		$256,727	$312,000	$568,727	$520,432	$0	$0	$0	$0	$0	$520,432
2020	$122,311,745	$30,000,000		$246,458	$312,000	$558,458	$510,164	$566,427	$65,437	$111,190	$232,606	$866,293	$2,352,116
2021	$117,419,508	$30,000,000		$236,600	$312,000	$548,600	$500,306	$543,771	$62,819	$106,743	$223,303	$831,642	$2,268,584
2022	$112,722,962	$30,000,000		$227,137	$312,000	$539,137	$490,842	$522,021	$60,307	$102,473	$214,371	$798,378	$2,188,393
2023	$108,214,277	$108,214,277		$218,052	$1,125,428	$1,343,480	$1,343,480	$501,141	$57,895	$98,374	$205,797	$766,445	$2,973,132
2024	$103,885,939	$103,885,939		$209,330	$1,080,414	$1,289,744	$1,289,744	$481,097	$55,579	$94,440	$197,565	$735,789	$2,854,213
2025	$99,730,735	$99,730,735		$200,957	$1,037,200	$1,238,157	$1,238,157	$461,854	$53,356	$90,662	$189,663	$706,359	$2,740,051
2026	$95,741,740	$95,741,740		$192,920	$995,714	$1,188,634	$1,188,634	$443,381	$51,222	$87,036	$182,077	$678,106	$2,630,455
2027	$91,912,304	$91,912,304		$185,203	$955,888	$1,141,091	$1,141,091	$425,647	$49,173	$83,555	$174,794	$650,984	$2,525,244
						Total	$11,488,772	$3,945,339	$455,787	$774,472	$1,620,175	$6,033,996	$24,318,542
Assumes School Value Limitation and Tax Abatements with the County, Port, Drainage District, College District, and IDA.													

Source: CPA, Dow Agrosciences

[1]Tax Rate per $100 Valuation

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives													
Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O		Brazosport ISD I&S Levy	Brazosport ISD M&O Levy		Brazosport ISD M&O and I&S Tax Levies	Brazoria County Tax Levy	Port of Freeport Tax Levy	Velasco Drainage District Tax Levy	Brazosport College Tax Levy	Industrial District Agreement (IDA) Tax Levy	Estimated Total Property Taxes
			Tax Rate[1]	0.2015	1.0400			0.4631	0.0535	0.0909	0.1902	0.7083	
2013	$20,005,840	$20,005,840		$40,312	$208,061		$248,373	$92,647	$10,703	$18,187	$38,046	$141,695	$549,650
2014	$62,505,840	$62,505,840		$125,949	$650,061		$776,010	$289,465	$33,441	$56,822	$118,870	$442,708	$1,717,316
2015	$150,005,840	$150,005,840		$302,262	$1,560,061		$1,862,323	$694,679	$80,253	$136,366	$285,274	$1,062,440	$4,121,334
2016	$144,005,840	$144,005,840		$290,172	$1,497,661		$1,787,833	$666,892	$77,043	$130,911	$273,863	$1,019,944	$3,956,487
2017	$138,245,840	$138,245,840		$278,565	$1,437,757		$1,716,322	$640,218	$73,962	$125,675	$262,909	$979,148	$3,798,234
2018	$132,716,240	$132,716,240		$267,423	$1,380,249		$1,647,672	$614,610	$71,003	$120,648	$252,393	$939,984	$3,646,311
2019	$127,407,824	$127,407,824		$256,727	$1,325,041		$1,581,768	$590,027	$68,163	$115,823	$242,298	$902,386	$3,500,465
2020	$122,311,745	$122,311,745		$246,458	$1,272,042		$1,518,500	$566,427	$65,437	$111,190	$232,606	$866,293	$3,360,453
2021	$117,419,508	$117,419,508		$236,600	$1,221,163		$1,457,763	$543,771	$62,819	$106,743	$223,303	$831,642	$3,226,041
2022	$112,722,962	$112,722,962		$227,137	$1,172,319		$1,399,456	$522,021	$60,307	$102,473	$214,371	$798,378	$3,097,006
2023	$108,214,277	$108,214,277		$218,052	$1,125,428		$1,343,480	$501,141	$57,895	$98,374	$205,797	$766,445	$2,973,132
2024	$103,885,939	$103,885,939		$209,330	$1,080,414		$1,289,744	$481,097	$55,579	$94,440	$197,565	$735,789	$2,854,213
2025	$99,730,735	$99,730,735		$200,957	$1,037,200		$1,238,157	$461,854	$53,356	$90,662	$189,663	$706,359	$2,740,051
2026	$95,741,740	$95,741,740		$192,920	$995,714		$1,188,634	$443,381	$51,222	$87,036	$182,077	$678,106	$2,630,455
2027	$91,912,304	$91,912,304		$185,203	$955,888		$1,141,091	$425,647	$49,173	$83,555	$174,794	$650,984	$2,525,244
						Total	$20,197,125	$7,533,877	$870,355	$1,478,905	$3,093,829	$11,522,301	$44,696,393

Source: CPA, Dow Agrosciences

[1]Tax Rate per $100 Valuation

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

Attachment 2, provided by the district and reviewed by the Texas Education Agency, contains information relating to the financial impact of the proposed project on the finances of the district as well as the tax benefit of the value limitation. "Table 5" in this attachment shows the estimated 15 year M&O tax levy without the value limitation agreement would be $16,919,060. The estimated gross 15 year M&O tax benefit, or levy loss, is $8,708,355.

Attachment 3 is an economic overview of Brazoria County.

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

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

March 20, 2012

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

Dear Mr. Wood:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Dow AgroSciences LLC DCPA-D project on the number and size of school facilities in Brazosport Independent School District (BISD). Based on the analysis prepared by Moak, Casey and Associates for the school district and a conversation with the BISD superintendent, Dr. Karin Holacka, the TEA has found that the Dow AgroSciences LLC DCPA-D project would not have a significant impact on the number or size of school facilities in BISD.

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

Sincerely,

Belinda Dyer
Division Manager
Office of School Finance

BD/bd

TEXAS EDUCATION AGENCY

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

March 20, 2012

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

Dear Mr. Wood:

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

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

Sincerely,

Belinda Dyer

Belinda Dyer
Division Manager
Office of School Finance

BD/bd

Brazoria County

Population

- Total county population in 2010 for Brazoria County: 314,407 , up 1.7 percent from 2009. State population increased 1.8 percent in the same time period.
- Brazoria County was the state's 15th largest county in population in 2010 and the 50 th fastest growing county from 2009 to 2010.
- Brazoria County's population in 2009 was 56.0 percent Anglo (above the state average of 46.7 percent), 10.9 percent African-American (below the state average of 11.3 percent) and 26.6 percent Hispanic (below the state average of 36.9 percent).
- 2009 population of the largest cities and places in Brazoria County:

Pearland:	86,341	**Lake Jackson:**	28,980
Alvin:	23,284	**Angleton:**	19,123
Freeport:	12,618	**Clute:**	10,915
Manvel:	6,375	**West Columbia:**	4,203
Sweeny:	3,663	**Richwood:**	3,594

Economy and Income

Employment

- September 2011 total employment in Brazoria County: 137,947 , up 1.8 percent from September 2010. State total employment increased 0.9 percent during the same period.
  (October 2011 employment data will be available November 18, 2011).
- September 2011 Brazoria County unemployment rate: 9.0 percent, up from 8.9 percent in September 2010. The statewide unemployment rate for September 2011 was 8.5 percent, up from 8.2 percent in September 2010.
- September 2011 unemployment rate in the city of:

Pearland:	7.3 percent, up from 6.5 percent in September 2010.
Lake Jackson:	7.5 percent, down from 8.0 percent in September 2010.

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

Income

- Brazoria County's ranking in per capita personal income in 2009: 54th with an average per capita income of $37,523, down 1.3 percent from 2008. Statewide average per capita personal income was $38,609 in 2009, down 3.1 percent from 2008.

Industry

- Agricultural cash values in Brazoria County averaged $97.62 million annually from 2007 to 2010. County total agricultural values in 2010 were up 14.7 percent from 2009. Major agriculture related commodities in Brazoria County during 2010 included:
  - Sorghum
  - Horses
  - Nursery
  - Rice
  - Other Beef
- 2011 oil and gas production in Brazoria County: 898,558.0 barrels of oil and 14.3 million Mcf of gas. In September 2011, there were 297 producing oil wells and 161 producing gas wells.

Taxes

Sales Tax - Taxable Sales

(County and city taxable sales data for 1st quarter 2011 is currently targeted for release in mid-September 2011).

Quarterly (September 2010 through December 2010)

- Taxable sales in Brazoria County during the fourth quarter 2010: $670.47 million, up 7.2 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Pearland:	$288.26 million, up 5.3 percent from the same quarter in 2009.
Lake Jackson:	$113.83 million, up 2.5 percent from the same quarter in 2009.
Alvin:	$77.36 million, up 6.0 percent from the same quarter in 2009.
Angleton:	$36.45 million, up 0.1 percent from the same quarter in 2009.
Freeport:	$18.95 million, up 9.5 percent from the same quarter in 2009.
Clute:	$25.55 million, up 14.8 percent from the same quarter in 2009.
Manvel:	$10.76 million, up 19.8 percent from the same quarter in 2009.
West Columbia:	$10.48 million, up 13.2 percent from the same quarter in 2009.
Sweeny:	$2.59 million, down 73.4 percent from the same quarter in 2009.
Richwood:	$3.81 million, up 3.2 percent from the same quarter in 2009.
Brazoria:	$9.22 million, up 14.4 percent from the same quarter in 2009.
Jones Creek:	$273,198.00, up 2.9 percent from the same quarter in 2009.
Brookside Village:	$1.08 million, up 118.1 percent from the same quarter in 2009.
Danbury:	$662,540.00, up 13.5 percent from the same quarter in 2009.

Oyster Creek:	$2.25 million, up 12.1 percent from the same quarter in 2009.
Holiday Lakes:	$150,524.00, down 8.5 percent from the same quarter in 2009.
Iowa Colony:	$13.50 million, down 1.7 percent from the same quarter in 2009.
Surfside Beach:	$818,623.00, up 16.3 percent from the same quarter in 2009.
Bailey's Prairie:	$34,200.00, down 2.7 percent from the same quarter in 2009.
Liverpool:	$165,407.00, up 61.6 percent from the same quarter in 2009.
Quintana:	$7,038.00

Taxable Sales through the end of 4th quarter 2010 (January 2010 through December 30, 2010)

- Taxable sales in Brazoria County through the fourth quarter of 2010: $2.46 billion, up 1.4 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Pearland:	$1.04 billion, up 0.3 percent from the same period in 2009.
Lake Jackson:	$402.67 million, down 0.2 percent from the same period in 2009.
Alvin:	$289.95 million, up 0.3 percent from the same period in 2009.
Angleton:	$145.19 million, up 0.8 percent from the same period in 2009.
Freeport:	$74.78 million, up 10.4 percent from the same period in 2009.
Clute:	$96.86 million, down 1.1 percent from the same period in 2009.
Manvel:	$47.09 million, up 10.7 percent from the same period in 2009.
West Columbia:	$39.73 million, up 14.0 percent from the same period in 2009.
Sweeny:	$21.41 million, down 21.8 percent from the same period in 2009.
Richwood:	$15.80 million, down 19.4 percent from the same period in 2009.
Brazoria:	$34.75 million, down 1.6 percent from the same period in 2009.
Jones Creek:	$1.08 million, down 4.4 percent from the same period in 2009.
Brookside Village:	$3.79 million, up 78.2 percent from the same period in 2009.
Danbury:	$2.53 million, up 26.1 percent from the same period in 2009.
Oyster Creek:	$9.25 million, up 7.1 percent from the same period in 2009.
Holiday Lakes:	$636,130.00, down 7.0 percent from the same period in 2009.
Iowa Colony:	$52.04 million, down 18.0 percent from the same period in 2009.
Surfside Beach:	$4.57 million, up 11.3 percent from the same period in 2009.
Bailey's Prairie:	$87,007.00, down 37.8 percent from the same period in 2009.
Liverpool:	$554,661.00, up 32.8 percent from the same period in 2009.
Quintana:	$18,815.00

Annual (2010)

- Taxable sales in Brazoria County during 2010: $2.46 billion, up 1.4 percent from 2009.
- Brazoria County sent an estimated $153.68 million (or 0.90 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:

Pearland:	$1.04 billion, up 0.3 percent from 2009.
Lake Jackson:	$402.67 million, down 0.2 percent from 2009.
Alvin:	$289.95 million, up 0.3 percent from 2009.
Angleton:	$145.19 million, up 0.8 percent from 2009.
Freeport:	$74.78 million, up 10.4 percent from 2009.
Clute:	$96.86 million, down 1.1 percent from 2009.
Manvel:	$47.09 million, up 10.7 percent from 2009.
West Columbia:	$39.73 million, up 14.0 percent from 2009.
Sweeny:	$21.41 million, down 21.8 percent from 2009.
Richwood:	$15.80 million, down 19.4 percent from 2009.
Brazoria:	$34.75 million, down 1.6 percent from 2009.
Jones Creek:	$1.08 million, down 4.4 percent from 2009.
Brookside Village:	$3.79 million, up 78.2 percent from 2009.
Danbury:	$2.53 million, up 26.1 percent from 2009.
Oyster Creek:	$9.25 million, up 7.1 percent from 2009.
Holiday Lakes:	$636,130.00, down 7.0 percent from 2009.
Iowa Colony:	$52.04 million, down 18.0 percent from 2009.
Surfside Beach:	$4.57 million, up 11.3 percent from 2009.
Bailey's Prairie:	$87,007.00, down 37.8 percent from 2009.

Liverpool:	$554,661.00, up 32.8 percent from 2009.
Quintana:	$18,815.00

Sales Tax – Local Sales Tax Allocations

(The release date for sales tax allocations to cities for the sales activity month of September 2011 is currently scheduled for November 9, 2011.)

Monthly

- Statewide payments based on the sales activity month of August 2011: $505.22 million, up 13.9 percent from August 2010.
- Payments to all cities in Brazoria County based on the sales activity month of August 2011: $3.57 million, up 9.2 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:

Pearland*:	$1.62 million, up 5.1 percent from August 2010.
Lake Jackson:	$568,565.83, up 9.2 percent from August 2010.
Alvin:	$486,410.35, up 16.2 percent from August 2010.
Angleton:	$249,880.72, up 9.9 percent from August 2010.
Freeport:	$173,510.53, up 18.7 percent from August 2010.
Clute:	$154,235.75, up 22.5 percent from August 2010.
Manvel:	$93,103.54, up 23.3 percent from August 2010.
West Columbia:	$63,572.59, up 26.9 percent from August 2010.
Sweeny:	$23,337.23, down 23.8 percent from August 2010.
Richwood:	$25,511.08, up 10.0 percent from August 2010.
Brazoria:	$62,718.11, up 13.0 percent from August 2010.
Jones Creek:	$3,295.75, down 3.4 percent from August 2010.
Brookside Village:	$2,387.38, down 20.5 percent from August 2010.
Danbury:	$6,606.86, up 48.8 percent from August 2010.
Oyster Creek:	$13,907.07, down 21.7 percent from August 2010.
Holiday Lakes:	$573.54, down 13.3 percent from August 2010.
Iowa Colony:	$10,575.40, down 15.9 percent from August 2010.
Surfside Beach:	$7,278.22, up 18.4 percent from August 2010.
Bailey's Prairie:	$396.90, down 1.6 percent from August 2010.
Liverpool:	$1,835.61, down 63.3 percent from August 2010.
Quintana:	$2,563.69, up 78.1 percent from August 2010.

Fiscal Year

- Statewide payments based on sales activity months from September 2010 through August 2011: $6.08 billion, up 8.0 percent from the same period in 2010.
- Payments to all cities in Brazoria County based on sales activity months from September 2010 through August 2011: $42.66 million, up 4.7 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:

Pearland*:	$19.83 million, up 2.3 percent from fiscal 2010.
Lake Jackson:	$7.00 million, up 3.4 percent from fiscal 2010.
Alvin:	$5.45 million, up 7.5 percent from fiscal 2010.
Angleton:	$3.03 million, up 3.1 percent from fiscal 2010.
Freeport:	$1.96 million, up 20.0 percent from fiscal 2010.
Clute:	$1.82 million, up 9.9 percent from fiscal 2010.
Manvel:	$983,543.45, up 11.2 percent from fiscal 2010.
West Columbia:	$685,356.40, up 2.2 percent from fiscal 2010.
Sweeny:	$302,452.77, down 0.4 percent from fiscal 2010.
Richwood:	$274,954.27, up 10.7 percent from fiscal 2010.
Brazoria:	$719,283.78, up 6.9 percent from fiscal 2010.
Jones Creek:	$42,124.74, up 2.8 percent from fiscal 2010.
Brookside Village:	$35,875.21, down 9.7 percent from fiscal 2010.
Danbury:	$81,357.57, up 37.2 percent from fiscal 2010.
Oyster Creek:	$158,682.12, down 2.0 percent from fiscal 2010.
Holiday Lakes:	$7,727.20, up 5.9 percent from fiscal 2010.
Iowa Colony:	$165,247.97, up 50.5 percent from fiscal 2010.
Surfside Beach:	$62,657.63, up 21.0 percent from fiscal 2010.
Bailey's Prairie:	$5,454.70, down 28.7 percent from fiscal 2010.

Liverpool:	$25,085.09, up 17.9 percent from fiscal 2010.
Quintana:	$20,775.61, down 36.4 percent from fiscal 2010.

January 2011 through August 2011 (Sales Activity Year-To-Date)

- Statewide payments based on sales activity months through August 2011: $3.99 billion, up 8.3 percent from the same period in 2010.
- Payments to all cities in Brazoria County based on sales activity months through August 2011: $27.60 million, up 3.4 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:

Pearland*:	$12.68 million, up 0.2 percent from the same period in 2010.
Lake Jackson:	$4.49 million, up 2.8 percent from the same period in 2010.
Alvin:	$3.58 million, up 8.2 percent from the same period in 2010.
Angleton:	$1.95 million, up 2.0 percent from the same period in 2010.
Freeport:	$1.32 million, up 14.3 percent from the same period in 2010.
Clute:	$1.20 million, up 12.0 percent from the same period in 2010.
Manvel:	$675,446.20, up 9.0 percent from the same period in 2010.
West Columbia:	$439,718.95, up 0.5 percent from the same period in 2010.
Sweeny:	$197,504.78, down 2.5 percent from the same period in 2010.
Richwood:	$184,879.84, up 8.9 percent from the same period in 2010.
Brazoria:	$474,043.43, up 6.3 percent from the same period in 2010.
Jones Creek:	$27,593.02, up 2.8 percent from the same period in 2010.
Brookside Village:	$22,157.56, down 23.2 percent from the same period in 2010.
Danbury:	$48,106.28, up 22.6 percent from the same period in 2010.
Oyster Creek:	$101,462.63, down 10.3 percent from the same period in 2010.
Holiday Lakes:	$5,340.78, up 10.7 percent from the same period in 2010.
Iowa Colony:	$118,301.95, up 50.3 percent from the same period in 2010.
Surfside Beach:	$47,156.99, up 23.1 percent from the same period in 2010.
Bailey's Prairie:	$3,774.23, up 7.4 percent from the same period in 2010.
Liverpool:	$18,583.44, up 25.7 percent from the same period in 2010.
Quintana:	$16,036.10, up 29.4 percent from the same period in 2010.

12 months ending in August 2011

- Statewide payments based on sales activity in the 12 months ending in August 2011: $6.08 billion, up 8.0 percent from the previous 12-month period.
- Payments to all cities in Brazoria County based on sales activity in the 12 months ending in August 2011: $42.66 million, up 4.7 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:

Pearland*:	$19.83 million, up 2.3 percent from the previous 12-month period.
Lake Jackson:	$7.00 million, up 3.4 percent from the previous 12-month period.
Alvin:	$5.45 million, up 7.5 percent from the previous 12-month period.
Angleton:	$3.03 million, up 3.1 percent from the previous 12-month period.
Freeport:	$1.96 million, up 20.0 percent from the previous 12-month period.
Clute:	$1.82 million, up 9.9 percent from the previous 12-month period.
Manvel:	$983,543.45, up 11.2 percent from the previous 12-month period.
West Columbia:	$685,356.40, up 2.2 percent from the previous 12-month period.
Sweeny:	$302,452.77, down 0.4 percent from the previous 12-month period.
Richwood:	$274,954.27, up 10.7 percent from the previous 12-month period.
Brazoria:	$719,283.78, up 6.9 percent from the previous 12-month period.
Jones Creek:	$42,124.74, up 2.8 percent from the previous 12-month period.
Brookside Village:	$35,875.21, down 9.7 percent from the previous 12-month period.
Danbury:	$81,357.57, up 37.2 percent from the previous 12-month period.
Oyster Creek:	$158,682.12, down 2.0 percent from the previous 12-month period.
Holiday Lakes:	$7,727.20, up 5.9 percent from the previous 12-month period.
Iowa Colony:	$165,247.97, up 50.5 percent from the previous 12-month period.
Surfside Beach:	$62,657.63, up 21.0 percent from the previous 12-month period.
Bailey's Prairie:	$5,454.70, down 28.7 percent from the previous 12-month period.
Liverpool:	$25,085.09, up 17.9 percent from the previous 12-month period.
Quintana:	$20,775.61, down 36.4 percent from the previous 12-month period.

- *City Calendar Year-To-Date (RJ 2011)*

- Payment to the cities from January 2011 through October 2011:

Pearland*:	$16.53 million, up 1.7 percent from the same period in 2010.
Lake Jackson:	$5.92 million, up 3.2 percent from the same period in 2010.
Alvin:	$4.51 million, up 6.7 percent from the same period in 2010.
Angleton:	$2.51 million, up 3.6 percent from the same period in 2010.
Freeport:	$1.61 million, up 18.0 percent from the same period in 2010.
Clute:	$1.51 million, up 12.8 percent from the same period in 2010.
Manvel:	$822,290.83, up 11.4 percent from the same period in 2010.
West Columbia:	$573,559.55, up 2.7 percent from the same period in 2010.
Sweeny:	$249,336.88, down 0.9 percent from the same period in 2010.
Richwood:	$229,245.62, up 14.6 percent from the same period in 2010.
Brazoria:	$600,072.15, up 6.1 percent from the same period in 2010.
Jones Creek:	$34,177.91, up 2.0 percent from the same period in 2010.
Brookside Village:	$27,813.93, down 19.0 percent from the same period in 2010.
Danbury:	$59,717.24, up 20.6 percent from the same period in 2010.
Oyster Creek:	$129,141.24, down 5.6 percent from the same period in 2010.
Holiday Lakes:	$6,525.94, up 9.2 percent from the same period in 2010.
Iowa Colony:	$142,860.27, up 52.1 percent from the same period in 2010.
Surfside Beach:	$53,230.26, up 21.4 percent from the same period in 2010.
Bailey's Prairie:	$4,661.08, down 33.1 percent from the same period in 2010.
Liverpool:	$21,746.84, up 20.5 percent from the same period in 2010.
Quintana:	$18,275.03, down 42.7 percent from the same period in 2010.

Annual (2010)

- Statewide payments based on sales activity months in 2010: $5.77 billion, up 3.3 percent from 2009.
- Payments to all cities in Brazoria County based on sales activity months in 2010: $41.77 million, up 0.9 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:

Pearland*:	$19.80 million, up 2.2 percent from 2009.
Lake Jackson:	$6.88 million, down 0.9 percent from 2009.
Alvin:	$5.18 million, down 1.0 percent from 2009.
Angleton:	$2.99 million, down 0.7 percent from 2009.
Freeport:	$1.80 million, up 11.9 percent from 2009.
Clute:	$1.69 million, down 3.6 percent from 2009.
Manvel:	$928,016.24, up 5.5 percent from 2009.
West Columbia:	$683,003.60, down 1.5 percent from 2009.
Sweeny:	$307,562.66, down 5.1 percent from 2009.
Richwood:	$259,772.39, down 8.8 percent from 2009.
Brazoria:	$691,277.98, down 7.0 percent from 2009.
Jones Creek:	$41,386.13, down 8.1 percent from 2009.
Brookside Village:	$42,556.62, up 35.3 percent from 2009.
Danbury:	$72,498.57, up 12.8 percent from 2009.
Oyster Creek:	$170,345.11, up 5.4 percent from 2009.
Holiday Lakes:	$7,212.68, down 10.7 percent from 2009.
Iowa Colony:	$125,637.22, up 5.9 percent from 2009.
Surfside Beach:	$53,802.40, up 10.0 percent from 2009.
Bailey's Prairie:	$5,194.29, down 45.8 percent from 2009.
Liverpool:	$21,280.04, up 15.2 percent from 2009.
Quintana:	$17,136.83, down 54.6 percent from 2009.

***On 1/1/2009, the city of Pearland's local sales tax rate increased by 0.00 from 1.500 percent to 1.500 percent.**

Property Tax

- As of January 2009, property values in Brazoria County: $26.70 billion, down 1.7 percent from January 2008 values. The property tax base per person in Brazoria County is $86,351, above the statewide average of $85,809. About 2.4 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- Brazoria County's ranking in state expenditures by county in fiscal year 2010: 21st. State expenditures in the county for FY2010: $996.28 million, up 0.5 percent from FY2009.
- In Brazoria County, 19 state agencies provide a total of 2,892 jobs and $26.88 million in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):
  - Department of Criminal Justice
  - Department of Family and Protective Services
  - Department of Transportation
  - Department of Public Safety

Higher Education

- Community colleges in Brazoria County fall 2010 enrollment:
  - Brazosport College, a Public Community College, had 4,174 students.
  - Alvin Community College, a Public Community College, had 5,721 students.
- Brazoria County is in the service area of the following:
  - Alvin Community College with a fall 2010 enrollment of 5,721 . Counties in the service area include:
    Brazoria County
  - Brazosport College with a fall 2010 enrollment of 4,174 . Counties in the service area include:
    Brazoria County
- Institutions of higher education in Brazoria County fall 2010 enrollment:
  - None.

School Districts

- Brazoria County had 8 school districts with 93 schools and 59,838 students in the 2009-10 school year.

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

- Alvin ISD had 16,591 students in the 2009-10 school year. The average teacher salary was $49,031. The percentage of students meeting the 2010 TAKS passing standard for all tests was 81 percent.
- Angleton ISD had 6,282 students in the 2009-10 school year. The average teacher salary was $50,412. The percentage of students meeting the 2010 TAKS passing standard for all tests was 87 percent.
- Brazosport ISD had 12,822 students in the 2009-10 school year. The average teacher salary was $49,929. The percentage of students meeting the 2010 TAKS passing standard for all tests was 78 percent.
- Columbia-Brazoria ISD had 3,070 students in the 2009-10 school year. The average teacher salary was $46,937. The percentage of students meeting the 2010 TAKS passing standard for all tests was 78 percent.
- Damon ISD had 168 students in the 2009-10 school year. The average teacher salary was $41,023. The percentage of students meeting the 2010 TAKS passing standard for all tests was 75 percent.
- Danbury ISD had 773 students in the 2009-10 school year. The average teacher salary was $47,625. The percentage of students meeting the 2010 TAKS passing standard for all tests was 86 percent.
- Pearland ISD had 18,198 students in the 2009-10 school year. The average teacher salary was $48,294. The percentage of students meeting the 2010 TAKS passing standard for all tests was 87 percent.
- Sweeny ISD had 1,934 students in the 2009-10 school year. The average teacher salary was $49,272. The percentage of students meeting the 2010 TAKS passing standard for all tests was 86 percent.

Attachment E

Summary of Financial Impact

SUMMARY OF FINANCIAL IMPACT OF THE PROPOSED DOW AGROSCIENCES LLC DCPA-D PROJECT ON THE FINANCES OF THE BRAZOSPORT INDEPENDENT SCHOOL DISTRICT UNDER A REQUESTED CHAPTER 313 PROPERTY VALUE LIMITATION

January 17, 2012 | **Final Report**

PREPARED BY

Estimated Impact of the Proposed the Dow Agrosicences LLC (DCPA-D) Project on the Finances of the Brazosport Independent School District under a Requested Chapter 313 Property Value Limitation

Introduction

Dow Agrosciences LLC has requested that the Brazosport Independent School District (BISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to BISD on October 24, 2011, Dow proposes to invest $150 million to construct a new dichlorophenol project (known as the Dow DCPA-D project) in BISD to produce a substance used in manufacturing herbicides.

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

Under the provisions of Chapter 313, BISD may offer a minimum value limitation of $30 million. The provisions of Chapter 313 call for the project to be fully taxable in the 2013-14 and 2014-15 school years, unless the District and the Company agree to an extension of the start of the two-year qualifying time period. For the purpose of this analysis, it is assumed that the qualifying time period will be the 2013-14 and 2014-15 school years. Beginning in 2015-16, the project would go on the local tax roll at $30 million and remain at that level of taxable value for eight years for maintenance and operations taxes.

The full taxable value of the project could be assessed for debt service taxes on voter-approved bond issues throughout the limitation period, with BISD currently levying a $0.202 I&S tax rate. The full value of the investment is expected to reach $150 million in 2015-16, with depreciation expected to reduce the taxable value of the project over the course of the value limitation agreement.

In the case of the Dow (DCPA-D) project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. BISD would experience a revenue loss as a result of the implementation of the value limitation in the 2015-16 school year (-$149,695), with a $10,767 loss expected in the 2016-17 school year.

Under the assumptions outlined below, the potential tax benefits under a Chapter 313 agreement could reach an estimated $8.5 million over the course of the agreement. This amount is net of any anticipated revenue losses for the District.

School Finance Mechanics

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

The third year is often problematical financially for a school district that approves a Chapter 313 value limitation. The implementation of the value limitation generally results in a revenue loss to the school district in the third year of the agreement that would not be reimbursed by the state, but require some type of compensation from the applicant under the revenue protection provisions of the agreement. In years 4-10, smaller revenue losses would be anticipated when the state property values are aligned at the minimum value established by the Board on both the local tax roll and the corresponding state property value study.

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

House Bill 3646 as enacted in 2009 created more "formula" school districts that were less dependent on ASATR state aid than had been the case previously. The formula reductions enacted under Senate Bill 1 (SB 1) as approved in the First Called Session in 2011 are designed to make $4 billion in reductions to the existing school funding formulas for the 2011-12 and 2012-13 school years. For the 2011-12 school year, across-the-board reductions were made that reduced each district's WADA count and resulted in an estimated 797 school districts still receiving ASATR to maintain their target revenue funding levels, while an estimated 227 districts operating directly on the state formulas.

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

One key element in any analysis of the school finance implications is the provision for revenue protection in the agreement between the school district and the applicant. In the case of the Dow (DCPA-D) project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. This meets the statutory requirement under Section 313.027(f)(1) of the Tax Code to provide school district revenue protection language in the agreement.

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

Underlying Assumptions

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

The general approach used here is to maintain static enrollment and property values in order to isolate the effects of the value limitation under the school finance system. The current SB 1 reductions are reflected in the underlying models. With regard to ASATR funding, the 92.35 percent reduction enacted for the 2012-13 school year is maintained, until the 2017-18 school year. A statement of legislative intent was adopted in 2011 to no longer fund target revenue by the 2017-18 school year, so this change is reflected in the estimates presented below. The projected taxable values of the DOW (DCPA-D) project are factored into the base model used here. The impact of the limitation value for the proposed Dow (DCPA-D) project is isolated separately and the focus of this analysis.

Student enrollment counts are held constant at 11,751 students in average daily attendance (ADA) in analyzing the effects of the Dow (DCPA-D) project on the finances of BISD. The District's local tax base reached $6.2 billion for the 2011 tax year and is maintained for the forecast period in order to isolate the effects of the property value limitation. The impact of previously-approved Chapter 313 projects is factored into the underlying assumptions of all the models presented here. An M&O tax rate of $1.04 is used throughout this analysis. BISD has estimated state property wealth per weighted ADA or WADA of approximately $436,661 for the 2011-12 school year. The enrollment and property value assumptions for the 15 years that are the subject of this analysis are summarized in Table 1.

School Finance Impact

School finance models were prepared for BISD under the assumptions outlined above through the 2027-28 school year. Beyond the 2012-13 school year, no attempt was made to forecast the 88th percentile or Austin yield that influence future state funding beyond the projected level for that school year. In the analyses for other districts and applicants on earlier projects, these changes appeared to have little impact on the revenue associated with the implementation of the property value limitation, since the baseline and other models incorporate the same underlying assumptions.

Under the proposed agreement, a model is established to make a calculation of the "Baseline Revenue" by adding the value of the proposed DOW (DCPA-D) facility to the model, but without assuming that a value limitation is approved. The results of this model are shown in Table 2.

A second model is developed which adds the DOW (DCPA-D) value but imposes the proposed property value limitation effective in the third year, which in this case is the 2015-16 school year. The results of this model are identified as "Value Limitation Revenue Model" under the revenue protection provisions of the proposed agreement (see Table 3). The model results show approximately $80 million a year in annual net General Fund revenue, after recapture (if appropriate) and other adjustments have been made, as needed.

A summary of the differences between these models is shown in Table 4. Under these assumptions, BISD would experience a revenue loss as a result of the implementation of the value limitation in the 2015-16 school year (-$149,695), with a much smaller reduction of $10,767 expected for the 2016-17 school year. The revenue reduction results from the mechanics of the up to six cents beyond the compressed M&O tax rate equalized to the Austin yield or not subject to recapture, which reflect the one-year lag in value associated with the property value study.

As noted previously, no attempt was made to forecast further reductions in ASATR funding beyond the 92.35 percent adjustment adopted for the 2012-13 school year. As noted previously, it is assumed that ASATR will be eliminated beginning in the 2017-18 school year, based on the 2011 statement of legislative intent.

One risk factor under the estimates presented here relates to the implementation of the value limitation in the 2015-16 school year. The formula loss of $149,695 cited above between the base and the limitation models is based on an assumption of $1.2 million in M&O tax savings for Dow (DCPA-D) when the $30 million limitation is implemented. Under the estimates presented here and as highlighted in Table 4, an increase in ASATR funding or a reduction in recapture costs may offset some or all of the reduction in M&O taxes in the first year the value limitation is in effect. In this case, the ASATR offset is expected to total approximately $1 million per year in the first two years that the value limitation is in effect, with smaller amounts of recapture offset.

In general, the ASATR offset poses little financial risk to the school district as a result of the adoption of the value limitation agreement. But a significant reduction of ASATR funding prior to the assumed 2017-18 school year elimination of these funds could reduce the residual tax savings in the first two years that the $30 million value limitation takes effect.

The Comptroller's state property value study influences these calculations, as noted previously. At the school-district level, a taxpayer benefiting from a property value limitation has two property values assigned by the local appraisal district for their property covered by the limitation: (1) a reduced value for M&O taxes, and (2) the full taxable value for I&S taxes. This situation exists for the eight years that the value limitation is in effect. The Comptroller's Property Tax Assistance Division recently announced that beginning with the 2011 state property value study, two value determinations will be made for school districts granting Chapter 313 agreements, consistent with local practice. A consolidated single state property value had been provided previously.

Impact on the Taxpayer

Table 5 summarizes the impact of the proposed property value limitation in terms of the potential tax savings under the property value limitation agreement. The focus of this table is on the M&O tax rate only. As noted previously, the property is fully taxable in the first two years under the agreement. A $1.04 per $100 of taxable value M&O rate is assumed in 2012-13 and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total $8.4 million over the life of the agreement. In addition, Dow (DCPA-D) would be eligible for a tax credit for M&O taxes paid on value in excess of the value limitation in each of the first two qualifying years. The credit amount is paid out slowly through years 4-10 due to statutory limits on the scale of these payments over these seven years, with catch-up payments permitted in years 11-13. The tax credits are expected to total approximately $338,000 over the life of the

agreement, with no unpaid tax credits anticipated. The school district is to be reimbursed by the Texas Education Agency for the cost of these credits.

The key BISD revenue losses are expected to total approximately -$160,463. In total, the potential net tax benefits (inclusive of tax credits but after hold-harmless payments are made) are estimated to total $8.5 million over the life of the agreement. While legislative changes to ASATR funding could increase the hold-harmless amount owed in the initial two years of the agreement, there would still be a substantial tax benefit to Dow (DCPA-D) under the value limitation agreement for the remaining years that the limitation is in effect.

Facilities Funding Impact

The Dow (DCPA-D) project remains fully taxable for debt services taxes, with BISD currently levying a $0.202 I&S rate. The value of the Dow (DCPA-D) project is expected to depreciate over the life of the agreement and beyond, but full access to the additional value is expected to increase the District's projected wealth per ADA to $651,216 in the peak year of I&S taxable project value. At its peak taxable value, the project should permit BISD to reduce its I&S tax rate by an estimated 3.1 cents.

The Dow (DCPA-D) project is not expected to affect BISD in terms of enrollment. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.

Conclusion

The proposed Dow (DCPA-D) manufacturing project enhances the tax base of BISD. It reflects continued capital investment in keeping with the goals of Chapter 313 of the Tax Code.

Under the assumptions outlined above, the potential tax savings for the applicant under a Chapter 313 agreement could reach an estimated $8.5 million. (This amount is net of any anticipated revenue losses for the District.) The additional taxable value also enhances the tax base of BISD in meeting its future debt service obligations.

Table 1 – Base District Information with The DOW (DCPA-D) Chemical Company Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
Pre-Year 1	2012-13	11,750.79	15,318.78	$1.0400	$0.2015	$6,280,408,135	$6,280,408,135	$6,228,395,830	$6,228,395,830	$406,586	$406,586
1	2013-14	11,750.79	15,318.78	$1.0400	$0.2015	$6,426,103,055	$6,426,103,055	$6,228,395,830	$6,228,395,830	$406,586	$406,586
2	2014-15	11,750.79	15,318.78	$1.0400	$0.2015	$7,278,347,648	$7,278,347,648	$6,374,090,750	$6,374,090,750	$416,096	$416,096
3	2015-16	11,750.79	15,318.78	$1.0400	$0.1710	$7,457,662,869	$7,337,657,029	$7,226,335,343	$7,226,335,343	$471,730	$471,730
4	2016-17	11,750.79	15,318.78	$1.0400	$0.1710	$6,736,056,197	$6,622,050,357	$7,405,650,563	$7,285,644,723	$483,436	$475,602
5	2017-18	11,750.79	15,549.56	$1.0400	$0.1710	$6,729,015,590	$6,620,769,750	$6,684,043,892	$6,570,038,052	$429,854	$422,522
6	2018-19	11,750.79	15,549.56	$1.0400	$0.1710	$6,731,585,852	$6,628,869,432	$6,677,003,285	$6,568,757,445	$429,401	$422,440
7	2019-20	11,750.79	15,549.56	$1.0400	$0.1710	$6,723,086,050	$6,625,678,226	$6,679,573,546	$6,576,857,126	$429,567	$422,961
8	2020-21	11,750.79	15,549.56	$1.0400	$0.1720	$6,714,925,169	$6,622,613,424	$6,671,073,745	$6,573,665,921	$429,020	$422,756
9	2021-22	11,750.79	15,549.56	$1.0400	$0.1730	$6,707,089,307	$6,619,669,799	$6,662,912,864	$6,570,601,119	$428,495	$422,559
10	2022-23	11,750.79	15,549.56	$1.0400	$0.1740	$6,699,565,338	$6,616,842,376	$6,655,077,001	$6,567,657,493	$427,991	$422,369
11	2023-24	11,750.79	15,549.56	$1.0400	$0.1750	$6,692,340,694	$6,692,340,694	$6,647,553,032	$6,564,830,070	$427,507	$422,188
12	2024-25	11,750.79	15,549.56	$1.0400	$0.1760	$7,379,148,145	$7,379,148,145	$6,640,328,389	$6,640,328,389	$427,043	$427,043
13	2025-26	11,750.79	15,549.56	$1.0400	$0.1770	$7,345,075,731	$7,345,075,731	$7,327,135,840	$7,327,135,840	$471,212	$471,212
14	2026-27	11,750.79	15,549.56	$1.0400	$0.1780	$7,312,282,418	$7,312,282,418	$7,293,063,426	$7,293,063,426	$469,021	$469,021
15	2027-28	11,750.79	15,549.56	$1.0400	$0.1780	$7,280,719,551	$7,280,719,551	$7,260,270,113	$7,260,270,113	$466,912	$466,912

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

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

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2012-13	$55,155,198	$14,643,275	$2,547,189	$0	$0	$7,987,182	$1,730,221	-$921,812	$81,141,253
1	2013-14	$56,439,051	$14,643,275	$1,263,337	$0	$0	$8,173,100	$1,770,495	-$943,471	$81,345,786
2	2014-15	$63,948,962	$13,319,717	$0	$0	$0	$9,260,632	$1,863,686	-$1,159,912	$87,233,085
3	2015-16	$65,594,515	$5,577,540	$1,173,607	$0	$0	$9,498,929	$1,175,256	-$1,654,200	$81,365,647
4	2016-17	$59,234,139	$5,086,550	$8,024,973	$0	$0	$8,577,865	$940,872	-$1,568,379	$80,296,020
5	2017-18	$59,170,528	$11,556,559	$0	$0	$0	$8,568,653	$1,544,157	-$1,186,076	$79,653,821
6	2018-19	$59,191,669	$11,620,519	$0	$0	$0	$8,571,715	$1,550,460	-$1,182,881	$79,751,481
7	2019-20	$59,115,323	$11,597,170	$0	$0	$0	$8,560,659	$1,546,362	-$1,182,664	$79,636,850
8	2020-21	$59,040,921	$11,674,386	$0	$0	$0	$8,549,885	$1,551,352	-$1,176,794	$79,639,749
9	2021-22	$58,969,442	$11,748,523	$0	$0	$0	$8,539,534	$1,556,142	-$1,171,157	$79,642,484
10	2022-23	$58,900,766	$11,819,708	$0	$0	$0	$8,529,588	$1,560,740	-$1,165,743	$79,645,059
11	2023-24	$58,813,464	$11,888,059	$0	$0	$0	$8,516,946	$1,564,587	-$1,160,120	$79,622,936
12	2024-25	$64,864,464	$11,953,691	$0	$0	$0	$9,393,209	$1,732,098	-$1,276,413	$86,667,049
13	2025-26	$64,563,131	$5,714,420	$0	$0	$0	$9,349,572	$1,162,744	-$1,624,223	$79,165,643
14	2026-27	$64,273,070	$6,023,949	$0	$0	$0	$9,307,567	$1,182,760	-$1,600,959	$79,186,387
15	2027-28	$63,994,940	$6,321,859	$0	$0	$0	$9,267,290	$1,202,053	-$1,578,591	$79,207,551

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

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid- Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2012-13	$55,155,198	$14,643,275	$2,547,189	$0	$0	$7,987,182	$1,730,221	-$921,812	$81,141,253
1	2013-14	$56,439,051	$14,643,275	$1,263,337	$0	$0	$8,173,100	$1,770,495	-$943,471	$81,345,786
2	2014-15	$63,948,962	$13,319,717	$0	$0	$0	$9,260,632	$1,863,686	-$1,159,912	$87,233,085
3	2015-16	$64,504,327	$5,577,540	$2,263,795	$0	$0	$9,341,056	$1,155,724	-$1,626,490	$81,215,952
4	2016-17	$58,198,458	$5,086,550	$9,060,654	$0	$0	$8,427,885	$1,002,962	-$1,491,256	$80,285,253
5	2017-18	$58,187,173	$12,592,240	$0	$0	$0	$8,426,251	$1,611,531	-$1,107,603	$79,709,592
6	2018-19	$58,258,547	$12,603,874	$0	$0	$0	$8,436,587	$1,614,572	-$1,108,303	$79,805,276
7	2019-20	$58,230,426	$12,530,293	$0	$0	$0	$8,432,515	$1,607,069	-$1,111,998	$79,688,305
8	2020-21	$58,202,320	$12,559,283	$0	$0	$0	$8,428,444	$1,608,939	-$1,109,790	$79,689,196
9	2021-22	$58,175,283	$12,587,125	$0	$0	$0	$8,424,529	$1,610,734	-$1,107,669	$79,690,003
10	2022-23	$58,149,273	$12,613,866	$0	$0	$0	$8,420,763	$1,612,457	-$1,105,631	$79,690,727
11	2023-24	$58,813,464	$12,639,552	$0	$0	$0	$8,516,946	$1,633,250	-$1,116,877	$80,486,335
12	2024-25	$64,864,464	$11,953,691	$0	$0	$0	$9,393,209	$1,732,098	-$1,276,413	$86,667,049
13	2025-26	$64,563,131	$5,714,420	$0	$0	$0	$9,349,572	$1,162,744	-$1,624,223	$79,165,643
14	2026-27	$64,273,070	$6,023,949	$0	$0	$0	$9,307,567	$1,182,760	-$1,600,959	$79,186,387
15	2027-28	$63,994,940	$6,321,859	$0	$0	$0	$9,267,290	$1,202,053	-$1,578,591	$79,207,551

Table 4 – Value Limit less Project Value with No Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid- Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2012-13	$0	$0	$0	$0	$0	$0	$0	$0	$0
1	2013-14	$0	$0	$0	$0	$0	$0	$0	$0	$0
2	2014-15	$0	$0	$0	$0	$0	$0	$0	$0	$0
3	2015-16	-$1,090,188	$0	$1,090,188	$0	$0	-$157,873	-$19,533	$27,711	-$149,695
4	2016-17	-$1,035,681	$0	$1,035,681	$0	$0	-$149,980	$62,090	$77,123	-$10,767
5	2017-18	-$983,355	$1,035,681	$0	$0	$0	-$142,402	$67,374	$78,473	$55,771
6	2018-19	-$933,122	$983,355	$0	$0	$0	-$135,128	$64,112	$74,578	$53,795
7	2019-20	-$884,897	$933,123	$0	$0	$0	-$128,144	$60,707	$70,666	$51,455
8	2020-21	-$838,601	$884,897	$0	$0	$0	-$121,440	$57,587	$67,003	$49,447
9	2021-22	-$794,159	$838,602	$0	$0	$0	-$115,004	$54,592	$63,488	$47,519
10	2022-23	-$751,493	$794,158	$0	$0	$0	-$108,826	$51,717	$60,112	$45,668
11	2023-24	$0	$751,493	$0	$0	$0	$0	$68,663	$43,244	$863,400
12	2024-25	$0	$0	$0	$0	$0	$0	$0	$0	$0
13	2025-26	$0	$0	$0	$0	$0	$0	$0	$0	$0
14	2026-27	$0	$0	$0	$0	$0	$0	$0	$0	$0
15	2027-28	$0	$0	$0	$0	$0	$0	$0	$0	$0

Table 5 - Estimated Financial impact of the The DOW (DCPA-D) Chemical Company Project Property Value Limitation Request Submitted to BISD at $1.04 M&O Tax Rate

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	Tax Credits for First Two Years Above Limit	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits
Pre-Year 1	2012-13	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1	2013-14	$20,005,840	$20,005,840	$0	$208,061	$208,061	$0	$0	$0	$0	$0
2	2014-15	$62,505,840	$62,505,840	$0	$650,061	$650,061	$0	$0	$0	$0	$0
3	2015-16	$150,005,840	$30,000,000	$120,005,840	$1,560,061	$312,000	$1,248,061	$0	$1,248,061	-$149,695	$1,098,365
4	2016-17	$144,005,840	$30,000,000	$114,005,840	$1,497,661	$312,000	$1,185,661	$48,294	$1,233,955	-$10,767	$1,223,188
5	2017-18	$138,245,840	$30,000,000	$108,245,840	$1,437,757	$312,000	$1,125,757	$48,294	$1,174,051	$0	$1,174,051
6	2018-19	$132,716,420	$30,000,000	$102,716,420	$1,380,251	$312,000	$1,068,251	$48,294	$1,116,545	$0	$1,116,545
7	2019-20	$127,407,824	$30,000,000	$97,407,824	$1,325,041	$312,000	$1,013,041	$48,294	$1,061,336	$0	$1,061,336
8	2020-21	$122,311,745	$30,000,000	$92,311,745	$1,272,042	$312,000	$960,042	$48,294	$1,008,337	$0	$1,008,337
9	2021-22	$117,419,508	$30,000,000	$87,419,508	$1,221,163	$312,000	$909,163	$48,294	$957,457	$0	$957,457
10	2022-23	$112,722,962	$30,000,000	$82,722,962	$1,172,319	$312,000	$860,319	$48,294	$908,613	$0	$908,613
11	2023-24	$108,214,277	$108,214,277	$0	$1,125,428	$1,125,428	$0	$0	$0	$0	$0
12	2024-25	$103,885,939	$103,885,939	$0	$1,080,414	$1,080,414	$0	$0	$0	$0	$0
13	2025-26	$99,730,735	$99,730,735	$0	$1,037,200	$1,037,200	$0	$0	$0	$0	$0
14	2026-27	$95,741,740	$95,741,740	$0	$995,714	$995,714	$0	$0	$0	$0	$0
15	2027-28	$91,912,304	$91,912,304	$0	$955,888	$955,888	$0	$0	$0	$0	$0
				Totals:	**$16,919,060**	**$8,548,765**	**$8,370,294**	**$338,061**	**$8,708,355**	**-$160,463**	**$8,547,892**

Tax Credit for Value Over Limit in First 2 Years	Year 1	Year 2	Max Credits
	$0	$338,061	$338,061
Credits Earned			$338,061
Credits Paid			$338,061
Excess Credits Unpaid			$0

***Note: School District Revenue-Loss estimates are subject to change based on numerous factors, including legislative and Texas Education Agency administrative changes to school finance formulas, year-to-year appraisals of project values, and changes in school district tax rates. One of the most substantial changes to the school finance formulas related to Chapter 313 revenue-loss projections could be the treatment of Additional State Aid for Tax Reduction (ASATR). Legislative intent is to end ASATR in 2017-18 school year. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.**

Attachment F

Taxable Value of Property

COMPTROLLER OF PUBLIC ACCOUNTS - PROPERTY TAX ASSISTANCE DIVISION
2011 ISD SUMMARY WORKSHEET
020/Brazoria
020-905/Brazosport ISD

CATEGORY	LOCAL TAX ROLL VALUE	2011 WTD MEAN RATIO	2011 PTD VALUE ESTIMATE	2011 VALUE ASSIGNED
A. SINGLE-FAMILY RESIDENCES	2,042,998,142	N/A	2,042,998,142	2,042,998,142
B. MULTIFAMILY RESIDENCES	108,139,127	N/A	108,139,127	108,139,127
C. VACANT LOTS	82,226,940	N/A	82,226,940	82,226,940
D. RURAL REAL(TAXABLE)	47,424,074	N/A	47,424,074	47,424,074
F1. COMMERCIAL REAL	415,933,004	N/A	415,933,004	415,933,004
F2. INDUSTRIAL REAL	4,026,773,400	N/A	4,026,773,400	4,026,773,400
G. OIL,GAS,MINERALS	14,456,619	N/A	14,456,619	14,456,619
J. UTILITIES	136,336,280	N/A	136,336,280	136,336,280
L1. COMMERCIAL PERSONAL	270,430,460	N/A	270,430,460	270,430,460
L2. INDUSTRIAL PERSONAL	708,659,460	N/A	708,659,460	708,659,460
M. MOBILE HOMES	3,058,780	N/A	3,058,780	3,058,780
N. INTANGIBLE PERS/UNCERT	0	N/A	0	0
O. RESIDENTIAL INVENTORY	20,945,920	N/A	20,945,920	20,945,920
S. SPECIAL INVENTORY	8,631,960	N/A	8,631,960	8,631,960
SUBTOTAL	7,886,014,166		7,886,014,166	7,886,014,166
LESS TOTAL DEDUCTIONS	1,584,426,986		1,584,426,986	1,584,426,986
TOTAL TAXABLE VALUE	6,301,587,180		6,301,587,180	6,301,587,180 T2

CATEGORY D DETAIL	LOCAL TAX ROLL	RATIO	PTD VALUE
MARKET VALUE NON-QUALIFIED ACRES & FARM/RANCH IMP	45,160,645	N/A	45,160,645
PROD VALUE QUALIFIED ACRES	2,263,429	N/A	2,263,429
TAXABLE VALUE	47,424,074		47,424,074

THE TAXABLE VALUES SHOWN HERE WILL NOT MATCH THE VALUES REPORTED BY YOUR APPRAISAL DISTRICT
SEE THE ISD DEDUCTION REPORT FOR A BREAKDOWN OF DEDUCTION VALUES

GOVERNMENT CODE SUBSECTIONS 403.302 (J) AND (K) REQUIRE THE COMPTROLLER TO CERTIFY ALTERNATIVE MEASURES OF SCHOOL DISTRICT WEALTH. THESE MEASURES ARE REPORTED FOR TAXABLE VALUES FOR MAINTENANCE AND OPERATIONS (M&O) TAX PURPOSES AND FOR INTEREST AND SINKING FUND (I&S) TAX PURPOSES. FOR DISTRICTS THAT HAVE NOT ENTERED INTO VALUE LIMITATION AGREEMENTS, T1 THROUGH T6 WILL BE THE SAME AS T7 THROUGH T12.

VALUE TAXABLE FOR M&O PURPOSES

T1	T2	T3	T4	T5	T6
6,432,782,969	6,301,587,180	6,352,993,828	6,221,798,039	6,307,536,999	6,227,747,858

LOSS TO THE ADDITIONAL $10,000 HOMESTEAD EXEMPTION	50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION
131,195,789	79,789,141

T1 = SCHOOL DISTRICT TAXABLE VALUE FOR M&O PURPOSES BEFORE THE LOSS TO THE ADDITIONAL $10,000 HOMESTEAD EXEMPTION
T2 = SCHOOL DISTRICT TAXABLE VALUE FOR M&O PURPOSES AFTER THE LOSS TO THE ADDITIONAL $10,000 HOMESTEAD EXEMPTION AND THE TAX CEILING REDUCTION
T3 = T1 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION
T4 = T2 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION
T5 = T2 BEFORE THE LOSS TO THE TAX CEILING REDUCTION
T6 = T5 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION

VALUE TAXABLE FOR I&S PURPOSES

T7	T8	T9	T10	T11	T12
6,722,679,659	6,591,483,870	6,642,890,518	6,511,694,729	6,597,433,689	6,517,644,548

T7 = SCHOOL DISTRICT TAXABLE VALUE FOR I&S PURPOSES BEFORE THE LOSS TO THE ADDITIONAL $10,000 HOMESTEAD EXEMPTION
T8 = SCHOOL DISTRICT TAXABLE VALUE FOR I&S PURPOSES AFTER THE LOSS TO THE ADDITIONAL $10,000 HOMESTEAD EXEMPTION AND THE TAX CEILING REDUCTION
T9 = T7 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION
T10 = T8 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION
T11 = T8 BEFORE THE LOSS TO THE TAX CEILING REDUCTION
T12 = T11 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION

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

**** END OF REPORT ****

Attachment G

Participation Agreement

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

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by and between

BRAZOSPORT INDEPENDENT SCHOOL DISTRICT

and

DOW AGROSCIENCES LLC
(Texas Taxpayer ID # 13517811181)

TEXAS COMPTROLLER APPLICATION NO. 216

Dated

May 1, 2012

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

STATE OF TEXAS §

COUNTY OF BRAZORIA §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this "Agreement," is executed and delivered by and between the **BRAZOSPORT INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as the "District," a lawfully created independent school district within the State of Texas operating under and subject to the Texas Education Code, and **DOW AGROSCIENCES LLC,** *(Texas Taxpayer ID # 13517811181)*, hereinafter referred to as the "Applicant." The Applicant and the District are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties." Certain capitalized and other terms used in this Agreement shall have the meanings ascribed to them in Section 1.3.

RECITALS

WHEREAS, on October 24, 2011, the Superintendent of Schools (hereinafter referred to as "Superintendent") of the Brazosport Independent School District, acting as agent of the Board of Trustees of the District (the "Board of Trustees"), received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code; and,

WHEREAS, on November 1, 2011 the Board of Trustees authorized the Superintendent to accept, on behalf of the District, the Application from Dow Agrosciences LLC, and on November 1, 2011 the Superintendent acknowledged receipt of the Application and the requisite application fee as established pursuant to Texas Tax Code § 313.025(a)(1) and Local District Policy CCG (Local); and,

WHEREAS, on or about February 28, 2012, the Superintendent, acting as agent of the Board of Trustees, received supplemental Application materials from the Applicant concerning the previously submitted Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code; and,

WHEREAS, the Application, together with the supplemental materials, were delivered to the office of the Comptroller for review pursuant to Texas Tax Code §313.025(d); and,

WHEREAS, the Comptroller, via letter, has established March 19, 2012 as the completed Application date; and,

WHEREAS, pursuant to 34 Texas Administrative Code §9.1054, the Application was delivered for review to the Brazoria County Appraisal District established in Brazoria County, Texas (the "Appraisal District"), pursuant to Texas Tax Code §6.01; and,

WHEREAS, the Comptroller reviewed the Application pursuant to Texas Tax Code §313.025(d), and on April 9, 2012 the Comptroller, via letter, recommended that the Application be approved; and,

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

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

WHEREAS, on April 25, 2012, the District received written notification, pursuant to 34 Texas Administrative Code §9.1055(e)(2)(A), that the Comptroller reviewed this Agreement, and reaffirmed the recommendation previously made on April 9, 2012 that the Application be approved; and,

WHEREAS, on May 1, 2012, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District; and,

WHEREAS, on May 1, 2012, the Board of Trustees made factual findings pursuant to Texas Tax Code §313.025(f), including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) this Agreement is in the best interest of the District and the State of Texas; (iii) the Applicant is eligible for the limitation on appraised value of the Applicant's Qualified Property; and, (iv) each criterion referenced in Texas Tax Code §313.025(e) has been met; and,

WHEREAS, on May 1, 2012, the Board of Trustees determined that the Tax Limitation Amount requested by the Applicant, and as defined in Sections 1.2 and 1.3, below, is consistent with the minimum values set out by Tax Code, §§313.022(b) and 313.052, as such Tax Limitation Amount was computed for the effective date of this Agreement; and,

WHEREAS, on May 1, 2012, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the President and Secretary of the Board of Trustees to execute and deliver such Agreement to the Applicant;

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

ARTICLE I

AUTHORITY, TERM, DEFINITIONS, AND GENERAL PROVISIONS

Section 1.1. AUTHORITY

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

Section 1.2. TERM OF THE AGREEMENT

This Agreement shall commence and first become effective on the Commencement Date, as defined in Section 1.3, below. In the event that the Applicant makes a Qualified Investment in the amount defined in Section 2.6 below, between the Commencement Date and the end of the Qualifying Time Period, Applicant will be entitled to the Tax Limitation Amount defined in Section 1.3 below, for the following Tax Years: 2015, 2016, 2017, 2018, 2019, 2020, 2021, and 2022. The limitation on the local ad valorem property values for Maintenance and Operations purposes shall commence with the property valuations made as of January 1, 2015, the appraisal date for the third full Tax Year following the Commencement Date.

The period beginning with the Commencement Date of May 1, 2012 and ending on December 31, 2014 will be referred to herein as the "Qualifying Time Period," as that term is defined in Texas Tax Code §313.021(4). Applicant shall not be entitled to a tax limitation during the Qualifying Time Period.

Unless sooner terminated as provided herein, the limitation on the local ad valorem property values shall terminate on December 31, 2022. Except as otherwise provided herein, this Agreement will terminate in full on the Final Termination Date. The termination of this Agreement shall not (i) release any obligations, liabilities, rights and remedies arising out of any breach of, or failure to comply with, this Agreement occurring prior to such termination, or (ii) affect the right of a Party to enforce the payment of any amount to which such Party was entitled before such termination or to which such Party became entitled as a result of an event that occurred before such termination, so long as the right to such payment survives said termination.

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

Full Tax Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions
Partial Year Commencing on date of Board approval (5/1/12)	January 1, 2012	2012-13	2012	Start of Qualifying Time Period beginning with Commencement Date (5/1/12). No limitation on value. First year for computation of Annual Limit.
1	January 1, 2013	2013-14	2013	Qualifying Time Period. No limitation on value. Possible Tax Credit in future years.
2	January 1, 2014	2014-15	2014	Qualifying Time Period. No limitation on value. Possible Tax Credit in future years.
3	January 1, 2015	2015-16	2015	$ 30 million property value limitation.
4	January 1, 2016	2016-17	2016	$ 30 million property value limitation. Possible Tax Credit due to Applicant.
5	January 1, 2017	2017-18	2017	$ 30 million property value limitation. Possible Tax Credit due to Applicant.
6	January 1, 2018	2018-19	2018	$ 30 million property value limitation. Possible Tax Credit due to Applicant.
7	January 1, 2019	2019-20	2019	$30 million property value limitation. Possible Tax Credit due to Applicant.
8	January 1, 2020	2020-21	2020	$ 30 million property value limitation. Possible Tax Credit due to Applicant.
9	January 1, 2021	2021-22	2021	$30 million property value limitation. Possible Tax Credit due to Applicant.

Full Tax Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions
10	January 1, 2022	2022-23	2022	$30 million property value limitation. Possible Tax Credit due to Applicant.
11	January 1, 2023	2023-24	2023	No tax limitation. Possible Tax Credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
12	January 1, 2024	2024-25	2024	No tax limitation. Possible Tax Credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
13	January 1, 2025	2025-26	2025	No tax limitation. Possible Tax Credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.

Section 1.3. DEFINITIONS

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

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

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

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

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

"*Agreement*" means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented from time to time in accordance with Section 8.3.

"*Annual Limit*" means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Tex. Tax Code §313.027(i). For purposes of this Agreement, the amount of the Annual Limit shall be One Million One Hundred Seventy Thousand Six Hundred Eight Dollars ($1,170,608), based upon the District's 2010-2011 Final Average Daily Attendance of 11,706.08. An annual limit shall first be computed for Tax Year 2012, which, by virtue of the Commencement Date, is the first year of the Qualifying Time Period under this Agreement.

"*Applicant*" means Dow Agrosciences LLC, *Texas Taxpayer Identification Number 13517811181*, the company listed in the Preamble of this Agreement who, on October 24, 2011, filed the Original Application and on February 28, 2012 filed supplemental Application materials with the District for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The term "Applicant" shall also include the Applicant's assigns and successors-in-interest.

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

"*Application*" means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C, of the Texas Tax Code) filed with the District by the Applicant on October 24, 2011, and the supplemental Application materials filed by the Applicant on February 28, 2012 which have been certified by the Comptroller's office to constitute a complete final Application as of the date of March 19, 2012. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant for the purpose of obtaining this Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

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

"*Appraisal District*" means the Brazoria County Appraisal District.

"*Board of Trustees*" means the Board of Trustees of the Brazosport Independent School District.

"*Commencement Date*" means May 1, 2012, the date upon which this Agreement was approved by the District's Board of Trustees.

"*Completed Application Date*" means March 19, 2012, the date upon which the Comptroller determined to be the date of its receipt of a completed Application for Appraised Value Limitation on Qualified Property (Texas Tax Code, Chapter 313, Subchapter B or C), Comptroller Form 50-296, from the Applicant.

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

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

"*County*" means Brazoria County, Texas.

"*Determination of Breach and Notice of Contract Termination*" shall have the meaning assigned to such term in Section 7.8 of the Agreement.

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

"*Final Termination Date*" means December 31, 2025. However, any payment obligations of any Party arising under this Agreement prior to the Final Termination Date will survive until paid by the Party owing same.

"*Force Majeure*" means a failure caused by (a) provisions of law, or the operation or effect of rules, regulations or orders promulgated by any governmental authority having jurisdiction over the Applicant, the Applicant's Qualified Property or the Applicant's Qualified Investment or any upstream, intermediate or downstream equipment or support facilities as are necessary to the operation of the Applicant's Qualified Property or the Applicant's Qualified Investment; (b) any demand or requisition, arrest, order, request, directive, restraint or

requirement of any government or governmental agency whether federal, state, military, local or otherwise; (c) the action, judgment or decree of any court; (d) floods, storms, hurricanes, evacuation due to threats of hurricanes, lightning, earthquakes, washouts, high water, fires, acts of God or public enemies, wars (declared or undeclared), blockades, epidemics, riots or civil disturbances, insurrections, strikes, labor disputes (it being understood that nothing contained in this Agreement shall require the Applicant to settle any such strike or labor dispute), explosions, breakdown or failure of plant, machinery, equipment, lines of pipe or electric power lines (or unplanned or forced outages or shutdowns of the foregoing for inspections, repairs or maintenance), inability to obtain, renew or extend franchises, licenses or permits, loss, interruption, curtailment or failure to obtain electricity, gas, steam, water, wastewater disposal, waste disposal or other utilities or utility services, inability to obtain or failure of suppliers to deliver equipment, parts or material, or inability of the Applicant to ship or failure of carriers to transport electricity from the Applicant's facilities; or (e) any other cause (except financial), whether similar or dissimilar, over which the Applicant has no reasonable control and which forbids or prevents performance.

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

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

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

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

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

"Net Tax Benefit" means an amount equal to (but not less than zero): (i) the sum of (A) the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for all Tax Years during the term of this Agreement if this Agreement had not been entered into by the Parties; plus (B) any Tax Credits received by Applicant under this Agreement; minus, (ii) an amount equal to the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas, for all Tax Years during the term of this Agreement, plus (B) any and all payments due to the District under Article III of this Agreement.

"*New Jobs*" means the total number of "new jobs," defined by 34 Texas Administrative Code §9.1051(14)(C), which the Applicant will create in connection with the project described in the Application and in the description of the Applicant's Qualified Investment and Qualified Property as set forth in Section 2.3 below. In accordance with the requirements of Texas Tax Code §313.024(d), eighty percent (80%), of all New Jobs shall also be Qualifying Jobs, as defined below.

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

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

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

"Qualifying Time Period" means the period that begins on the Commencement Date of May 1, 2012 and ends on December 31, 2014.

"State" means the State of Texas.

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

with the comptroller as required under this subchapter, and any application requesting school Tax Credits under Texas Tax Code, §313.103.

"*Tax Credit*" means the Tax Credit, either to be paid by the District to the Applicant, or to be applied against any taxes that the District imposes on the Applicant's Qualified Property, as computed under the provisions of Subchapter D of the Act and rules adopted by the Comptroller and/or the Texas Education Agency, provided that the Applicant complies with the requirements imposed on the Applicant under such provisions, including the timely filing of a completed application under Texas Tax Code §313.103 and the duly adopted administrative rules relating thereto.

"*Tax Limitation Amount*" means the maximum amount which may be placed as the Appraised Value on Qualified Property/Qualified Investment for years three (3) through ten (10) of this Agreement pursuant to Texas Tax Code §313.054. That is, for each of the eight (8) Tax Years 2015, 2016, 2017, 2018, 2019, 2020, 2021, and 2022, the Appraised Value of the Applicant's Qualified Investment for the District's maintenance and operations ad valorem tax purposes shall not exceed, and the Tax Limitation Amount shall be, the lesser of:

(a) the Market Value of the Applicant's Qualified Investment; or

(b) Thirty Million Dollars ($30,000,000.00).

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

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

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

"*Texas Education Agency Rules*" means the applicable rules and regulations adopted by the Texas Commissioner of Education in relation to the administration of Chapter 313, Texas Tax Code, which are set forth at Title 19 – Part 2, Texas Administrative Code (including, but not limited to, §61.1019), together with any court or administrative decisions interpreting same.

ARTICLE II

PROPERTY DESCRIPTION

Section 2.1. LOCATION WITHIN A QUALIFIED REINVESTMENT OR ENTERPRISE ZONE

The Applicant's Qualified Property upon which the Applicant's Qualified Investment will be located is within an area designated as a reinvestment zone under Chapter 311 or 312 of

the Texas Tax Code. The legal description of the reinvestment zone in which the Applicant's Qualified Property is located is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

Section 2.2. LOCATION OF QUALIFIED PROPERTY

The location of the Qualified Property upon which the Applicant's Qualified Investment will be located (the "Applicant's Qualified Property") is described in the legal description which is attached to this Agreement as **EXHIBIT 2** and is incorporated herein by reference for all purposes ("Land"). The Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in **EXHIBIT 2** without the express authorization of each of the Parties.

Section 2.3. DESCRIPTION OF QUALIFIED INVESTMENT AND QUALIFIED PROPERTY

The Qualified Investment and/or Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 3**, which is attached hereto and incorporated herein by reference for all purposes (the "Applicant's Qualified Investment"). The Applicant's Qualified Investment shall be that property, described in **EXHIBIT 3** which is placed in service under the terms of the Application, during the Qualifying Time Period described in Section 1.2, above. The Applicant's Qualified Property shall be all property, described in **EXHIBIT 3**, including, but not limited to the Applicant's Qualified Investment, which (1) is owned by the Applicant; (2) is first placed in service after March 19, 2012, the Completed Application Date established by the Comptroller; and (3) is used in connection with the activities described in the Application. Property which is not specifically described in **EXHIBIT 3** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Investment or the Applicant's Qualified Property for purposes of this Agreement, unless pursuant to Texas Tax Code §313.027(e) and Section 8.3 of this Agreement, the Board of Trustees, by official action, provides that such other property is a part of the Applicant's Qualified Investment for purposes of this Agreement.

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

(a) submits to the District and the Comptroller a written request to add such property to this Agreement, which request shall include a specific description of the additional property to which the Applicant requests that the Tax Limitation Amount apply;

(b) notifies the District and the Comptroller of any other changes to the information that was provided in the Application approved by the District; and,

(c) provides any additional information reasonably requested by the District or the Comptroller that is necessary to re-evaluate the economic impact analysis for the new or changed conditions.

Notwithstanding the foregoing, any replacement property shall not be subject to the foregoing restrictions and shall be considered Qualified Property hereunder.

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

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

Section 2.5. QUALIFYING USE

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

Section 2.6. LIMITATION ON APPRAISED VALUE

So long as the Applicant makes a Qualified Investment in the amount of Thirty Million Dollars ($30,000,000.00), or greater, during the Qualifying Time Period; and unless this Agreement has been terminated as provided herein before such Tax Year, for each of the eight (8) Tax Years 2015, 2016, 2017, 2018, 2019, 2020, 2021, and 2022, the Appraised Value of the Applicant's Qualified Investment for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

(a) the Market Value of the Applicant's Qualified Investment; or

(b) Thirty Million Dollars ($30,000,000.00).

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

ARTICLE III

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 3.1. INTENT OF THE PARTIES

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

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

Subject to the provisions of Sections 5.1 and 5.2, the amount to be paid by the Applicant to compensate the District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year during the term of this Agreement (the "M&O Amount") shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

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

Where:

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

ii. "New M&O Revenue" means the total State and local Maintenance & Operations Revenue that the District actually received for such school year, after all adjustments have been made to such Maintenance and Operations Revenue because of any portion of this Agreement.

In making the calculations required by this Section 3.2:

i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.

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

iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue as calculated under this Section 3.2 results in a negative number, the negative number will be considered to be zero.

iv. All calculations made for years three (3) through ten (10) of this Agreement under Section 3.2, Subsection ii, of this Agreement relating to the definition of "New M&O Revenue" will reflect the Tax Limitation Amount for such year.

v. All calculations made under this Section 3.2 shall be made by a methodology which isolates only the revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements or any other factors not contained in this Agreement.

Section 3.3. COMPENSATION FOR LOSS OF OTHER REVENUES

In addition to the amounts determined pursuant to Section 3.2 above, and to the extent provided in Section 6.3, the Applicant, on an annual basis, shall also indemnify and reimburse the District for the following:

(a) all non-reimbursed costs incurred by the District in paying or otherwise crediting to the account of the Applicant, any applicable Tax Credit to which the Applicant may be entitled pursuant to Chapter 313, Subchapter D of the Texas Tax Code, and for which the District does not receive reimbursement from the State pursuant to Texas Education Code §42.2515, or other similar or successor statute.

(b) all non-reimbursed costs, certified by the District's external auditor to have been incurred by the District for extraordinary education-related expenses related to the Applicant's Qualified Investment that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the Applicant's Qualified Investment.

(c) any other loss of the District's revenues which directly result from, or are reasonably attributable to any payment made by the Applicant to or on behalf of any third party beneficiary of this Agreement.

Section 3.4. CALCULATIONS TO BE MADE BY THIRD PARTY

All calculations under this Agreement shall be made annually by an independent third party (the "Third Party") jointly approved each year by the District and the Applicant. If the Parties cannot agree on the Third Party, then the Third Party shall be selected by the mediator provided in Section 7.9 of this Agreement.

Section 3.5. DATA USED FOR CALCULATIONS

The calculations for payments under this Agreement shall be initially based upon the valuations placed upon the Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal District in its annual certified tax roll submitted to the District pursuant to Texas Tax Code §26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party selected under Section 3.4. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

Section 3.6. DELIVERY OF CALCULATIONS

On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 3.4 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 3.2 and/or 3.3, Article IV, and/or Section 5.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed, which fee shall be the sole responsibility of the District, subject to the limit of Section 3.7. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's offices, personnel, books, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation and fee for a period of three (3) years after payment. The Applicant shall not be liable for any of the Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement or the fee paid by the Applicant to the Third Party pursuant to Section 3.7, if such fee is timely paid.

Section 3.7. PAYMENT BY APPLICANT

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

Section 3.8. RESOLUTION OF DISPUTES

Pursuant to Section 3.4 and Section 3.6, should the Applicant disagree with the certification containing the calculations, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days following the later of (i) receipt of the certification, or (ii) the date the Applicant is granted access to the books, records and other information in accordance with Section 3.6 for purposes of auditing or reviewing the information in connection with the certification. Within fifteen (15) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the District's Board of Trustees within thirty (30) days of the final determination of certification containing the calculations, without limitation of Applicant's other rights and remedies available hereunder, at law or in equity.

Section 3.9. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT

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

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

Section 3.10. EFFECT OF STATUTORY CHANGES

Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 5.1, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District reasonably determines that it will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, the Applicant shall make payments to the District, up to the revenue protection amount limit set forth in Section 5.1, that are necessary to offset any actual negative impact on the District as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on the District. Such payment shall be made no later than thirty (30) days following notice from the District of such determination.

ARTICLE IV

SUPPLEMENTAL PAYMENTS

Section 4.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS

(a) Amounts Exclusive of Indemnity Amounts

In addition to undertaking the responsibility for the payment of all of the amounts set forth under Article III, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the supplemental payments set forth in this Article IV, (the "Supplemental Payments"). The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313, Texas Tax Code, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the Applicant's obligation to make Supplemental Payments under this Article IV is separate and independent of the obligation of the Applicant to pay the amounts described in Article III; provided, however, that all payments under Articles III and IV are subject to the limitations contained in Section 5.1, and that all payments under this Article IV are subject to the separate limitations contained in Section 4.4.

(b) Adherence to Statutory Limits on Supplemental Payments

It is the express intent of the Parties that any Supplemental Payments made to or on behalf of the District by the Applicant under this Article IV shall not exceed the limit imposed by the provisions of Texas Tax Code §313.027(i), as such limit is allowed to be increased by the Legislature for any future year of this Agreement.

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

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

(a) Applicant's Stipulated Supplemental Payment Amount, defined as ten percent (10%) of the Applicant's Net Tax Benefit, as the term is defined in Section 1.3, above; or,

(b) the Aggregate Limit, as the term is defined in Section 1.3, above.

Section 4.3. ANNUAL CALCULATION OF STIPULATED SUPPLEMENTAL PAYMENT AMOUNT

The Parties agree that for each Tax Year during the term of this Agreement, beginning with the third full Tax Year (Tax Year 2015) the Applicant's Stipulated Supplemental Payment Amount, described in Section 4.2 will annually be calculated based upon the then most current estimate of tax savings to the Applicant, which will be made, based upon assumptions of student counts, tax collections, and other applicable data, in accordance with the following formula:

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

Minus,

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

Multiplied by,

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

Plus,

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

Minus,

Any amounts previously paid to the District under Article III;

Multiplied by,

The number 0.1;

Minus,

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

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

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

For each Tax Year during the term of this Agreement, beginning with Tax Year three (Tax Year 2015) and continuing thereafter through Tax Year thirteen (Tax Year 2025), the District, or its successor beneficiary should one be designated under Section 4.6, below, shall not be entitled to receive Supplemental Payments, computed under Sections 4.2 and 4.3, above, that exceed the Aggregate Limit.

If, for any Tax Year during the term of this Agreement the amount of the Applicant's Stipulated Supplemental Payment Amount, calculated under sections 4.2 and 4.3 above for such Tax Year, exceeds the Aggregate Limit for such Tax Year, the difference between the Applicant's Stipulated Supplemental Payment Amount so calculated and the Aggregate Limit for such Tax Year, shall be carried forward from year-to-year into subsequent Tax Years during the term of this Agreement, and to the extent not limited by the Aggregate Limit in any subsequent Tax Year during the term of this Agreement, shall be paid to the District. If there are changes in Chapter 313 Tax Laws, higher or lower payments that first became due prior to the effective date of any statutory change will not be adjusted.

Any of the Applicant's Stipulated Supplemental Payment Amounts which cannot be paid to the District prior to the end of year thirteen (Tax Year 2025) because such payment would exceed the Aggregate Limit, will be deemed to have been cancelled by operation of law, and the Applicant shall have no further obligation with respect thereto.

Section 4.5. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS

(a) All calculations required by this Article IV, including but not limited to: the calculation of the Applicant's Stipulated Supplemental Payment Amount; the determination of both the Annual Limit and the Aggregate Limit; the effect, if any, of the Aggregate Limit upon the actual amount of Supplemental Payments eligible to be paid to the District by the Applicant; and the carry forward and accumulation of any of the Applicant's Stipulated Supplemental Payment Amounts unpaid by the Applicant due to the Aggregate Limit in previous years, shall be calculated by the Third Party selected pursuant to Section 3.4.

(b) The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 3.6.

(c) The payment of all amounts due under this Article IV shall be made at the time set forth in Section 3.7.

Section 4.6. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY

At any time during this Agreement, the Board of Trustees may, in its sole discretion, direct that the Applicant's payment under this Article IV be made to the District's educational foundation or to a similar entity. Such foundation or entity may only use such funds received under this Article IV to support the educational mission of the District and its students. Any designation of such foundation or entity must be made by recorded vote of the Board of Trustees at a properly posted public meeting of the Board of Trustees. Any such designation will become effective after such public vote and the delivery of notice of said vote in conformance with the provisions of Section 8.1, below. Such designation may be rescinded by the Board of Trustees, by Board action, at any time, and any such rescission will become effective after delivery of notice of such action to the Applicant in conformance with the provisions of Section 8.1.

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

Notwithstanding the foregoing, any payments made by Applicant shall be made in the manner and to the party designated in this Agreement unless Applicant receives unambiguous written notice from the District that such payments are to be made to a different party.

ARTICLE V

ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

SECTION 5.1. ANNUAL LIMITATION AFTER FIRST THREE YEARS

Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year during the term of this Agreement after the 2015 Tax Year, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District

under Articles III and IV with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Sections 3.4 and 3.6, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles III and IV shall be reduced until such excess is eliminated.

Section 5.2. OPTION TO CANCEL AGREEMENT

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

ARTICLE VI

TAX CREDITS

Section 6.1. APPLICANT'S ENTITLEMENT TO TAX CREDITS

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

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

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

Section 6.3. COMPENSATION FOR LOSS OF TAX CREDIT PROTECTION REVENUES

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

ARTICLE VII

ADDITIONAL OBLIGATIONS OF APPLICANT

Section 7.1. DATA REQUESTS

During the term of this Agreement, and upon the written request of one Party or by the Comptroller (the "Requesting Party"), the other Party shall provide the Requesting Party with all information reasonably necessary for the Requesting Party to determine whether the other Party is in compliance with its obligations, including any employment obligations which may arise under this Agreement. The Applicant shall allow authorized employees of the District, the Comptroller, and/or the Appraisal District to have access to the Applicant's Qualified Property and/or business records, in accordance with Texas Tax Code Section 22.07, during the term of this Agreement, in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property. All inspections will be made at a mutually agreeable time after the giving of not less that forty-eight (48) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property. All inspections may be accompanied by one or more representatives of the Applicant, and shall be conducted in accordance with the Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District, the Comptroller, or the Appraisal District with any technical or business information that is private personnel data, proprietary, a trade secret or confidential in nature or

is subject to a confidentiality agreement with any third party or any other information that is not necessary for the District to determine the Applicant's compliance with this Agreement.

Section 7.2. Reports to Other Governmental Agencies

The Applicant shall timely make any and all reports that are or may be required under the provisions of law or administrative regulation as a result of this Agreement, including but not limited to the annual report or certifications that may be required to be submitted by the Applicant to the Comptroller under the provisions of Texas Tax Code §313.032 and the provisions of Title 34, Part 1, Chapter 9, Subchapter F of the Texas Administrative Code. The Applicant shall forward a copy of all such required reports or certifications to the District contemporaneously with the filing thereof. Currently, the Comptroller requires an Annual Eligibility Report and the Biennial Progress Reports, Form 50-772 and 50-773 respectively, and an Application for Tax Credit, Form 50-300. The obligation to make all such required filings shall be a material obligation under this Agreement. The Applicant shall not be in default of any reporting obligation hereunder, unless the Applicant has received thirty (30) days prior notice of its reporting obligation from the District.

Section 7.3. Applicant's Obligation to Maintain Viable Presence

By entering into this Agreement, the Applicant warrants that:

(a) it will abide by all of the terms of this Agreement;

(b) it will Maintain Viable Presence in the District through the Final Termination Date of this Agreement; provided, however, that notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of this Agreement, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure, provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure; and,

(c) it will meet the applicable minimum eligibility requirements under Texas Tax Code, Chapter 313, throughout the period from and including the Tax Year 2015 through and including the last Tax Year during the term of this Agreement with respect to which the Applicant receives the benefit of a Tax Credit.

Section 7.4. Consequences of Early Termination or Other Breach by Applicant

(a) In the event of a Material Breach (hereinafter defined), except as provided in Section 5.2, after the notice and cure period provided by Section 7.8, then the District shall be entitled, as its sole and exclusive remedy, to the recapture of all ad valorem tax revenue lost as a result of this Agreement together with the payment of penalty and interest, as calculated in accordance with Section 7.5, on that recaptured ad valorem tax revenue. For purposes of this

recapture calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Article III. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV.

(b) Notwithstanding Section 7.4(a), in the event that the District determines that the Applicant has failed to Maintain Viable Presence and provides written notice of termination of this Agreement, then the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of such termination notice. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem maintenance and operations taxes for all of the Tax Years for which the Tax Limitation Amount was allowed pursuant to this Agreement that are prior to the Tax Year in which the default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 7.5. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Article III. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV. Upon payment of such liquidated damages, the Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy. Notwithstanding the foregoing, penalties shall only be due to the extent it is determined that the breach of this Agreement by the Applicant was willful and without a good faith, reasonable belief by the Applicant that its action or omission constituting such breach was in compliance with this Agreement.

Section 7.5. Calculation of Penalty and Interest

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

Section 7.6. Material Breach of Agreement

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

(a.) Applicant is determined to have failed to meet its obligations to have made accurate material representations of fact in the submission of its Application as is required by Section 8.13, below.

(b.) Applicant fails to Maintain Viable Presence in the District, as required by Section 7.3 of this Agreement, through the Final Termination Date of this Agreement.

(c.) Applicant fails to make any payment required under Articles III or IV of this Agreement on or before its due date.

(d.) Applicant fails to create and maintain at least the number of New Jobs it committed to create and maintain as set forth on Schedule C, Column C of its Application.

(e.) Applicant fails to create and maintain at least the number of New Jobs it committed to create and maintain as set forth on Schedule C, Column E of its Application.

(f.) Applicant fails to create and maintain at least Eighty Percent (80%) of all such New Jobs on the project as Qualifying Jobs.

(g.) Applicant makes any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement, in excess of the amounts set forth in Articles III and IV, above. Voluntary donations made by the Applicant to the District after the date of execution of this Agreement, and not mandated by this Agreement or made in recognition of or in consideration for this Agreement are not barred by this provision.

(h.) Applicant fails to materially comply in any material respect with any other term of this Agreement, or the Applicant fails to meet its obligations under the applicable Comptroller's Rules, and under the Act.

Section 7.7. Limited Statutory Cure of Material Breach

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

Section 7.8. DETERMINATION OF MATERIAL BREACH AND TERMINATION OF AGREEMENT

Prior to making a determination under Section 7.4 or Section 7.6 that the Applicant is in Material Breach of this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the Material Breach, and if cure is possible, the cure proposed by the District. After receipt of the notice, the Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that a Material Breach has not occurred and/or that it has cured or undertaken to cure any such Material Breach.

If the Board of Trustees is not reasonably satisfied with such response and/or that such Material Breach has been cured, then the Board of Trustees shall, after reasonable notice to the Applicant, conduct a hearing called and held for the purpose of determining whether such Material Breach has occurred and, if so, whether such Material Breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to whether or not a Material Breach has occurred, the date such Material Breach occurred, if any, and whether or not any such Material Breach has been cured. Except as otherwise provided in Section 7.7, in the event that the Board of Trustees determines that such a Material Breach has occurred and has not been cured, it shall also terminate this Agreement and determine the amount of recaptured taxes under Section 7.4 (net of all credits under Section 7.4), and the amount of any penalty and/or interest under Section 7.5 that are owed to the District.

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

Section 7.9. DISPUTE RESOLUTION

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

otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation.

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

In any event where a dispute between the District and the Applicant under this Agreement cannot be resolved by the Parties, after completing the procedures required above in this Section 7.9, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in any judicial proceeding, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any covenant, agreement or undertaking made by a Party pursuant to this Agreement.

Section 7.10. LIMITATION OF OTHER DAMAGES

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

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

Section 7.11. BINDING ON SUCCESSORS

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

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.1. INFORMATION AND NOTICES

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

Notices to the District shall be addressed as follows:

Dr. Karin Holacka, Superintendent
BRAZOSPORT INDEPENDENT SCHOOL DISTRICT
P.O. Drawer Z
Freeport, Texas 77542
Fax: (979) 266-2409

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

Notices to the Applicant shall be addressed to:

John Nichols
THE DOW CHEMICAL COMPANY
Tax Dept. APB Building
2301 N. Brazosport Blvd.
Freeport, Texas 77541
Fax: 979-238-0207

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

Section 8.2. EFFECTIVE DATE, TERMINATION OF AGREEMENT

(a) This Agreement shall be and become effective on the date of final approval of this Agreement by the Board of Trustees,

(b) The obligation to Maintain Viable Presence under this Agreement shall remain in full force and effect through the Final Termination Date.

(c) In the event that the Applicant fails to make a Qualified Investment in the amount of Thirty Million Dollars ($30,000,000.00), or greater, during the Qualifying Time Period, this Agreement shall become null and void on December 31, 2014.

Section 8.3. AMENDMENTS TO AGREEMENT; WAIVERS

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

Section 8.4. ASSIGNMENT

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

Section 8.5. MERGER

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

Section 8.6. MAINTENANCE OF COUNTY APPRAISAL DISTRICT RECORDS

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

Section 8.7. GOVERNING LAW

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

Section 8.8. AUTHORITY TO EXECUTE AGREEMENT

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

Section 8.9. SEVERABILITY

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

Section 8.10. PAYMENT OF EXPENSES

Except as otherwise expressly provided in this Agreement, or as covered by the application fee, (i) each of the Parties shall pay its own costs and expenses relating to this

Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement.

Section 8.11. INTERPRETATION

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

Section 8.12. EXECUTION OF COUNTERPARTS

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

Section 8.13. ACCURACY OF REPRESENTATIONS CONTAINED IN APPLICATION

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

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

Section 8.14. PUBLICATION OF DOCUMENTS

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

a. Within seven (7) days of such document, the District shall submit a copy to the Comptroller for publication on the Comptroller's Internet website.

b. The District shall provide on its website a link to the location of those documents posted on the Comptroller's website.

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

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this _____ day of May 2012.

DOW AGROSCIENCES LLC

By: _____
Earl Ship, VP and Site Leader Texas Operations

Name: _____

Title: _____

BRAZOSPORT INDEPENDENT SCHOOL DISTRICT

By: _____
RUTH ANN FEW
President
Board of Trustees

ATTEST:

_____
RON DAMIAN
Secretary
Board of Trustees

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 5th day of September 2012.

DOW AGROSCIENCES LLC

By: _____
Earl Ship, VP and Site Leader Texas Operations

Name: _____

Title: _____

BRAZOSPORT INDEPENDENT SCHOOL DISTRICT

By: _____
RUTH ANN FEW
President
Board of Trustees

ATTEST:

_____
RON DAMIAN
Secretary
Board of Trustees

EXHIBIT 1

DESCRIPTION OF QUALIFIED REINVESTMENT ZONE

The *Dow Agrosciences Reinvestment Zone* was originally created on May 1, 2012 by action of the Brazosport Independent School District Board of Trustees. A map of the *Dow Agrosciences Reinvestment Zone* is attached as the last page of this **EXHIBIT 1**.

As a result of the action of the Board of Trustees of the Brazosport Independent School District, *The Dow Chemical Company, LLC Reinvestment Zone* includes real property within Brazoria County, Texas, more specifically the following property and tracks:

- The land situated in the John A. Wharton Survey, Abstract 383, Brazoria County, Texas, out of the "First Tract" conveyed from the Austin Company to the Dow Chemical Company in Volume 331, Page 32 of the Brazoria County Deed Records and being block A-32 of the Dow Chemical Company Pant "A" site.

BRAZORIA COUNTY
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Map of Reinvestment Zone

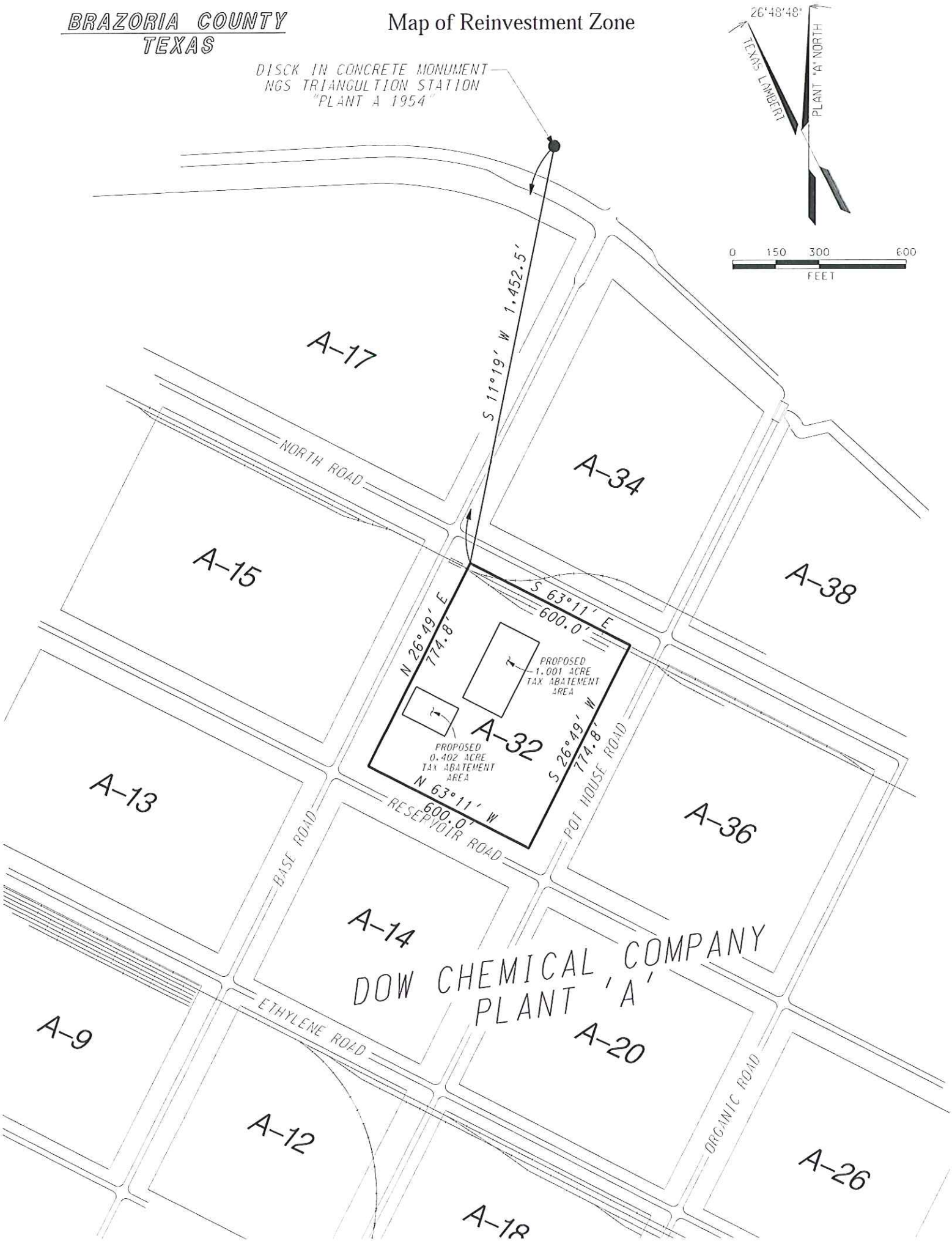

EXHIBIT 2

LOCATION OF QUALIFIED INVESTMENT/QUALIFIED PROPERTY

All Qualified Property owned by the Applicant and located within the boundaries of both the Brazosport Independent School District and the *Dow Agrosciences Reinvestment Zone* will be included in and subject to this Agreement. Specifically, all Qualified Property of the Applicant located in the following sections of land is included, to wit:

- The land situated in the John A. Wharton Survey, Abstract 383, Brazoria County, Texas, out of the "First Tract" conveyed from the Austin Company to the Dow Chemical Company in Volume 331, Page 32 of the Brazoria County Deed Records and being block A-32 of the Dow Chemical Company Pant "A" site.

EXHIBIT 3

DESCRIPTION OF THE APPLICANT'S QUALIFIED INVESTMENT/ QUALIFIED PROPERTY

The proposed project will consist of a facility designed to manufacture Dichlorophenol in Freeport, Texas. The qualified property subject to this agreement include: site improvements, installation of pipeways and utility services, foundations and process equipment including vessels, reactors, pumps, pipes, valves, filters and electrical and instrument systems. Project will also include any other necessary equipment to construct a fully functioning manufacturing plant.

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

The Qualified Property will also include the land upon which the project is constructed.