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

JUSTIN DEMERATH

June 5, 2012

Local Government Assistance & Economic Analysis
Texas Comptroller of Public Accounts
P.O. Box 13528
Austin, Texas 78711-3528

RE: Application to the Pettus Independent School District from Edwards Lime Gathering, LLC

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Pettus Independent School District is notifying the Applicant Edwards Lime Gathering, LLC of its intent to consider the application for appraised value limitation on qualified property. The Applicant submitted the application to the school district on June 4, 2012. The Board voted to accept the application June 4, 2012. The application was determined completed on June 5, 2012. Please prepare the economic impact report.

Please note, no construction has begun at the project site as of the date of the filing of the application and the District's determination that the application is complete. The Applicant is aware that the determination of a completed application by the Comptroller determines what property may be eligible for a value limitation agreement. The Applicant is anticipating starting construction in July, but the start of construction is awaiting the determination of a completed application by the Comptroller's Office. We are requesting an expedited review of the application, so that the applicant may begin construction at the project site.

A paper copy of the application will be hand delivered to your office tomorrow morning. In accordance with 34 Tex. Admin Code §9.1054, a copy of the application will be submitted to the Karnes County Appraisal District.

Please feel free to contact me with questions.

Sincerely,

Letter to Local Government Assistance & Economic Analysis Division

March 22, 2012

Page 2 of 2

A handwritten signature in black ink, appearing to read 'Kevin O'Hanlon', with a stylized flourish extending to the right.

Kevin O'Hanlon
School District Consultant

Cc: Chief Appraiser
Karnes County Appraisal District

Robert Thompson, Pettus ISD



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 6-4-2012 |
| First Name Robert | Last Name Thompson | |
| Title Superintendent | | |
| School District Name Pettus Independent School District | | |
| Street Address 500 N. May Street | | |
| Mailing Address | | |
| City Pettus | State TX | ZIP 78146 |
| Phone Number (361) 375-2296 | Fax Number (361) 375-2295 | |
| 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



SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized School District Consultant (If Applicable)

| | | | |
|---|--|---|---------------------|
| First Name Dan | | Last Name Casey | |
| Title Consultant | | | |
| Firm Name Moak Casey & Associates | | | |
| Street Address 400 W 15th Street | | | |
| Mailing Address 400 W 15th Street | | | |
| City Austin | | State TX | ZIP 78701 |
| 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) <i>Robert B. Thompson</i> | Date 6-4-12 |
|--|-----------------------|

Has the district determined this application complete? Yes No

If yes, date determined complete. June 5, 2012

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

will supplement

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

| | Checklist | Page X of 16 | Check Completed |
|---|---|--------------|------------------------|
| 1 | Date application received by the ISD | 1 of 16 | X |
| 2 | Certification page signed and dated by authorized school district representative | 2 of 16 | X |
| 3 | Date application deemed complete by ISD | 2 of 16 | X |
| 4 | Certification pages signed and dated by applicant or authorized business representative of applicant | 4 of 16 | X |
| 5 | Completed company checklist | 12 of 16 | X |
| 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 | <i>will supplement</i> |



APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Business Representative (Applicant)

First Name: Greg; Last Name: Maxim

Title: Consultant

Organization: Energy Transfer Partners, L.P.

Street Address: 800 E. Sonterra Blvd., Suite 400

Mailing Address

City: San Antonio; State: TX; ZIP: 78258-3941

Phone Number: 210-572-0457; Fax Number

Mobile Number (optional); Business e-mail Address

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

Will consultant be primary contact? [x] Yes [] No



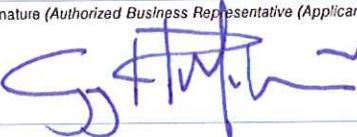
APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

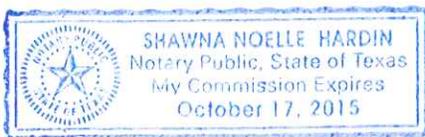
| | | |
|---|---------------------------|---------------------|
| First Name Greg | Last Name Maxim | |
| Title Director | | |
| Firm Name Duff and Phelps | | |
| Street Address 919 Congress Avenue, Suite 1450 | | |
| Mailing Address | | |
| City Austin | State TX | ZIP 78701 |
| Phone Number 512-671-5580 | Fax Number | |
| Business email Address greg.maxim@duffandphelps.com | | |

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

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

| | |
|---|---------------------------|
| Signature (Authorized Business Representative (Applicant))  | Date 05-04-2012 |
|---|---------------------------|

GIVEN under my hand and seal of office this 4th day of June, 2012



(Notary Seal)

Shawna Noelle Hardin

Notary Public, State of Texas



My commission expires October 17, 2015

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

Edwards Lime Gathering, LLC

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

32034536865

NAICS code

325120

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

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

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.)

ELIGIBILITY UNDER TAX CODE CHAPTER 313.024

- Are you an entity to which Tax Code, Chapter 171 applies? Yes No
- The property will be used as an integral part, or as a necessary auxiliary part, in one of the following activities:
- (1) manufacturing Yes No
 - (2) research and development Yes No
 - (3) a clean coal project, as defined by Section 5.001, Water Code Yes No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code Yes No
 - (5) renewable energy electric generation Yes No
 - (6) electric power generation using integrated gasification combined cycle technology Yes No
 - (7) nuclear electric power generation Yes No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) Yes No
- Are you requesting that any of the land be classified as qualified investment? Yes No
- Will any of the proposed qualified investment be leased under a capitalized lease? Yes No
- Will any of the proposed qualified investment be leased under an operating lease? Yes No
- Are you including property that is owned by a person other than the applicant? Yes No
- Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? Yes No

PROJECT DESCRIPTION

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

See Attachment

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

See Attachment

PROJECT CHARACTERISTICS (CHECK ALL THAT APPLY)

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

PROJECTED TIMELINE

Begin Construction Jul 2012 Begin Hiring New Employees Jul 2012
 Construction Complete Mar 2013 Fully Operational Apr 2013
 Purchase Machinery & Equipment Mar 2012*

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

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

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

* Some long lead machinery and equipment has been ordered but fabrication has not begun and equipment will not arrive on site until October 2012

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.)

Requesting Chapter 312 property tax abatement agreements with Karnes County and Karnes County Wide Hospital

THE PROPERTY

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

Central Appraisal District (CAD) that will be responsible for appraising the property Karnes 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: Karnes County - 100% City: _____
(Name and percent of project) (Name and percent of project)

Hospital District: Karnes County Wide Hospital - 100% Water District: Evergreen UWCD - 100%
(Name and percent of project) (Name and percent of project)

Other (describe): Karnes County Wide Rural Fire - 100% Other (describe): San Antonio River Authority - 100%
(Name and percent of project) (Name and percent of project)

Karnes County Wide Road & Bridge - 100%; Escondido Watershed District - 100%

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? \$10,000,000

What is the amount of appraised value limitation for which you are applying? \$10,000,000

What is your total estimated qualified investment? \$73,600,000

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

What is the anticipated date of application approval? September 15, 2012

What is the anticipated date of the beginning of the qualifying time period? September 15, 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? \$80,000,000

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

Attach the following items to this application:

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

Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or 313.053 for rural school districts) for the relevant school district category during the qualifying time period? [X] 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? [X] 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? [X] Yes [] No
(3) on the same parcel of land as the building for which you are applying for an appraised value limitation? [X] 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? [X] Yes [] No

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

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

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

Will the applicant own the land by the date of agreement execution? [X] Yes [] No

Will the project be on leased land? [] Yes [X] 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. \$49,500** 2011

** Estimated 2011 Market Value is based off of the per acre market value for Parcel #71322 that the 40 acre site was a part of in 2011
 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 2012 (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? 0

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

Total number of new jobs that will have been created when fully operational 12

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? 10

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 \$711
 110% of the county average weekly wage for manufacturing jobs in the county is \$1,147
 110% of the county average weekly wage for manufacturing jobs in the region is \$761

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? \$39,547

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? \$55,000

- 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 | N/A |
| 17 | Schedule A completed and signed | 13 of 16 | ✓ |
| 18 | Schedule B completed and signed | 14 of 16 | ✓ |
| 19 | Schedule C (Application) completed and signed | 15 of 16 | ✓ |
| 20 | Schedule D completed and signed | 16 of 16 | ✓ |
| 21 | Map of Reinvestment Zone (Attachment) (Showing the actual or proposed boundaries and size, Certified to be accurate by either the government entity creating the zone, the local appraisal district, or a licensed surveyor, with vicinity map)* | 9 of 16 | ✓ |
| 22 | Order, Resolution, or Ordinance Establishing the Zone (Attachment)* | 9 of 16 | ✓ |
| 23 | Legal Description of Reinvestment Zone (Attachment)* | 9 of 16 | ✓ |
| 24 | Guidelines and Criteria for Reinvestment Zone(Attachment)* | 9 of 16 | ✓ |

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

ATTACHMENT 2

Proof of Payment of Application Fee

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

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

ATTACHMENT 3

Documentation of Combined Group Membership

TEXAS FRANCHISE TAX PUBLIC INFORMATION REPORT

To be filed by Corporations and Limited Liability Companies (LLCS) and Financial Institutions

This report MUST be signed and filed to satisfy franchise tax requirements

■ Tcode 13196

■ Taxpayer number

■ Report year

You have certain rights under Chapter 552 and 559, Government Code, to review, request, and correct information we have on file about you. Contact us at: (512) 463-4600, or (800) 252-1381, toll free nationwide.

32034536865

2011

| | | | |
|--|-------------|-------------------|---|
| Taxpayer name EDWARDS LIME GATHERING, LLC | | | |
| Mailing address 2001 BRYAN STREET, SUITE 3700 | | | Secretary of State file number or Comptroller file number |
| City DALLAS | State TX | ZIP Code 75201 | Plus 4 0800926163 |

Check box if there are currently no changes from previous year; if no information is displayed, complete the applicable information in Sections A, B and C.

| |
|--|
| Principal office 2001 BRYAN STREET, SUITE 3700, DALLAS, TX 75201 |
| Principal place of business 2001 BRYAN STREET, SUITE 3700, DALLAS, TX 75201 |



3203453686511

Please sign below! Officer, director and member information is reported as of the date a Public Information Report is completed. The information is updated annually as part of the franchise tax report. There is no requirement or procedure for supplementing the information as officers, directors, or members change throughout the year.

SECTION A Name, title and mailing address of each officer, director or member.

| | | | |
|--------------------------------|-------|--|--------------------------------|
| Name SEE ATTACHED STATEMENT | Title | Director <input type="checkbox"/> YES | Term expiration m m d d y y |
| Mailing address | City | State | ZIP Code |
| Name | Title | Director <input type="checkbox"/> YES | Term expiration m m d d y y |
| Mailing address | City | State | ZIP Code |
| Name | Title | Director <input type="checkbox"/> YES | Term expiration m m d d y y |
| Mailing address | City | State | ZIP Code |

SECTION B Enter the information required for each corporation or LLC, if any, in which this entity owns an interest of ten percent (10%) or more.

| | | | |
|---|--------------------|-------------------------------|-------------------------|
| Name of owned (subsidiary) corporation or limited liability company | State of formation | Texas SOS file number, if any | Percentage of Ownership |
| Name of owned (subsidiary) corporation or limited liability company | State of formation | Texas SOS file number, if any | Percentage of Ownership |

SECTION C Enter the information required for each corporation or LLC, if any, that owns an interest of ten percent (10%) or more in this entity or limited liability company.

| | | | |
|---|--------------------|-------------------------------|-------------------------|
| Name of owned (parent) corporation or limited liability company SEE ATTACHED STATEMENT | State of formation | Texas SOS file number, if any | Percentage of Ownership |
|---|--------------------|-------------------------------|-------------------------|

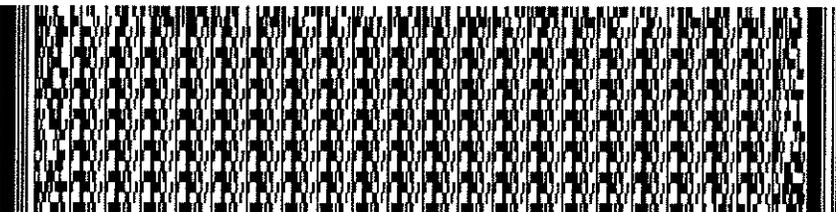
| | | | |
|--|---|-----------|-----------------|
| Registered agent and registered office currently on file. (See instructions if you need to make changes) | | | |
| Agent: CT CORPORATION SYSTEM | <input type="checkbox"/> Check box if you need forms to change the registered agent or registered office information. | | |
| Office: 350 N. ST PAUL ST | City: DALLAS | State: TX | ZIP Code: 75201 |

The above information is required by Section 171.203 of the Tax Code for each corporation or limited liability company that files a Texas Franchise Tax Report. Use additional sheets for Sections A, B, and C, if necessary. The information will be available for public inspection.

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the date below, and that a copy of this report has been mailed to each person named in this report who is an officer, director or member and who is not currently employed by this, or a related, corporation or limited liability company.

| | | | |
|-----------|-----------------|--------------------|--|
| sign here | Title VP-TAX | Date 11/14/2011 | Area code and phone number (210) 870-2706 |
|-----------|-----------------|--------------------|--|

Texas Comptroller Official Use Only



| | |
|--------------------------------|----------------------------------|
| VE/DE <input type="checkbox"/> | PIR IND <input type="checkbox"/> |
|--------------------------------|----------------------------------|



**ATTACHMENT
TO
2011 FORM 05-102**

EDWARDS LIME GATHERING LLC

32034536865

SECTION A

| <u>NAME</u> | <u>MAILING ADDRESS</u> | <u>TITLE</u> | <u>DIRECTOR</u> |
|--------------------|--|---------------------|------------------------|
| KEITH CRAWFORD | 2001 BRYAN ST. STE 3700 DALLAS, TX 75201-3093 | PRESIDENT | YES |
| MARTIN ANTHONY | 2001 BRYAN ST. STE 3700 DALLAS, TX 75201-3093 | DIRECTOR | YES |
| JIM HOLOTIK | 2001 BRYAN ST. STE 3700 DALLAS, TX 75201-3093 | VP | YES |
| BRET M. ALLAN | 2001 BRYAN ST. STE 3700 DALLAS, TX 75201-3093 | TREASURER | NO |
| A. TROY STURROCK | 2001 BRYAN ST. STE 3700 DALLAS, TX 75201-3093 | CONTROLLER | NO |
| CHRIS JESKE | 2001 BRYAN ST. STE 3700 DALLAS, TX 75201-3093 | DIRECTOR | YES |

ATTACHMENT
TO
2011 FORM 05-102

EDWARDS LIME GATHERING, LLC

32034536865

SECTION C

| <u>NAME OF ENTITY</u> | <u>STATE OF FORM.</u> | <u>TX SOS FILE #</u> | <u>OWNERSHIP%</u> |
|-----------------------------|-----------------------|----------------------|-------------------|
| REGENCY FIELD SERVICES, LLC | DELAWARE | 0800882815 | 60% |
| EDWARDS GAS SERVICES, LLC | DELAWARE | 0800919587 | 40% |

ATTACHMENTS 4 & 5

Detailed Description of Project

Edwards Lime Gathering, LLC, is proposing to build a new cryogenic gas facility for the manufacture of industrial gases in Karnes County, within the Pettus Independent School District. The facility will be constructed on a parcel of land consisting of approximately 40 acres and will be called the KDB facility for the three counties it will serve, Karnes, Bee and DeWitt Counties.

KDB Gas Plant

The KDB Gas Plant will consist of two trains with a total capacity of 180 million cubic feet of natural gas per day (MMCFD) in Phase I. The plant will produce industrial gases such as ethane, butane and propane from liquid rich natural gas that has been collected by upstream gas gathering systems in the Eagle Ford Shale play and transported to the KDB plant. The potential exists for a Phase II, which would install additional production capacity in 2013 or 2014 depending on the performance of Phase I and market conditions.

The first step in the manufacturing process is to separate the pipeline condensate liquids from the pipeline gas. Once separated, the condensate liquids are processed in a condensate stabilizer system in order to sell the hydrocarbon condensates to the NGL sales pipeline. Gas from the inlet separators is then treated in the amine treating system for removal of CO₂ from the inlet gas. The removal is required to prevent CO₂ freezing in the cryogenic NGL recovery plant and to meet the sales gas pipeline's and NGL pipeline's specifications. The CO₂ removed by the amine system is routed to an incinerator system to destroy incidental hydrocarbon vapors contained in the CO₂ stream. From the amine system, the sweet gas is then processed in the cryogenic plant for natural gas liquid recovery. The gas is refrigerated by mechanical refrigeration and by expansion through a turbo expander. The NGL liquids condensed by the refrigeration system are then pumped to the NGL sales pipeline. Gas from the cryogenic plant, now stripped of NGL liquids, is compressed and delivered to the sales gas pipeline.

The KDB plant consists of the following main production units and utility systems which are classified as "Qualified Investment"

- Slug Catcher
- 180 MMCFD Cryogenic Gas Production Unit – consisting of:
 - Inlet 3 Phase Separator
 - Produced Water Separator
 - Sales Gas Outlet Scrubber
 - Sour Gas Preheater
 - Amine Absorber and Regenerator
 - Acid Gas Cooler
 - Glycol Contactor

- Sales Gas Compressors
- O/H Gas Compressor / Cooler Skid
- BTEX Removal Skid
- Fuel Gas Conditioning Skid
- VRU Unit
- Thermal Oxidizer and K.O. Drum
- Flare and K.O. Drum
- Instrument & Utility Air Compressors / Dryers
- Control Building, Office and Warehouse
- Condensate Storage Tanks
- Produced Water Tanks

Some preliminary site work will be completed including leveling, access road improvements and installation of a fence. The cost of these improvements is estimated at \$50,000 and will not be included as Qualified Investment or Qualified Property.

Ability to Relocate

Edwards Lime Gathering, LLC, is a joint venture between Energy Transfer's subsidiary Regency Energy Partners, Statoil and Talisman Energy.

Energy Transfer is a leading midstream energy company whose primary activities include gathering, treating, manufacturing and transporting natural gas and natural gas liquids to a variety of markets and states. Energy Transfer currently operates over 17,500 miles of pipeline, 3 gas manufacturing plants, 17 gas treating facilities and 10 gas conditioning plants. Locations for these operations included Arizona, New Mexico, Utah, Colorado, Kansas, Oklahoma, Texas, Arkansas and Louisiana.

Energy Transfer's pipeline footprint provides substantial flexibility in where future facilities or investments may be located. Capital investments are allocated to projects and locations based on expected economic return and property tax liabilities can make up a substantial ongoing cost of operation.

ATTACHMENT 6

Description of Qualified Investment

The KDB plant consists of the following main units and utility systems which are classified as "Qualified Investment"

- Slug Catcher
- 180 MMCFD Cryogenic Gas Unit-consisting of:
 - Inlet 3 Phase Separator
 - Produced Water Separator
 - Sales Gas Outlet Scrubber
 - Sour Gas Preheater
 - Amine Absorber and Regenerator
 - Acid Gas Cooler
 - Glycol Contactor
 - Sales Gas Compressors
 - O/H Gas Compressor / Cooler Skid
 - BTEX Removal Skid
 - Fuel Gas Conditioning Skid
 - VRU Unit
 - Thermal Oxidizer and K.O. Drum
- Flare and K.O. Drum
- Instrument & Utility Air Compressors I Dryers
- Control Building, Office and Warehouse
- Condensate Storage Tanks
- Produced Water Tanks

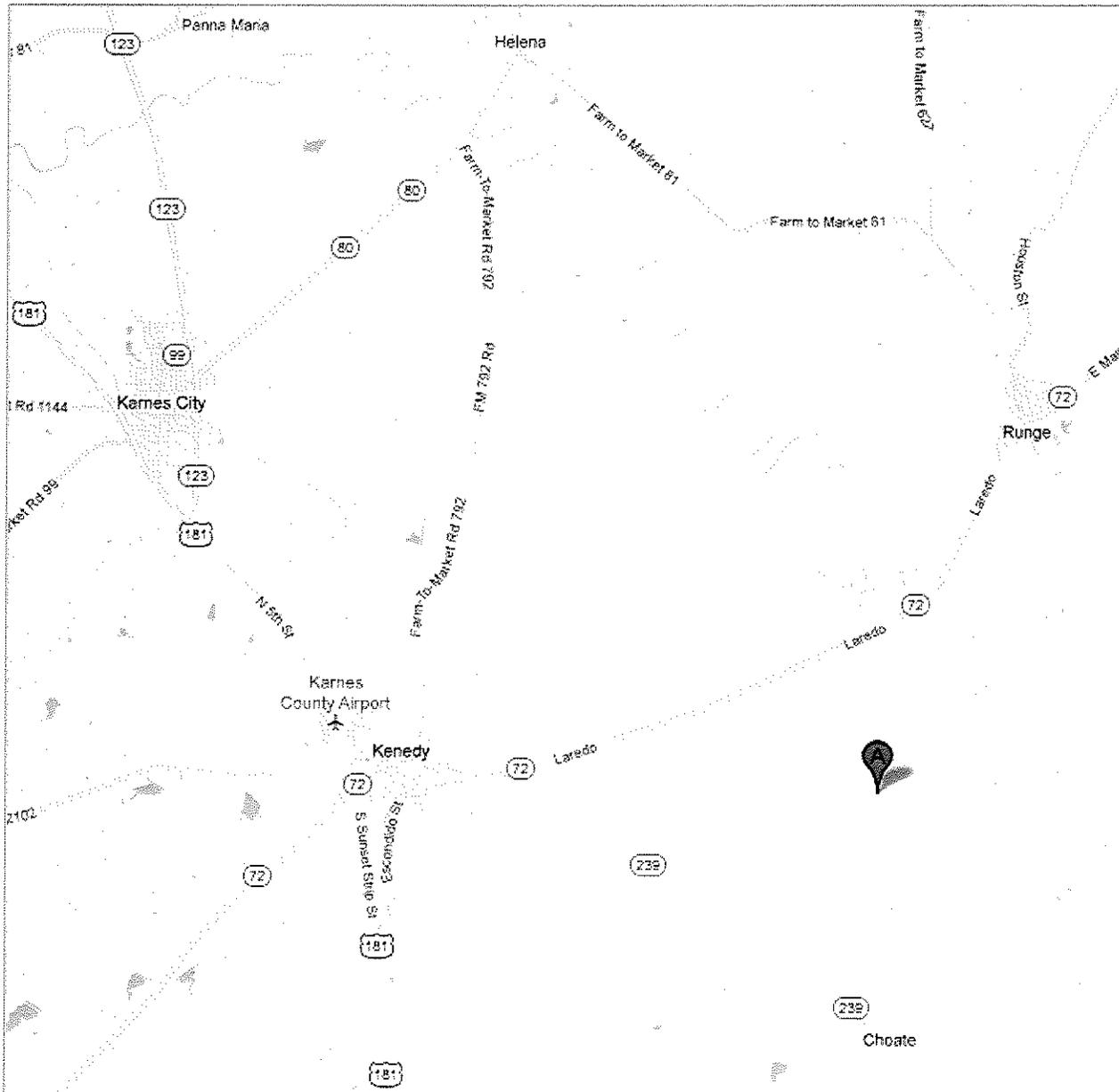
ATTACHMENT 7

Map of Qualified Investment

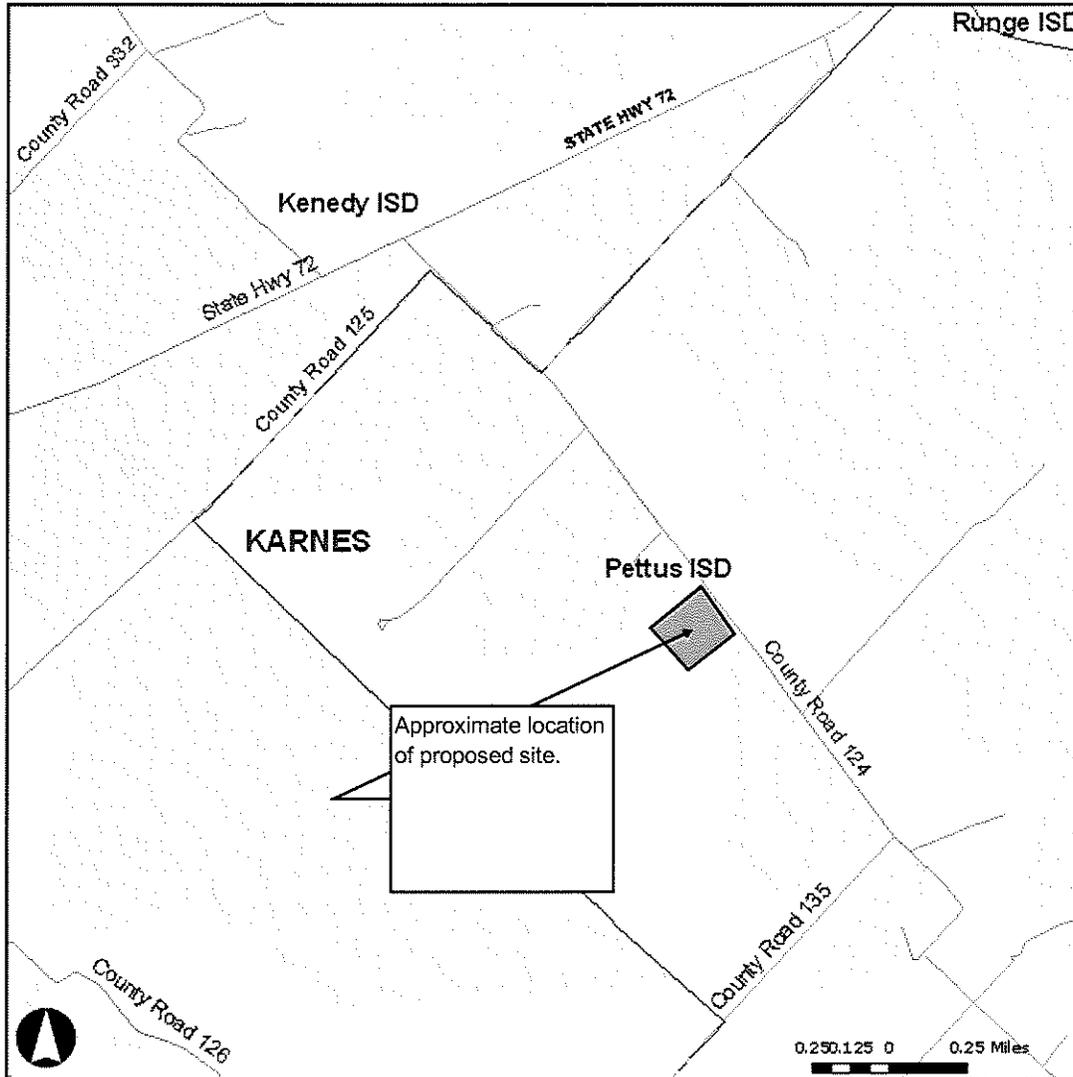


Address County Road 124
Kenedy, TX

KDB PLANT
Near CR 124 and Highway 72



Edwards Lime Processing, LLC - KDB Plant



Schools1

- Elementary Schools
- Junior High/Middle Schools
- TocSymbol 0
- HighSchools
- ▲ Elementary/Secondary Schools
- ▲ Other Schools
- CommunityColleges
- Universities
- HigherEd
- Universities
- Hwys1
- Other
- ==A11
- ==A15

Hwys1 (continued)

- ==A17
- ==A21
- ==A22
- ==A23
- ==A25
- ==A27
- Streets2
- Street
- Counties1
- Counties
- Counties3

Hydrology

- Hydrology
- School Districts
- School Districts
- Districts
- Texas
- Texas
- Texas
- Texas

KDB Plant

County Road 124 southeast of Highway 72



EXHIBIT "B"
KARNES COUNTY, TEXAS
40.0 ACRES SITE



TOTAL ACREAGE PROPOSED SITE: 40.0 ACRES

IRON PIPE
 A=2346059.0
 Y=13467253.2

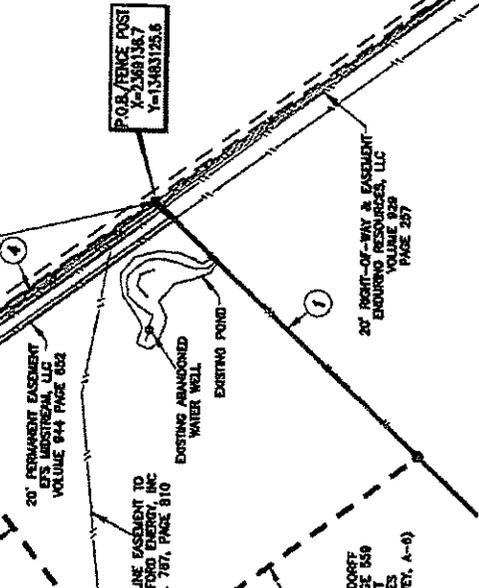
LINE TABLE

| LINE | BEARING | DISTANCE |
|------|-----------------|----------|
| 1 | S 89° 51' 00" W | 158.74 |
| 2 | S 89° 51' 00" W | 158.74 |
| 3 | S 89° 51' 00" W | 158.74 |
| 4 | S 89° 51' 00" W | 158.74 |
| 5 | S 89° 51' 00" W | 158.74 |
| 6 | S 89° 51' 00" W | 158.74 |
| 7 | S 89° 51' 00" W | 158.74 |
| 8 | S 89° 51' 00" W | 158.74 |
| 9 | S 89° 51' 00" W | 158.74 |
| 10 | S 89° 51' 00" W | 158.74 |



LEGEND

- SURVEY/SECTION LINE
- PROPOSED SITE
- RIGHT BORDER
- ROAD WAY
- FENCE LINE
- EXISTING PIPELINE
- FORCE POST/CORNER
- IRON PIPE FOUND
- CAP STAMPED "TOPOGRAPHIC"



REVISION:

| | |
|--------|----------|
| B.S.Z. | 02/09/12 |
|--------|----------|

DATE: JANUARY 31, 2012
 FILE: BO_KDB_GIF_REV1
 DRAWN BY: B.S.Z. & M.A.T.
 SHEET: 1 OF 3

TOPOGRAPHIC
 Surveying • Mapping • GIS • GPS
 1100 BRADSHAW DRIVE, SUITE 100, WORTH, TEXAS 75090
 TEL: 972.962.1100 FAX: 972.962.1101
 WWW.TOPOGRAPHIC.COM



Gary L. Clements
 Gary L. Clements, R.P.L.S. No. 4732
 FEBRUARY 9, 2012

ATTACHMENT 8

Description of Qualified Property

The KDB plant consists of the following main units and utility systems which are classified as "QualifiedProperty"

- Slug Catcher
- 180 MMCFD Cryogenic Gas Unit-consisting of:
 - Inlet 3 Phase Separator
 - Produced Water Separator
 - Sales Gas Outlet Scrubber
 - Sour Gas Preheater
 - Amine Absorber and Regenerator
 - Acid Gas Cooler
 - Glycol Contactor
 - Sales Gas Compressors
 - O/H Gas Compressor / Cooler Skid
 - BTEX Removal Skid
 - Fuel Gas Conditioning Skid
 - VRU Unit
 - Thermal Oxidizer and K.O. Drum
- Flare and K.O. Drum
- Instrument & Utility Air Compressors I Dryers
- Control Building, Office and Warehouse
- Condensate Storage Tanks
- Produced Water Tanks

ATTACHMENT 9

Map of Qualified Property

See Attachment 7

ATTACHMENT 10

Description of Land

EXHIBIT "A"
KARNES COUNTY, TEXAS
LEGAL DESCRIPTION



Metes and Bounds Description of a proposed 40.0 acre site located in the C. Martinez Survey, A-6, Karnes County, Texas and being a portion of a 2010.6 acre tract, recorded as the First Tract in Volume 413, Page 559, Official Records, Karnes County, Texas, said proposed 40.0 acre site being further described as follows:

BEGINNING at a fence post found for the occupied East corner of said 2010.6 acre tract, from whence an iron pipe found on the Northeast line of said 2010.6 acre tract, and also being in the West right-of-way line of County Road 124, bears N 36°42'34" W, a distance of 5148.65 feet;

Thence S 43°45'01" W, a distance of 1383.47 feet to an iron rod set with cap stamped "Topographic";

Thence N 36°52'35" W, a distance of 1390.29 feet to an iron rod set with cap stamped "Topographic";

Thence N 53°07'25" E, a distance of 1365.00 feet to an iron rod set with cap stamped "Topographic";

Thence S 36°52'35" E, a distance of 1164.97 feet to the POINT OF BEGINNING, and containing 40.0 acres more or less.



Gary L. Clements
 Gary L. Clements, R.P.L.S. No. 4732
 FEBRUARY 9, 2012

TOPOGRAPHIC

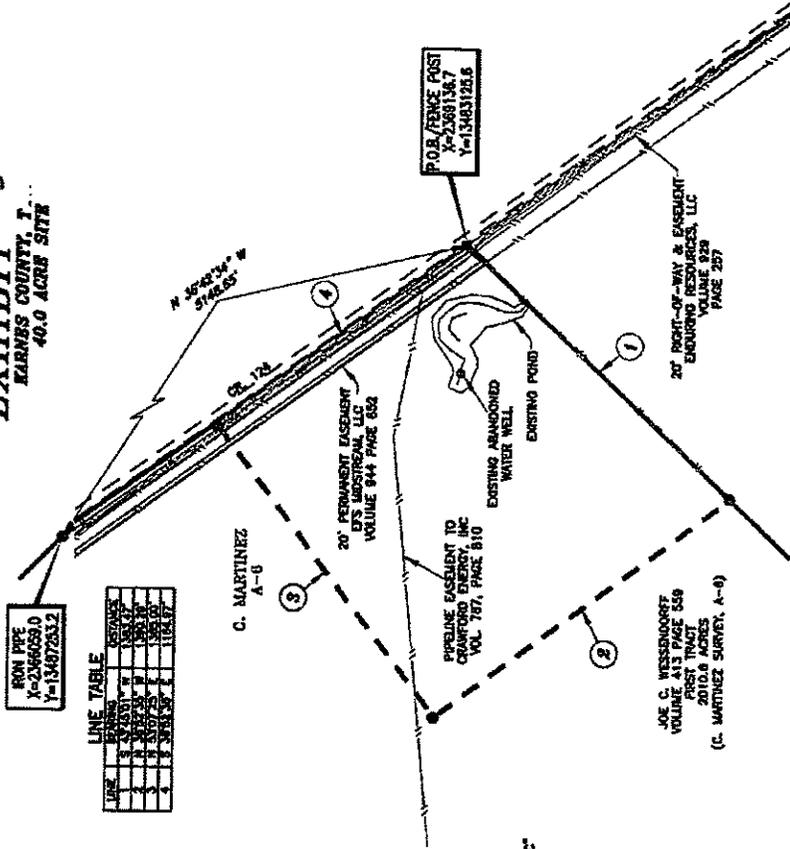
SURVEYING • MAPPING • GIS • GPS
 1400 DODDSON PARKWAY, No. 107 • FT. WORTH, TEXAS 76140
 TELEPHONE: (817) 744-7512 • FAX: (817) 744-7548
 WWW.TOPOGRAFIC.COM

| KDB GAS GATHERING & TREATMENT | | REVISION: | NOTES: |
|-------------------------------|--|-----------------|---|
| DATE: JANUARY 31, 2012 | | B.S.Z. 02/09/12 | 1. ORIGINAL DOCUMENT SIZE: 14" X 8.5" 2. ALL BEARINGS, DISTANCES, AND COORDINATE VALUES CONTAINED HEREIN ARE GROUND BASED UPON THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE, U.S. FEET, NORTH AMERICAN DATUM 1983. 3. CERTIFICATION IS MADE ONLY TO THE LOCATION OF THIS INSTRUMENT, IN RELATION TO THE EVIDENCE FOUND DURING A FIELD SURVEY, MADE ON THE GROUND, UNDER MY SUPERVISION, AND UNDER DOCUMENTATION PROVIDED BY TOPOGRAPHIC. ONLY UTILITIES/INSTRUMENTS THAT WERE VISIBLE ON THE DATE OF THIS SURVEY, STRIP/RECORDING THIS DOCUMENT, HAVE BEEN LOCATED AS SHOWN HEREON OF WHICH I HAVE KNOWLEDGE. THIS CERTIFICATION IS LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAN AND IS NON-TRANSFERABLE, AND MADE FOR THIS TRANSACTION ONLY. 4. B.O.L./P.A.E. = BEGINNING OF LINE/POINT OF BEGINNING 5. E.O.L./P.A.E. = END OF LINE/POINT OF END 6. D.E.R.C.C.T. = DEED RECORDS KARNES COUNTY, TEXAS 7. O.R.A.C.C.T. = OFFICIAL RECORDS KARNES COUNTY, TEXAS |
| FILE: BO_KDB_CTF_REV1 | | | |
| DRAWN BY: B.S.Z. & M.J.T. | | | |
| SHEET : 2 OF 3 | | | |



EXHIBIT "B"
 EARNES COUNTY, TEXAS
 40.0 ACRES SITE

TOTAL ACREAGE PROPOSED SITE: 40.0 ACRES



| LINE | DISTANCE | BEARING | POINT |
|------|----------|------------------|-------|
| 1 | 114.47 | S 89° 58' 52\"/> | |



SCALE: 1" = 500'
 0' 250' 500'

LEGEND

- SURVEY/SECTION LINE
- - - PROPOSED SITE
- TRACT BORDER
- ROAD WAY
- FENCE LINE
- EXISTING PAPERLINE
- FENCE POST/CORNER
- IRON PIPE FOUND
- CAP STAMPED "TOPOGRAPHIC"



Gary L. Clements
 Gary L. Clements, R.P.L.S. No. 4732
 FEBRUARY 9, 2012

NOTES:

1. ALL DISTANCES SHOWN ARE IN FEET.
2. ALL BEARINGS SHOWN ARE TRUE BEARINGS.
3. ALL DISTANCES SHOWN ARE COORDINATE DISTANCES.
4. ALL DISTANCES SHOWN ARE HORIZONTAL DISTANCES.
5. ALL DISTANCES SHOWN ARE VERTICAL DISTANCES.
6. ALL DISTANCES SHOWN ARE DIAGONAL DISTANCES.
7. ALL DISTANCES SHOWN ARE PERIMETER DISTANCES.
8. ALL DISTANCES SHOWN ARE AREA DISTANCES.
9. ALL DISTANCES SHOWN ARE VOLUME DISTANCES.
10. ALL DISTANCES SHOWN ARE WEIGHT DISTANCES.

TOPOGRAPHIC

Surveyed & Mapped • GPS • GIS
 1905 BRUNNEN DRIVE, SUITE 100, WACO, TEXAS 76786
 TEL: 817-799-7866 FAX: 817-799-7866

| | | |
|-------------------------------|-----------|----------|
| KDB GAS GATHERING & TREATMENT | REVISION: | |
| | B.S.Z. | 02/09/12 |
| DATE: JANUARY 31, 2012 | | |
| FILE: BO_KDB_CIT_REV1 | | |
| DRAWN BY: B.S.Z. & M.A.T. | | |
| SHEET: 1 OF 3 | | |

ATTACHMENT 11

Detailed Map Showing Location of the Land with Vicinity Map

See Attachment 7

ATTACHMENT 12

Description of All Existing Improvements

Preliminary site surveying, preparatory work, fencing and improvement to access roads began in late May. The value of any existing improvements will not be included in the Application for Appraised Value Limitation.

ATTACHMENT 14

Calculation of Three Possible Wage Requirements

ALL INDUSTRIES:

Quarterly Employment and Wages (QCEW)

Page 1 of 1 (40 results/page)

| Year | Period | Area | Ownership | Division | Level | Ind Code | Industry | Avg Weekly Wages |
|------|---------|---------------|-----------|----------|-------|----------|-----------------------|------------------|
| 2011 | 1st Qtr | Karnes County | Private | 00 | 0 | 10 | Total, All Industries | \$582 |
| 2011 | 2nd Qtr | Karnes County | Private | 00 | 0 | 10 | Total, All Industries | \$590 |
| 2011 | 3rd Qtr | Karnes County | Private | 00 | 0 | 10 | Total, All Industries | \$677 |
| 2011 | 4th Qtr | Karnes County | Private | 00 | 0 | 10 | Total, All Industries | \$736 |

| Year | Period | Avg Weekly Wages |
|------|---------|------------------|
| 2011 | 1st Qtr | \$ 582 |
| 2011 | 2nd Qtr | \$ 590 |
| 2011 | 3rd Qtr | \$ 677 |
| 2011 | 4th Qtr | \$ 736 |
| | Average | \$ 646 |
| | 110% | \$ 711 |

MANUFACTURING:

Quarterly Employment and Wages (QCEW)

Page 1 of 1 (40 results/page)

| Year | Period | Area | Ownership | Division | Level | Ind Code | Industry | Avg Weekly Wages |
|------|---------|---------------|-----------|----------|-------|----------|---------------|------------------|
| 2011 | 1st Qtr | Karnes County | Private | 31 | 2 | 31-33 | Manufacturing | \$998 |
| 2011 | 2nd Qtr | Karnes County | Private | 31 | 2 | 31-33 | Manufacturing | \$965 |
| 2011 | 3rd Qtr | Karnes County | Private | 31 | 2 | 31-33 | Manufacturing | \$1,024 |
| 2011 | 4th Qtr | Karnes County | Private | 31 | 2 | 31-33 | Manufacturing | \$1,185 |

| Year | Period | Avg Weekly Wages |
|------|---------|------------------|
| 2011 | 1st Qtr | \$ 998 |
| 2011 | 2nd Qtr | \$ 965 |
| 2011 | 3rd Qtr | \$ 1,024 |
| 2011 | 4th Qtr | \$ 1,185 |
| | Average | \$ 1,043 |
| | 110% | \$ 1,147 |

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

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

| |
|---|
| ALAMO AREA COUNCIL OF GOVERNMENTS |
| ANNUAL \$35,952 x 110% = \$39,547 |
| WEEKLY \$35,952 / 52 = \$691.38 x 110% = \$760.52 |

ATTACHMENT 15

Description of Benefits

Regency Energy Partners offers its employees the following benefits:

- 401K plan
- Medical
- Dental
- Vision
- RX Plan
- Flex Spending Account
- Life and AD&D insurance
- Paid Vacation, Sick, and Holidays
- Wellness Programs
- Employee Assistance Programs
- Extended Sick Leave

ATTACHMENT 17 - 20

Schedules A - D

Schedule A (Rev. May 2010): Investment

Form 50-296

Applicant Name: Edwards Lime Gathering LLC
 ISD Name: Pettus ISD

| PROPERTY INVESTMENT AMOUNTS | | | | | | | | | | | |
|--|---|-------------------------|---|--|---|--|--|------------------------------------|---------------|--|--|
| (Estimated investment in each year. Do not put cumulative totals.) | | | | | | | | | | | |
| | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year below) YYYY | Column A: Tangible Personal Property (The amount of new investment (original cost) placed in service during this year) | Column B: Building or permanent nonremovable component of building (annual amount only) | Column C: Sum of A and B (during the qualifying time period) | Column D: Other investment that is not qualified investment but investment affecting economic impact and total value | Column E: Total Investment (A+B+D) | | | |
| The year preceding the first complete tax year of the qualifying time period (assuming no deferrals) | Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment) | 2012-2013 | 2012 | \$ 50,000 | \$ - | | \$ - | \$ 50,000 | | | |
| | Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property) | 2012-2013 | 2012 | \$ 6,400,000 | \$ - | | \$ - | \$ 6,400,000 | | | |
| | Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property) | 2012-2013 | 2012 | \$ 57,600,000 | \$ - | \$ 57,600,000 | \$ - | \$ 57,600,000 | | | |
| | Complete tax years of qualifying time period | 1 | 2013-2014 | 2013 | \$ 16,000,000 | \$ - | \$ 16,000,000 | \$ - | \$ 16,000,000 | | |
| | | 2 | 2014-2015 | 2014 | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| | | 3 | 2015-2016 | 2015 | | | | | | | |
| | | 4 | 2016-2017 | 2016 | | | | | | | |
| | | 5 | 2017-2018 | 2017 | | | | | | | |
| | | 6 | 2018-2019 | 2018 | | | | | | | |
| | | 7 | 2019-2020 | 2019 | | | | | | | |
| | | 8 | 2020-2021 | 2020 | | | | | | | |
| | | 9 | 2021-2022 | 2021 | | | | | | | |
| | | 10 | 2022-2023 | 2022 | | | | | | | |
| | Tax Credit Period (with 50% cap on credit) | 11 | 2023-2024 | 2023 | | | | | | | |
| | | 12 | 2024-2025 | 2024 | | | | | | | |
| 13 | | 2025-2026 | 2025 | | | | | | | | |
| Credit Settle-Up Period | 14 | 2026-2027 | 2026 | | | | | | | | |
| | 15 | 2027-2028 | 2027 | | | | | | | | |
| Post-Settle-Up Period | | | | | | | | | | | |
| | | | | | | | | | | | |

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

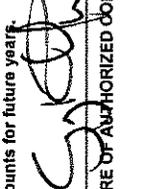
Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment - as defined in Tax Code §313.021(1)(A)-(D). For the purposes of investment, please list amount invested each year, not cumulative totals.

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

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

Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

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

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE:  DATE: 6-4-2012

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

Applicant Name: Edwards Lime Gathering LLC
 ISD Name: Pettus ISD

Form 50-296

| Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year) YYYY | Estimated Market Value of Land | Qualified Property | | Reductions from Market Value | Estimated Taxable Value | |
|------------|-------------------------|---|--------------------------------|---|--|------------------------------|--|---|
| | | | | Estimated Total Market Value of new buildings or other new improvements | Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement" | | Final taxable value for I&S - after all reductions | Final taxable value for M&O--after all reductions |
| pre-year 1 | 2012-2013 | 2012 | 49,500 | | | | 49,500 | 49,500 |
| 1 | 2013-2014 | 2013 | 49,500 | - | 64,000,000 | 3,200,000 | 60,849,500 | 60,849,500 |
| 2 | 2014-2015 | 2014 | 49,500 | - | 78,100,000 | 3,900,000 | 74,249,500 | 74,249,500 |
| 3 | 2015-2016 | 2015 | 49,500 | - | 75,700,000 | 3,800,000 | 71,949,500 | 71,949,500 |
| 4 | 2016-2017 | 2016 | 49,500 | - | 73,400,000 | 3,700,000 | 69,749,500 | 69,749,500 |
| 5 | 2017-2018 | 2017 | 49,500 | - | 71,200,000 | 3,600,000 | 67,649,500 | 67,649,500 |
| 6 | 2018-2019 | 2018 | 49,500 | - | 69,100,000 | 3,500,000 | 65,649,500 | 65,649,500 |
| 7 | 2019-2020 | 2019 | 49,500 | - | 67,000,000 | 3,400,000 | 63,649,500 | 63,649,500 |
| 8 | 2020-2021 | 2020 | 49,500 | - | 65,000,000 | 3,300,000 | 61,749,500 | 61,749,500 |
| 9 | 2021-2022 | 2021 | 49,500 | - | 63,100,000 | 3,200,000 | 59,949,500 | 59,949,500 |
| 10 | 2022-2023 | 2022 | 49,500 | - | 61,200,000 | 3,100,000 | 58,149,500 | 58,149,500 |
| 11 | 2023-2024 | 2023 | 49,500 | - | 59,400,000 | 3,000,000 | 56,449,500 | 56,449,500 |
| 12 | 2024-2025 | 2024 | 49,500 | - | 57,600,000 | 2,900,000 | 54,749,500 | 54,749,500 |
| 13 | 2025-2026 | 2025 | 49,500 | - | 55,900,000 | 2,800,000 | 53,149,500 | 53,149,500 |
| 14 | 2026-2027 | 2026 | 49,500 | - | 54,200,000 | 2,700,000 | 51,549,500 | 51,549,500 |
| 15 | 2027-2028 | 2027 | 49,500 | - | 52,600,000 | 2,600,000 | 50,049,500 | 50,049,500 |

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

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

[Handwritten Signature]

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

6-4-2012

DATE

Schedule C- Application: Employment Information

Form 50-296

Applicant Name Edwards Lime Gathering LLC
ISD Name Pettus ISD

| | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year) YYYY | Construction | | New Jobs | | Qualifying Jobs | |
|---|------------|----------------------------|--|--|---|---|--|--|--|
| | | | | Column A: Number of Construction FTE's or man- hours (specify) | Column B: Average annual wage rates for construction workers | Column C: Number of new jobs applicant commits to create (cumulative) | Column D: Average annual wage rate for all new jobs. | Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative) | Column F: Average annual wage of qualifying jobs |
| | pre-year 1 | 2012-2013 | 2012 | 130 FTE | 65,500 | | | | |
| | 1 | 2013-2014 | 2013 | 25 FTE | 65,500 | 12 | 51,000 | 10 | 55,000 |
| | 2 | 2014-2015 | 2014 | | | 12 | 51,000 | 10 | 55,000 |
| | 3 | 2015-2016 | 2015 | | | 12 | 51,000 | 10 | 55,000 |
| | 4 | 2016-2017 | 2016 | | | 12 | 51,000 | 10 | 55,000 |
| | 5 | 2017-2018 | 2017 | | | 12 | 51,000 | 10 | 55,000 |
| | 6 | 2018-2019 | 2018 | | | 12 | 51,000 | 10 | 55,000 |
| | 7 | 2019-2020 | 2019 | | | 12 | 51,000 | 10 | 55,000 |
| | 8 | 2020-2021 | 2020 | | | 12 | 51,000 | 10 | 55,000 |
| | 9 | 2021-2022 | 2021 | | | 12 | 51,000 | 10 | 55,000 |
| | 10 | 2022-2023 | 2022 | | | 12 | 51,000 | 10 | 55,000 |
| | 11 | 2023-2024 | 2023 | | | 12 | 51,000 | 10 | 55,000 |
| | 12 | 2024-2025 | 2024 | | | 12 | 51,000 | 10 | 55,000 |
| | 13 | 2025-2026 | 2025 | | | 12 | 51,000 | 10 | 55,000 |
| | 14 | 2026-2027 | 2026 | | | 12 | 51,000 | 10 | 55,000 |
| | 15 | 2027-2028 | 2027 | | | 12 | 51,000 | 10 | 55,000 |
| Complete tax years of qualifying time period | | | | | | | | | |
| | | | | | | | | | |
| Tax Credit Period (with 50% cap on credit) | | | | | | | | | |
| | | | | | | | | | |
| Credit Settle-Up Period | | | | | | | | | |
| | | | | | | | | | |
| Post- Settle-Up Period | | | | | | | | | |
| Post- Settle-Up Period | | | | | | | | | |

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

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


 SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

6-4-2012
 DATE

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

Form 50-296

Applicant Name: Edwards Lime Gathering LLC

ISD Name: Pettus ISD

| | Sales Tax Information | | | Other Property Tax Abatements Sought | | | | | | |
|--|-----------------------|-------------------------|------------------------|---|---|---------------|--------|------|----------|---|
| | Year | School Year (YYYY-YYYY) | Tax/Calendar Year YYYY | Column F: Estimate of total annual expenditures* subject to state sales tax | Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax | Franchise Tax | County | City | Hospital | Other |
| The year preceding the first complete tax year of the qualifying time period (assuming no deferrals) | | 2012-2013 | 2012 | 4,480,000 | 59,520,000 | - | 50% | | 50% | Fill in percentage exemption requested or granted in each year of the Agreement |
| Complete tax years of qualifying time period | 1 | 2013-2014 | 2013 | 1,120,000 | 14,880,000 | 156,000 | 50% | | 50% | Fill in percentage exemption requested or granted in each year of the Agreement |
| | 2 | 2014-2015 | 2014 | 100,000 | 200,000 | 195,000 | 50% | | 50% | Fill in percentage exemption requested or granted in each year of the Agreement |
| | 3 | 2015-2016 | 2015 | 100,000 | 200,000 | 200,000 | 50% | | 50% | Fill in percentage exemption requested or granted in each year of the Agreement |
| | 4 | 2016-2017 | 2016 | 100,000 | 200,000 | 204,000 | 50% | | 50% | Fill in percentage exemption requested or granted in each year of the Agreement |
| | 5 | 2017-2018 | 2017 | 100,000 | 200,000 | 205,000 | 50% | | 50% | Fill in percentage exemption requested or granted in each year of the Agreement |
| Value Limitation Period | 6 | 2018-2019 | 2018 | 100,000 | 200,000 | 207,000 | | | | |
| | 7 | 2019-2020 | 2019 | 100,000 | 200,000 | 209,000 | | | | |
| | 8 | 2020-2021 | 2020 | 100,000 | 200,000 | 211,000 | | | | |
| | 9 | 2021-2022 | 2021 | 100,000 | 200,000 | 212,000 | | | | |
| | 10 | 2022-2023 | 2022 | 100,000 | 200,000 | 212,000 | | | | |
| Continue to Maintain Viable Presence | 11 | 2023-2024 | 2023 | 100,000 | 200,000 | 212,000 | | | | |
| | 12 | 2024-2025 | 2024 | 100,000 | 200,000 | 212,000 | | | | |
| | 13 | 2025-2026 | 2025 | 100,000 | 200,000 | 212,000 | | | | |
| Post-Settle-Up Period | 14 | 2026-2027 | 2026 | 100,000 | 200,000 | 212,000 | | | | |
| Post-Settle-Up Period | 15 | 2027-2028 | 2027 | 100,000 | 200,000 | 212,000 | | | | |

*For planning, construction and operation of the facility.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE: 

DATE: 6-4-2012

ATTACHMENT 21

Map of Reinvestment Zone



EXHIBIT "B"
HARRIS COUNTY, TEXAS
40.0 ACRE SITE

TOTAL ACREAGE PROPOSED SITE: 40.0 ACRES

IRON PIPE
 X=2566009.0
 Y=15487233.2

LINE TABLE

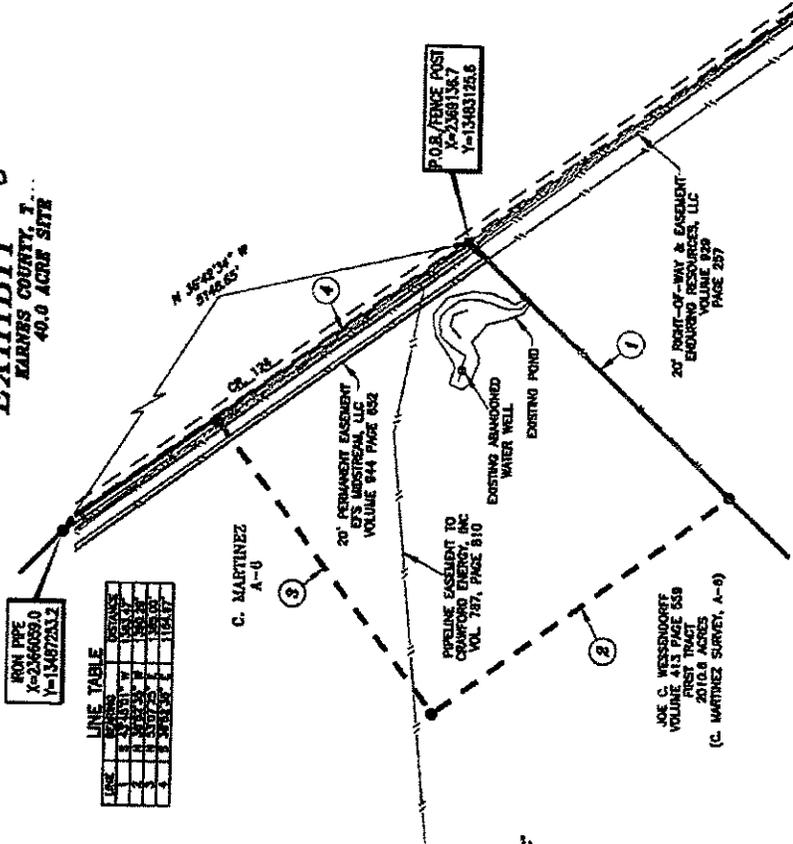
| LINE NO. | START POINT | END POINT | BEARING | DISTANCE |
|----------|-------------|-----------|---------------|----------|
| 1 | 1 | 2 | N 36°30'44" W | 5746.65' |
| 2 | 2 | 3 | S 89°57'52" W | 1184.17' |
| 3 | 3 | 4 | S 89°57'52" W | 1184.17' |
| 4 | 4 | 5 | S 89°57'52" W | 1184.17' |
| 5 | 5 | 6 | S 89°57'52" W | 1184.17' |
| 6 | 6 | 7 | S 89°57'52" W | 1184.17' |
| 7 | 7 | 8 | S 89°57'52" W | 1184.17' |
| 8 | 8 | 9 | S 89°57'52" W | 1184.17' |
| 9 | 9 | 10 | S 89°57'52" W | 1184.17' |
| 10 | 10 | 11 | S 89°57'52" W | 1184.17' |
| 11 | 11 | 12 | S 89°57'52" W | 1184.17' |
| 12 | 12 | 13 | S 89°57'52" W | 1184.17' |
| 13 | 13 | 14 | S 89°57'52" W | 1184.17' |
| 14 | 14 | 15 | S 89°57'52" W | 1184.17' |
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| 16 | 16 | 17 | S 89°57'52" W | 1184.17' |
| 17 | 17 | 18 | S 89°57'52" W | 1184.17' |
| 18 | 18 | 19 | S 89°57'52" W | 1184.17' |
| 19 | 19 | 20 | S 89°57'52" W | 1184.17' |
| 20 | 20 | 21 | S 89°57'52" W | 1184.17' |
| 21 | 21 | 22 | S 89°57'52" W | 1184.17' |
| 22 | 22 | 23 | S 89°57'52" W | 1184.17' |
| 23 | 23 | 24 | S 89°57'52" W | 1184.17' |
| 24 | 24 | 25 | S 89°57'52" W | 1184.17' |
| 25 | 25 | 26 | S 89°57'52" W | 1184.17' |
| 26 | 26 | 27 | S 89°57'52" W | 1184.17' |
| 27 | 27 | 28 | S 89°57'52" W | 1184.17' |
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| 29 | 29 | 30 | S 89°57'52" W | 1184.17' |
| 30 | 30 | 31 | S 89°57'52" W | 1184.17' |
| 31 | 31 | 32 | S 89°57'52" W | 1184.17' |
| 32 | 32 | 33 | S 89°57'52" W | 1184.17' |
| 33 | 33 | 34 | S 89°57'52" W | 1184.17' |
| 34 | 34 | 35 | S 89°57'52" W | 1184.17' |
| 35 | 35 | 36 | S 89°57'52" W | 1184.17' |
| 36 | 36 | 37 | S 89°57'52" W | 1184.17' |
| 37 | 37 | 38 | S 89°57'52" W | 1184.17' |
| 38 | 38 | 39 | S 89°57'52" W | 1184.17' |
| 39 | 39 | 40 | S 89°57'52" W | 1184.17' |
| 40 | 40 | 41 | S 89°57'52" W | 1184.17' |
| 41 | 41 | 42 | S 89°57'52" W | 1184.17' |
| 42 | 42 | 43 | S 89°57'52" W | 1184.17' |
| 43 | 43 | 44 | S 89°57'52" W | 1184.17' |
| 44 | 44 | 45 | S 89°57'52" W | 1184.17' |
| 45 | 45 | 46 | S 89°57'52" W | 1184.17' |
| 46 | 46 | 47 | S 89°57'52" W | 1184.17' |
| 47 | 47 | 48 | S 89°57'52" W | 1184.17' |
| 48 | 48 | 49 | S 89°57'52" W | 1184.17' |
| 49 | 49 | 50 | S 89°57'52" W | 1184.17' |
| 50 | 50 | 51 | S 89°57'52" W | 1184.17' |
| 51 | 51 | 52 | S 89°57'52" W | 1184.17' |
| 52 | 52 | 53 | S 89°57'52" W | 1184.17' |
| 53 | 53 | 54 | S 89°57'52" W | 1184.17' |
| 54 | 54 | 55 | S 89°57'52" W | 1184.17' |
| 55 | 55 | 56 | S 89°57'52" W | 1184.17' |
| 56 | 56 | 57 | S 89°57'52" W | 1184.17' |
| 57 | 57 | 58 | S 89°57'52" W | 1184.17' |
| 58 | 58 | 59 | S 89°57'52" W | 1184.17' |
| 59 | 59 | 60 | S 89°57'52" W | 1184.17' |
| 60 | 60 | 61 | S 89°57'52" W | 1184.17' |
| 61 | 61 | 62 | S 89°57'52" W | 1184.17' |
| 62 | 62 | 63 | S 89°57'52" W | 1184.17' |
| 63 | 63 | 64 | S 89°57'52" W | 1184.17' |
| 64 | 64 | 65 | S 89°57'52" W | 1184.17' |
| 65 | 65 | 66 | S 89°57'52" W | 1184.17' |
| 66 | 66 | 67 | S 89°57'52" W | 1184.17' |
| 67 | 67 | 68 | S 89°57'52" W | 1184.17' |
| 68 | 68 | 69 | S 89°57'52" W | 1184.17' |
| 69 | 69 | 70 | S 89°57'52" W | 1184.17' |
| 70 | 70 | 71 | S 89°57'52" W | 1184.17' |
| 71 | 71 | 72 | S 89°57'52" W | 1184.17' |
| 72 | 72 | 73 | S 89°57'52" W | 1184.17' |
| 73 | 73 | 74 | S 89°57'52" W | 1184.17' |
| 74 | 74 | 75 | S 89°57'52" W | 1184.17' |
| 75 | 75 | 76 | S 89°57'52" W | 1184.17' |
| 76 | 76 | 77 | S 89°57'52" W | 1184.17' |
| 77 | 77 | 78 | S 89°57'52" W | 1184.17' |
| 78 | 78 | 79 | S 89°57'52" W | 1184.17' |
| 79 | 79 | 80 | S 89°57'52" W | 1184.17' |
| 80 | 80 | 81 | S 89°57'52" W | 1184.17' |
| 81 | 81 | 82 | S 89°57'52" W | 1184.17' |
| 82 | 82 | 83 | S 89°57'52" W | 1184.17' |
| 83 | 83 | 84 | S 89°57'52" W | 1184.17' |
| 84 | 84 | 85 | S 89°57'52" W | 1184.17' |
| 85 | 85 | 86 | S 89°57'52" W | 1184.17' |
| 86 | 86 | 87 | S 89°57'52" W | 1184.17' |
| 87 | 87 | 88 | S 89°57'52" W | 1184.17' |
| 88 | 88 | 89 | S 89°57'52" W | 1184.17' |
| 89 | 89 | 90 | S 89°57'52" W | 1184.17' |
| 90 | 90 | 91 | S 89°57'52" W | 1184.17' |
| 91 | 91 | 92 | S 89°57'52" W | 1184.17' |
| 92 | 92 | 93 | S 89°57'52" W | 1184.17' |
| 93 | 93 | 94 | S 89°57'52" W | 1184.17' |
| 94 | 94 | 95 | S 89°57'52" W | 1184.17' |
| 95 | 95 | 96 | S 89°57'52" W | 1184.17' |
| 96 | 96 | 97 | S 89°57'52" W | 1184.17' |
| 97 | 97 | 98 | S 89°57'52" W | 1184.17' |
| 98 | 98 | 99 | S 89°57'52" W | 1184.17' |
| 99 | 99 | 100 | S 89°57'52" W | 1184.17' |



SCALE: 1" = 500'
 0' 250' 500'

LEGEND

- SURVEY/SECTION LINE
- UNPAVED SITE
- TRACT BOUNDARY
- ROAD WAY
- FENCE LINE
- EXISTING PIPELINE
- FENCE POST/CORNER
- IRON PIPE FOUND
- IRON ROD SET WITH CAP STAMPED "TOPOGRAPHIC"



Gary L. Clements
 Gary L. Clements, R.P.L.S. No. 4732
 FEBRUARY 9, 2012

| | |
|---|---|
| KDB GAS GATHERING & TREATMENT DATE: JANUARY 31, 2012 FILE: BO_KDB_GTF_REV1 DRAWN BY: B.S.Z. & M.A.T. SHEET: 1 OF 3 | REVISION: B.S.Z. 02/09/12 |
| | NOTES: 1. ALL RIGHTS RESERVED. THE INFORMATION CONTAINED HEREIN IS THE PROPERTY OF THE SURVEYOR AND IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF THE SURVEYOR. 2. THE SURVEYOR HAS CONDUCTED A VISUAL INSPECTION OF THE SITE AND HAS FOUND NO IRON PIPE OR IRON ROD SETS. 3. THE SURVEYOR HAS CONDUCTED A VISUAL INSPECTION OF THE SITE AND HAS FOUND NO IRON PIPE OR IRON ROD SETS. 4. THE SURVEYOR HAS CONDUCTED A VISUAL INSPECTION OF THE SITE AND HAS FOUND NO IRON PIPE OR IRON ROD SETS. 5. THE SURVEYOR HAS CONDUCTED A VISUAL INSPECTION OF THE SITE AND HAS FOUND NO IRON PIPE OR IRON ROD SETS. 6. THE SURVEYOR HAS CONDUCTED A VISUAL INSPECTION OF THE SITE AND HAS FOUND NO IRON PIPE OR IRON ROD SETS. 7. THE SURVEYOR HAS CONDUCTED A VISUAL INSPECTION OF THE SITE AND HAS FOUND NO IRON PIPE OR IRON ROD SETS. |

ATTACHMENT 22

Order, Resolution, or Ordinance Establishing the Zone

COUNTY OF KARNES

STATE OF TEXAS

AN ORDER DESIGNATING 40 ACRES LOCATED IN THE C. MARTINEZ SURVEY, A-6, KARNES COUNTY, TEXAS, AND BEING A PORTION OF A 2010.6 ACRE TRACT, RECORDED AS THE FIRST TRACT IN VOLUMEN 413, PAGE 559, OFFICIAL RECORDS, KARNES COUNTY, TEXAS AND 10 ACRES LOCATED IN THE C. MARTINEZ SURVEY, A-6, KARNES COUNTY, TEXAS AND BEING A PORTION OF A 2010.6 ACRE TRACT. RECORDED AS THE FIRST TRACT IN VOLUMEN 413, PAGE 559, OFFICIAL RECORDS, KARNES COUNTY, TEXAS AS A REINVESTMENT ZONE PURSUANT TO CHAPTER 312 OF THE TEXAS TAX CODE; MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH; PROVIDING AN EFFECTIVE DATE; AND PROVIDING A SEVERABILITY CLAUSE

WHEREAS, the Commissioners Court of the County of Karnes desires to create the proper economic and social environment to induce the investment of private resources in productive business enterprises located in distressed areas of the County and to provide employment opportunities within such areas; and

WHEREAS, the Commissioners Court finds that the 40 acre tract indicated on Exhibit "A" and Exhibit "B" and the 10 acre tract indicated on Exhibit "C" and Exhibit "D" ("the property"), which are incorporated herein for all purposes, are within the County of Karnes; and

WHEREAS, the Commissioners Court finds that the improvements planned for the property are feasible and practical and would be a benefit to the area after expiration of any subsequent tax abatement agreement; and

WHEREAS, the Commissioners Court finds that the designation of the area as a reinvestment zone is likely to contribute to the retention and expansion of primary employment, and is likely to attract major investment in the area; and

WHEREAS, after notice was published in accordance with Texas Tax Code 312.401(b) and 312.201(d), a public hearing was held to consider this order on March 31, 2010; and

WHEREAS, the Commissioners Court finds that it is in the County's interest to designate the property as a reinvestment zone pursuant to Texas Tax Code 312.401;

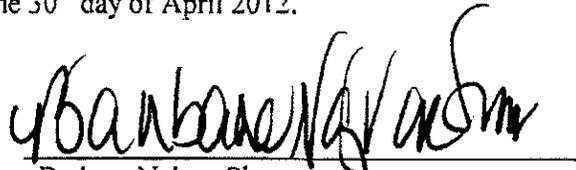
NOW, THEREFORE BE IT ORDERED BY THE COMMISSIONERS COURT OF THE COUNTY OF KARNES, TEXAS:

Section 1. That the County hereby designates the 40-acre tract of real property located in Karnes County and described in the metes and bounds description and survey map attached hereto as Exhibit "A" and Exhibit

“B” respectively, and legally described as: 40 acres located in the C. Martinez Survey, A-6, Karnes County, Texas and being a portion of a 2010.6 acre tract, recorded as the First Tract in Volume 413, Page 559, Official Records, Karnes County, Texas AND the 10-acre tract of real property located in Karnes County a described in the metes and bounds description and survey map attached hereto as Exhibit “C” and Exhibit “D” respectively, and legally described as: 10 acres located in the C. Martinez Survey, A-6, Karnes County, Texas and being a portion of a 2010.6 acre tract, recorded as the First Tract in Volume 413, Page 559, Official Records, Karnes County, Texas. as a reinvestment zone.

- Section 2. That the County finds that the designation of the area as a reinvestment zone is likely to contribute to the retention and expansion of primary employment, and is likely to attract major investment in the area, and will contribute to the economic development of the County.
- Section 3. That the County finds that the property meets the legal qualifications necessary to receive designation as a reinvestment zone pursuant to Chapter 312 of the Texas Tax Code.
- Section 4. That this order shall take effect from and after its passage as the law in such case provides.
- Section 5. If any clause or provision of this order shall be deemed to be unenforceable for any reason, such unenforceable clause of provision shall be severed from the remaining portions of the order, which shall continue to have full force and effect.

PASSED AND APPROVED on the 30th day of April 2012.


Barbara Najvar Shaw
County Judge, Karnes County

ATTEST:


Carol Swize, County Clerk

ATTACHMENT 23

Legal Description of Reinvestment Zone

EXHIBIT "A"
KARNES COUNTY, TEXAS
LEGAL DESCRIPTION



Metes and Bounds Description of a proposed 40.0 acre site located in the C. Martinez Survey, A-G, Karnes County, Texas and being a portion of a 2010.6 acre tract, recorded as the First Tract in Volume 413, Page 559, Official Records, Karnes County, Texas, said proposed 40.0 acre site being further described as follows:

BEGINNING at a fence post found for the occupied East corner of said 2010.6 acre tract, from whence an iron pipe found on the Northeast line of said 2010.6 acre tract, and also being in the West right-of-way line of County Road 124, bears N 36°42'34" W, a distance of 5148.65 feet;

Thence S 43°45'01" W, a distance of 1383.47 feet to an iron rod set with cap stamped "Topographic";

Thence N 36°52'35" W, a distance of 1390.29 feet to an iron rod set with cap stamped "Topographic";

Thence N 53°07'25" E, a distance of 1365.00 feet to an iron rod set with cap stamped "Topographic";

Thence S 36°52'35" E, a distance of 1164.97 feet to the POINT OF BEGINNING, and containing 40.0 acres more or less.



Gary L. Clements
 Gary L. Clements, R.P.L.S. No. 4732
 FEBRUARY 9, 2012

TOPOGRAPHIC

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| | | |
|-------------------------------------|-----------------|---|
| KDB GAS GATHERING & TREATMENT | REVISION: | NOTE: |
| | B.S.Z. 02/09/12 | 1. GENERAL RECORDING SHEET 14" X 11" |
| DATE: JANUARY 31, 2012 | | 2. ALL DISTANCES, BEARINGS, AND COORDINATE VALUES CONTAINED HEREON ARE GSD BASED UPON THE TEXAS STATE PLANE COORDINATE SYSTEM, POLAR COORDINATE, 2011 U.S. FEET, NORTH AMERICAN DATUM 1983 |
| FILE: 80_KDB_CTF_REV1 | | 3. REFERENCE IS MADE ONLY TO THE LOCATION OF THIS SURVEYOR IN RELATION TO THE SURROUNDING PUBLIC RECORDS. A FIELD SKETCH, MADE BY THE SURVEYOR UNDER HIS SUPERVISION, AND BEING DOCUMENTATION PROVIDED BY TOPOGRAPHIC, ONLY PRINTED/REPRODUCED FOR HIS USE. LOCATIONS ON THE LIST OF THIS SURVEY, OTHER THAN THOSE THIS SURVEYOR HAS BEEN LOCATED AS BEING LOCATIONS OF WHICH HE HAS KNOWLEDGE, THE CERTIFICATION IS LIMITED TO SUCH LOCATIONS AS ENTERED UNDER THE TITLE OF THIS PLAN AND IS NON-TRANSFERABLE AND VOID FOR THE TRANSACTION ONLY. |
| DRAWN BY: B.S.Z. & M.J.T. | | 4. B.S.Z./M.J.T. = SURVEYOR OF LAND/PLAT OF SURVEY |
| SHEET : 2 OF 3 | | 5. B.S.Z./M.J.T. = ONE OF THE PARTIES OF THE |
| | | 6. B.S.Z./M.J.T. = NON-RECORDING KARNES COUNTY, TEXAS |
| | | 7. G.S.R.C.C. = OFFICIAL RECORDS KARNES COUNTY, TEXAS |

EXHIBIT "C"
KARNES COUNTY, TEXAS
LEGAL DESCRIPTION



Meters and Bounds Description of a proposed 10.0 acre site located in the C, Martinez Survey, A-6, Karnes County, Texas and being a portion of a 2010.6 acre tract, recorded as the First Tract in Volume 413, Page 559, Official Records, Karnes County, Texas, said proposed 10.0 acre site being further described as follows:

BEGINNING at an fence post found for the occupied North corner of said 2010.6 acre tract, from whence an iron pipe found at a fence corner for the West corner of said 2010.6 acre tract bears S 45°54'24" W, a distance of 11218.20 feet;

Thence S 46°01'53" E, a distance of 641.64 feet to an iron rod set with cap stamped "Topographic";

Thence S 43°11'50" W, a distance of 660.06 feet to an iron rod set with cap stamped "Topographic";

Thence N 46°01'53" W, a distance of 660.06 feet to an iron rod set with cap stamped "Topographic";

Thence N 43°11'50" E, a distance of 620.09 feet to an iron rod set with cap stamped "Topographic";

Thence Thence N 68°04'21" E, a distance of 43.79 feet to the POINT OF BEGINNING, and containing 10.0 acres more or less.



Gary L. Clements
 Gary L. Clements, R.P.L.S. No. 4732

FEBRUARY 9, 2012

TOPOGRAPHIC

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 1440 Highway 100, Suite 107 • Ft. Worth, Texas 76116
 Telephone (817) 342-1012 • Fax (817) 744-7444
 www.topographic.com

| KDB GAS GATHERING & TREATMENT | REVISION: | | NOTES |
|-------------------------------|-----------|----------|--|
| | B.S.Z. | 02/09/12 | |
| DATE: JANUARY 31, 2012 | | | 1. ORIGINAL RECORDING WITH 14" X 8 1/2" |
| FILE: DO_KDB_CRP-B_REV1 | | | 2. ALL MEASUREMENTS, DISTANCES, AND COORDINATE VALUES OBTAINED BY THIS SURVEY SHALL BE BASED UPON THE TEXAS STATE PLANE COORDINATE SYSTEM, NAD 83, ZONE 14N, NORTH AMERICAN DATUM 1983. |
| DRAWN BY: B.S.Z. | | | 3. CONFORMANCE IS MADE ONLY TO THE EXTENT OF THIS SURVEY, AS RELATED TO THE SURVEYING CODE UNDER A TITLE NUMBER MADE IN THE OFFICE, UNDER NO CIRCUMSTANCES, AND THESE SURVEYING PROCEDURES BY SURVEYOR. ONLY SURVEYING PROCEDURES THAT WERE USED IN THE SURVEY, AND/OR THE SURVEYING CODE UNDER A TITLE NUMBER MADE IN THE OFFICE, UNDER NO CIRCUMSTANCES, AND THESE SURVEYING PROCEDURES BY SURVEYOR. |
| SHEET : 2 OF 3 | | | 4. B.S.Z. = SURVEYOR OF LAND/FORM OF MEASUREMENT 5. B.S.Z. = SURVEYOR OF LAND/FORM OF MEASUREMENT 6. B.S.Z. = SURVEYOR OF LAND/FORM OF MEASUREMENT 7. B.S.Z. = SURVEYOR OF LAND/FORM OF MEASUREMENT |

ATTACHMENT 24

Guidelines and Criteria for Reinvestment Zone

Tax Abatement Guidelines and Criteria For Karnes County

Modified on 2/12/10 by:

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Section 1 - Definitions

ABATEMENT means the full or partial exemption from ad valorem taxes of certain real property in a reinvestment zone designated by the County or City for economic development purposes.

AGREEMENT means a contractual agreement between a property owner and/ or lessee and the affected jurisdiction for the purpose of tax abatement.

AFFECTED JURISDICTION means Karnes County and any city and school district located in Karnes County that levies ad valorem taxes upon and/ or provides services to property located within the proposed or existing reinvestment zone designated by Karnes County or the City of XXXX.

AQUACULTURE/AGRICULTURE FACILITY means building, structures and major earth structure improvements, including fixed machinery and equipment, the primary purpose of which is the hatching, incubation, nursing, maturing and/ or processing to marketable size aquatic culture in commercially marketable quantities or the processing, refining, packaging, and distribution of food and/ or fiber products in commercially marketable quantities.

AVERAGE HOURLY WAGE means the total annual hourly wages (including base pay, shift differential and overtime) divided by total annual hours worked (full-time and full-time equivalent). Wages paid and hours worked are restricted to the XXXX facility. Highly compensated employees hours and wages will be excluded from this calculation.

BASE YEAR VALUE means improvements necessary for continued operations that do not improve productivity or alter the process technology.

CAPITAL INVESTMENT means the value of new, expanded, replaced or upgraded facilities and fixtures as appraised and established by the Karnes County Appraisal District for ad valorem tax purposes.

CITY means City of XXXX.

COMMERCIAL ENTERPRISE means a business unit whose primary function is retail commercial or service sector oriented and is legally operating within Karnes County.

COMMITTEE shall mean the Karnes County Economic and Community Development Corporation's (KCE & CDC's) Executive Committee.

COUNTY means Kames County.

DEFERRED MAINTENANCE means improvements necessary for continued operations that do not improve productivity or alter the process technology.

DISTRIBUTION CENTER is the same term as DISTRIBUTION CENTER FACILITY.

DISTRIBUTION CENTER FACILITY means building and structures, including machinery and equipment, used or to be used primarily to receive, store, service or distribute goods or materials owned by the facility, from which a majority of the revenues generated by the activity at the facility are derived from outside Karnes County.

ECONOMIC LIFE means the number of years a property improvement is expected to be in service in a facility.

ENTERTAINMENT/TOURISM FACILITY means buildings and structures, including machinery and equipment, used or to be used to provide entertainment and/ or tourism related services.

EXPANSION means the addition of building, structures, machinery or equipment for purposes of increasing production capacity.

FACILITY means property improvements completed or in the process of construction which together comprise an integral whole.

FULL-TIME EQUIVALENT (FTE) means permanent employment for at least 624 hours or more per year or 12 hours or more per week per person on an annualized basis. Two half time or three one third time jobs equal one full-time job.

FULL-TIME JOB is defined by the State of Texas as permanent employment for 1820 hours or more per year or 35 hours or more per week per person on an annualized basis.

HIGHLY COMPENSATED EMPLOYEES as defined by the Fair Labor Standards Act hours and wages will be excluded from the calculation of the facility's overall average hourly wage.

INDUSTRIAL ENTITY (or INDUSTRIAL FACILITY) means a business unit whose primary function is manufacturing and/ or distribution only.

INITIATING GOVERNING BODY shall be either the XXXX City Council or the Karnes County Commissioner's Court depending on whether Applicant's project is located in the City of XXXX or within Karnes County but outside the City of XXXX.

JOB (or JOBS) means a permanent position held by one employee or multiple full-time equivalent employees.

MANUFACTURING FACILITY means buildings and structures, including machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.

MODERNIZATION means the upgrading and or replacement of existing facilities which increases the productive input or cost of operation. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing or repairing.

MULTI-FAMILY HOUSING FACILITY means a building or business containing dwelling units designed to be leased to residential tenants. To qualify as a "multi-family housing facility" the facility must provide not less than two (2) housing units for lease.

NEW FACILITY means a property previously undeveloped which is placed in to service by means other than or in conjunction with expansion or ill Odernization.

OFFICE BUILDING means office building.

OTHER BASIC INDUSTRY means buildings and structures including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services which serve a market primarily outside the County and result in the creation of new permanent jobs and create new wealth into the county.

PETROCHEMICAL FACILITY means a business or industrial unit whose primary function is the processing, refining, or transportation of petroleum-based products.

PRODUCTIVE LIFE means the number of years a property improvement is expected to be in service in a facility.

REGIONAL SERVICE FACILITY means buildings and structures, including machinery and equipment used or to be used to service goods where a majority of the goods being serviced are domiciled at least 25 miles from the facility's location in Karnes County.

REGIONAL TELECOMMUNICATIONS OR DATA PROCESSING FACILITY Means buildings or structures used to consolidate and/ or coordinate telecommunications or data processing transactions that are initiated from locations outside the territorial boundaries of the applicable taxing jurisdiction.

REINVESTMENT ZONE means an area of the City of XXXX or County of Karnes designated as a reinvestment zone in accordance with the criteria and procedures set forth in Chapter 312 of the Texas Tax Code.

RESEARCH FACILITY means buildings and structures, including machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.

RETAIL FACILITY means a business unit whose primary function is the sale of goods, products, or services to the public at large.

SCHOOL DISTRICT means XXXX Independent School District.

SERVICE FACILITY means buildings and structures, including fixed machinery and equipment, used to provide a service.

TOURISM ENTITY means a business unit whose primary function is entertainment, recreation or education leading to the promotion of tourism.

Section 2 - Abatements Authorized

- A. Eligible Facilities: A Facility may become eligible for abatement if it is Located within a designated Reinvestment Zone and is a:
1. Manufacturing or Industrial Facility.
 2. Research Facility.
 3. Distribution Center Facility.
 4. Regional Service Facility.

5.

6. Regional Entertainment or Tourist Facility Including Hotels and Motels.
6. Other Basic Industry.
7. Multi-Family Housing Facility.
8. Office Building or Office
9. Aquaculture or Agriculture Facility.
10. Petrochemical Facility
11. Regional Telecommunication or Data Processing Facility.
12. Retail Facility, including Restaurants, Health Care and Financial Institutions.

- B. Effect of Commencement of Construction: A reinvestment zone or a tax abatement agreement shall not be established if it is found that the application for designation of a reinvestment zone and/or the abatement was filed after the commencement of construction, alteration, or installation of improvements related to a proposed modernization, expansion or new facility.
- C. Abatement of New Value: Abatement may only be granted for the additional value of eligible property improvements made subsequent to an application for tax abatement. Eligible property improvements must be in the abatement application and must be included in the tax abatement agreement between the governmental entity and the property owner and lessee, subject to such limitation as the governmental entity may require.
- D. New and Existing Facilities: Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.

E. Property Value Eligible for Abatement: Abatement may be extended to the value of improvements to Real Property as defined by the Karnes County Appraisal District including building, structures, fixed machinery and equipment, site improvements plus that office space and related fixed improvements necessary to the operation and administration of the facility. The taxing jurisdictions may also agree for the abatement of the following:

- 1) Inventories
- 2) Supplies
- 3) Tools

F. Ineligible Property: The following types of property shall be fully taxable and ineligible for abatement:

1. Land.
2. Furnishings and other forms of movable personal property.
3. Vehicles.
4. Watercraft.
5. Aircraft.
6. Deferred Maintenance Investments.
7. Property to be rented or leased except as provided in Section 2, G.
8. Improvements for the generation and transmission of electrical energy the majority of which is not consumed by a new facility or expansion.
9. Any improvements, including those to produce, store or distribute natural gas, fluids or gases, which are not integral to the operation of the facility.
10. Property owned or used by the State of Texas, Federal, or Foreign government or one of their political subdivisions.
11. Property owned by any organization that is owned, operated or directed by a political subdivision.

G. Owned or Leased Facilities: If a leased facility is granted abatement, the agreement shall be executed with the lessor and lessee.

- H. Economic Qualification: In order to be eligible for tax abatement, the planned new facility or planned expansion of an existing facility must;
1. Be reasonably expected to increase the value of the property a minimum of \$75,000.00 after completion of construction or within two years after the abatement agreement is entered into, whichever is earlier.
 2. Be reasonably expected to prevent the loss of employment, retain, or create employment for at least five (5)* people on a full time permanent basis at the site of the eligible facility.
 3. Be necessary because capacity cannot be provided efficiently utilizing existing improved property.
 4. Be reasonably expected to contribute to the economic development of the reinvestment zone and the City and County.
 5. Must not be expected to solely or primarily have the effect of transferring employment from one part of Karnes County to another.

*Minimum number of jobs may be waived for Multi-Family Housing Facility.

- I. Abatement Considerations: Abatement may be granted for up to 100% of the value of eligible property. The following factors will be considered in determining the percentage of the abatement:
1. Number of jobs and type created or retained (permanent full time qualifying for Abatement percentages plus part timers or temporary hires) in excess of the minimum required herein.
 2. Capital investment amounts, type and expected economic life of eligible property in excess of the minimum required here.
 3. Level of wages to be paid to employees and whether new jobs created will be filled by persons residing in or projected to reside in Karnes County.
 4. Capital investment amounts, type and expected economic life of new taxable property to be included in the project.
 5. Sales Taxes, hotel taxes or other incomes or projected population growth that would be generated by the project to the benefit of governmental entities.
 6. Off site infrastructure investment by applicant.

7. Off site infrastructure investment by County, City, or other public entities in order to serve the project.
8. Use of City utilities where available (i.e. water, wastewater).
9. Whether proposed improvements compete with existing businesses to the detriment of the local economy or adversely impact the business opportunities of existing businesses.
10. Whether the project is environmentally compatible with the community.

The applicable governmental entity shall have the authority to determine the percentage of tax abatement according to the above criteria in order to:

1. Accomplish their economic development goals;
2. Insure that governmental entities are not hampered in their delivery of services; and
3. Insure that the property tax burden is not shifted to present taxpayers without offsetting advancement of a public purpose.

J. Denial of Abatement: No Abatement Agreement shall be authorized if it is determined that:

- (1) There would be a substantial adverse affect on the tax base or costs associated with the providing of government services.
- (2) The applicant has insufficient financial capacity, which reasonably could be expected to jeopardize the success of the undertaking.
- (3) The planned or potential use of the property would constitute a hazard to public safety, health or morals.
- (4) Granting an Abatement might lead to the violation of other codes or laws.
- (5) For any other reason deemed appropriate by KCE & CDC's Executive Committee, or applicable governmental entity.

K. Review: C E & CDC's Executive Committee will review tax abatement applications and make recommendations on the percentage, duration

- each year shall be fully taxable.
3. The additional value of eligible properties shall be taxable at the non-abated percentage of their value as determined by the applicable governmental entity based on recommendations made by KCE & CDC's Executive Committee and the guidelines cited above and shall be fully taxable at the end of the Abatement period.

Section 3 - Application

- A. Written Application: Any present or potential owner of taxable property in an affected jurisdiction may request the creation of a Reinvestment Zone and Tax Abatement by filing a written request with the affected jurisdictions and attaching a plat and metes and bounds description effectively describing said Reinvestment Zone. Applicants may request Tax Abatement by filing a written application with the City Administrator, City Secretary, or County Clerk (or his/her designated representative) of the appropriate jurisdiction. Appropriate jurisdictional staff will review the application for completeness and accuracy and submit it to KCE & CDC's Executive Committee for consideration. KCE & CDC's Executive Committee will then meet to consider the application and develop a recommendation to the appropriate jurisdictions.
- B. Contents of Application: The application shall consist of;
 1. A completed application form accompanied by a general description of the new improvements to be undertaken.
 2. A descriptive list of the improvements for which the Abatement is requested.
 3. A list of the kind, number, and location of all proposed improvements of the property.
 4. A map and property description.
 5. A time schedule for undertaking and completing the proposed improvements.

In the case of a modernization or expansion project, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The application form may require such financial and other information as the taxing jurisdiction deems appropriate for evaluating

the financial capacity and other relevant factors of the applicant.

- C. Written Notification to Governmental Bodies: Upon receipt of a completed application, the City Administrator, City Secretary, or County Clerk (or his/her designated representative) of the appropriate jurisdiction shall forward a copy of the application to the presiding officer of the governmental jurisdictions having jurisdiction of the property covered by the applications.
- D. Feasibility: After receipt of an application for tax abatement, the taxing jurisdiction, KCE & CDC's Executive Committee, and the Karnes County Chief Appraiser shall jointly consider the feasibility and the impact of the proposed Tax Abatement. The review of feasibility shall include, but not be limited to, an estimate of the economic effect of the Abatement of taxes and the benefit to the governmental jurisdictions and property to be covered by such Abatement.

Section 4 - Agreement

- A. Contents of Tax Abatement Agreement: The Tax Abatement Agreement with the owners of the facility shall include:
 - 1. A list of the kind, number, and location of all proposed improvements of the property.
 - 2. Provision for access to and authorized inspection of the property by municipal or county employees to ensure that the improvements or repairs are made according to the specifications and conditions of the Agreement. All inspections shall be conducted in a manner that does not unreasonably interfere with the construction or operation of the facility; provided, however, the City or County may conduct inspections without advance notification to applicant. A representative of applicant shall have the right to be present during any such inspection. Any inspection shall be conducted in accordance with accepted safety standards.
 - 4. Provisions to limit the uses of the property consistent with the general purpose of encouraging development or redevelopment of

the Reinvestment Zone during the period that property tax exemptions are in effect.

5. Provisions for recapturing property tax revenue lost as a result of the Agreement if the owner of the property fails to make the improvements or repairs as provided by the Agreement.
5. The estimated value to be subject to Abatement.
6. The percentage of value to be abated each year as provided in Section 2.
7. The commencement date, and termination date of the Agreement.
8. The proposed use of the facility, nature of construction, time schedule, and map property description, as provided in the application.
9. The amount of capital investment, and minimum number of jobs created by the project.
10. Reporting requirements, including periodic capital investment reports during construction and periodic manpower reports from applicant's personnel officer confirming the number of additional employees added and retained as a result of the capital investment.
11. Applicant shall warrant that the information provided to the taxing jurisdictions are true and correct, and that any materially false or misleading information that is provided on the application or, in any periodic report to the taxing jurisdictions, may be grounds for the termination of the existing Tax Abatement and possible liability for the capture of past taxes normally due.
12. If the applicant is a City utility customer, the applicant agrees to remain a City utility customer during the abated period, and maintain currency on City utility bill payment for the period of the Abatement.

Agreements with multiple owners in a single designated Reinvestment Zone must have identical terms.

- B. Additional Fees: Extraordinary additional fees incurred by governmental bodies in preparation of Tax Abatement Agreements will be paid by the applicant upon execution of the Agreement.
- C. Notice of Agreement: Not later than the seventh day before the date on which the City Council or County considers an agreement, the City Administrator, City Secretary, or County Clerk (or his/her designated representative) shall deliver to the presiding officer of the governing body of each taxing jurisdiction in which the property is located, a written notice that the City / County intends to enter into the Agreement. The notice must include a copy of the proposed Agreement and shall be hand delivered or sent by certified mail.

Section 5. Recapture

- A. In the event that the facility is completed and begins producing product or service, but subsequently discontinues producing product or service for any reason excepting fire, explosion or other casualty or accident or natural disaster for a period of six (6) months during the Abatement period, then the Abatement Agreement shall terminate and so shall the Abatement of the taxes for the current and any future calendar year during which the facility no longer produces. The taxes that were to be abated for that calendar year shall be paid to the affected jurisdictions within 60 days from the date of termination.
- B. Should the governing body determine that the company or individual is in default according to the terms and conditions of its Agreement, the governing body shall notify- the company or individual in writing at the address stated in the Agreement, and if such is not cured within 60 days from the date of such notice (Cure Period), then the Agreement may be terminated.
- C. In the event that the company or individual (1) allows its unabated ad valorem taxes owed any of the affected jurisdictions to become delinquent and fails to timely and properly follow the legal procedures for their protest and/ or contest, or (2) violates any of the terms and conditions of the Abatement Agreement with any of the affected jurisdictions and fails to cure during the Cure Period, the Agreement then may be terminated by every affected jurisdiction and all taxes previously abated by virtue of every Agreement will be recaptured by each affected jurisdiction and shall be paid by the applicant to each affected jurisdiction within 60 days of the termination.

Section 6 - Administration

- A. The Chief Appraiser of the Karnes County Appraisal District shall annually determine an assessment of the real and personal property comprising the Reinvestment Zone. Each year the company or individual receiving Abatement shall furnish the assessor with such information as may be necessary for Abatement, including the number of new or retained employees associated with the facility. Once value has been established, the Chief Appraiser shall notify the affected jurisdictions, which levies taxes on the amount of the assessment.

- B. The Agreement shall stipulate that employees *and/or* designated representatives of the jurisdiction establishing the Reinvestment Zone and entering into a Tax Abatement Agreement will have access to the Reinvestment Zone during the term of the Abatement to inspect the facility to determine if the terms and conditions of the Agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/ or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.
 - 1. Upon completion of construction, the jurisdiction establishing the Reinvestment Zone and entering into a Tax Abatement Agreement shall annually evaluate each facility and report possible violations of the contract and Agreement to each affected jurisdiction.

 - 2. All proprietary information acquired by any affected jurisdictions for purposes of monitoring compliance with the terms and conditions of an Abatement Agreement shall be considered confidential.

Section 7- Assignment

- A. The Abatement may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval of resolution of each affected jurisdiction, subject to the financial capacity of the assignee and provided that all conditions and obligations in the

Abatement Agreement are guaranteed by the execution of a new contractual Agreement with each affected jurisdiction.

- B. The contractual Agreement with the new owner or lessee shall not exceed the termination date of the Abatement Agreement with the original owner and/or lessee.
- C. No assignment or transfer shall be approved if the parties to the existing Agreement, the new owner or new lessee are liable to any affected jurisdiction for outstanding taxes or other liabilities.
- D. Approval shall not be unreasonably withheld.

Section 8 - Sunset Provision

- A. These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two years, at which time all Reinvestment Zones and Tax Abatement contracts created pursuant to its provisions will be reviewed by the governing body to determine whether the goals have been achieved. Based on that review, the Guidelines and Criteria may be modified, renewed or eliminated providing that such actions shall not affect existing contracts.
- B. These guidelines and criteria do not apply to Industrial District Contracts entered into in accordance with chapter 42 of the Texas Local Government code.

Section 9 - Severability and Limitations

- A. In the event that any section, clause, sentence, paragraph or any part of these Guidelines and Criteria shall, for any reason be adjudged by any court of competent jurisdiction to be invalid such invalidity shall not affect, impair, or invalidate the remainder of these Guidelines and Criteria.

- B. If these Guidelines and Criteria have omitted any mandatory requirements of the applicable Tax Abatement laws of the State of Texas, then such requirements are hereby incorporated as a part of these Guidelines and Criteria.

Signed and Approved This