

**FINDINGS OF THE BARBERS HILL
INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE
APPLICATION SUBMITTED
BY
ENTERPRISE PRODUCTS OPERATING, LLC (#254)**



September 23, 2013

**FINDINGS
OF THE
BARBERS HILL INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
ENTERPRISE PRODUCTS OPERATING, LLC
(APPLICATION #254)**

SEPTEMBER 23, 2013

Board Findings of the Barbers Hill Independent School District
Enterprise Application #254

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

STATE OF TEXAS

§

COUNTY OF CHAMBERS

§

On the 23rd day of September, 2013, a public meeting of the Board of Trustees of the Barbers Hill Independent School District was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the application of Enterprise Products Operating, LLC (Enterprise) for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. After hearing presentations from the District's administrative staff, and from consultants retained by the District to advise the Board in this matter, the Board of Trustees of the Barbers Hill Independent School District makes the following findings with respect to the application of Enterprise, and the economic impact of that application:

On November 20, 2012, the Superintendent of Schools of the Barbers Hill Independent School District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts received an Application from Enterprise for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is attached as **Attachment A**.

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

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

Board Findings of the Barbers Hill Independent School District
Enterprise Application #254

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

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code § 313.026, and a favorable recommendation was issued on May 6, 2013. A copy of the Comptroller's letter is attached to the findings as **Attachment C**.

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

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

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

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

Board Findings of the Barbers Hill Independent School District
Enterprise Application #254

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

Board Finding Number 1.

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

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

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

Board Finding Number 2.

The economic condition of Mont Belvieu, Texas is in need of long-term improvement, based on the state's analysis of Chambers County data.

Based on information provided by the Comptroller's Office that focused on the county level, Chambers County is the 91st largest county in the state in terms of population. Population growth in Chambers County is up; the population of Chambers County grew by 2.5 percent between 2009 and 2010, slightly above the state average of 1.8 percent.

September 2011 employment for Chambers County was up 1.8 percent from September 2010, above the state's 0.9 percent increase in total employment during the same period, based on information provided by the Comptroller's Office. Even with the increase in total employment, however, the unemployment rate in Chambers County was 10.5 percent in September 2011, higher than the state average of 8.5 percent.

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

While the population growth and employment growth are generally positive trends, the higher unemployment rate reported in the analysis prepared by the Comptroller's Office indicates the need for long-term economic growth in the area served by Barbers Hill ISD. The local economy in Chambers County will benefit from economic activity like that associated with the Enterprise project. Major capital investments like this project are beneficial to the community on a number of fronts, including direct and indirect employment, expanded opportunities for existing businesses and increased local tax bases.

Board Finding Number 3.

The average salary level of qualifying jobs is expected to be at least \$75,000 per year. The review of the application by the State Comptroller's Office indicated that this amount—based on Texas Workforce Commission data—complies with the requirement that qualifying jobs must pay 110 percent of the regional average manufacturing wage. Enterprise indicates that total employment will be approximately four (4) new jobs, of which all will qualify.

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

After construction, the project will create four new jobs when fully operational. All four jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the Houston-Galveston Area Council of Governments Region, where Chambers County is located was \$53,711 in 2011. The annual average manufacturing wage for 2011-2012 for Chambers County is \$82,732. That same year, the county annual average wage for all industries was \$51,662. In addition to a salary of \$75,500, each qualifying position is offered medical and dental insurance, life insurance, 401(k) saving plan, vacation and holiday pay and educational assistance.

Board Findings of the Barbers Hill Independent School District
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Board Finding Number 4.

The level of the applicant's average investment per qualifying job over the term of the Agreement is estimated to be approximately \$77.6 million on the basis of the goal of four (4) new qualifying positions for the entire Enterprise project.

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

The project's total investment is \$310.5 million, resulting in a relative level of investment per qualifying job of \$77.6 million.

Board Finding Number 5.

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

In support of Finding 5, the economic impact evaluation states:

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

Board Findings of the Barbers Hill Independent School District
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Table 1: Estimated Statewide Economic Impact of Investment and Employment in Enterprise Products Operating, LLC

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	500	551	1051	\$26,000,000	\$36,000,000	\$62,000,000
2014	504	584	1088	\$26,302,000	\$43,698,000	\$70,000,000
2015	4	59	63	\$302,000	\$11,698,000	\$12,000,000
2016	4	25	29	\$302,000	\$7,698,000	\$8,000,000
2017	4	6	10	\$302,000	\$5,698,000	\$6,000,000
2018	4	0	4	\$302,000	\$4,698,000	\$5,000,000
2019	4	-6	-2	\$302,000	\$2,698,000	\$3,000,000
2020	4	-6	-2	\$302,000	\$2,698,000	\$3,000,000
2021	4	0	4	\$302,000	\$2,698,000	\$3,000,000
2022	4	6	10	\$302,000	\$2,698,000	\$3,000,000
2023	4	21	25	\$302,000	\$3,698,000	\$4,000,000
2024	4	25	29	\$302,000	\$3,698,000	\$4,000,000
2025	4	23	27	\$302,000	\$3,698,000	\$4,000,000
2026	4	23	27	\$302,000	\$3,698,000	\$4,000,000
2027	4	23	27	\$302,000	\$3,698,000	\$4,000,000
2028	4	23	27	\$302,000	\$4,698,000	\$5,000,000

Source: CPA, REMI, Enterprise Products Operating, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.74 billion in 2011-2012. Barbers Hill ISD's ad valorem tax base in 2011-2012 was \$3.39 billion. The statewide average wealth per WADA was estimated at \$347,943 for fiscal 2011-2012. During that same year, Barbers Hill ISD's estimated wealth per WADA was \$669,576. The impact on the facilities and finances of the district are presented in Attachment 2.

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

Board Findings of the Barbers Hill Independent School District
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Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Barbers Hill ISD I&S Levy	Barbers Hill ISD M&O Levy	Barbers Hill ISD M&O and I&S Tax Levies (Before Credit Credited)	Barbers Hill ISD M&O and I&S Tax Levies (After Credit Credited)	Chambers County Tax Levy	City of Mont Belvieu Extra-Territorial Jurisdiction (ETJ) Tax Levy	Estimated Total Property Taxes
			Tax Rate ¹	0.2698	1.0600			0.4968	0.4367	
2014	\$275,500,000	\$275,500,000		\$743,299	\$2,920,300	\$3,663,599	\$3,663,599	\$0	\$0	\$3,663,599
2015	\$249,820,000	\$249,820,000		\$674,014	\$2,648,092	\$3,322,106	\$3,322,106	\$0	\$0	\$3,322,106
2016	\$246,932,560	\$30,000,000		\$666,224	\$318,000	\$984,224	\$984,224	\$0	\$0	\$984,224
2017	\$244,046,460	\$30,000,000		\$658,437	\$318,000	\$976,437	\$488,219	\$0	\$0	\$488,219
2018	\$241,134,762	\$30,000,000		\$650,582	\$318,000	\$968,582	\$484,291	\$299,483	\$263,265	\$1,047,039
2019	\$238,156,787	\$30,000,000		\$642,547	\$318,000	\$960,547	\$480,274	\$473,256	\$416,022	\$1,369,551
2020	\$234,798,020	\$30,000,000		\$633,485	\$318,000	\$951,485	\$475,743	\$583,227	\$512,693	\$1,571,662
2021	\$231,265,455	\$30,000,000		\$623,954	\$318,000	\$941,954	\$470,977	\$574,452	\$1,009,959	\$2,055,388
2022	\$227,237,987	\$30,000,000		\$613,088	\$318,000	\$931,088	\$465,544	\$564,448	\$992,371	\$2,022,363
2023	\$222,925,556	\$30,000,000		\$601,453	\$318,000	\$919,453	\$459,727	\$553,736	\$973,538	\$1,987,001
2024	\$217,754,968	\$217,754,968		\$587,503	\$2,308,203	\$2,895,706	\$1,288,087	\$1,081,785	\$950,958	\$3,320,829
2025	\$211,585,872	\$211,585,872		\$570,859	\$2,242,810	\$2,813,669	\$2,813,669	\$1,051,137	\$924,017	\$4,788,823
2026	\$227,051,841	\$227,051,841		\$612,586	\$2,406,750	\$3,019,335	\$3,019,335	\$1,127,971	\$991,558	\$5,138,864
2027	\$196,224,199	\$196,224,199		\$529,413	\$2,079,977	\$2,609,389	\$2,609,389	\$974,822	\$856,931	\$4,441,142
2028	\$196,224,199	\$196,224,199		\$529,413	\$2,079,977	\$2,609,389	\$2,609,389	\$974,822	\$856,931	\$4,441,142
						Total	\$23,634,573	\$8,259,139	\$8,748,242	\$40,641,954

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

Source: CPA, Enterprise Products Operating, LLC

¹Tax Rate per \$100 Valuation

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Barbers Hill ISD I&S Levy	Barbers Hill ISD M&O Levy		Barbers Hill ISD M&O and I&S Tax Levies	Chambers County Tax Levy	City of Mont Belvieu Extra-Territorial Jurisdiction (ETJ) Tax Levy	Estimated Total Property Taxes
			Tax Rate ¹	0.2698	1.0600			0.4968	0.4367	
2014	\$275,500,000	\$275,500,000		\$743,299	\$2,920,300		\$3,663,599	\$1,368,656	\$1,203,136	\$6,235,392
2015	\$249,820,000	\$249,820,000		\$674,014	\$2,648,092		\$3,322,106	\$1,241,081	\$1,090,989	\$5,654,176
2016	\$246,932,560	\$246,932,560		\$666,224	\$2,617,485		\$3,283,709	\$1,226,736	\$1,078,379	\$5,588,825
2017	\$244,046,460	\$244,046,460		\$658,437	\$2,586,892		\$3,245,330	\$1,212,398	\$1,065,775	\$5,523,504
2018	\$241,134,762	\$241,134,762		\$650,582	\$2,556,028		\$3,206,610	\$1,197,933	\$1,053,060	\$5,457,603
2019	\$238,156,787	\$238,156,787		\$642,547	\$2,524,462		\$3,167,009	\$1,183,139	\$1,040,055	\$5,390,203
2020	\$234,798,020	\$234,798,020		\$633,485	\$2,488,859		\$3,122,344	\$1,166,453	\$1,025,386	\$5,314,184
2021	\$231,265,455	\$231,265,455		\$623,954	\$2,451,414		\$3,075,368	\$1,148,904	\$1,009,959	\$5,234,231
2022	\$227,237,987	\$227,237,987		\$613,088	\$2,408,723		\$3,021,811	\$1,128,896	\$992,371	\$5,143,077
2023	\$222,925,556	\$222,925,556		\$601,453	\$2,363,011		\$2,964,464	\$1,107,472	\$973,538	\$5,045,474
2024	\$217,754,968	\$217,754,968		\$587,503	\$2,308,203		\$2,895,706	\$1,081,785	\$950,958	\$4,928,448
2025	\$211,585,872	\$211,585,872		\$570,859	\$2,242,810		\$2,813,669	\$1,051,137	\$924,017	\$4,788,823
2026	\$227,051,841	\$227,051,841		\$612,586	\$2,406,750		\$3,019,335	\$1,127,971	\$991,558	\$5,138,864
2027	\$196,224,199	\$196,224,199		\$529,413	\$2,079,977		\$2,609,389	\$974,822	\$856,931	\$4,441,142
2028	\$196,224,199	\$196,224,199		\$529,413	\$2,079,977		\$2,609,389	\$974,822	\$856,931	\$4,441,142
						Total	\$46,019,839	\$17,192,206	\$15,113,042	\$78,325,088

Source: CPA, Enterprise Products Operating, LLC

¹Tax Rate per \$100 Valuation

Board Findings of the Barbers Hill Independent School District
Enterprise Application #254

Board Finding Number 6.

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

In support of this finding, the analysis prepared by Moak, Casey & Associates projects that the project would initially add \$275.5 million to the tax base for debt service purposes at the peak investment level for the 2014-15 school year. The Enterprise project remains fully taxable for debt services taxes, with Barbers Hill ISD currently levying a \$0.2698 per \$100 I&S rate. While the value of the Enterprise project is expected to depreciate over the life of the agreement and beyond, full access to the additional value will add to the District's tax base and assist it in meeting its debt service needs.

Board Finding Number 7.

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

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

Board Finding Number 8.

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

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

According to Enterprise Products Operating, LLC's application, "Enterprise is a leading midstream energy company with large pipeline foot print in Louisiana. These pipelines provide substantial flexibility in plant location. Enterprise has significantly assets in Louisiana including pipes that can and do move product to and from Texas.

Board Findings of the Barbers Hill Independent School District
Enterprise Application #254

For every significant investment we make, there is a thorough review of the offered tax incentives in the region that helps determine our long term investment approach in a state or location. While Louisiana has had very competitive incentives to make big investments in their state, Texas has been equally competitive with the inclusion of the Ch. 313 program. As a result, Enterprise has been continually planning adding billions in investments in Texas to expand our massive infrastructure to support growth in the Texas upstream/downstream oil and gas and petrochemical industry. Support for these Texas industries can be managed via pipelines to and processes in neighboring states. All things being equal, such a choice would not be Enterprise's first preference but will continue to be part of our business evaluation and decision processes."

Board Finding Number 9.

During the past two years, 22 projects in the Houston-Galveston Area Council of Governments Region applied for value limitation agreements under Tax Code, Chapter 313.

Board Finding Number 10.

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

Board Finding Number 11.

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

According to the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2012 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year, Attachment F, the total 2012 industrial value for Barbers Hill ISD is \$3.68 billion. Barbers Hill ISD is categorized as Subchapter C, which applies only to a school district that has territory in a strategic investment area, as defined under Subchapter O, Chapter 171, Tax Code or in a county: (1) that has a population of less

Board Findings of the Barbers Hill Independent School District
Enterprise Application #254

than 50,000 and (2) in which, from 1990 to 2000, according to the federal decennial census, the population: (A) remained the same; (B) decreased; or (C) increased, but at a rate of not more than three percent per annum. Barbers Hill ISD is classified as a "rural" district due to its demographic characteristics. It is classified as a Category I district which can offer a minimum value limitation of \$30 million.

Board Finding Number 12.

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

Board Finding Number 13.

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

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

Board Finding Number 14.

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

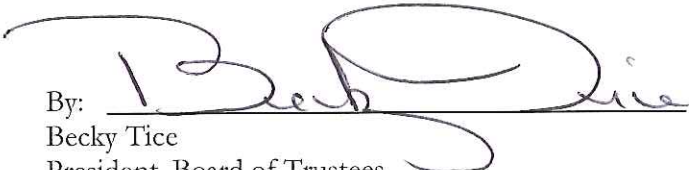
It is therefore ORDERED that the Agreement attached hereto as **Attachment G** is approved and hereby authorized to be executed and delivered by and on behalf of the Barbers Hill Independent School District. It is further ORDERED that these findings and the Attachments referred to herein be attached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

Board Findings of the Barbers Hill Independent School District
Enterprise Application #254

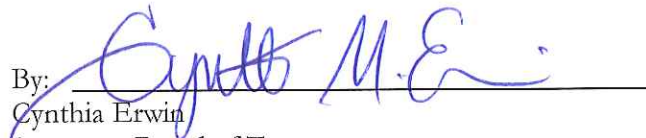
maintained in the permanent records of the Board of Trustees of the Barbers Hill Independent School District.

Dated the 23rd day of September 2013.

BARBERS HILL INDEPENDENT SCHOOL DISTRICT

By: 
Becky Tice
President, Board of Trustees

ATTEST:

By: 
Cynthia Erwin
Secretary, Board of Trustees



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

August 26, 2013

President and Members
Board of Trustees
Barbers Hill Independent School District
9600 Eagle Drive
Mont Belvieu, Texas 77580

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

Dear President Tice and Members of the Board of Trustees:

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

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

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

Sincerely,

Daniel T. Casey

www.moakcasey.com

O'HANLON, MCCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE

AUSTIN, TEXAS 78701

TELEPHONE: (512) 494-9949

FACSIMILE: (512) 494-9919

KEVIN O'HANLON

CERTIFIED, CIVIL APPELLATE

CERTIFIED, CIVIL TRIAL

LESLIE MCCOLLOM

CERTIFIED, CIVIL APPELLATE

CERTIFIED, LABOR AND EMPLOYMENT

TEXAS BOARD OF LEGAL SPECIALIZATION

JUSTIN DEMERATH

August 26, 2013

President and Members
Of the Board of Trustees
Barbers Hill Independent School District
9600 Eagle Drive
Mont Belvieu, Texas 77580

Re: Recommendations and Findings of the Firm Concerning Application of Enterprise Products Operating LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, first qualifying year 2014

Dear President Tice and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Barbers Hill Independent School District, with respect to the pending Application of Enterprise Products Operating LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, to be effected by an agreement with a first qualifying time year of 2014. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. We have also negotiated an Agreement between the District and Enterprise Products Operating LLC Based upon our review we have drawn the following conclusions:

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

Letter to Barbers Hill ISD
August 26, 2013
Page 2 of 2

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

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

Sincerely,

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

Kevin O'Hanlon
For the Firm

Attachment A

Application

O'HANLON, McCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE

AUSTIN, TEXAS 78701

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KEVIN O'HANLON

CERTIFIED, CIVIL APPELLATE

CERTIFIED, CIVIL TRIAL

LESLIE McCOLLOM

CERTIFIED, CIVIL APPELLATE

CERTIFIED, LABOR AND EMPLOYMENT

TEXAS BOARD OF LEGAL SPECIALIZATION

JUSTIN DEMERATH

November 20, 2012

Local Government Assistance & Economic Analysis

Texas Comptroller of Public Accounts

P.O. Box 13528

Austin, Texas 78711-3528

RE: Amended Application to the Barbers Hill Independent School District from
Enterprise Products Operating LLC.

To the Local Government Assistance & Economic Analysis Division:

Enterprise Products Operating LLC ("Enterprise") originally submitted its Application to the Barbers Hill Independent School District on July 10, 2012. The Board voted to accept the application July 16, 2012. The Application was determined complete by the District on July 17, 2012. The Comptroller's Office determined the Application complete as of July 24, 2012. On October 9, 2012, a positive recommendation was made by the Comptroller for the project, and the economic analysis was forwarded to the District. On November 15, 2012, Enterprise notified the District that it was going to submit an amended Application modifying the qualifying time period due to delays in the air permitting process. The District re-determined the Application complete as of November 20, 2012.

It is our understanding of the Comptroller's procedures that a change in qualifying time period invalidates the prior recommendation letter, and a new economic analysis must be completed for the project within 91 days of a re-determination that the amended Application is complete. Please prepare the economic analysis.

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 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.

Letter to Local Government Assistance & Economic Analysis Division
November 20, 2012
Page 2 of 2

There is no existing property for this project. The site selected for the current project (Frac #8) is being used as a construction staging area for other projects at the complex (Not Frac # 8) which includes contractor's offices, warehouses, fencing and parking areas. The Applicant has begun to clear all the existing improvements from the site before Frac # 8 construction commences. The cost associated with these temporary improvements will not be part of the value limitation agreement with the Barbers Hill Independent School District.

New wage information has become available since the original submission of the Application to the District. The school district has determined that the wage information included in the Application represents the most recent wage data available at the time of the Application. The wage the Applicant has committed to paying on this project is well above the required statutory minimums.

A paper copy of the application will be hand delivered to your office later today. In accordance with 34 Tex. Admin Code §9.1054, a copy of the amended Application will be submitted to the Chambers County Appraisal District.

Please feel free to contact me with questions.

Sincerely,

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

Kevin O'Hanlon
School District Consultant

Cc: Chief Appraiser
Chambers County Appraisal District

Becky McManus, Barbers Hill 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 Amended 11.15.12
First Name Becky	Last Name McManus	
Title Assistant Superintendent of Finance		
School District Name Barbers Hill Independent School District		
Street Address 9600 EAGLE DR		
Mailing Address P O BOX 1108		
City MONT BELVIEU	State TX	ZIP 77580-1108
Phone Number (281) 576-2221	Fax Number (281) 576-5879	
Mobile Number (optional)	E-mail Address BMcManus@bhisd.net	

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

Will consultant be primary contact? ☒ Yes ☐ No



SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized School District Consultant (If Applicable)

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

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

Signature (Authorized School District Representative) <i>Becky McManis</i>	Date 7-17-2012
---	--------------------------

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

If yes, date determined complete. 7-17-2012 Amended 11.20.12

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

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

	Checklist	Page X of 16	Check Completed
1	Date application received by the ISD	1 of 16	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	will supplement

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Business Representative (Applicant)

First Name	Curt		Last Name	Tate	
Title	Senior Tax Director				
Organization	Enterprise Products				
Street Address	1100 Louisiana Street				
Mailing Address	P.O. Box 4018				
City	Houston		State	TX	ZIP 77210
Phone Number	713-831-8071		Fax Number	281-887-7139	
Mobile Number (optional)			Business e-mail Address	ctate@eprod.com	

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

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

First Name			Last Name		
Title					
Organization					
Street Address					
Mailing Address					
City			State	ZIP	
Phone Number			Fax Number		
Mobile Number (optional)			E-mail Address		

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

Will consultant be primary contact? ☐ Yes ☐ No



Form 50-296

Application for Appraised Value Limitation on Qualified Property

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

First Name

Last Name

Title

Firm Name

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Business email Address

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

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

Signature (Authorized Business Representative (Applicant))

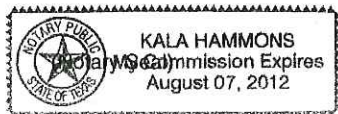
Date

Curt Tate

7/9/2012

GIVEN under my hand and seal of office this 9th day of July, 2012

Kala Hammons
Notary Public, State of Texas



My commission expires 8/7/2012

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

**FEES AND PAYMENTS**

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

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

Please answer only either A OR B:

- A. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code, 313.027(i)? ☐ Yes ☒ No
- B. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? ... ☐ Yes ☒ No

BUSINESS APPLICANT INFORMATION

Legal Name under which application is made

ENTERPRISE PRODUCTS OPERATING LLC

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

12604305396

NAICS code

325120

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

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

Barbers Hill ISD, 2009, 2010, 2011

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.)

N/A

**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 ☒ NoWill any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☒ NoWill any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☒ NoAre you including property that is owned by a person other than the applicant? ☐ Yes ☒ NoWill any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? ☐ Yes ☒ No**PROJECT DESCRIPTION**

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

Please see attachment A

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

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

PROJECT CHARACTERISTICS (CHECK ALL THAT APPLY)

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

PROJECTED TIMELINE

Begin Construction January 2013 Begin Hiring New Employees First Quarter 2014

Construction Complete First Quarter 2014 Fully Operational First Quarter 2014

Purchase Machinery & Equipment First Quarter 2013 Thru First Quarter 2014

Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? ☒ Yes ☐ No**Note:** Improvements made before that time may not be considered qualified property.When do you anticipate the new buildings or improvements will be placed in service? First Quarter 2014

ECONOMIC INCENTIVES

Identify state programs the project will apply for:

State Source

Amount

_____	_____
_____	_____
_____	_____
Total	_____

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

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

Applicant has requested the following tax abatements

1- City of Mont Belvieu (ETJ) - 7 year tax abatement

2- Chambers County- 10 year tax abatement

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

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

County: Chambers (100%)

(Name and percent of project)

City: City of Mont Belvieu ETJ (100%)

(Name and percent of project)

Hospital District: N/A

(Name and percent of project)

Water District: N/A

(Name and percent of project)

Other (describe): N/A

(Name and percent of project)

Other (describe): N/A

(Name and percent of project)

Is the project located entirely within this ISD? ☒ Yes ☐ No

If not, please provide additional information on the project scope and size to assist in the economic analysis.

INVESTMENT

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as rural, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's Web site at www.window.state.tx.us/taxinfo/proptax/hb1200/values.html.

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

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

What is your total estimated *qualified* investment? 275 Million

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

What is the anticipated date of application approval? May 2013

What is the anticipated date of the beginning of the qualifying time period? May 2013

What is the total estimated investment for this project for the period from the time of application submission to the end of the limitation period? 310.5 Million

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

Attach the following items to this application:

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

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

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

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

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

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

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

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

QUALIFIED PROPERTY

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

Attach the following items to this application:

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

Land

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

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

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

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

QUALIFIED PROPERTY (CONTINUED)

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

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

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

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

Miscellaneous

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

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

List current market value of existing property at site as of most recent tax year. 0 2012
(Market Value) (Tax Year)

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

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

WAGE AND EMPLOYMENT INFORMATION

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

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

☐ First Quarter ☐ Second Quarter ☒ Third Quarter ☐ Fourth Quarter of 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?
3,915

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

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

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

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

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

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

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

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

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

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

WAGE AND EMPLOYMENT INFORMATION (CONTINUED)

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

110% of the county average weekly wage for all jobs (all industries) in the county is \$1,092.85
 110% of the county average weekly wage for manufacturing jobs in the county is \$1,750.10
 110% of the county average weekly wage for manufacturing jobs in the region is 1,136.08

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? \$59,076.16

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? \$75,500

Will 80% of all new jobs created by the owner be qualifying jobs as defined by 313.021(3)? ☒ Yes ☐ No
 Will each qualifying job require at least 1,600 of work a year? ☒ Yes ☐ No
 Will any of the qualifying jobs be jobs transferred from one area of the state to another? ☐ Yes ☒ No
 Will any of the qualifying jobs be retained jobs? ☐ Yes ☒ No
 Will any of the qualifying jobs be created to replace a previous employee? ☐ Yes ☒ No
 Will any required qualifying jobs be filled by employees of contractors? ☐ Yes ☒ No

If yes, what percent? _____

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

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

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

ECONOMIC IMPACT

Is an Economic Impact Analysis attached (If supplied by other than the Comptroller's office)? N/A ☐ Yes ☐ No
 Is Schedule A completed and signed for all years and attached? ☒ Yes ☐ No
 Is Schedule B completed and signed for all years and attached? ☒ Yes ☐ No
 Is Schedule C (Application) completed and signed for all years and attached? ☒ Yes ☐ No
 Is Schedule D completed and signed for all years and attached? ☒ Yes ☐ No

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

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

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	
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	
14	Calculation of three possible wage requirements with TWC documentation. (Attachment)	10 of 16	✓
15	Description of Benefits	10 of 16	✓
16	Economic Impact (if applicable)	10 of 16	✓
17	Schedule A completed and signed	13 of 16	✓
18	Schedule B completed and signed	14 of 16	✓
19	Schedule C (Application) completed and signed	15 of 16	✓
20	Schedule D completed and signed	16 of 16	✓
21	Map of Reinvestment Zone (Attachment) (Showing the actual or proposed boundaries and size, Certified to be accurate by either the government entity creating the zone, the local appraisal district, or a licensed surveyor, with vicinity map)*	9 of 16	✓
22	Order, Resolution, or Ordinance Establishing the Zone (Attachment)*	9 of 16	✓
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 attached.

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

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

ATTACHMENT 3

Not Applicable.

ATTACHMENT 4

Description of Project.

ATTACHMENT A
APPLICATION FOR TAX ABATEMENT
BARBERS HILL SCHOOL DISTRICT

Proposed Project Description

Enterprise Products Operating LLC ("Enterprise") currently operates the Mont Belvieu Manufacturing Complex. Enterprise proposes to build a new manufacturing NGL fractionator (Frac # 8) in Mont Belvieu, Texas.

NGL Manufacturing Fractionation Plant

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

Manufacturing Process

The manufacturing process is accomplished by applying heat and pressure to the mixture of raw NGL hydrocarbons and separating each discrete product at the different boiling points for each NGL component of the mixture.

The pipeline feed mixture is processed in feed filter, feed coalescer, and amine contractors to remove particulates, sulfides, and carbon dioxide. The Sweetened feed is then dehydrated and fed to the Deethanizer column. The Deethanizer is used to manufacture the feed into two fractions. The overhead vapor fraction consists of ethane and lighter components and is condensed by heat exchange against propylene refrigerant. (Propylene vapor from the Deethanizer condenser is first compressed in a two-stage machine and then is condensed in a wet-surface air cooler. The liquid propylene is then sub-cooled against low – temperature ethane before being fed back to the Deethanizer column condenser as refrigerant.) A portion of the condensed ethane is pumped out of the unit as ethane product to the existing storage facility, and the balance is refluxed back to the column. The Bottom fraction from the column, consisting mainly of propane and heavier components, is fed to the Depropazizer column. Heat for the manufacturing is provided by a number of reboilers, including a hot oil reboiler at the bottom of the column.

The Depropanizer column takes the feed from the Deethanizer bottom and separates it into a propane and lighter fraction, which goes overhead, and a butane and heavier fraction, exits the bottom. Condensing for the column is provided by a heat pump circuit and a we-surface air cooler. The propane heat pump circuit exchanges against the Depropazizer side reboiler and two reboilers attached to the Deethanzier column. The we-surface air cooler is used to sub-cool the condensed propane. Part of the propane is refluxed back to the column and the balance is sent to the existing storage complex as product. Heat for manufacturing is provided by a hot oil reboiler at the bottom of the column.

The stream from the bottom of the Depropanizer is fed to the Debutanizer column, which manufactures it into an overhead stream containing mixed butanes (primarily normal butane and isobutene) and a bottoms gasoline stream which contains pentanes and heavier. Part of the overhead butane stream is refluxed back to the column and the balance is sent to storage tanks as an intermediate feed for other units or as commercial butane product. The bottoms gasoline is routed to existing gasoline treating facilities. Condensing for the Debutanizer is provided by the Deethanizer Upper Side Reboiler, and and heat for manufacturing in the Debutanizer is provided by a hot oil reboiler at the bottom of the column.

Deisobutanizer Unit

The deisobutanizer (DIB) unit is used to manufacture isobutene and normal butane from mixed butane streams.

The Butane mixtures arrive at the Mont Belvieu Complex via pipeline and enter the DIB unit from the butamer units, or from the Mont Belvieu Complex storage facility, as commercial butane mixtures. The mixed butanes are routed to the deisobutanizer distillation column, where the manufacturing of isobutene and normal butane is occurs. The overhead vapor stream from the column is isobutene, which is compressed into liquid phase isobutene. The liquefied isobutene product is split into two streams, one providing reflux for the column, and the remaining stream sent to the storage are or delivered to other Enterprise units as feed material.

Frac # 8 new facility -List of Improvements

Plant Components

- DeEthanizer column
- DEPropanizer column
- Debutanizer column
- Cooling Towers
- Gas fired regenerant gas heaters
- Gas fired hot oil heaters
- Compression Equipment
- Deisobutanizer column
- Ancillary tanks
- New flare

Ability to Relocate:

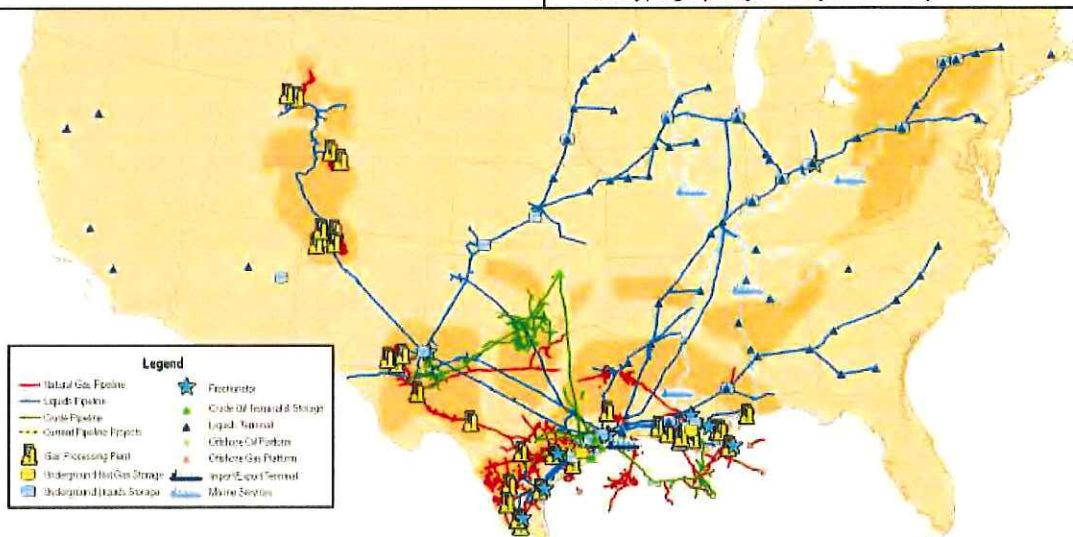
Enterprise is a leading midstream energy company with large pipeline foot print in Louisiana. These pipelines provide substantial flexibility in plant location.

- Enterprise has significant assets in Louisiana including pipes that can and do move product to and from Texas.
- For every significant investment we make, there is a thorough review of the offered tax incentives in the region that helps determine our long term investment approach in a states or location.
- While Louisiana has had very competitive incentives to make big investments in their state, Texas has been equally competitive with the inclusion of the CH313 program.
- As a result, Enterprise has been continually planning adding Billions in investments in Texas to expand our massive infrastructure to support growth in the Texas upstream/downstream oil and gas and petrochemical industry.
- Support for these Texas industries can be managed via pipelines to and processes in neighboring states.
- All things being equal, such a choice would not be Enterprise's first preference but will continue to be part of our business evaluation and decision process.

EPD Portfolio of Integrated Assets

Major Asset Overview

- | | |
|---|---|
| ● 50,600 miles of natural gas, NGL, crude oil, refined products and petrochemical pipelines | ● 20 NGL & Propylene fractionators |
| ● 190 MMBbls of NGL, refined products and crude oil storage, and 14 Bcf of natural gas storage capacity | ● 6 offshore hub platforms |
| ● 25 natural gas processing plants | ● NGL import / export terminals |
| | ● Butane isomerization complex; octane enhancement facility; high-purity isobutylene facility |



ATTACHMENT 5

The Project is 100% located in Chambers ISD.

ATTACHMENT 6

Description of Qualified Investment

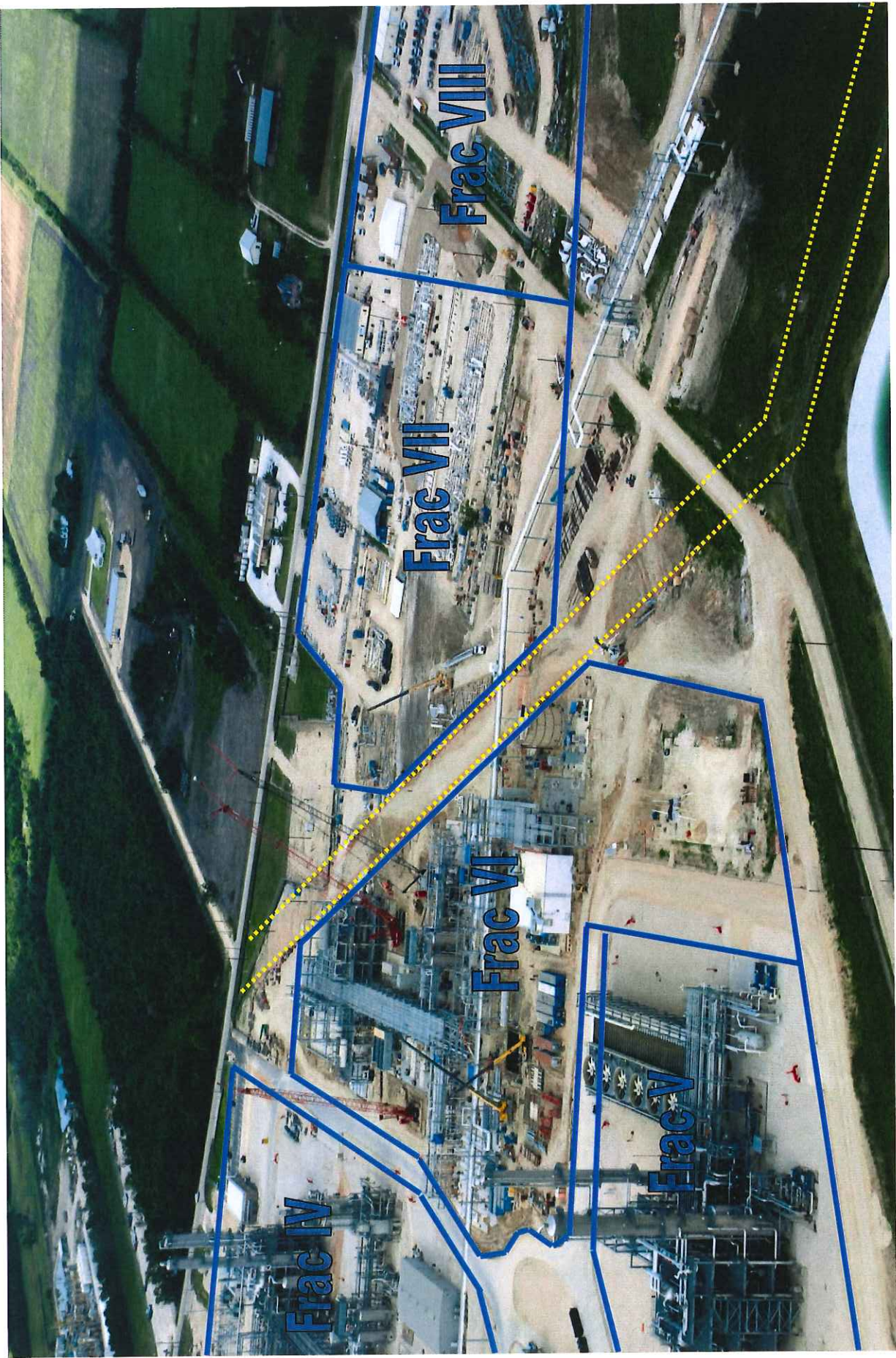
Frac # 8 new facility -List of Improvements

Plant Components

- **DeEthanizer column**
- **DEPropanizer column**
- **Debutanizer column**
- **Cooling Towers**
- **Gas fired regenerant gas heaters**
- **Gas fired hot oil heaters**
- **Compression Equipment**
- **Deisobutanizer column**
- **Ancillary tanks**
- **New flare**

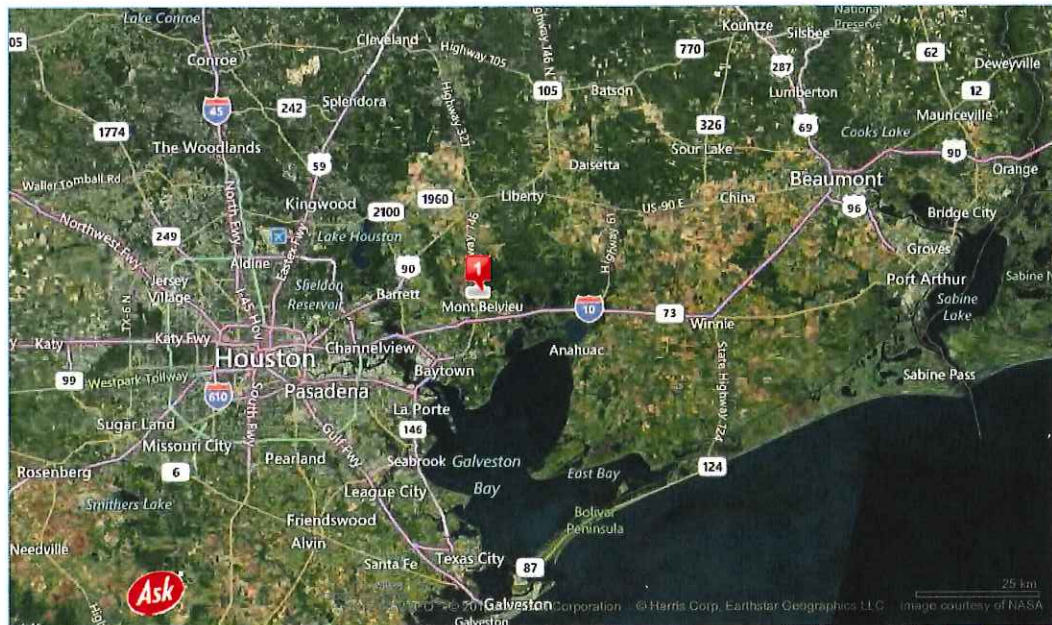
ATTACHMENT 7

See attached maps.



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Map of Mont Belvieu, TX

[Show Traffic](#) · [Street Map](#) · [Satellite](#) · [Bird's Eye](#)[Send To](#) · [Print](#)[About](#) · [Privacy](#) · [AskEraser](#) · [Advertise](#) · [Careers](#) · [Ask Blog](#) · [iPhone](#) · [Android](#) · [Help](#) · [Feedback](#) ©2012 Ask.com

ATTACHMENT 8

Description of Qualified Investment

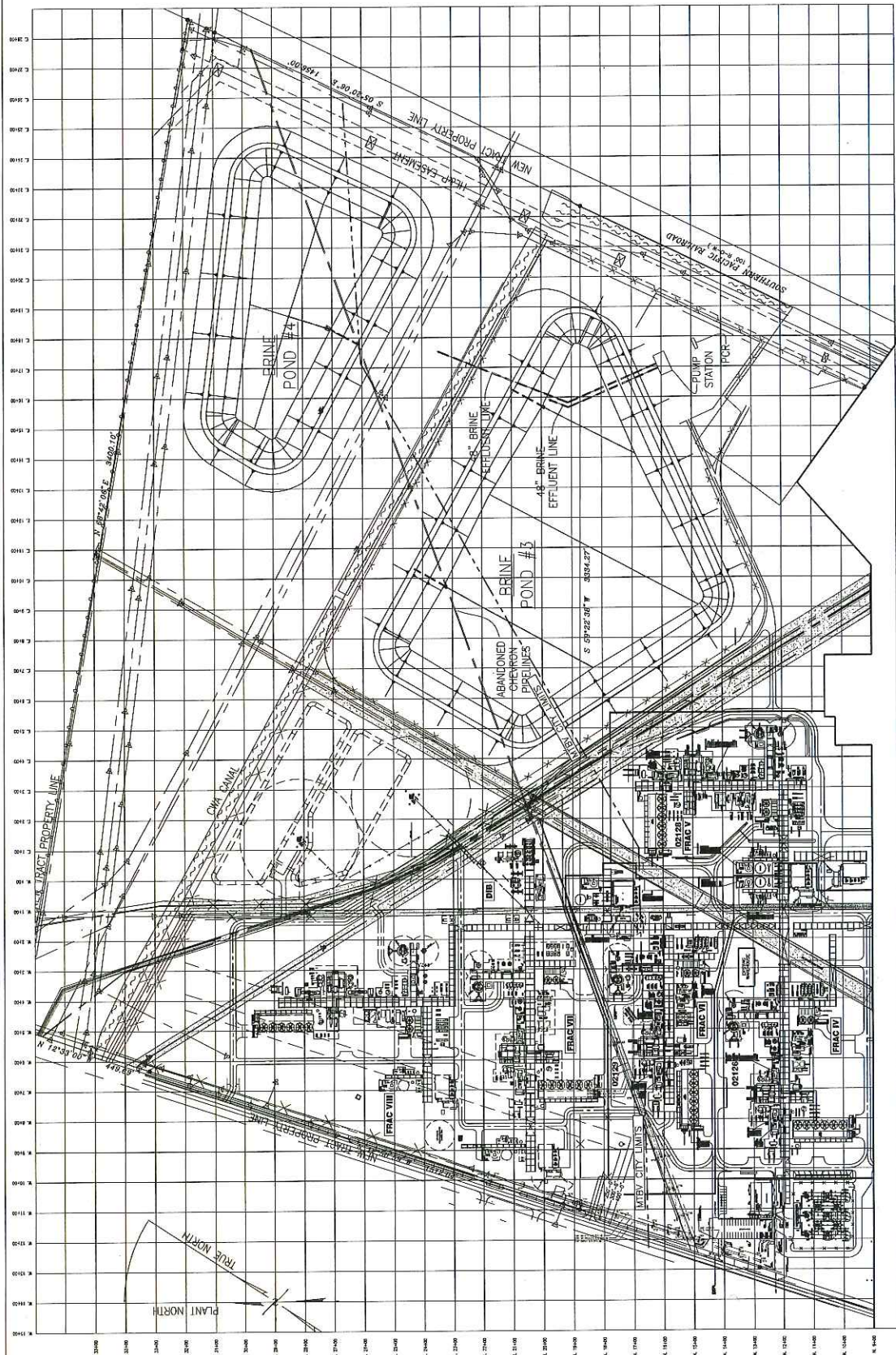
Frac # 8 new facility -List of Improvements

Plant Components

- **DeEthanizer column**
- **DEPropanizer column**
- **Debutanizer column**
- **Cooling Towers**
- **Gas fired regenerant gas heaters**
- **Gas fired hot oil heaters**
- **Compression Equipment**
- **Deisobutanizer column**
- **Ancillary tanks**
- **New flare**

ATTACHMENT 9

See attached maps.



REFERENCE DRAWINGS		REVISION		BY	DATE	CHK
NUMBER	0	ISSUED FOR CONSTRUCTION	AF-1448	180	08/20/10	DM
TITLE	02035-976-0008	UNIT BELVED PLANT		180	08/20/10	DM
	02035-976-0008	UNIT BELVED PLANT		180	08/20/10	DM
	02035-976-0008	UNIT BELVED PLANT		180	08/20/10	DM
	02035-976-0008	UNIT BELVED PLANT		180	08/20/10	DM
	02035-976-0008	UNIT BELVED PLANT		180	08/20/10	DM
	02035-976-0008	UNIT BELVED PLANT		180	08/20/10	DM
	02035-976-0008	UNIT BELVED PLANT		180	08/20/10	DM
	02035-976-0008	UNIT BELVED PLANT		180	08/20/10	DM
	02035-976-0008	UNIT BELVED PLANT		180	08/20/10	DM

UNIT DESCRIPTION
 02128 - FRAC V
 02129 - FRAC VI

02035-976-0008-118
 02035-976-0008-118
 02035-976-0008-118

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Mont Belvieu, TX

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From: Starting address

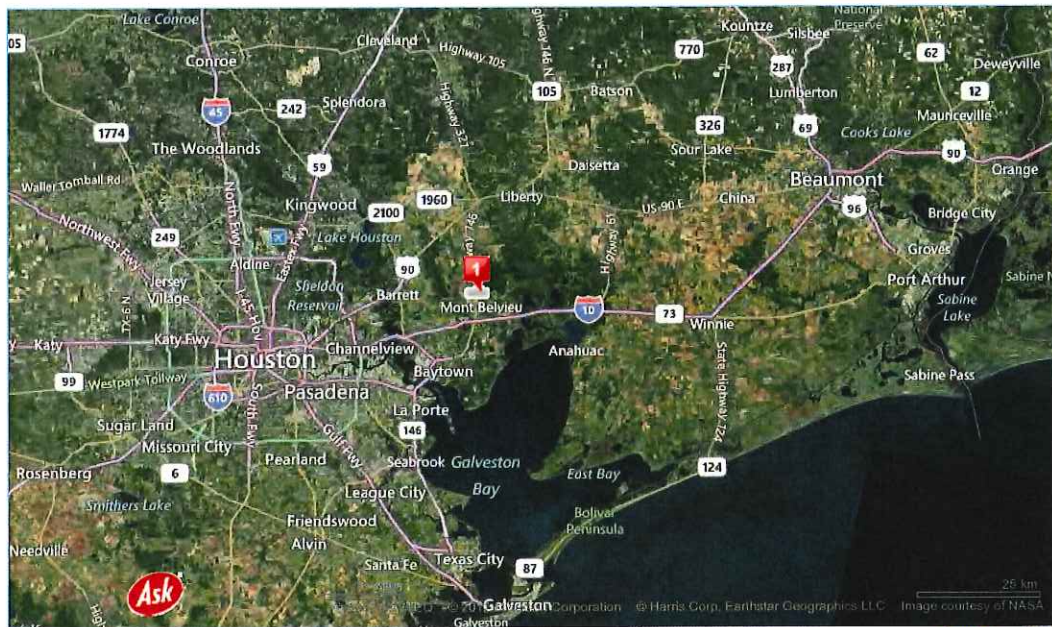
To: Mont Belvieu, TX

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Map of Mont Belvieu, TX

Show Traffic . Street Map . Satellite . Bird's Eye



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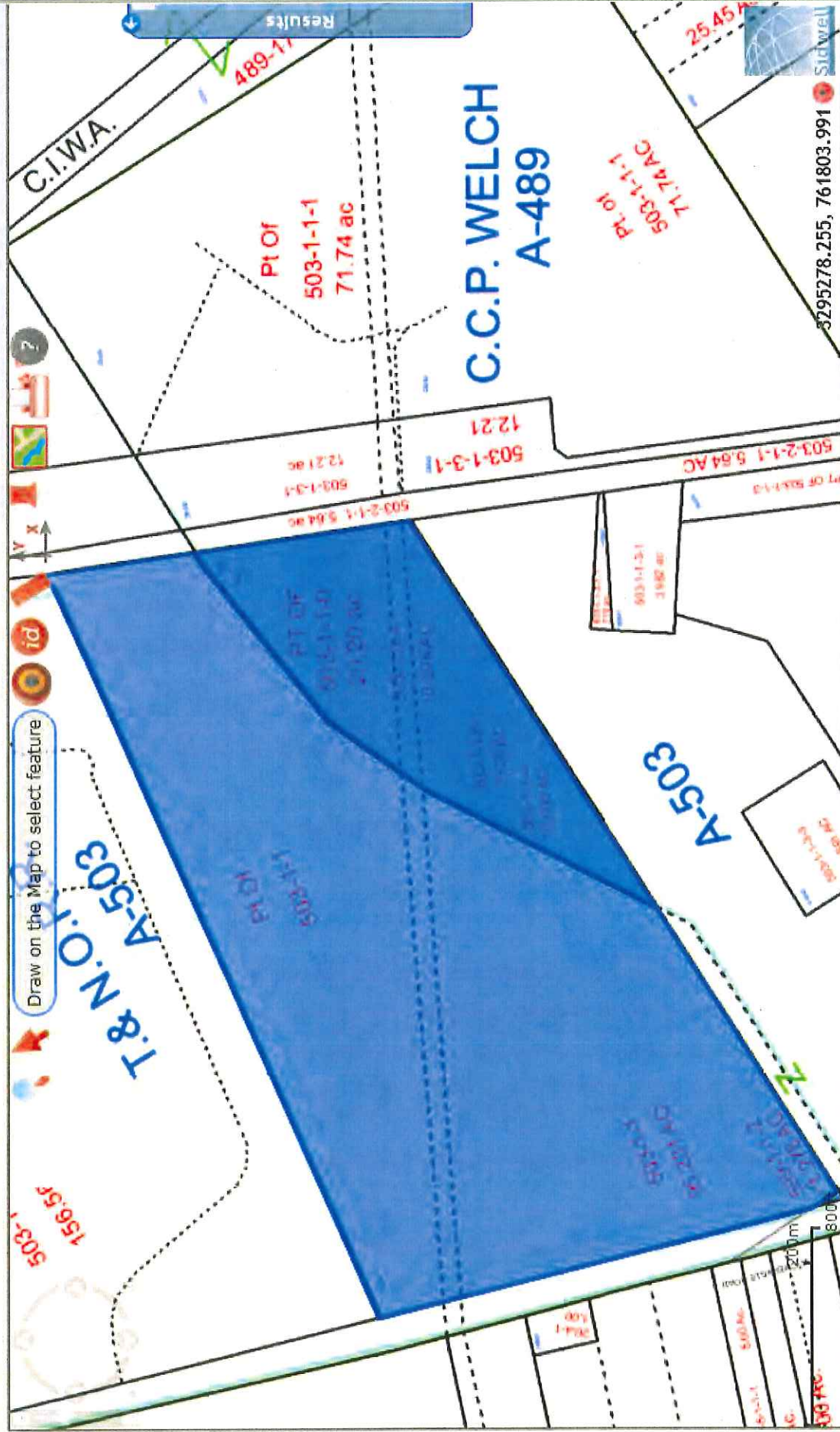
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ATTACHMENT 10

Description of Land

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



Chambers County Appraisal District

Chief Appraiser - Michael L. Fregia, RPA

**Official Website**

Hosted By Pritchard & Abbott, Inc.



General Real Estate Property Details

[New Property Search](#)[Go To Previous Page](#)

Property ID: 1874

Property Legal Description:

503 TR 1-1 T AND N O

SEC 1

Property Location:

Owner Information:

ENTERPRISE PRODUCTS OPERATING LP

PO BOX 4018

HOUSTON TX 77210 4018

Previous Owner:

BROWN GLENDA

[View Previous Owner Information](#)

Property Detail:

Property Exempt:

Category/SPTB Code:

D2

Total Acres:

95.231

Total Living Sqft:

See Detail

Owner Interest:

1.000000

Homestead Exemption:

Account / Geo Number:

00503-00100-00100-070001

Survey / Sub Division Abstract:

Block:

Section / Lot:

[View Building Detail Information](#)[View Land Detail Information](#)

Deed Information:

Volume:

838

Page:

205

File Number:

11676

Deed Date:

1/27/2006

[View GIS Map](#)

The map link above is not affiliated with this website.
It is a 3rd party GIS link to provide additional
information only.

[Printer Friendly Version](#)

Click the button above for a printable version of this
record with all available details.

Homestead Cap Value:	0
Land Ag/Timber Value:	0
Land Market Value:	104,750
Improvement Value:	0
Property Market Value:	104,750

Ag Form 1-d-1

Jur Code	Description	Market Value	Homestead	Total Exemption	Taxable
01	CHAMBERS COUNTY	104,750		0	104,750
01R	CHAMBERS COUNTY ROAD	104,750		0	104,750
31	BARBERS HILL ISD	104,750		0	104,750

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VALUATION CONSULTANTS

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Chambers County Appraisal District

Chief Appraiser - Michael L. Fregia, RPA

**Official Website**

Hosted By Pritchard & Abbott, Inc.



General Real Estate Property Details

[New Property Search](#)[Go To Previous Page](#)

Property ID: 34652

Property Legal Description:

503 TR 1-1-4 T AND N O

Property Location:

Owner Information:

ENTERPRISE PRODUCTS OPERATING LP

PO BOX 4018

HOUSTON TX 77210 4018

Previous Owner:

BROWN GLENDA

[View Previous Owner Information](#)

Property Detail:

Property Exempt:

Category/SPTB Code:

D2

Total Acres:

10.808

Total Living Sqft:

See Detail

Owner Interest:

1.000000

Homestead Exemption:

Account / Geo Number:

00503-00100-00100-070400

Survey / Sub Division Abstract:

Block:

Section / Lot:

[View Building Detail Information](#)[View Land Detail Information](#)

Deed Information:

Volume:

838

Page:

205

File Number:

11676

Deed Date:

1/27/2006

[View GIS Map](#)

The map link above is not affiliated with this website.
It is a 3rd party GIS link to provide additional
information only.

[Printer Friendly Version](#)

Click the button above for a printable version of this
record with all available details.

Homestead Cap Value:	0
Land Ag/Timber Value:	0
Land Market Value:	11,890
Improvement Value:	0
Property Market Value:	11,890

Ag Form 1-d-1

Jur Code	Description	Market Value	Homestead	Total Exemption	Taxable
01	CHAMBERS COUNTY	11,890		0	11,890
01R	CHAMBERS COUNTY ROAD	11,890		0	11,890
10	CITY OF MT BELVIEU	11,890		0	11,890
31	BARBERS HILL ISD	11,890		0	11,890

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COUNTY APPRAISAL DISTRICT | Last Data Update: 03/30/2012



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

3006 BK VOL 76
11674 CR 338 205167639
RETURN TO:COMMERCE TITLE
700 ROLLINGBROOK SUITE E
BAYTOWN, TEXAS 77521OFFICIAL PUBLIC RECORDS
CHAMBERS COUNTY, TEXAS
Susan E. Roshito, County Clerk

GENERAL WARRANTY DEED

THE STATE OF TEXAS §

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF CHAMBERS §

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

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

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

2006 3K 90L 96
11676 08 830 36

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

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

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

Glenda Del Brown
Glenda Del Brown

THE STATE OF TEXAS §

COUNTY OF KENDALL §

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



Janice K. Pfeiffer
Notary Public, State of Texas

Printed Name: JANICE K. PFEIFFER

Commission Expires: 6-19-06

"EXHIBIT A"

THE STATE OF TEXAS)
COUNTY OF CHAMBERS)

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

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

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

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

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

2006 KK VOL PG
11676 DR 939 208

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

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

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

"EXHIBIT B"

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

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

2006 BK VOL PG
11676 BK 838 210

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

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

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11676 CR 839 212

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

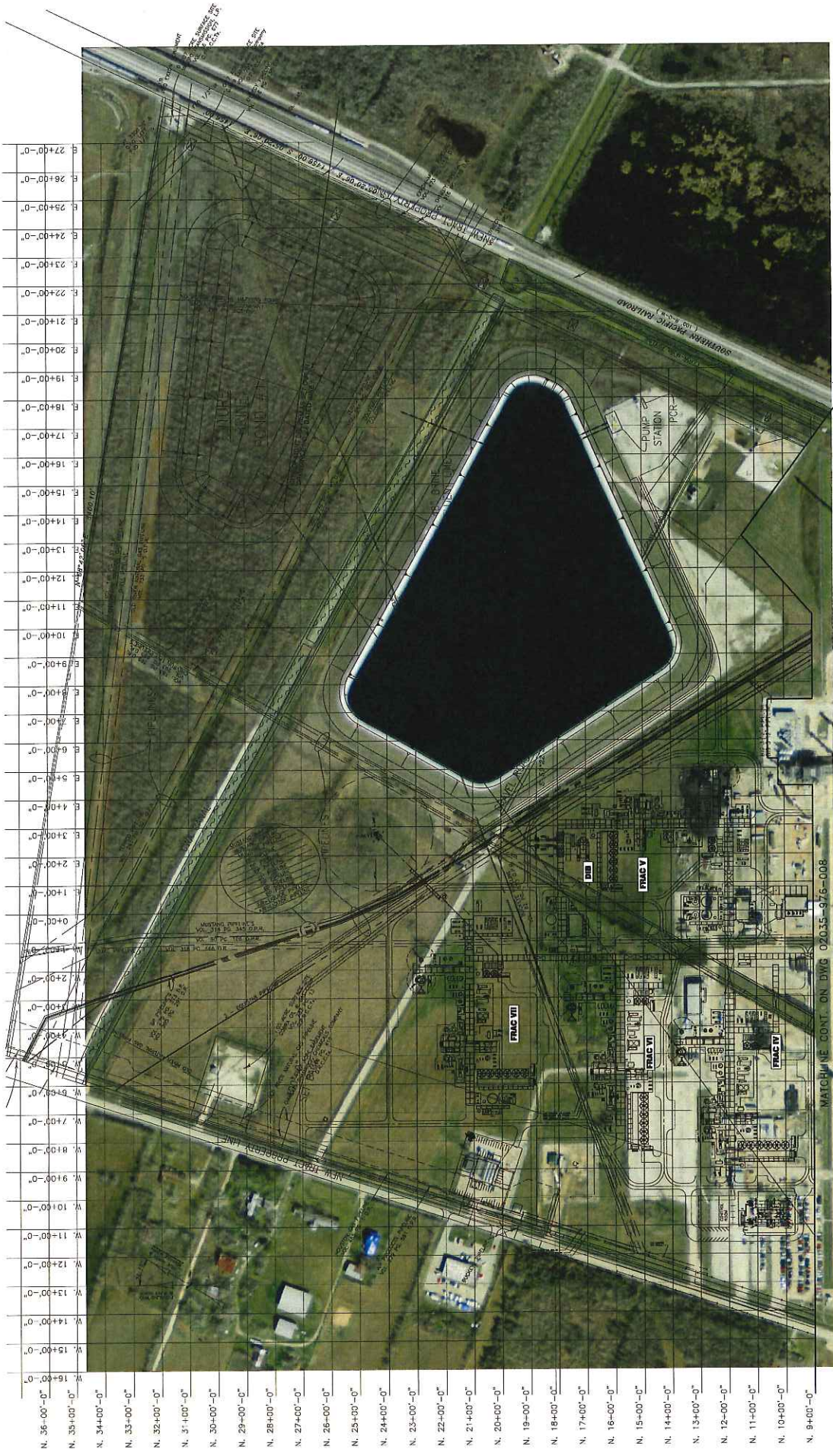
- jjj. Surface Agreement dated May 27, 2004 and recorded in Volume 733 at Page 13 of the Official Public records of Chambers County, Texas.
- kkk. Portion of subject property is in the City of Mount Belvieu, Texas, as set forth in Ordinance recorded in Volume 242, Page 324 of the Official Public Records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

Keywords

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

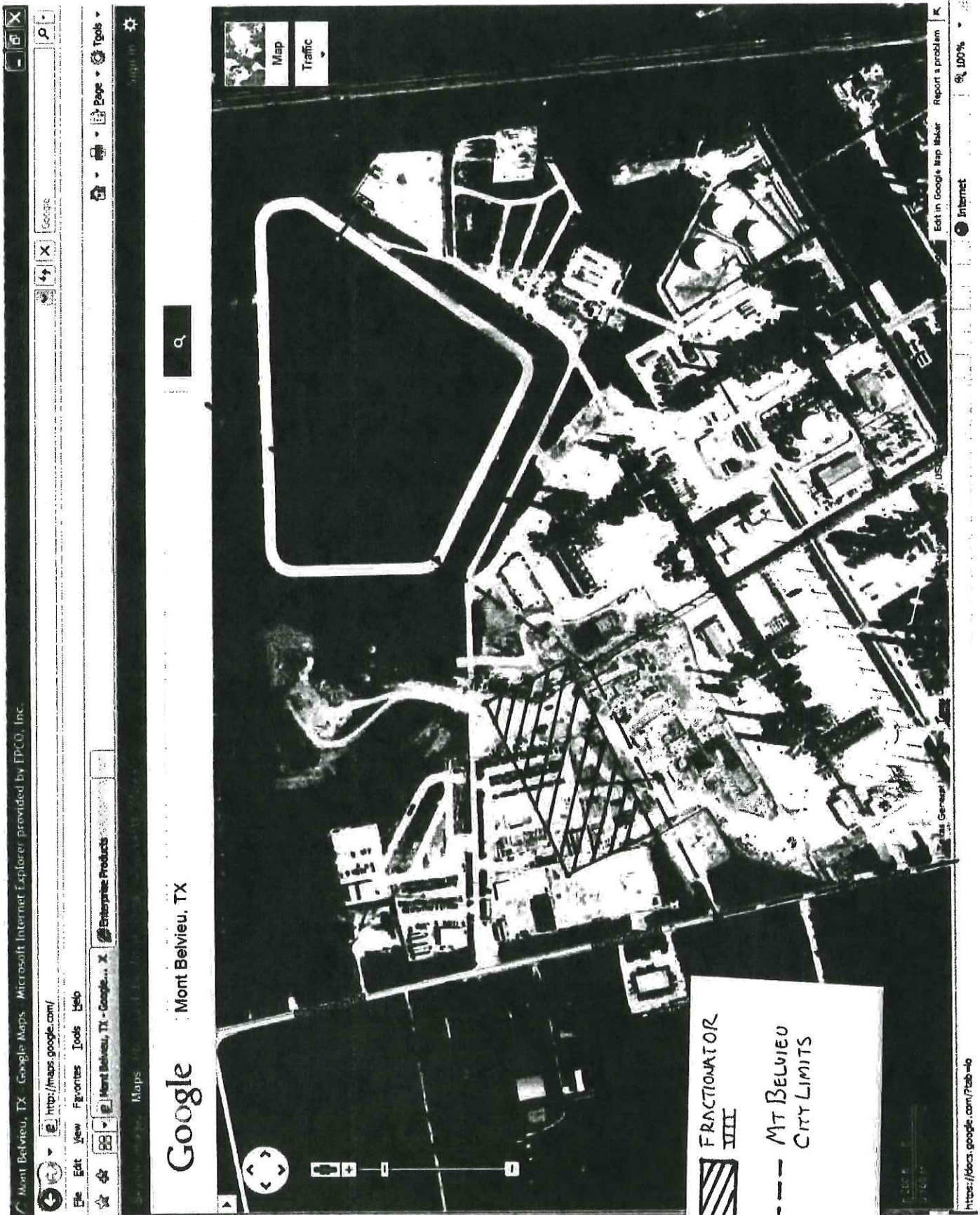
ATTACHMENT 11

Please see attached maps



MATCHLINE CONT. ON DWG 020.35-976-008

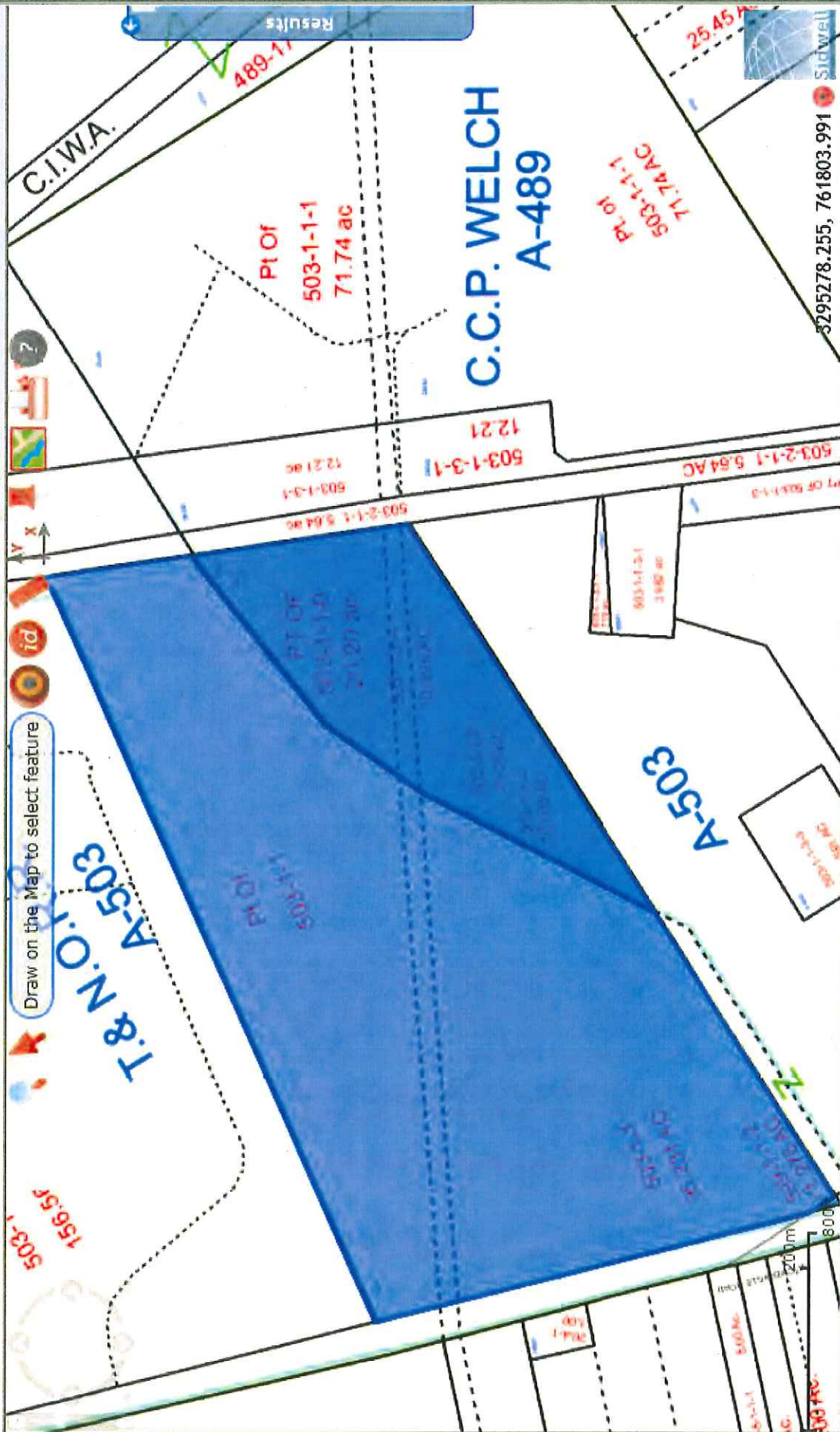
REFERENCE DRAWINGS		REVISION		BY		DATE		DW	
NUMBER	TITLE	NO.							
1		1							
PLANT									
MONT BELVEU, TEXAS									
MONT BELVEU PLANT									
SITE PLAN									
DATE 11/2000									
PROJECT NO. 02128-976-SKT2									
REV. 0									



Google
Mont Belvieu, TX

FRACTIONATOR
MT BELVIEU
CITY LIMITS

https://maps.google.com/?tab=wg

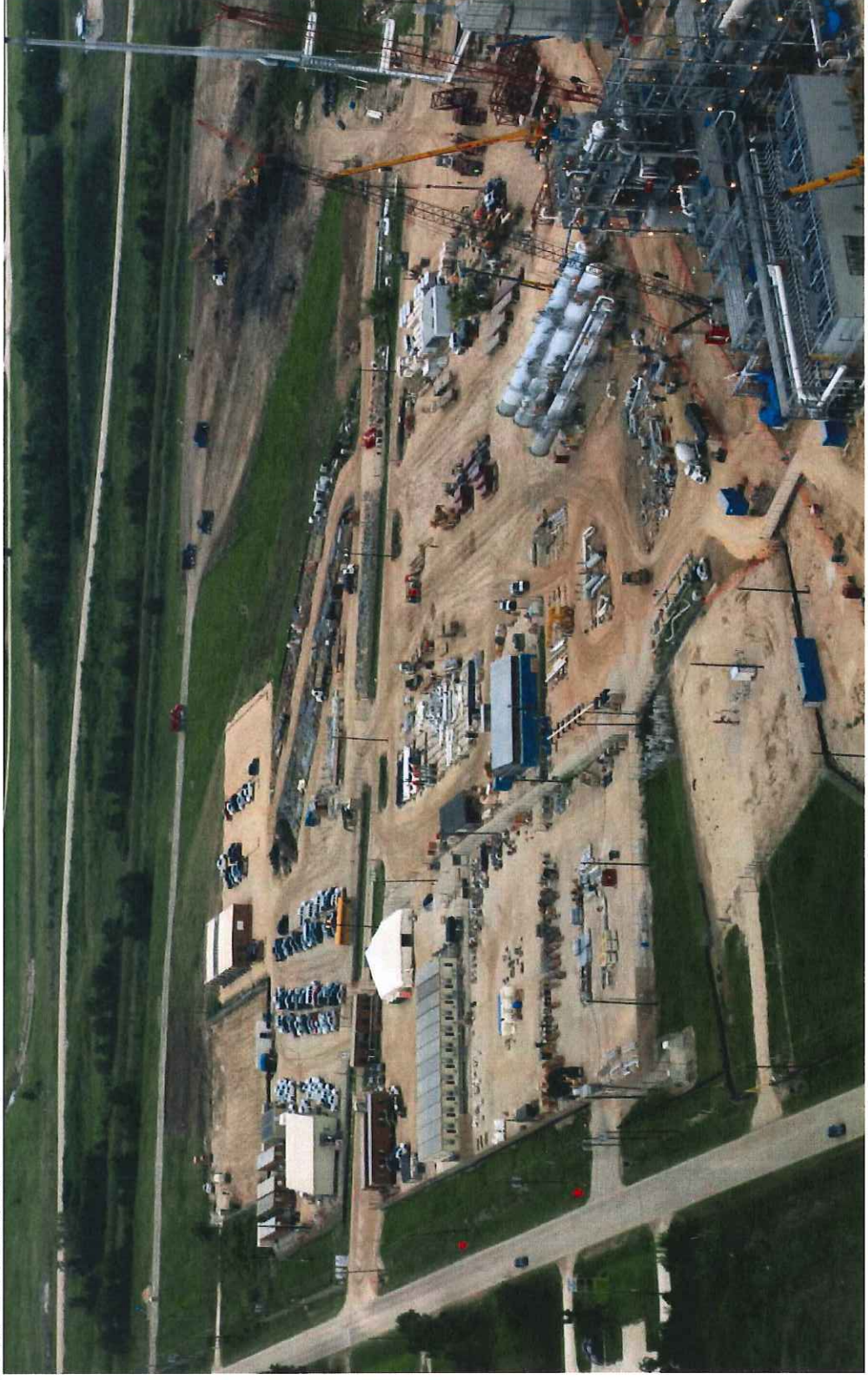


ATTACHMENT 12

Description of all existing (if any) improvements.

Description of All Existing Improvements

The site selected for Frac # 8 is currently being used as a construction staging area for other projects at complex (Not Frac # 8) which includes contractor's offices, warehouses, fencing and parking areas. Enterprise will clear all the existing improvements from the site before Frac # 8 construction commences. The cost associated with these temporary improvements will not be part of our value limitation agreement with the Barbers Hill School District. Please note this picture also shows our Frac # 6 which is still under construction. The Frac # 6 application was approved in December 2011.



Picture Taken 6/13/2012

ATTACHMENT 13

Please see attached documentation requesting a waiver of the job creation requirement.



Enterprise Products

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

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

Background information on Job Waiver request

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

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

COMPARISON OF STAFFING FOR FRACTIONATORS

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

If you have any questions, please feel free to contact me by telephone at 713-831-8071 or by email at ctate@eprod.com.

Sincerely,

Curt Tate
Sr. Tax Director

Enclosures

ATTACHMENT 14

The calculation of the three possible wage requirements with TWC documentation is attached.

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

110% of County Average Weekly Wage for all Jobs

Year	Period	Wages
2011	3Q	955
2011	4Q	1,023
2012	1Q	1,016
2012	2Q	980

Average= \$993.50 average weekly salary
X 1.1 (110%)
\$1092.85 110% of County Average Weekly Wage for all Jobs

110% of County Average Weekly Wage for manufacturing Jobs

Year	Period	Wages
2011	3Q	1,502
2011	4Q	1,737
2012	1Q	1,492
2012	2Q	1,633

Average= \$1,591 average weekly salary
X 1.1 (110%)
\$1750.10 110% of County Average Weekly Wage for all Jobs

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

\$25.82 per hour
X 40 hr per week
\$ 1,032.80 average weekly salary
X 1.10 (110%)
\$ 1,136.08
X 52 weeks
\$ 59,076.16 110% of County Average Weekly Wage for all Jobs in Region

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2011	1st Qtr	Chambers County	Private	00	0	10	Total, All Industries	\$953
2011	2nd Qtr	Chambers County	Private	00	0	10	Total, All Industries	\$921
2011	3rd Qtr	Chambers County	Private	00	0	10	Total, All Industries	\$955
2011	4th Qtr	Chambers County	Private	00	0	10	Total, All Industries	\$1,023
2012	1st Qtr	Chambers County	Private	00	0	10	Total, All Industries	\$1,016
2012	2nd Qtr	Chambers County	Private	00	0	10	Total, All Industries	\$980
2012	2nd Qtr	Chambers County	Private	31	2	31-33	Manufacturing	\$1,633
2012	1st Qtr	Chambers County	Private	31	2	31-33	Manufacturing	\$1,492
2011	4th Qtr	Chambers County	Private	31	2	31-33	Manufacturing	\$1,737
2011	3rd Qtr	Chambers County	Private	31	2	31-33	Manufacturing	\$1,502
2011	2nd Qtr	Chambers County	Private	31	2	31-33	Manufacturing	\$1,537
2011	1st Qtr	Chambers County	Private	31	2	31-33	Manufacturing	\$1,473

2011 Manufacturing Wages by Council of Government Region
Wages for All Occupations

COG	Wages	
	Hourly	Annual
Texas	\$22.89	\$47,610
1. Panhandle Regional Planning Commission	\$19.32	\$40,196
2. South Plains Association of Governments	\$16.45	\$34,210
3. NORTEX Regional Planning Commission	\$18.14	\$37,733
4. North Central Texas Council of Governments	\$24.03	\$49,986
5. Ark-Tex Council of Governments	\$16.52	\$34,366
6. East Texas Council of Governments	\$18.27	\$37,995
7. West Central Texas Council of Governments	\$17.76	\$36,949
8. Rio Grande Council of Governments	\$15.69	\$32,635
9. Permian Basin Regional Planning Commission	\$21.32	\$44,349
10. Concho Valley Council of Governments	\$15.92	\$33,123
11. Heart of Texas Council of Governments	\$18.82	\$39,150
12. Capital Area Council of Governments	\$26.46	\$55,047
13. Brazos Valley Council of Governments	\$15.71	\$33,718
14. Deep East Texas Council of Governments	\$15.48	\$32,207
15. South East Texas Regional Planning Commission	\$28.23	\$58,724
16. Houston-Galveston Area Council	\$25.82	\$53,711
17. Golden Crescent Regional Planning Commission	\$20.38	\$42,391
18. Alamo Area Council of Governments	\$18.00	\$37,439
19. South Texas Development Council	\$13.85	\$28,806
20. Coastal Bend Council of Governments	\$22.35	\$46,489
21. Lower Rio Grande Valley Development Council	\$15.08	\$31,365
22. Texoma Council of Governments	\$20.76	\$43,190
23. Central Texas Council of Governments	\$16.17	\$33,642
24. Middle Rio Grande Development Council	\$13.65	\$28,382

Source: Texas Occupational Employment and Wages

Data published: July 2012

Data published annually, next update will be summer 2013

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

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

Data intended for TAC 313 purposes only.

ATTACHMENT 15

Describe each type of benefits to be offered to qualifying jobholders.

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

ATTACHMENT 16

The economic impact study will be performed by the Comptroller at a future date.

ATTACHMENT 17

Please see attached Schedule A

Applicant Name
ISD Name

Enterprise Products, LP
Barbers Hill ISD

PROPERTY INVESTMENT AMOUNTS										
(Estimated investment in each year. Do not put cumulative totals.)										
			School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Tangible Personal Property The amount of new investment (original cost) placed in service during this year	Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B Qualifying investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)	
	Year									
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)		2013-2014	2013	-	-		-		
Tax Credit Period (with 50% cap on credit)	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)	Value Limitation Period								
Credit Settle-Up Period	Continue to Maintain Viable Presence									
Post-Settle-Up Period	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.

[For the years outside the qualifying time period, this number should simply represent the planned investment in tangible personal property].

Include estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).

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

Column D: Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value-for planning, construction and operation of the facility.

The most significant example for many projects would be land. Other examples may be items such as professional services, etc.

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

Notes: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed.

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

Signature of Authorized Company Representative

Signature

11/19/2012

DATE

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

ATTACHMENT 18

Please see attached Schedule B

Schedule B (Rev. May 2010): Estimated Market And Taxable Value
Enterprise Products, LP

Applicant Name
 ISD Name

Barbers Hill ISD

Form 50-296

						Qualified Property			Reductions from Market Value	Estimated Taxable Value	
						Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"		Final taxable value for I&S - after all reductions	Final taxable value for M&O--after all reductions

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.

[Signature]

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

11/19/2012

DATE

ATTACHMENT 19

Please see attached Schedule C

Schedule C- Application: Employment Information

Applicant Name
Enterprise Products, LP
ISD Name
Barbers Hill ISD

Form 50-296

	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	2013-2014	2013	500 FTE	\$ 52,000.00	0	\$ -	0	\$ -
	1	2014-2015	2014	500 FTE	\$ 52,000.00	4	\$ 75,500.00	4	\$ 75,500.00
	2	2015-2016	2015			4	\$ 75,500.00	4	\$ 75,500.00
	3	2016-2017	2016			4	\$ 75,500.00	4	\$ 75,500.00
	4	2017-2018	2017			4	\$ 75,500.00	4	\$ 75,500.00
	5	2018-2019	2018			4	\$ 75,500.00	4	\$ 75,500.00
	6	2019-2020	2019			4	\$ 75,500.00	4	\$ 75,500.00
	7	2020-2021	2020			4	\$ 75,500.00	4	\$ 75,500.00
	8	2021-2022	2021			4	\$ 75,500.00	4	\$ 75,500.00
	9	2022-2023	2022			4	\$ 75,500.00	4	\$ 75,500.00
	10	2023-2024	2023			4	\$ 75,500.00	4	\$ 75,500.00
	11	2024-2025	2024			4	\$ 75,500.00	4	\$ 75,500.00
	12	2025-2026	2025			4	\$ 75,500.00	4	\$ 75,500.00
	13	2026-2027	2026			4	\$ 75,500.00	4	\$ 75,500.00
	14	2027-2028	2027			4	\$ 75,500.00	4	\$ 75,500.00
	15	2028-2029	2028			4	\$ 75,500.00	4	\$ 75,500.00
Tax Credit Period (with 50% cap on credit)	Complete tax years of qualifying time period								
	Value Limitation Period								
Credit Settle-Up Period	Continue to Maintain Viable Presence								
	Post- Settle-Up Period								
	Post- Settle-Up Period								

Notes: For job definitions see TAC §9.105(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]

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

11/19/2012

ATTACHMENT 20

Please see attached Schedule D

Applicant

Enterprise Products, LP

ISD Name

Barbers Hill ISD

Form 50-296

Sales Tax Information				Other Property Tax Abatements Sought			
Sales Taxable Expenditures		Franchise Tax		County		City	
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		Fill in percentage exemption requested or granted in each year of the Agreement		Fill in percentage exemption requested or granted in each year of the Agreement	
Tax/ Calendar Year YYYY	School Year (YYYY-YYYY)	Year		Fill in percentage exemption requested or granted in each year of the Agreement		Fill in percentage exemption requested or granted in each year of the Agreement	
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	2013-2014	2013		\$ 600,000 \$ 900,000 \$ 15,196,069			
Complete tax years of qualifying time period	1	2014-2015	2014	\$ 600,000 \$ 900,000 \$ 15,196,069		100	
	2	2015-2016	2015	\$ 600,000 \$ 900,000 \$ 15,196,069		100	
	3	2016-2017	2016	\$ 600,000 \$ 900,000 \$ 15,196,069		100	
	4	2017-2018	2017	\$ 600,000 \$ 900,000 \$ 15,196,069		100	
	5	2018-2019	2018	\$ 600,000 \$ 900,000 \$ 15,196,069		75	
Value Limitation Period	6	2019-2020	2019	\$ 600,000 \$ 900,000 \$ 15,196,069		60	
	7	2020-2021	2020	\$ 600,000 \$ 900,000 \$ 15,196,069		50	
	8	2021-2022	2021	\$ 600,000 \$ 900,000 \$ 15,196,069		50	
	9	2022-2023	2022	\$ 600,000 \$ 900,000 \$ 15,196,069		50	
	10	2023-2024	2023	\$ 600,000 \$ 900,000 \$ 15,196,069		50	
Continue to Maintain Viable Presence	11	2024-2025	2024	\$ 600,000 \$ 900,000 \$ 15,196,069			
	12	2025-2026	2025	\$ 600,000 \$ 900,000 \$ 15,196,069			
	13	2026-2027	2026	\$ 600,000 \$ 900,000 \$ 15,196,069			
	14	2027-2028	2027	\$ 600,000 \$ 900,000 \$ 15,196,069			
	15	2028-2029	2028	\$ 600,000 \$ 900,000 \$ 15,196,069			
Credit Settle- Up Period	Post-Settle-Up Period						
	Post-Settle-Up Period						

*For planning, construction and operation of the facility.

12/19/2012

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

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

Applicant Name

Enterprise Products, LP

ISD Name

Barbers Hill ISD

Form 50-296

Sales Tax Information				Other Property Tax Abatements Sought				
Sales Taxable Expenditures				Franchise Tax	County	City	Hospital	Other
	Year	School Year (YYYY-YYYY)	Tax/Calendar Year YYYY	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)		2013-2014	2013	\$ 600,000	\$ 900,000	\$ 15,196,069	100	100
Tax Credit Period (with 50% cap on credit)	Complete tax years of qualifying time period	1	2014-2015	2014	\$ 600,000	\$ 900,000	\$ 15,196,069	100
		2	2015-2016	2015	\$ 600,000	\$ 900,000	\$ 15,196,069	100
		3	2016-2017	2016	\$ 600,000	\$ 900,000	\$ 15,196,069	100
		4	2017-2018	2017	\$ 600,000	\$ 900,000	\$ 15,196,069	75
		5	2018-2019	2018	\$ 600,000	\$ 900,000	\$ 15,196,069	60
		6	2019-2020	2019	\$ 600,000	\$ 900,000	\$ 15,196,069	50
		7	2020-2021	2020	\$ 600,000	\$ 900,000	\$ 15,196,069	50
		8	2021-2022	2021	\$ 600,000	\$ 900,000	\$ 15,196,069	50
		9	2022-2023	2022	\$ 600,000	\$ 900,000	\$ 15,196,069	50
		10	2023-2024	2023	\$ 600,000	\$ 900,000	\$ 15,196,069	
		11	2024-2025	2024	\$ 600,000	\$ 900,000	\$ 15,196,069	
		12	2025-2026	2025	\$ 600,000	\$ 900,000	\$ 15,196,069	
		13	2026-2027	2026	\$ 600,000	\$ 900,000	\$ 15,196,069	
		14	2027-2028	2027	\$ 600,000	\$ 900,000	\$ 15,196,069	
		15	2028-2029	2028	\$ 600,000	\$ 900,000	\$ 15,196,069	
Credit Settle-Up Period	Continue to Maintain Viable Presence							
Post-Settle-Up Period								
Post-Settle-Up Period								

*For planning, construction and operation of the facility.

11/19/2012

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

ATTACHMENT 21

Map of Reinvestment Zone.

[illegible]

Google

Mont Belvieu, TX



FRACTIONATOR

MT BELVIEU CITY LIMITS

Map of Reinvestment Zone



ATTACHMENT 22

Order, Resolution, or Ordinance Establishing the Zone

ORDINANCE 2009-017

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

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

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

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

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

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

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

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


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

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

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


Nick Dixon, Mayor

ATTEST:


Phyllis Sockwell, City Secretary

ATTACHMENT 23

Legal Description of Reinvestment Zone

2006 08 10 11:09 AM 330 205

167639
RETURN TO:COMMERCE TITLE
700 ROLLINGBROOK SUITE E
BAYTOWN, TEXAS 77521

GENERAL WARRANTY DEED

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

THE STATE OF TEXAS §

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF CHAMBERS §

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

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

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

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

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

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

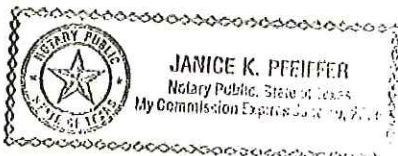
Jan, A.D., 2006.

Glenda Del Brown
Glenda Del Brown

THE STATE OF TEXAS §

COUNTY OF KENDALL §

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



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

"EXHIBIT A"

THE STATE OF TEXAS)
COUNTY OF CHAMBERS)

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

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

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

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

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

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

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

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

"EXHIBIT B"

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

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

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

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

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

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

JAN 27 2006

1/27/06 10:00 AM

Cherokee County

Jan 27, 2006 AT 10:00 AM

AS OLD Public Records

By an E. Rights, COUNTY CLERK

CLERK NUMBER 0001676

AMOUNT: 48.00

RECEIPT NUMBER 06208099

BY RECEIPTS
STATE OF TEXAS

Cherokee County

AS STAMPED HEREIN BY ME, JAN 27, 2006

By an E. Rights, COUNTY CLERK

Recorded



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

ATTACHMENT 24

Guidelines and Criteria for Reinvestment Zone

ORDINANCE NO. 2009 -002

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

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

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

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

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

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

Section 1.

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

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

Section 2.

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

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

Section 3.

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

Section 4.

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

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

Section 5.

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

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

APPROVED:

Nick Dixon
Nick Dixon, Mayor

ATTEST:

Phyllis Sockwell
Phyllis Sockwell, City Secretary

Attachment B

Certificate of Account Status



Franchise Tax Account Status

As of: 08/15/2013 10:34:46 AM

This Page is Not Sufficient for Filings with the Secretary of State

ENTERPRISE PRODUCTS OPERATING LLC	
Texas Taxpayer Number	12604305396
Mailing Address	PO BOX 4018 HOUSTON, TX 77210-4018
Right to Transact Business in Texas	ACTIVE
State of Formation	TX
Effective SOS Registration Date	06/30/2007
Texas SOS File Number	0800838920
Registered Agent Name	C T CORPORATION SYSTEM
Registered Office Street Address	350 N. ST. PAUL ST. STE. 2900 DALLAS, TX 75201

Attachment C

State Comptroller's Recommendation

S U S A N
C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



March 6, 2013

Becky McManus
Assistant Superintendent of Finance
Barbers Hill Independent School District
P.O. Box 1108
Mont Belvieu, Texas 77580-1108

Dear Assistant Superintendent McManus:

On November 20, 2012, the Comptroller received the completed application (Application # 254) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted on November 15, 2012 to the Barbers Hill Independent School District (Barbers Hill ISD) by Enterprise Products Operating, LLC. This letter presents the results of the comptroller's review of the application:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to make a recommendation to the governing body of the school district as to whether the application should be approved or disapproved using the criteria set out by Section 313.026.

Barbers Hill ISD is currently classified as a rural school district in Category 1 according to the provisions of Chapter 313. Therefore, the applicant properly applied under the provisions of Subchapter C, applicable to rural school districts. The amount of proposed qualified investment (\$275.5 million) is consistent with the proposed appraised value limitation sought (\$30 million). The property value limitation amount noted in this recommendation is based on property values available at the time of application and may change prior to the execution of any final agreement. Enterprise Products Operating, LLC is proposing the construction of a manufacturing facility in Chambers County. Enterprise Products Operating, LLC is an active franchise taxpayer in good standing, as required by Tax Code Section 313.024(a).

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

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

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

¹ All statutory references are to the Texas Tax Code, unless otherwise noted.

to determine if the evidence supports making specific findings that the information in the application is true and correct, the applicant is eligible for a limitation and that granting the application is in the best interest of the school district and state. When approving a job waiver requested under Section 313.025(f-1), the school district must also find that the statutory jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility. As stated above, we prepared the recommendation by generally reviewing the application and supporting documentation in light of the Section 313.026 criteria and a cursory review of the industry standard evidence necessary to support the waiver of the required number of jobs.


Note that any new building or other improvement existing as of the application review start date of November 20, 2012, or any tangible personal property placed in service prior that date may not become "Qualified Property" as defined by 313.021(2).

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

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

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

Sincerely,



Martin A. Hubert
Deputy Comptroller

Enclosure

cc: Robert Wood

Attachment D

Economic Analysis

Economic Impact for Chapter 313 Project

Applicant	Enterprise Products Operating, LLC (App. #254)
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Barbers Hill ISD
2011-12 Enrollment in School District	4,420
County	Chambers
Total Investment in District	\$310,500,000
Qualified Investment	\$275,500,000
Limitation Amount	\$30,000,000
Number of total jobs committed to by applicant	4*
Number of qualifying jobs committed to by applicant	4
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$1,442
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$1,033
Minimum Annual Wage committed to by applicant for qualified jobs	\$75,000
Investment per Qualifying Job	\$77,625,000
Estimated 15 year M&O levy without any limit or credit:	\$36,682,982
Estimated gross 15 year M&O tax benefit	\$22,385,266
Estimated 15 year M&O tax benefit (after deductions for estimated school district revenue protection--but not including any deduction for supplemental payments or extraordinary educational expenses):	\$16,110,713
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$4,932,392
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$20,572,268
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	43.9%
Percentage of tax benefit due to the limitation	78.0%
Percentage of tax benefit due to the credit.	22.0%
* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).	

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

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

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

After construction, the project will create four new jobs when fully operational. All four jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the Houston-Galveston Area Council of Governments Region, where Chambers County is located was \$53,711 in 2011. The annual average manufacturing wage for 2011-2012 for Chambers County is \$82,732. That same year, the county annual average wage for all industries was \$51,662. In addition to a salary of \$75,500, each qualifying position is offered medical and dental insurance, life insurance, 401(k) saving plan, vacation and holiday pay and educational assistance. The project's total investment is \$310.5 million, resulting in a relative level of investment per qualifying job of \$77.6 million.

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

According to Enterprise Products Operating, LLC's application, "Enterprise is a leading midstream energy company with large pipeline foot print in Louisiana. These pipelines provide substantial flexibility in plant location. Enterprise has significantly assets in Louisiana including pipes that can and do move product to and from Texas. For every significant investment we make, there is a thorough review of the offered tax incentives in the region that helps determine our long term investment approach in a state or location. While Louisiana has had very competitive incentives to make big investments in their state, Texas has been equally competitive with the inclusion of the Ch. 313 program. As a result, Enterprise has been continually planning adding billions in investments in Texas to expand our massive infrastructure to support growth in the Texas upstream/downstream oil and gas and petrochemical industry. Support for these Texas industries can be managed via pipelines to and processes in neighboring states. All things being equal, such a choice would not be Enterprise's first preference but will continue to be part of our business evaluation and decision processes."

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

During the past two years, 22 projects in the Houston-Galveston Area Council of Governments Region applied for value limitation agreements under Tax Code, Chapter 313.

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

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

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

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

Table 1: Estimated Statewide Economic Impact of Investment and Employment in Enterprise Products Operating, LLC

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	500	551	1051	\$26,000,000	\$36,000,000	\$62,000,000
2014	504	584	1088	\$26,302,000	\$43,698,000	\$70,000,000
2015	4	59	63	\$302,000	\$11,698,000	\$12,000,000
2016	4	25	29	\$302,000	\$7,698,000	\$8,000,000
2017	4	6	10	\$302,000	\$5,698,000	\$6,000,000
2018	4	0	4	\$302,000	\$4,698,000	\$5,000,000
2019	4	-6	-2	\$302,000	\$2,698,000	\$3,000,000
2020	4	-6	-2	\$302,000	\$2,698,000	\$3,000,000
2021	4	0	4	\$302,000	\$2,698,000	\$3,000,000
2022	4	6	10	\$302,000	\$2,698,000	\$3,000,000
2023	4	21	25	\$302,000	\$3,698,000	\$4,000,000
2024	4	25	29	\$302,000	\$3,698,000	\$4,000,000
2025	4	23	27	\$302,000	\$3,698,000	\$4,000,000
2026	4	23	27	\$302,000	\$3,698,000	\$4,000,000
2027	4	23	27	\$302,000	\$3,698,000	\$4,000,000
2028	4	23	27	\$302,000	\$4,698,000	\$5,000,000

Source: CPA, REMI, Enterprise Products Operating, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.74 billion in 2011-2012. Barbers Hill ISD's ad valorem tax base in 2011-2012 was \$3.39 billion. The statewide average wealth per WADA was estimated at \$347,943 for fiscal 2011-2012. During that same year, Barbers Hill ISD's estimated wealth per WADA was \$669,576. The impact on the facilities and finances of the district are presented in Attachment 2.

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

Table 2 Estimated Direct Ad Valorem Taxes with all property tax incentives sought

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Barbers Hill ISD I&S Levy	Barbers Hill ISD M&O Levy	Barbers Hill ISD M&O and I&S Tax Levies (Before Credit Credited)	Barbers Hill ISD M&O and I&S Tax Levies (After Credit Credited)	Chambers County Tax Levy	City of Mont Belvieu Extra- Territorial Jurisdiction (ETJ) Tax Levy	Estimated Total Property Taxes
			Tax Rate ¹	0.2698	1.0600			0.4968	0.4367	
2014	\$275,500,000	\$275,500,000		\$743,299	\$2,920,300	\$3,663,599	\$3,663,599	\$0	\$0	\$3,663,599
2015	\$249,820,000	\$249,820,000		\$674,014	\$2,648,092	\$3,322,106	\$3,322,106	\$0	\$0	\$3,322,106
2016	\$246,932,560	\$30,000,000		\$666,224	\$318,000	\$984,224	\$984,224	\$0	\$0	\$984,224
2017	\$244,046,460	\$30,000,000		\$658,437	\$318,000	\$976,437	\$488,219	\$0	\$0	\$488,219
2018	\$241,134,762	\$30,000,000		\$650,582	\$318,000	\$968,582	\$484,291	\$299,483	\$263,265	\$1,047,039
2019	\$238,156,787	\$30,000,000		\$642,547	\$318,000	\$960,547	\$480,274	\$473,256	\$416,022	\$1,369,551
2020	\$234,798,020	\$30,000,000		\$633,485	\$318,000	\$951,485	\$475,743	\$583,227	\$512,693	\$1,571,662
2021	\$231,265,455	\$30,000,000		\$623,954	\$318,000	\$941,954	\$470,977	\$574,452	\$1,009,959	\$2,055,388
2022	\$227,237,987	\$30,000,000		\$613,088	\$318,000	\$931,088	\$465,544	\$564,448	\$992,371	\$2,022,363
2023	\$222,925,556	\$30,000,000		\$601,453	\$318,000	\$919,453	\$459,727	\$553,736	\$973,538	\$1,987,001
2024	\$217,754,968	\$217,754,968		\$587,503	\$2,308,203	\$2,895,706	\$1,288,087	\$1,081,785	\$950,958	\$3,320,829
2025	\$211,585,872	\$211,585,872		\$570,859	\$2,242,810	\$2,813,669	\$2,813,669	\$1,051,137	\$924,017	\$4,788,823
2026	\$227,051,841	\$227,051,841		\$612,586	\$2,406,750	\$3,019,335	\$3,019,335	\$1,127,971	\$991,558	\$5,138,864
2027	\$196,224,199	\$196,224,199		\$529,413	\$2,079,977	\$2,609,389	\$2,609,389	\$974,822	\$856,931	\$4,441,142
2028	\$196,224,199	\$196,224,199		\$529,413	\$2,079,977	\$2,609,389	\$2,609,389	\$974,822	\$856,931	\$4,441,142
						Total	\$23,634,573	\$8,259,139	\$8,748,242	\$40,641,954

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

Source: CPA, Enterprise Products Operating, LLC

¹Tax Rate per \$100 Valuation

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Barbers Hill ISD I&S Levy	Barbers Hill ISD M&O Levy		Barbers Hill ISD M&O and I&S Tax Levies	Chambers County Tax Levy	City of Mont Belvieu Extra- Territorial Jurisdiction (ETJ) Tax Levy	Estimated Total Property Taxes
			Tax Rate ¹	0.2698	1.0600			0.4968	0.4367	
2014	\$275,500,000	\$275,500,000		\$743,299	\$2,920,300		\$3,663,599	\$1,368,656	\$1,203,136	\$6,235,392
2015	\$249,820,000	\$249,820,000		\$674,014	\$2,648,092		\$3,322,106	\$1,241,081	\$1,090,989	\$5,654,176
2016	\$246,932,560	\$246,932,560		\$666,224	\$2,617,485		\$3,283,709	\$1,226,736	\$1,078,379	\$5,588,825
2017	\$244,046,460	\$244,046,460		\$658,437	\$2,586,892		\$3,245,330	\$1,212,398	\$1,065,775	\$5,523,504
2018	\$241,134,762	\$241,134,762		\$650,582	\$2,556,028		\$3,206,610	\$1,197,933	\$1,053,060	\$5,457,603
2019	\$238,156,787	\$238,156,787		\$642,547	\$2,524,462		\$3,167,009	\$1,183,139	\$1,040,055	\$5,390,203
2020	\$234,798,020	\$234,798,020		\$633,485	\$2,488,859		\$3,122,344	\$1,166,453	\$1,025,386	\$5,314,184
2021	\$231,265,455	\$231,265,455		\$623,954	\$2,451,414		\$3,075,368	\$1,148,904	\$1,009,959	\$5,234,231
2022	\$227,237,987	\$227,237,987		\$613,088	\$2,408,723		\$3,021,811	\$1,128,896	\$992,371	\$5,143,077
2023	\$222,925,556	\$222,925,556		\$601,453	\$2,363,011		\$2,964,464	\$1,107,472	\$973,538	\$5,045,474
2024	\$217,754,968	\$217,754,968		\$587,503	\$2,308,203		\$2,895,706	\$1,081,785	\$950,958	\$4,928,448
2025	\$211,585,872	\$211,585,872		\$570,859	\$2,242,810		\$2,813,669	\$1,051,137	\$924,017	\$4,788,823
2026	\$227,051,841	\$227,051,841		\$612,586	\$2,406,750		\$3,019,335	\$1,127,971	\$991,558	\$5,138,864
2027	\$196,224,199	\$196,224,199		\$529,413	\$2,079,977		\$2,609,389	\$974,822	\$856,931	\$4,441,142
2028	\$196,224,199	\$196,224,199		\$529,413	\$2,079,977		\$2,609,389	\$974,822	\$856,931	\$4,441,142
						Total	\$46,019,839	\$17,192,206	\$15,113,042	\$78,325,088

Source: CPA, Enterprise Products Operating, LLC

¹Tax Rate per \$100 Valuation

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

Attachment 2, provided by the district and reviewed by the Texas Education Agency, contains information relating to the financial impact of the proposed project on the finances of the district as well as the tax benefit of the value limitation. "Table 5" in this attachment shows the estimated 15 year M&O tax levy without the value limitation agreement would be \$36,682,982. The estimated gross 15 year M&O tax benefit, or levy loss, is \$22,385,266.

Attachment 3 is an economic overview of Chambers County.

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



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

Michael L. Williams
Commissioner

March 4, 2013

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

Dear Mr. Wood:

The Texas Education Agency (TEA) has analyzed the revenue gains that would be realized by the proposed Enterprise Products LP (application 253) project for the Barbers Hill Independent School District (BHISD). Projections prepared by the TEA State Funding Division confirm the analysis that was prepared by Moak, Casey and Associates and provided to us by your division. We believe the firm's assumptions regarding the potential revenue gain are valid, and its estimates of the impact of the Enterprise Products LP project on BHISD are correct.

Please feel free to contact me by phone at (512) 463-9186 or by email at al.mckenzie@tea.state.tx.us if you need further information about this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Al McKenzie", with a stylized flourish at the end.

Al McKenzie, Manager
Foundation School Program Support

AM/bd



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

Bill Hall, Williams
Communications

March 4, 2013

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

Dear Mr. Wood:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Enterprise Products LP (application 253) project on the number and size of school facilities in Barbers Hill Independent School District (BHISD). Based on the analysis prepared by Moak, Casey and Associates for the school district and a conversation with the BHISD superintendent, Dr. Greg Poole, the TEA has found that the Enterprise Products LP project would not have a significant impact on the number or size of school facilities in BHISD.

Please feel free to contact me by phone at (512) 463-9186 or by email at al.mckenzie@tea.state.tx.us if you need further information about this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Al McKenzie", with a stylized flourish at the end.

Al McKenzie, Manager
Foundation School Program Support

AM/bd

Chambers County

Population

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

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

Economy and Income

Employment

- September 2011 total employment in Chambers County: 14,359 , up 1.8 percent from September 2010. State total employment increased 0.9 percent during the same period.
(October 2011 employment data will be available November 18, 2011).
- September 2011 Chambers County unemployment rate: 10.5 percent, up from 9.4 percent in September 2010. The statewide unemployment rate for September 2011 was 8.5 percent, up from 8.2 percent in September 2010.
- September 2011 unemployment rate in the city of:

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

Income

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

Industry

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

- Aquaculture	- Rice	- Hunting	- Hay	- Other Beef
---------------	--------	-----------	-------	--------------
- 2011 oil and gas production in Chambers County: 758,413.0 barrels of oil and 3.6 million Mcf of gas. In September 2011, there were 182 producing oil wells and 62 producing gas wells.

Taxes

Sales Tax - Taxable Sales

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

Quarterly (September 2010 through December 2010)

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

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

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

- Taxable sales in Chambers County through the fourth quarter of 2010: \$192.70 million, down 1.9 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

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

Annual (2010)

- Taxable sales in Chambers County during 2010: \$192.70 million, down 1.9 percent from 2009.
- Chambers County sent an estimated \$12.04 million (or 0.07 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.

■ Taxable sales during 2010 in the city of:

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

Sales Tax – Local Sales Tax Allocations

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

Monthly

- Statewide payments based on the sales activity month of August 2011: \$505.22 million, up 13.9 percent from August 2010.
- Payments to all cities in Chambers County based on the sales activity month of August 2011: \$251,094.84, down 9.6 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:

Mont Belvieu:	\$237,085.85, down 10.2 percent from August 2010.
Anahuac:	\$5,641.51, down 26.2 percent from August 2010.
Old River-Winfree*:	\$4,805.15, up 184.3 percent from August 2010.
Cove:	\$3,562.33, down 17.8 percent from August 2010.

Fiscal Year

- Statewide payments based on sales activity months from September 2010 through August 2011: \$6.08 billion, up 8.0 percent from the same period in 2010.
- Payments to all cities in Chambers County based on sales activity months from September 2010 through August 2011: \$3.65 million, up 68.9 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:

Mont Belvieu:	\$3.47 million, up 73.2 percent from fiscal 2010.
Anahuac:	\$87,555.03, down 15.7 percent from fiscal 2010.
Old River-Winfree*:	\$49,878.98, up 149.7 percent from fiscal 2010.
Cove:	\$46,617.53, up 27.9 percent from fiscal 2010.

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

- Statewide payments based on sales activity months through August 2011: \$3.99 billion, up 8.3 percent from the same period in 2010.
- Payments to all cities in Chambers County based on sales activity months through August 2011: \$2.81 million, up 89.1 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:

Mont Belvieu:	\$2.69 million, up 93.5 percent from the same period in 2010.
Anahuac:	\$53,193.97, down 8.5 percent from the same period in 2010.
Old River-Winfree*:	\$37,220.66, up 185.7 percent from the same period in 2010.
Cove:	\$28,490.84, up 19.7 percent from the same period in 2010.

12 months ending in August 2011

- Statewide payments based on sales activity in the 12 months ending in August 2011: \$6.08 billion, up 8.0 percent from the previous 12-month period.
- Payments to all cities in Chambers County based on sales activity in the 12 months ending in August 2011: \$3.65 million, up 68.9 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:

Mont Belvieu:	\$3.47 million, up 73.2 percent from the previous 12-month period.
Anahuac:	\$87,555.03, down 15.7 percent from the previous 12-month period.
Old River-Winfree*:	\$49,878.98, up 149.7 percent from the previous 12-month period.
Cove:	\$46,617.53, up 27.9 percent from the previous 12-month period.

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

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

Mont Belvieu:	\$3.08 million, up 82.7 percent from the same period in 2010.
Anahuac:	\$67,392.60, down 15.2 percent from the same period in 2010.
Old River-Winfree*:	\$44,170.61, up 170.2 percent from the same period in 2010.
Cove:	\$34,087.81, up 16.4 percent from the same period in 2010.

Annual (2010)

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

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

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

Property Tax

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

State Expenditures

- Chambers County's ranking in state expenditures by county in fiscal year 2010: 87th. State expenditures in the county for FY2010: \$129.70 million, up 0.2 percent from FY2009.
- In Chambers County, 8 state agencies provide a total of 47 jobs and \$470,459.00 in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):

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

Higher Education

- Community colleges in Chambers County fall 2010 enrollment:
 - None.
- Chambers County is in the service area of the following:
 - Galveston College with a fall 2010 enrollment of 2,318 . Counties in the service area include:
 - Chambers County
 - Galveston County
 - Jefferson County
 - Lee College with a fall 2010 enrollment of 6,719 . Counties in the service area include:
 - Chambers County
 - Hardin County
 - Harris County
 - Liberty County
 - San Jacinto Community College with a fall 2010 enrollment of 32,105 . Counties in the service area include:
 - Chambers County
 - Harris County
- Institutions of higher education in Chambers County fall 2010 enrollment:
 - None.

School Districts

- Chambers County had 3 school districts with 17 schools and 6,678 students in the 2009-10 school year.
(Statewide, the average teacher salary in school year 2009-10 was \$48,263. The percentage of students, statewide, meeting the 2010 TAKS passing standard for all 2009-10 TAKS tests was 77 percent.)
 - Anahuac ISD had 1,286 students in the 2009-10 school year. The average teacher salary was \$44,844. The percentage of students meeting the 2010 TAKS passing standard for all tests was 82 percent.
 - Barbers Hill ISD had 4,096 students in the 2009-10 school year. The average teacher salary was \$55,305. The percentage of students meeting the 2010 TAKS passing standard for all tests was 90 percent.
 - East Chambers ISD had 1,296 students in the 2009-10 school year. The average teacher salary was \$45,678. The percentage of students meeting the 2010 TAKS passing standard for all tests was 80 percent.

Attachment E

Summary of Financial Impact

**SUMMARY OF FINANCIAL IMPACT OF THE PROPOSED ENTERPRISE
PRODUCTS, LP PROJECT (APP #254) ON THE FINANCES OF THE
BARBERS HILL INDEPENDENT SCHOOL DISTRICT UNDER A
REQUESTED CHAPTER 313 PROPERTY VALUE LIMITATION**

February 4, 2013

Final Report

PREPARED BY



Estimated Impact of the Proposed Enterprise Products, LP Project (App #254) on the Finances of the Barbers Hill Independent School District under a Requested Chapter 313 Property Value Limitation

Introduction

Enterprise Products, LP (Enterprise, App #254) has requested that the Barbers Hill Independent School District (BHISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to BHISD on November 20, 2012, Enterprise proposes to invest \$275 million to construct a new NGL manufacturing fractionation plant in BHISD.

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

Under the provisions of Chapter 313, BHISD may offer a minimum value limitation of \$30 million. The provisions of Chapter 313 call for the project to be fully taxable in the 2014-15 and 2015-16 school years, unless the District and the Company agree to an extension of the start of the two-year qualifying time period. For the purpose of this analysis, it is assumed that the qualifying time period will be the 2014-15 and 2015-16 school years. Beginning in the 2016-17 school year, the project would go on the local tax roll at \$30 million and remain at that level of taxable value for eight years for maintenance and operations (M&O) taxes.

The full taxable value of the project could be assessed for debt service taxes on voter-approved bond issues throughout the limitation period, with BHISD currently levying a \$0.2698 per \$100 I&S tax rate. The full value of the investment is expected to reach \$275.5 million in the 2014-15 school year, with depreciation expected to reduce the taxable value of the project over the course of the value limitation agreement.

In the case of the Enterprise project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. BHISD would experience revenue losses totaling \$6.3 million during the eight years the value limitation is in effect.

Under the assumptions outlined below, the potential tax benefits under a Chapter 313 agreement could reach an estimated \$16.1 million over the course of the agreement. This amount is net of any anticipated revenue losses for the District.

School Finance Mechanics

Under the current school finance system, the property values established by the Comptroller's Office that are used to calculate state aid and recapture lag by one year, a practical consequence

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

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

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

House Bill 3646 as enacted in 2009 created more "formula" school districts that were less dependent on ASATR state aid than had been the case previously. The formula reductions enacted under Senate Bill 1 (SB 1) as approved in the First Called Session in 2011 are designed to make \$4 billion in reductions to the existing school funding formulas for the 2011-12 and 2012-13 school years. For the 2011-12 school year, across-the-board reductions were made that reduced each district's WADA count and resulted in an estimated 815 school districts still receiving ASATR to maintain their target revenue funding levels, while an estimated 209 districts operating directly on the state formulas.

For the 2012-13 school year, the SB 1 changes called for smaller across-the-board reductions and funding ASATR-receiving target revenue districts at 92.35 percent of the level provided for under the existing funding formula. As a result of these changes, the number of ASATR districts is expected to be reduced to 421 in the 2012-13 school year, with 603 districts expected to be operating on state formulas.

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

Underlying Assumptions

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

The general approach used here is to present modest increases in student enrollment and relatively static property values in order to isolate the effects of the value limitation under the school finance system. The current SB 1 reductions are reflected in the underlying models. With regard to ASATR funding the 92.35 percent reduction enacted for the 2012-13 school year and thereafter, until the 2017-18 school year. A statement of legislative intent was adopted in 2011 to no longer fund target revenue by the 2017-18 school year, so that change is reflected in the estimates presented below. The projected taxable values of the Enterprise Products, LP project are factored into the base model used here. Previously-approved Chapter 313 agreements and those currently under consideration are factored into both the base and limitation models. The impact of the limitation value for the proposed Enterprise project is isolated separately and the focus of this analysis.

Student enrollment counts begin with an estimated 4,537 students in average daily attendance (ADA) in analyzing the effects of the Enterprise project on the finances of BHISD. The District's local tax base reached \$3.01 billion for the 2012 tax year and is maintained for the forecast period in order to isolate the effects of the property value limitation. An M&O tax rate of \$1.06 per \$100 is used throughout this analysis. BHISD has estimated state property wealth per weighted ADA or WADA of approximately \$624,106 for the 2012-13 school year. The enrollment and property value assumptions for the 15 years that are the subject of this analysis are summarized in Table 1.

School Finance Impact

School finance models were prepared for BHISD under the assumptions outlined above through the 2028-29 school year. Beyond the 2012-13 school year, no attempt was made to forecast the 88th percentile or Austin yield that influence future state funding beyond the projected level for that school year. In the analyses for other districts and applicants on earlier projects, these changes appeared to have little impact on the revenue associated with the implementation of the property value limitation, since the baseline and other models incorporate the same underlying assumptions.

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

A second model is developed which adds the Enterprise value but imposes the proposed property value limitation effective in the third year, which in this case is the 2016-17 school year. The results of this model are identified as "Value Limitation Revenue Model" under the revenue protection provisions of the proposed agreement (see Table 3). A summary of the differences between these models is shown in Table 4.

Under these assumptions, BHISD would experience a revenue loss as a result of the implementation of the value limitation in the 2016-17 school year (-\$130,051). The revenue reduction results from the mechanics of the six cents beyond the compressed M&O tax rate

equalized to the Austin yield or not subject to recapture, which reflect the one-year lag in value associated with the property value study. Over the course of the agreement, \$6.3 million in revenue losses are expected under the assumptions used in this report, with variations in out-year recapture costs also serving as a factor in these calculations.

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

One risk factor under the estimates presented here relates to the implementation of the value limitation in the 2016-17 school year. The formula loss of \$130,051 cited above between the base and the limitation models is based on an assumption that Enterprise would see \$2.3 million in gross M&O tax savings when the \$30 million limitation is implemented. Under the estimates presented here and as highlighted in Table 4, an increase in ASATR funding of \$1.5 million and reduced recapture costs of about \$742,000 recapture costs offset nearly all of the reduction in M&O taxes in the first year the value limitation is in effect.

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

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

Impact on the Taxpayer

Table 5 summarizes the impact of the proposed property value limitation in terms of the potential tax savings under the property value limitation agreement. The focus of this table is on the M&O tax rate only. As noted previously, the property is fully taxable in the first two years under the agreement. A \$1.06 per \$100 of taxable value M&O rate is assumed in 2012-13 and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total \$17.5 million over the life of the agreement. In addition, Enterprise would be eligible for a tax credit for M&O taxes paid on value in excess of the value limitation in each of the first two qualifying years. The credit amount is paid out slowly through years 4-10 due to statutory limits on the scale of these payments over these seven years, with catch-up payments permitted in years 11-13. The tax credits are expected to total approximately \$4.9 million over the life of the agreement, with no unpaid tax credits anticipated. The school district is to be reimbursed by the Texas Education Agency for the cost of these credits.

The key BHISD revenue losses are expected to total approximately \$6.3 million over the eight years the value limitation is in effect. In total, the potential net tax benefits (inclusive of tax credits but after hold-harmless payments are made) are estimated to total \$16.1 million over the

life of the agreement. While legislative changes to ASATR funding could increase the hold-harmless amount owed in the initial year of the agreement, there would still be a substantial tax benefit to Enterprise under the value limitation agreement for the remaining years that the limitation is in effect.

Facilities Funding Impact

The Enterprise project remains fully taxable for debt services taxes, with BHISD currently levying a \$0.2698 I&S rate. In its peak value year, the Enterprise project would add an amount equivalent to about nine percent to the current tax base of BHISD. This increase should assist the District in meeting its debt service requirements.

The Enterprise project is not expected to affect BHISD in terms of enrollment. Four full-time jobs are expected to be added as a result of the Enterprise project. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.

Conclusion

The proposed Enterprise NGL manufacturing fractionation project enhances the tax base of BHISD. It reflects continued capital investment in keeping with the goals of Chapter 313 of the Tax Code.

Under the assumptions outlined above, the potential tax savings for the applicant under a Chapter 313 agreement could reach an estimated \$16.1 million. (This amount is net of any anticipated revenue losses for the District.) The additional taxable value also enhances the tax base of BHISD in meeting its future debt service obligations.

Table 1 – Base District Information with Enterprise Products, LP Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
Pre-Year 1	2013-14	4,537.08	5,272.27	\$1.0600	\$0.2698	\$3,458,159,969	\$3,458,159,969	\$3,427,725,436	\$3,427,725,436	\$650,142	\$650,142
1	2014-15	4,718.56	5,451.16	\$1.0600	\$0.2698	\$4,175,464,969	\$4,175,464,969	\$3,592,170,207	\$3,592,170,207	\$658,974	\$658,974
2	2015-16	4,907.30	5,741.88	\$1.0600	\$0.2698	\$4,644,064,969	\$4,644,064,969	\$4,309,475,207	\$4,309,475,207	\$750,534	\$750,534
3	2016-17	5,103.60	5,944.07	\$1.0600	\$0.2698	\$3,559,997,529	\$3,343,064,969	\$4,778,075,207	\$4,778,075,207	\$803,839	\$803,839
4	2017-18	5,307.74	6,154.45	\$1.0600	\$0.2698	\$3,557,111,429	\$3,343,064,969	\$3,694,007,767	\$3,477,075,207	\$600,218	\$564,970
5	2018-19	5,520.05	6,400.61	\$1.0600	\$0.2698	\$3,554,199,731	\$3,343,064,969	\$3,691,121,667	\$3,477,075,207	\$576,683	\$543,242
6	2019-20	5,740.85	6,656.61	\$1.0600	\$0.2698	\$3,551,221,756	\$3,343,064,969	\$3,688,209,969	\$3,477,075,207	\$554,067	\$522,349
7	2020-21	5,970.49	6,922.86	\$1.0600	\$0.2698	\$3,703,312,685	\$3,498,514,665	\$3,685,231,994	\$3,477,075,207	\$532,328	\$502,260
8	2021-22	6,209.31	7,199.75	\$1.0600	\$0.2698	\$3,845,714,562	\$3,644,449,107	\$3,837,322,923	\$3,632,524,903	\$532,980	\$504,535
9	2022-23	6,457.68	7,487.73	\$1.0600	\$0.2698	\$4,394,376,850	\$4,197,138,863	\$3,979,724,800	\$3,778,459,345	\$531,500	\$504,620
10	2023-24	6,715.99	7,787.22	\$1.0600	\$0.2698	\$4,340,479,919	\$4,147,554,363	\$4,528,387,088	\$4,331,149,101	\$581,515	\$556,187
11	2024-25	6,984.63	8,098.69	\$1.0600	\$0.2698	\$5,798,073,813	\$5,798,073,813	\$4,474,490,157	\$4,281,564,601	\$552,496	\$528,674
12	2025-26	7,264.01	8,422.62	\$1.0600	\$0.2698	\$5,686,055,689	\$5,686,055,689	\$5,932,084,051	\$5,932,084,051	\$704,304	\$704,304
13	2026-27	7,554.57	8,759.50	\$1.0600	\$0.2698	\$5,593,741,770	\$5,593,741,770	\$5,820,065,927	\$5,820,065,927	\$664,429	\$664,429
14	2027-28	7,856.75	9,109.87	\$1.0600	\$0.2698	\$5,507,144,560	\$5,507,144,560	\$5,727,752,008	\$5,727,752,008	\$628,742	\$628,742
15	2028-29	8,171.02	9,474.24	\$1.0600	\$0.2698	\$5,385,819,244	\$5,385,819,244	\$5,641,154,798	\$5,641,154,798	\$595,420	\$595,420

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

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

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2013-14	\$34,992,211	\$1,413,820	\$4,517,293	\$0	-\$5,887,527	\$2,097,678	\$0	\$0	\$37,133,474
1	2014-15	\$42,022,151	\$1,457,006	\$262,081	\$0	-\$7,518,520	\$2,519,102	\$0	\$0	\$38,741,819
2	2015-16	\$46,614,661	\$1,668,756	\$2,852,231	\$0	-\$12,984,039	\$2,794,409	\$0	\$0	\$40,946,019
3	2016-17	\$36,033,657	\$2,079,019	\$13,248,919	\$0	-\$11,868,455	\$2,160,110	\$0	\$0	\$41,653,250
4	2017-18	\$36,004,795	\$1,804,927	\$0	\$0	-\$3,887,110	\$2,158,380	\$0	\$0	\$36,080,992
5	2018-19	\$35,975,677	\$2,248,666	\$0	\$0	-\$3,022,874	\$2,156,634	\$86,076	\$0	\$37,444,180
6	2019-20	\$35,945,895	\$1,952,209	\$0	\$0	-\$1,359,623	\$2,154,849	\$177,473	\$0	\$38,870,802
7	2020-21	\$37,435,790	\$2,432,158	\$0	\$0	-\$444,377	\$2,244,163	\$284,023	\$0	\$41,951,758
8	2021-22	\$38,830,691	\$2,111,509	\$0	\$0	-\$67,327	\$2,327,784	\$291,400	\$0	\$43,494,056
9	2022-23	\$44,207,044	\$2,630,621	\$0	\$0	-\$460,131	\$2,650,080	\$340,049	\$0	\$49,367,664
10	2023-24	\$43,677,966	\$2,283,809	\$0	\$0	-\$3,532,690	\$2,618,363	\$81,879	\$0	\$45,129,327
11	2024-25	\$57,924,513	\$2,845,280	\$0	\$0	-\$2,671,195	\$3,472,401	\$296,676	\$0	\$61,867,676
12	2025-26	\$56,826,681	\$2,959,092	\$0	\$0	-\$13,691,935	\$3,406,589	\$0	\$0	\$49,500,426
13	2026-27	\$55,921,959	\$3,077,456	\$0	\$0	-\$11,094,263	\$3,352,354	\$0	\$0	\$51,257,505
14	2027-28	\$55,073,264	\$3,200,554	\$0	\$0	-\$8,576,408	\$3,301,477	\$0	\$0	\$52,998,887
15	2028-29	\$53,884,216	\$3,328,576	\$0	\$0	-\$5,996,100	\$3,230,197	\$23,219	\$0	\$54,470,109

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

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid- Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2013-14	\$34,992,211	\$1,413,820	\$4,517,293	\$0	-\$5,887,527	\$2,097,678	\$0	\$0	\$37,133,474
1	2014-15	\$42,022,151	\$1,457,006	\$262,081	\$0	-\$7,518,520	\$2,519,102	\$0	\$0	\$38,741,819
2	2015-16	\$46,614,661	\$1,668,756	\$2,852,231	\$0	-\$12,984,039	\$2,794,409	\$0	\$0	\$40,946,019
3	2016-17	\$33,864,223	\$2,079,019	\$14,676,798	\$0	-\$11,126,900	\$2,030,059	\$0	\$0	\$41,523,199
4	2017-18	\$33,864,223	\$1,804,927	\$0	\$0	-\$1,876,979	\$2,030,059	\$124,794	\$0	\$35,947,024
5	2018-19	\$33,864,223	\$2,248,666	\$0	\$0	-\$1,040,196	\$2,030,059	\$210,981	\$0	\$37,313,733
6	2019-20	\$33,864,223	\$1,952,209	\$0	\$0	\$0	\$2,030,059	\$300,617	\$0	\$38,147,108
7	2020-21	\$35,387,707	\$2,432,158	\$0	\$0	\$0	\$2,121,387	\$411,555	\$0	\$40,352,807
8	2021-22	\$36,817,936	\$2,111,509	\$0	\$0	\$0	\$2,207,125	\$416,309	\$0	\$41,552,879
9	2022-23	\$42,234,566	\$2,630,621	\$0	\$0	\$0	\$2,531,836	\$477,044	\$0	\$47,874,067
10	2023-24	\$41,748,614	\$2,283,809	\$0	\$0	-\$1,724,266	\$2,502,704	\$195,798	\$0	\$45,006,658
11	2024-25	\$57,924,513	\$2,845,280	\$0	\$0	-\$312,005	\$3,472,401	\$466,509	\$0	\$64,396,698
12	2025-26	\$56,826,681	\$2,959,092	\$0	\$0	-\$13,691,935	\$3,406,589	\$0	\$0	\$49,500,426
13	2026-27	\$55,921,959	\$3,077,456	\$0	\$0	-\$11,094,263	\$3,352,354	\$0	\$0	\$51,257,505
14	2027-28	\$55,073,264	\$3,200,554	\$0	\$0	-\$8,576,408	\$3,301,477	\$0	\$0	\$52,998,887
15	2028-29	\$53,884,216	\$3,328,576	\$0	\$0	-\$5,996,100	\$3,230,197	\$23,219	\$0	\$54,470,109

Table 4 – Value Limit less Project Value with No Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid- Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2013-14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	2014-15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	2015-16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	2016-17	-\$2,169,433	\$0	\$1,427,878	\$0	\$741,555	-\$130,051	\$0	\$0	-\$130,051
4	2017-18	-\$2,140,572	\$0	\$0	\$0	\$2,010,131	-\$128,321	\$124,794	\$0	-\$133,968
5	2018-19	-\$2,111,454	\$0	\$0	\$0	\$1,982,678	-\$126,575	\$124,905	\$0	-\$130,446
6	2019-20	-\$2,081,672	\$0	\$0	\$0	\$1,359,623	-\$124,790	\$123,144	\$0	-\$723,694
7	2020-21	-\$2,048,083	\$0	\$0	\$0	\$444,377	-\$122,776	\$127,532	\$0	-\$1,598,951
8	2021-22	-\$2,012,755	\$0	\$0	\$0	\$67,327	-\$120,659	\$124,908	\$0	-\$1,941,178
9	2022-23	-\$1,972,478	\$0	\$0	\$0	\$460,131	-\$118,244	\$136,994	\$0	-\$1,493,597
10	2023-24	-\$1,929,352	\$0	\$0	\$0	\$1,808,423	-\$115,659	\$113,919	\$0	-\$122,668
11	2024-25	\$0	\$0	\$0	\$0	\$2,359,189	\$0	\$169,833	\$0	\$2,529,022
12	2025-26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	2026-27	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	2027-28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	2028-29	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	Tax Credits for First Two Years Above Limit	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits
Pre-Year 1	2013-14	\$0	\$0	\$0	\$1.060	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	2014-15	\$275,500,000	\$275,500,000	\$0	\$1.060	\$2,920,300	\$2,920,300	\$0	\$0	\$0	\$0	\$0
2	2015-16	\$249,820,000	\$249,820,000	\$0	\$1.060	\$2,648,092	\$2,648,092	\$0	\$0	\$0	\$0	\$0
3	2016-17	\$246,932,560	\$30,000,000	\$216,932,560	\$1.060	\$2,617,485	\$318,000	\$2,299,485	\$0	\$2,299,485	-\$130,051	\$2,169,434
4	2017-18	\$244,046,460	\$30,000,000	\$214,046,460	\$1.060	\$2,586,892	\$318,000	\$2,268,892	\$488,219	\$2,757,111	-\$133,968	\$2,623,143
5	2018-19	\$241,134,762	\$30,000,000	\$211,134,762	\$1.060	\$2,556,028	\$318,000	\$2,238,028	\$484,291	\$2,722,319	-\$130,446	\$2,591,873
6	2019-20	\$238,156,787	\$30,000,000	\$208,156,787	\$1.060	\$2,524,462	\$318,000	\$2,206,462	\$480,274	\$2,686,735	-\$723,694	\$1,963,041
7	2020-21	\$234,798,020	\$30,000,000	\$204,798,020	\$1.060	\$2,488,859	\$318,000	\$2,170,859	\$475,743	\$2,646,602	-\$1,598,951	\$1,047,651
8	2021-22	\$231,265,455	\$30,000,000	\$201,265,455	\$1.060	\$2,451,414	\$318,000	\$2,133,414	\$470,977	\$2,604,391	-\$1,941,178	\$663,213
9	2022-23	\$227,237,987	\$30,000,000	\$197,237,987	\$1.060	\$2,408,723	\$318,000	\$2,090,723	\$465,544	\$2,556,267	-\$1,493,597	\$1,062,670
10	2023-24	\$222,925,556	\$30,000,000	\$192,925,556	\$1.060	\$2,363,011	\$318,000	\$2,045,011	\$459,727	\$2,504,737	-\$122,668	\$2,382,069
11	2024-25	\$217,754,968	\$217,754,968	\$0	\$1.060	\$2,308,203	\$2,308,203	\$0	\$1,607,619	\$1,607,619	\$0	\$1,607,619
12	2025-26	\$211,585,872	\$211,585,872	\$0	\$1.060	\$2,242,810	\$2,242,810	\$0	\$0	\$0	\$0	\$0
13	2026-27	\$227,051,841	\$227,051,841	\$0	\$1.060	\$2,406,750	\$2,406,750	\$0	\$0	\$0	\$0	\$0
14	2027-28	\$196,224,199	\$196,224,199	\$0	\$1.060	\$2,079,977	\$2,079,977	\$0	\$0	\$0	\$0	\$0
15	2028-29	\$196,224,199	\$196,224,199	\$0	\$1.060	\$2,079,977	\$2,079,977	\$0	\$0	\$0	\$0	\$0
Totals						\$36,682,982	\$19,230,107	\$17,452,874	\$4,932,392	\$22,385,266	-\$6,274,553	\$16,110,713
Tax Credit for Value Over Limit in First 2 Years								Year 1	Year 2	Max Credits		
								\$2,602,300	\$2,330,092	\$4,932,392		
								Credits Earned		\$4,932,392		
								Credits Paid		<u>\$4,932,392</u>		
								Excess Credits Unpaid		\$0		

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

Attachment F

Taxable Value of Property



Window on State Government

Susan Combs Texas Comptroller of Public Accounts

2012 ISD Summary Worksheet

036/Chambers

036-902/Barbers Hill ISD

Category	Local Tax Roll Value	2012 WTD Mean Ratio	2012 PTAD Value Estimate	2012 Value Assigned
A. Single-Family Residences	915,774,230	.9715	942,639,454	915,774,230
B. Multi-Family Residences	8,516,580	N/A	8,516,580	8,516,580
C. Vacant Lots	29,086,360	N/A	29,086,360	29,086,360
D. Rural Real(Taxable)	61,021,430	.9949	61,334,724	61,021,430
F1. Commercial Real	56,214,690	N/A	56,214,690	56,214,690
F2. Industrial Real	1,674,020,421	N/A	1,674,020,421	1,674,020,421
G. Oil, Gas, Minerals	52,827,260	N/A	52,827,260	52,827,260
J. Utilities	74,729,120	.9552	78,234,003	74,729,120
L1. Commercial Personal	13,886,840	N/A	13,886,840	13,886,840
L2. Industrial Personal	2,006,325,144	N/A	2,006,325,144	2,006,325,144
M. Other Personal	3,324,140	N/A	3,324,140	3,324,140
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	2,381,960	N/A	2,381,960	2,381,960

S. Special Inventory	1,952,640	N/A	1,952,640	1,952,640
Subtotal	4,900,060,815		4,930,744,216	4,900,060,815
Less Total Deductions	867,956,221		872,443,195	867,956,221
Total Taxable Value	4,032,104,594		4,058,301,021	4,032,104,594 T2

Category D Detail	Local Tax Roll	Ratio	PTAD Value
Market Value Non-Qualified Acres And Farm/Ranch Imp	59,269,000	N/A	59,269,000
Prod Value Qualified Acres	1,752,430	.8483	2,065,724
Taxable Value	61,021,430		61,334,724

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

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T6 will be the same as T7 through T12.

Value Taxable For M&O Purposes

T1	T2	T3	T4	T5	T6
4,076,519,204	4,032,104,594	3,997,585,299	3,953,170,689	4,032,104,594	3,953,170,689

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
44,414,610	78,933,905

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

exemption

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

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

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

T5 = T2 before the loss to the tax ceiling reduction

T6 = T5 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
4,265,903,731	4,221,489,121	4,186,969,826	4,142,555,216	4,221,489,121	4,142,555,216

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

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

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

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

T11 = T8 before the loss to the tax ceiling reduction

T12 = T11 minus 50% of the loss to the local optional percentage homestead exemption

The PVS found your local value to be valid, and local value was certified

Attachment G

Participation Agreement

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

by and between

BARBERS HILL INDEPENDENT SCHOOL DISTRICT

and

ENTERPRISE PRODUCTS OPERATING LLC

(Texas Taxpayer ID # 12604305396)

COMPTROLLER APPLICATION NUMBER 254

Dated

September 23, 2013

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

STATE OF TEXAS §

COUNTY OF CHAMBERS §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this "Agreement," is executed and delivered by and between the **BARBERS HILL INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as the "District," a lawfully created independent school district within the State of Texas operating under and subject to the Texas Education Code, and **ENTERPRISE PRODUCTS OPERATING LLC**, a Texas limited liability company (Texas Taxpayer Identification Number 12604305396), hereinafter referred to as the "Applicant." The Applicant and the District are each hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties." Certain capitalized and other terms used in this Agreement shall have the meanings ascribed to them in Section 1.3.

RECITALS

WHEREAS, on June 13, 2012, the Superintendent of Schools of the Barbers Hill Independent School District (hereinafter referred to as "Superintendent"), acting as agent of the Board of Trustees of the District (hereinafter referred to as "Board of Trustees"), received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code; and,

WHEREAS, on June 25, 2012, the Board of Trustees authorized the Superintendent to accept, on behalf of the District, the Application from Enterprise Products Operating LLC, and on June 26, 2012, the Assistant Superintendent of Finance acknowledged receipt of the Application and the requisite application fee as established pursuant to Texas Tax Code § 313.025(a)(1) and Local District Policy CCG (Local); and,

WHEREAS, the Application was delivered to the office of the Texas Comptroller of Public Accounts (hereinafter referred to as the "Comptroller") for review pursuant to Texas Tax Code § 313.025(d); and,

WHEREAS, on November 15, 2012, the Superintendent of Schools of the Barbers Hill Independent School received from the Applicant a Revised Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, which revision altered the first year of the proposed Qualifying Time period described in said Application; and,

WHEREAS, on November 20, 2012, the Revised Application was delivered to the office of the Texas Comptroller of Public Accounts (hereinafter referred to as the "Comptroller") for review pursuant to Texas Tax Code § 313.025(d); and,

WHEREAS, the Comptroller established December 10, 2012 as the completed Application date; and,

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

WHEREAS, the Comptroller, pursuant to Texas Tax Code § 313.025(d), reviewed the Application and on March 6, 2013, the Texas Comptroller's Office, via letter, recommended that the Application be approved; and,

WHEREAS, the District, at the request of Applicant, has granted an extension of time to Enterprise Products, in accordance with Texas Tax Code § 313.025(b) for final action upon the pending application until December 30, 2013; and,

WHEREAS, the Comptroller conducted an economic impact evaluation pursuant to Chapter 313 of the Texas Tax Code which was presented to the Board of Trustees at the September 23, 2013 public hearing held in connection with the Board of Trustees' consideration of the Application; and,

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

WHEREAS, on September 23, 2013, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District; and,

WHEREAS, on September 23, 2013, the Board of Trustees made factual findings pursuant to Texas Tax Code § 313.025(f), including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) this Agreement is in the best interest of the District and the State of Texas; (iii) the Applicant is eligible for the limitation on appraised value of the Applicant's Qualified Property; (iv) each criterion referenced in Texas Tax Code § 313.025(e) has been met; and (v) the jobs creation requirement in Texas Tax Code § 313.025(f-1) exceeds the industry standard for the number of employees reasonably necessary for the operation of the Qualified Investment; and,

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

WHEREAS, on September 23, 2013, the Board of Trustees determined that the Tax Limitation Amount requested by the Applicant, and as defined in Sections 1.2 and 1.3, below, is consistent with the minimum values set out by Texas Tax Code §§ 313.022(b) and 313.052, as such Tax Limitation Amount was computed as of the date of this Agreement; and,

WHEREAS, the District received written notification, pursuant to 34 Texas Administrative Code § 9.1055(e)(2)(A), that the Comptroller reviewed this Agreement, and reaffirmed the recommendation previously made on March 6, 2013, that the Application be approved; and,

WHEREAS, on September 23, 2013, the Board of Trustees approved the form of this Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the President and Secretary of the Board of Trustees to execute and deliver such Agreement to the Applicant;

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

ARTICLE I AUTHORITY, TERM, DEFINITIONS, AND GENERAL PROVISIONS

Section 1.1. AUTHORITY

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

Section 1.2. TERM OF THE AGREEMENT

This Agreement shall commence and first become effective on the Commencement Date, as defined in Section 1.3, below. In the event that the Applicant makes a Qualified Investment in the amount defined in Section 2.6 below, between the Commencement Date and the end of the Qualifying Time Period, the Applicant will be entitled to the Tax Limitation Amount defined in Section 1.3 below, for the following Tax Years: 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023. The limitation on the local ad valorem property values for Maintenance and Operations purposes shall commence with the property valuations made as of January 1, 2016, the appraisal date for the third full Tax Year following the Commencement Date.

The period beginning with the Commencement Date of September 23, 2013 and ending on December 31, 2015 will be referred to herein as the "Qualifying Time Period," as that term is defined in Texas Tax Code § 313.021(4). The Applicant shall not be entitled to a tax limitation during the Qualifying Time Period.

Unless sooner terminated as provided herein, the limitation on the local ad valorem property values shall terminate on December 31, 2023. This Agreement will terminate, in full,

on the Final Termination Date, except as otherwise provided herein. The termination of this Agreement shall not (i) release any obligations, liabilities, rights and remedies arising out of any breach of, or failure to comply with, this Agreement occurring prior to such termination, or (ii) affect the right of a Party to enforce the payment of any amount, including any Tax Credit, to which such Party was entitled before such termination or to which such Party became entitled as a result of an event that occurred before such termination, so long as the right to such payment survives said termination.

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

Full Tax Year of Agreement	Date of Appraised Value Determination	School Year	Tax Year	Summary Description of Provisions
Partial Year (Commencing September 23, 2013)	January 1, 2013	2013-14	2013	Start of Qualifying Time Period beginning with Commencement Date. No limitation on value. First year for computation of Annual Limit.
1	January 1, 2014	2014-15	2014	Qualifying Time Period. No limitation on value. Possible tax credit in future years.
2	January 1, 2015	2015-16	2015	Qualifying Time Period. No limitation on value. Possible tax credit in future years.
3	January 1, 2016	2016-17	2016	\$ 30 million property value limitation.
4	January 1, 2017	2017-18	2017	\$ 30 million property value limitation. Possible tax credit due to Applicant.
5	January 1, 2018	2018-19	2018	\$ 30 million property value limitation. Possible tax credit due to Applicant.

Full Tax Year of Agreement	Date of Appraised Value Determination	School Year	Tax Year	Summary Description of Provisions
6	January 1, 2019	2019-20	2019	\$ 30 million property value limitation. Possible tax credit due to Applicant.
7	January 1, 2020	2020-21	2020	\$ 30 million property value limitation. Possible tax credit due to Applicant.
8	January 1, 2021	2021-22	2021	\$ 30 million property value limitation. Possible tax credit due to Applicant.
9	January 1, 2022	2022-23	2022	\$ 30 million property value limitation. Possible tax credit due to Applicant.
10	January 1, 2023	2023-24	2023	\$ 30 million property value limitation. Possible tax credit due to Applicant.
11	January 1, 2024	2024-25	2024	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
12	January 1, 2025	2025-26	2025	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
13	January 1, 2026	2026-27	2026	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.

Section 1.3. DEFINITIONS

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

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

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

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

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

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

"Annual Limit" means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Texas Tax Code § 313.027(i). For purposes of this Agreement, the amount of the Annual Limit shall be calculated for each year by multiplying the District's Average Daily Attendance for the applicable school year, as calculated pursuant to Texas Education Code § 42.005, times the greater of \$100, or any larger amount allowed by Texas Tax Code § 313.027(i), if such limit amount is increased for any future year of this Agreement. The Annual Limit shall first be computed for Tax Year 2013, which, by virtue of the Commencement Date is the first year of the Qualifying Time Period under this Agreement.

"Applicant" means Enterprise Products Operating LLC, (Texas Taxpayer ID # 12604305396), the company listed in the Preamble of this Agreement who, on June 13, 2012, filed the Original Application with the District for an Appraised Value Limitation on Qualified Property, and on November 15, 2012 filed a Revised Application pursuant to Chapter 313 of the Texas Tax Code. The term "Applicant" shall also include the Applicants' assigns and successors-in-interest and their direct and indirect subsidiaries.

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

"Application" means the Original Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C, of the Texas Tax Code) filed with the District by the Applicant on June 13, 2012 as modified by the Revised Application filed by Applicant on November 15, 2012, which has been certified by the Comptroller's Office to collectively constitute a complete final Application as of the date of December 10, 2012. The term includes all forms required by the Comptroller's Office, the schedules attached thereto, and all other documentation submitted by the Applicant for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

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

"Appraisal District" means the Chambers County Appraisal District.

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

"Commencement Date" means September 23, 2013 the date upon which the Parties executed this Agreement.

"Completed Application Date" means December 10, 2012, the date upon which the Revised Application was found to be complete the Comptroller's Office.

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

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

"County" means Chambers County, Texas.

"Cumulative Payments" means for each year of this Agreement the total of all payments, calculated under both Article III and Article IV of this Agreement for the current Tax Year which are paid by or owed by Applicant to the District, plus payments paid by Applicant for all previous Tax Years under Article III and Article IV of this Agreement.

"Cumulative Unadjusted Tax Benefit" means for each Tax Year of this Agreement, the Unadjusted Tax Benefit for the applicable Tax Year added to the Unadjusted Tax Benefit from all previous Tax Years of this Agreement.

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

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

"Final Termination Date" means December 31, 2026. However, any payment obligations of any Party arising under this Agreement prior to the Final Termination Date will survive until paid by the Party owing same.

"Force Majeure" means a failure caused by (a) provisions of law, or the operation or effect of rules, regulations or orders promulgated by any governmental authority having jurisdiction over the Applicant, the Applicant's Qualified Property or the Applicant's Qualified Investment or any upstream, intermediate or downstream equipment or support facilities as are necessary to the operation of the Applicant's Qualified Property or the Applicant's Qualified Investment; (b) any demand or requisition, arrest, order, request, directive, restraint or requirement of any government or governmental agency whether federal, state, military, local or otherwise; (c) the action, judgment or decree of any court; (d) floods, storms, hurricanes, evacuation due to threats of hurricanes, lightning, earthquakes, washouts, high water, fires, acts of God or public enemies, wars (declared or undeclared), blockades, epidemics, riots or civil disturbances, insurrections, strikes, labor disputes (it being understood that nothing contained in this Agreement shall require the Applicant to settle any such strike or labor dispute), explosions, breakdown or failure of plant, machinery, equipment, lines of pipe or electric power lines (or unplanned or forced outages or shutdowns of the foregoing for inspections, repairs or maintenance), inability to obtain, renew or extend franchises, licenses or permits, loss, interruption, curtailment or failure to obtain electricity, gas, steam, water, wastewater disposal, waste disposal or other utilities or utility services, inability to obtain or failure of suppliers to deliver equipment, parts or material, or inability of the Applicant to ship or failure of carriers to transport electricity from the Applicant's facilities; or (e) any other cause (except financial), whether similar or dissimilar, over which the Applicant has no reasonable control and which forbids or prevents performance.

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

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

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

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

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

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

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

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

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

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

"Qualifying Time Period" means the period that begins on the Commencement Date of September 23, 2013 and ends on December 31, 2015.

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

"State" means the State of Texas.

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

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

"Tax Limitation Amount" means the maximum amount which may be placed as the Appraised Value on Qualified Property/Qualified Investment for years three (3) through ten (10) of this Agreement pursuant to Texas Tax Code § 313.054. That is, for each of the eight (8) Tax

Years 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023, the Appraised Value of the Applicant's Qualified Investment for the District's maintenance and operations ad valorem tax purposes shall not exceed, and the Tax Limitation Amount shall be, the lesser of:

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

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

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

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

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

"Unadjusted Tax Benefit" means for each year of this Agreement the total of all gross tax savings calculated for each year of the Agreement by multiplying the Applicant's taxable value for debt service taxes for each applicable Tax Year, minus the Tax Limitation Amount defined in Section 2.6 below, as Thirty Million Dollar (\$30,000,000.00), multiplied by the District's Maintenance & Operations tax rate for the applicable Tax Year.

ARTICLE II PROPERTY DESCRIPTION

Section 2.1. LOCATION WITHIN A QUALIFIED REINVESTMENT OR ENTERPRISE ZONE

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

Section 2.2. LOCATION OF QUALIFIED PROPERTY

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

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

Section 2.3. DESCRIPTION OF QUALIFIED INVESTMENT AND QUALIFIED PROPERTY

The Qualified Investment and/or Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 3**, which is attached hereto and incorporated herein by reference for all purposes ("Applicant's Qualified Investment"). Qualified Investment shall be that property, described in **EXHIBIT 3** which is placed in service under the terms of the Application, during the Qualifying Time Period described in both Section 1.2, above and the definition of Qualifying Time Period set forth in Section 1.3, above. Qualified Property shall be all property, described in **EXHIBIT 3**, including, but not limited to the Applicant's Qualified Investment, together with the land described in **EXHIBIT 2** which: 1) is owned by the Applicant; 2) was first placed in service after December 10, 2012, the completed Application date established by the Comptroller; and 3) is used in connection with the activities described in the Application. Property which is not specifically described in **EXHIBIT 3** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Investment or Qualified Property for purposes of this Agreement, unless pursuant to Texas Tax Code § 313.027(e) and Section 8.3 of this Agreement, the Board of Trustees, by official action, provides that such other property is a part of the Applicant's Qualified Investment for purposes of this Agreement.

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

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

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

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

Qualified Property to which the Tax Limitation Amount applies including maps or surveys of sufficient detail and description to locate all such described property within the boundaries of the real property which is subject to this Agreement.

Section 2.5. QUALIFYING USE

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

Section 2.6. LIMITATION ON APPRAISED VALUE

So long as the Applicant makes a Qualified Investment in the amount Thirty Million Dollars (\$30,000,000.00), or greater, during the Qualifying Time Period; and unless this Agreement has been terminated as provided herein before such Tax Year, for each of the following eight (8) Tax Years: 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023, the Appraised Value of the Applicant's Qualified Investment for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

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

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

ARTICLE III PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 3.1. INTENT OF THE PARTIES

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

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

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

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

Where:

- i. "Original M&O Revenue" means the total State and local Maintenance & Operations Revenue that the District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Qualified Property and/or Qualified Investment been subject to the ad valorem maintenance & operations tax at the actual Board-adopted tax rate for the applicable year.
- ii. "New M&O Revenue" means the total State and local Maintenance & Operations Revenue that the District actually received for such school year, after all adjustments have been made to Maintenance and Operations Revenue because of any portion of this agreement.

In making the calculations required by this Section 3.2:

- i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.
- ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property and/or the Applicant's Qualified Investment will be presumed to be one hundred percent (100%)
- iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue as calculated under this Section 3.2 results in a negative number, the negative number will be considered to be zero.
- iv. All calculations made for years three (3) through ten (10) of this Agreement under Section 3.2, Subsection *ii* of this Agreement will reflect the Tax Limitation Amount for such year.
- v. All calculations made under this Section 3.2 shall be made by a methodology which isolates the full M & O revenue impact caused

by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements, or other factors not contained in this Agreement.

Section 3.3. COMPENSATION FOR LOSS OF OTHER REVENUES

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

- (a) all non-reimbursed costs incurred by the District in paying or otherwise crediting to the account of the Applicant, any applicable tax credit to which the Applicant may be entitled pursuant to Chapter 313, Subchapter D of the Texas Tax Code, and for which the District does not receive reimbursement from the State pursuant to Texas Educ. Code § 42.2515, or other similar or successor statute.
- (b) all non-reimbursed costs, certified by the District's external auditor to have been incurred by the District for extraordinary education-related expenses related to the project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project.
- (c) any other loss of District revenues which are, or may be attributable to the payment by the Applicant to or on behalf any other third party beneficiary.

Section 3.4. CALCULATIONS TO BE MADE BY THIRD PARTY

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

Section 3.5. DATA USED FOR CALCULATIONS

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

adjustments by the Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

Section 3.6. DELIVERY OF CALCULATIONS

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

Section 3.7. PAYMENT BY APPLICANT

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

Section 3.8. RESOLUTION OF DISPUTES

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

Section 3.9. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT

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

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

Section 3.10. EFFECT OF STATUTORY CHANGES

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

ARTICLE IV

Section 4.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS

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

(a) Amounts Exclusive of Indemnity Amounts

In addition to undertaking the responsibility for the payment of all of the amounts set forth under Article III, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the Supplemental Payments set forth in this Article IV (the "Supplemental Payments"). The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this

Agreement for limitation on appraised value made pursuant to Chapter 313, Texas Tax Code, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the Applicant's obligation to make Supplemental Payments under this Article IV are separate and independent of the obligation of the Applicant to pay the amounts described in Article III; provided, however, that all payments under Articles III and IV are subject to the limitations contained in Section 5.1, and that all payments under this Article IV are subject to the separate limitations contained in Section 4.4.

(b) Adherence to Statutory Limits on Supplemental Payments

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

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

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

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

Section 4.3. ANNUAL CALCULATION OF STIPULATED SUPPLEMENTAL PAYMENT AMOUNT

The Parties agree that for each Tax Year during the term of this Agreement, beginning with the third full year following the completion of Tax Year 2016, the Stipulated Supplemental Payment Amount, described in Section 4.2 will annually be calculated based upon the then most current estimate of tax savings to the Applicant, which will be made, based upon assumptions of student counts, tax collections, and other applicable data, in accordance with the following formula:

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

Minus,

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

Multiplied by,

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

Plus,

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

Minus,

Any amounts previously paid to the District under Article III;

Multiplied by,

The number 0.383;

Minus,

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

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

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

For each Tax Year during the term of this Agreement, beginning with Tax Year three (Tax Year 2016) and continuing thereafter through Tax Year thirteen (Tax Year 2026), the District, or its successor beneficiary should one be designated under Section 4.6, below, shall not be entitled to receive Supplemental Payments, computed under Sections 4.2 and 4.3, above, that exceed the Aggregate Limit.

If, for any Tax Year during the term of this Agreement the payment of the Applicant's Stipulated Supplemental Payment Amount, calculated under Sections 4.2 and 4.3, above for such Tax Year, exceeds the Aggregate Limit for that Tax Year, the difference between the Applicant's

Stipulated Supplemental Payment Amount so calculated and the Aggregate Limit for such Tax Year, shall be carried forward from year-to-year into subsequent Tax Years during the term of this Agreement, and to the extent not limited by the Aggregate Limit in any subsequent Tax Year during the term of this Agreement, shall be paid to the District.

Any of the Applicant's Stipulated Supplemental Payment Amount, which cannot be paid to the District prior to the end of Tax Year thirteen (Tax Year 2026), because such payment would exceed the Aggregate Limit, will be deemed to have been cancelled by operation of law, and the Applicant shall have no further obligation with respect thereto.

Section 4.5. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS

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

Section 4.6. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY

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

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

ARTICLE V
ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

SECTION 5.1. LIMITATION OF PAYMENT AMOUNTS

Notwithstanding anything contained in this Agreement to the contrary, in no event shall the Cumulative Payments made by Applicant to the District exceed fifty percent (50%) of Applicant's Cumulative Unadjusted Tax Benefit paid by the Applicant to the District under this Agreement from the Commencement Date through the applicable Tax Year. The calculation and comparison of the amounts described in this Section shall be included in all calculations made pursuant to Section 3.4 and Section 3.6. Amounts due and owing by Applicant to the District which, by virtue of the application of payment limitation set forth in this Section are not payable to the District for a given year, shall be carried forward to future years, but shall be subject, in each subsequent year to the limit set forth in this Section.

Section 5.2. OPTION TO CANCEL AGREEMENT

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

ARTICLE VI TAX CREDITS

Section 6.1. APPLICANT'S ENTITLEMENT TO TAX CREDITS

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

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

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

Section 6.3. COMPENSATION FOR LOSS OF TAX CREDIT PROTECTION REVENUES

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

ARTICLE VII ADDITIONAL OBLIGATIONS OF APPLICANT

Section 7.1. DATA REQUESTS

During the term of this Agreement, and upon the written request of one Party or by the Comptroller (the "Requesting Party"), the other Party shall provide the Requesting Party with all information reasonably necessary for the Requesting Party to determine whether the other Party is in compliance with its obligations, including any employment obligations which may arise under this Agreement. The Applicant shall allow authorized employees of the District, the Comptroller, and/or the Appraisal District to have access to the Applicant's Qualified Property and/or business records, in accordance with Texas Tax Code § 22.07, during the term of this Agreement, in order to inspect the project to determine compliance with the terms hereof. All

inspections will be made at a mutually agreeable time after the giving of not less than forty-eight (48) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property. All inspections may be accompanied by one or more representatives of the Applicant, and shall be conducted in accordance with the Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District, the Comptroller, or the Appraisal District with any technical or business information that is private personnel data, proprietary, a trade secret or confidential in nature or is subject to a confidentiality agreement with any third party.

Section 7.2. REPORTS TO OTHER GOVERNMENTAL AGENCIES

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

Section 7.3. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE

By entering into this Agreement, the Applicant warrants that:

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

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

(a) In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 5.2, or in the event that the Applicant or its successor-in-interest fails to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, after the notice and cure period provided by Section 7.8, then the District shall be entitled to the recapture of all ad valorem tax revenue lost as a result of this Agreement together with the payment of penalty and interest, as calculated in

accordance with Section 7.5, on that recaptured ad valorem tax revenue. For purposes of this recapture calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Article III. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV.

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

Section 7.5. CALCULATION OF PENALTY AND INTEREST

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

Section 7.6 MATERIAL BREACH OF AGREEMENT

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

- (a) Applicant is determined to have failed to meet its obligations to have made accurate material representations of fact in the submission of its Application as is required by Section 8.13, below.
- (b) Applicant fails to Maintain Viable Presence in the District, as required by Section 7.3 of this Agreement, through the Final Termination Date of this Agreement.

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

Section 7.7 LIMITED STATUTORY CURE OF MATERIAL BREACH

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

Section 7.8. DETERMINATION OF MATERIAL BREACH AND TERMINATION OF AGREEMENT

Prior to making a determination under Section 7.4 or Section 7.6 that the Applicant is in Material Breach of this Agreement, such as making a material misrepresentation in the Application, failing to Maintain Viable Presence in the District as required by Section 7.3 of this Agreement, failing to make any payment required under this Agreement when due, or that the Applicant has otherwise committed a Material Breach of this Agreement, the District shall

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

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

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

Section 7.9. DISPUTE RESOLUTION

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

In the event that any mediation is not successful in resolving the dispute or that payment is not received before the expiration of such ninety (90) days, the District shall have the remedies for the collection of the amounts determined under Section 7.8 as are set forth in Texas Tax Code Chapter 33, Subchapters B and C, for the collection of delinquent taxes. In the event that the

District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees and a tax lien on the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Texas Tax Code § 33.07 to the attorneys representing the District pursuant to Texas Tax Code § 6.30.

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

Section 7.10. LIMITATION OF OTHER DAMAGES

Notwithstanding anything contained in this Agreement to the contrary, in the event of default or breach of this Agreement by the Applicant, the District's damages for such a default shall under no circumstances exceed the greater of either any amounts calculated under Sections 7.4 and 7.5 above.. In addition, the District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement.

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

Section 7.11. BINDING ON SUCCESSORS

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

ARTICLE VIII MISCELLANEOUS PROVISIONS

Section 8.1. INFORMATION AND NOTICES

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

Notices to the District shall be addressed to the District's Authorized Representative as follows:

Dr. Greg Poole, Superintendent
BARBERS HILL INDEPENDENT SCHOOL DISTRICT
P.O. Box 1108
9600 Eagle Drive
Mont Belvieu, Texas 77580
Fax: (281) 576-3410

with a copy to:

Kevin O'Hanlon
O'HANLON, MCCOLLOM & DEMERATH
808 West Avenue
Austin, Texas 78701
Fax: (512) 494-9919

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

Notices to the Applicant shall be addressed to:

ATTN: CURT TATE, Director of Property and Transaction Tax
ENTERPRISE PRODUCTS OPERATING LLC
P.O. Box 4018
Houston, Texas 77210-4018
1100 Louisiana Street
Houston, Texas 77002
Fax: (281) 887-7139

with copies to:

ATTN: RAYMOND ALBRECHT, Assistant General Counsel
ENTERPRISE PRODUCTS OPERATING LLC
P.O. Box 4018
Houston, Texas 77210-4018
1100 Louisiana Street
Houston, Texas 77002

and

Timothy E. Young
IKARD WYNNE LLP
2801 Via Fortuna, Suite 501

Austin, Texas 78746
Fax: (512) 275-7333

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

Section 8.2. EFFECTIVE DATE, TERMINATION OF AGREEMENT

- (a) This Agreement shall be and become effective on the date of final approval of this Agreement by the Board of Trustees,
- (b) The obligation to Maintain Viable Presence under this Agreement shall remain in full force and effect through the Final Termination Date.
- (c) In the event that the Applicant fails to make a Qualified Investment in the amount of Thirty Million Dollars (\$30,000,000.00), or greater, during the Qualifying Time Period, this Agreement shall become null and void on December 31, 2015.

Section 8.3. AMENDMENTS TO AGREEMENT; WAIVERS

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

Section 8.4. ASSIGNMENT

The Applicant may assign this Agreement, or a portion of this Agreement, to an Affiliate or a new owner or lessee of all or a portion of the Applicant's Qualified Property and/or the Applicant's Qualified Investment, provided that the Applicant shall provide written notice of such assignment to the District. Upon such assignment, the Applicant's assignee will be liable to the District for outstanding taxes or other obligations arising under this Agreement. A recipient

of limited value under Texas Tax Code, Chapter 313 shall notify immediately the District, the Comptroller, and the Appraisal District in writing of any change in address or other contract information for the owner of the property subject to the limitation agreement for the purposes of Texas Tax Code § 313.032. The assignee's or its reporting entity's Texas Taxpayer Identification Number shall be included in the notification.

Section 8.5. MERGER

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

Section 8.6. MAINTENANCE OF COUNTY APPRAISAL DISTRICT RECORDS

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

Section 8.7. GOVERNING LAW

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

Section 8.8. AUTHORITY TO EXECUTE AGREEMENT

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

Section 8.9. SEVERABILITY

If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision or condition cannot be so reformed, then such term, provision or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality and enforceability of the remaining terms, provisions and conditions contained herein (and any other application such term, provision or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in a mutually acceptable manner so as to effect the original

intent of the Parties as closely as possible to the end that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 8.9, the term "Law" shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

Section 8.10. PAYMENT OF EXPENSES

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

Section 8.11. INTERPRETATION

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

Section 8.12. EXECUTION OF COUNTERPARTS

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

Section 8.13. ACCURACY OF REPRESENTATIONS CONTAINED IN APPLICATION

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

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

Section 8.14. PUBLICATION OF DOCUMENTS

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

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

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

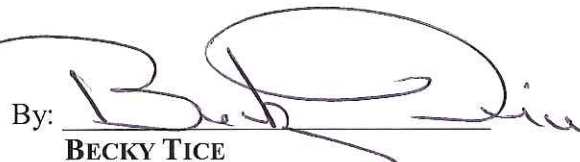
IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 23 day of September, 2013.

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

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

By: 
SENIOR VICE PRESIDENT

**BARBERS HILL INDEPENDENT
SCHOOL DISTRICT**

By: 
BECKY TICE
President
Board of Trustees

Attest: 
By: 
CYNTHIA ERWIN
Secretary
Board of Trustees

EXHIBIT 1

DESCRIPTION OF QUALIFIED REINVESTMENT ZONE

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

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

2006 08 01 16:05 08 330 205

167639
RETURN TO:COMMERCE TITLE
700 ROLLINGBROOK SUITE E
BAYTOWN, TEXAS 77521

GENERAL WARRANTY DEED

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

THE STATE OF TEXAS §

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF CHAMBERS §

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

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

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

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

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

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

Glenda Del Brown
Glenda Del Brown

THE STATE OF TEXAS §

COUNTY OF KENDALL §

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



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

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"EXHIBIT A"

THE STATE OF TEXAS)
COUNTY OF CHAMBERS)

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

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

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

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

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

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

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

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

"EXHIBIT B"

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

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

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

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

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

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

JAN 27 2006

STATE OF TEXAS

CHARLES COUNTY

AS ORDERED BY ME, JAN 27, 2006

AS ORDERED PUBLIC RECEIPT

By an E. Spector, COUNTY CLERK

CLERK NUMBER 0001676

(AMOUNT) 46.00

RECEIPT NUMBER 00208099

BY EXECUTIVE
STATE OF TEXAS

Charles County

AS ORDERED BY ME, JAN 27, 2006

By an E. Spector, COUNTY CLERK

Recorded

[Signature]

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

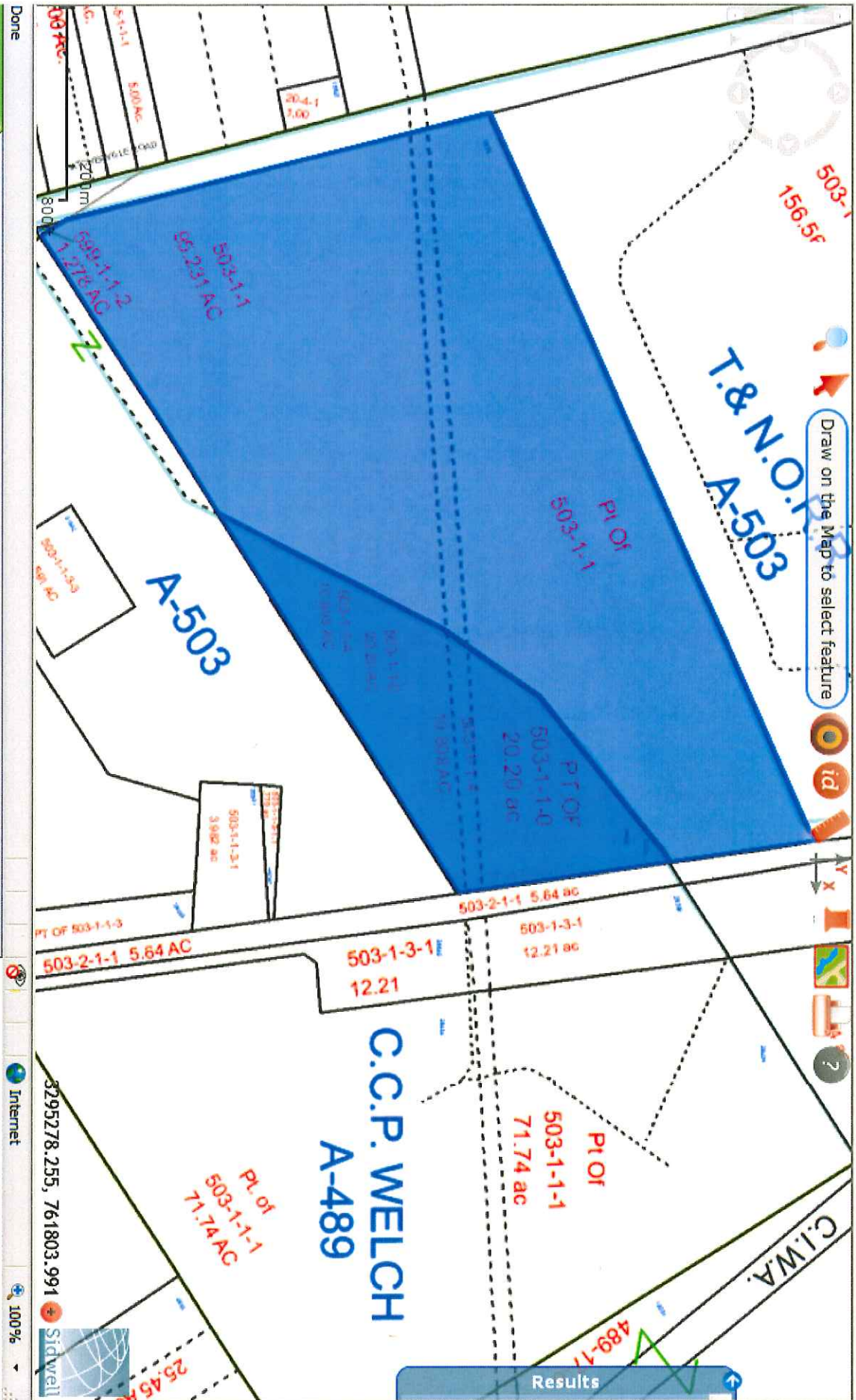


EXHIBIT 2

LOCATION OF QUALIFIED INVESTMENT/QUALIFIED PROPERTY

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

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

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

EXHIBIT 3

DESCRIPTION OF THE APPLICANT'S QUALIFIED INVESTMENT/QUALIFIED PROPERTY

The proposed project will consist of a new Unit 7 NGL fractionator with DIB. The plant Components consist of:

- DeEthanizer column
- DePropanizer column
- DeButanizer column
- DeIsobutanizer (DIB)
- Cooling towers
- Gas fired regenerant gas heaters
- Gas fired oil heaters
- Gasoline Treater
- Compression Equipment
- Ancillary tanks
- New flare

The stream from the bottom of the will be fed to the Debutanizer column, which will manufacture it into an overhead stream containing mixed butanes (primarily normal butane and isobutene) and a bottoms gasoline stream which will contain pentanes and heavier. Part of the overhead butane stream will be refluxed back to the column and the balance will be sent to storage tanks as an intermediate feed for other units or as commercial butane product. The bottoms gasoline will be routed to existing gasoline treating facilities. Condensing for the Debutanizer will be provided by the Deethanizer Upper Side Reboiler, and heat for manufacturing in the Debutanizer will be provided by a hot oil reboiler at the bottom of the column.

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