

**FINDINGS OF THE BRYAN
INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE
APPLICATION SUBMITTED
BY
PROLAMSA, INC.**



November 18, 2013

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OF THE
BRYAN INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES
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NOVEMBER 18, 2013

Board Findings of the Bryan Independent School District

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DISTRICT BOARD OF TRUSTEES UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
PROLAMSA, INC.

STATE OF TEXAS

§

COUNTY OF BRAZOS

§

On the 18th day of November, 2013, a public meeting of the Board of Trustees of the Bryan 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 Prolamsa, Inc. (Prolamsa) 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 Bryan Independent School District makes the following findings with respect to the application of Prolamsa, and the economic impact of that application:

On June 14, 2013, the Texas Comptroller of Public Accounts received an Application from Prolamsa for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Amended Application is attached as **Attachment A**.

The Applicant, Prolamsa (Texas Taxpayer Id. 17604936181), 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 Bryan Independent School District

The Application was delivered to the Texas Comptroller's Office for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Brazos 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 September 5, 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 Bryan 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 Bryan 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 Prolamsa, 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 Bryan Independent School District

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 Prolamsa, Inc. 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 Bryan, Texas is in need of long-term improvement, based on the state's analysis of Brazos County data.

Based on information provided by the Comptroller's Office that focused on the county level, Brazos County is the 23rd largest county in the state in terms of population. Population growth in Brazos County is up; the population of Brazos County grew by 1.7 percent between 2009 and 2010, slightly less than state average of 1.8 percent.

September 2011 employment for Brazos County was up 2.2 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. The unemployment rate in Brazos County was 6.5 percent in September 2011, lower than the state average of 8.5 percent.

Board Findings of the Bryan Independent School District

Brazos County has a lower per capita personal income than the state as a whole. In terms of per capita income, Brazos County's \$29,151 in 2009 ranked 193rd 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 underlying trends reported in the analysis prepared by the Comptroller's Office still indicate the need for long-term economic growth in the area served by Bryan ISD. The local economy in Brazos County will benefit from economic activity like that associated with the Prolamsa 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 \$37,090 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. Prolamsa indicates that total employment will be approximately 255 new jobs, 204 of which will be qualifying jobs.

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

After construction, the project will create 255 new jobs when fully operational. Only 204 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 Brazos Valley Council of Governments Region, where Brazos County is located was \$33,718 in 2011. The annual average manufacturing wage for 2012 for Brazos County is \$46,735. That same year, the county annual average wage for all industries was \$36,998. In addition to a salary of \$37,090, each qualifying position will receive health insurance. [Amended to reflect the correct number of positions cited in the application and the Comptroller's economic analysis.]

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 \$588,235 on the basis of the goal of 204 new qualifying positions for the entire Prolamsa project.

The project's total investment is \$120 million, resulting in a relative level of investment per qualifying job of \$588,235.

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 Prolamsa, Inc.'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 Bryan Independent School District

Table 1: Estimated Statewide Economic Impact of Investment and Employment in Prolamsa, Inc.

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	50	54	104	\$2,500,000	\$3,500,000	\$6,000,000
2014	130	91	221	\$5,467,184	\$6,532,816	\$12,000,000
2015	160	75	235	\$5,934,368	\$7,065,632	\$13,000,000
2016	255	108	363	\$9,457,899	\$11,542,101	\$21,000,000
2017	255	112	367	\$9,457,899	\$13,542,101	\$23,000,000
2018	255	108	363	\$9,457,899	\$14,542,101	\$24,000,000
2019	255	102	357	\$9,457,899	\$15,542,101	\$25,000,000
2020	255	97	352	\$9,457,899	\$16,542,101	\$26,000,000
2021	255	93	348	\$9,457,899	\$17,542,101	\$27,000,000
2022	255	83	338	\$9,457,899	\$17,542,101	\$27,000,000
2023	255	79	334	\$9,457,899	\$18,542,101	\$28,000,000
2024	255	67	322	\$9,457,899	\$17,542,101	\$27,000,000
2025	255	67	322	\$9,457,899	\$17,542,101	\$27,000,000
2026	255	61	316	\$9,457,899	\$18,542,101	\$28,000,000
2027	255	61	316	\$9,457,899	\$19,542,101	\$29,000,000
2028	255	61	316	\$9,457,899	\$20,542,101	\$30,000,000

Source: CPA, REMI, Prolamsa, Inc.

The statewide average ad valorem tax base for school districts in Texas was \$1.74 billion in 2011-2012. Bryan ISD's ad valorem tax base in 2011-2012 was \$4.97 billion. The statewide average wealth per WADA was estimated at \$347,943 for fiscal 2011-2012. During that same year, Bryan ISD's estimated wealth per WADA was \$262,073. 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, Brazos County, and Emergency Services District #4 with all property tax incentives sought being granted using estimated market value from Prolamsa, Inc.'s application. Prolamsa, Inc. has applied for both a value limitation under Chapter 313, Tax Code and tax abatement with the county. Table 3 illustrates the estimated tax impact of the Prolamsa, Inc. project on the region if all taxes are assessed.

Board Findings of the Bryan Independent School District

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	Tax Rate ¹	Bryan ISD I&S Levy	Bryan ISD M&O Levy	Bryan ISD M&O and I&S Tax Levies (Before Credit Credited)	Bryan ISD M&O and I&S Tax Levies (After Credit Credited)	Brazos County Tax Levy	Emergency Services District #4 Tax Levy	Estimated Total Property Taxes
				0.2500	1.0400			0.4850	0.3000	
2014	\$90,000,000	\$90,000,000		\$225,000	\$936,000	\$1,161,000	\$1,161,000	\$0	\$270,000	\$1,431,000
2015	\$120,000,000	\$120,000,000		\$300,000	\$1,248,000	\$1,548,000	\$1,548,000	\$0	\$360,000	\$1,908,000
2016	\$115,000,000	\$30,000,000		\$287,500	\$312,000	\$599,500	\$599,500	\$0	\$345,000	\$944,500
2017	\$110,250,000	\$30,000,000		\$275,625	\$312,000	\$587,625	\$364,768	\$0	\$330,750	\$695,518
2018	\$105,737,500	\$30,000,000		\$264,344	\$312,000	\$576,344	\$353,487	\$102,565	\$317,213	\$773,265
2019	\$101,450,625	\$30,000,000		\$253,627	\$312,000	\$565,627	\$342,770	\$147,611	\$304,352	\$794,732
2020	\$97,378,094	\$30,000,000		\$243,445	\$312,000	\$555,445	\$332,588	\$141,685	\$292,134	\$766,408
2021	\$93,509,189	\$30,000,000		\$233,773	\$312,000	\$545,773	\$322,916	\$226,760	\$280,528	\$830,203
2022	\$89,833,730	\$30,000,000		\$224,584	\$312,000	\$536,584	\$313,727	\$261,416	\$269,501	\$844,645
2023	\$86,342,043	\$30,000,000		\$215,855	\$312,000	\$527,855	\$304,998	\$293,131	\$259,026	\$857,155
2024	\$83,024,941	\$83,024,941		\$207,562	\$863,459	\$1,071,022	\$1,071,022	\$402,671	\$249,075	\$1,722,768
2025	\$79,873,694	\$79,873,694		\$199,684	\$830,686	\$1,030,371	\$1,030,371	\$387,387	\$239,621	\$1,657,379
2026	\$76,880,009	\$76,880,009		\$192,200	\$799,552	\$991,752	\$991,752	\$372,868	\$230,640	\$1,595,260
2027	\$74,036,009	\$74,036,009		\$185,090	\$769,974	\$955,065	\$955,065	\$359,075	\$222,108	\$1,536,247
2028	\$71,334,208	\$71,334,208		\$178,336	\$741,876	\$920,211	\$920,211	\$345,971	\$214,003	\$1,480,185
						Total	\$10,612,174	\$3,041,140	\$4,183,950	\$17,837,265

Assumes School Value Limitation and Tax Abatements from the county.

Source: CPA, Prolamsa, Inc.
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	Tax Rate ¹	Bryan ISD I&S Levy	Bryan ISD M&O Levy	Bryan ISD M&O and I&S Tax Levies	Brazos County Tax Levy	Emergency Services District #4 Tax Levy	Estimated Total Property Taxes	
				0.2500	1.0400		0.4850	0.3000		
2014	\$90,000,000	\$90,000,000		\$225,000	\$936,000	\$1,161,000	\$436,500	\$270,000	\$1,867,500	
2015	\$120,000,000	\$120,000,000		\$300,000	\$1,248,000	\$1,548,000	\$582,000	\$360,000	\$2,490,000	
2016	\$115,000,000	\$115,000,000		\$287,500	\$1,196,000	\$1,483,500	\$557,750	\$345,000	\$2,386,250	
2017	\$110,250,000	\$110,250,000		\$275,625	\$1,146,600	\$1,422,225	\$534,713	\$330,750	\$2,287,688	
2018	\$105,737,500	\$105,737,500		\$264,344	\$1,099,670	\$1,364,014	\$512,827	\$317,213	\$2,194,053	
2019	\$101,450,625	\$101,450,625		\$253,627	\$1,055,087	\$1,308,713	\$492,036	\$304,352	\$2,105,100	
2020	\$97,378,094	\$97,378,094		\$243,445	\$1,012,732	\$1,256,177	\$472,284	\$292,134	\$2,020,595	
2021	\$93,509,189	\$93,509,189		\$233,773	\$972,496	\$1,206,269	\$453,520	\$280,528	\$1,940,316	
2022	\$89,833,730	\$89,833,730		\$224,584	\$934,271	\$1,158,855	\$435,694	\$269,501	\$1,864,050	
2023	\$86,342,043	\$86,342,043		\$215,855	\$897,957	\$1,113,812	\$418,759	\$259,026	\$1,791,597	
2024	\$83,024,941	\$83,024,941		\$207,562	\$863,459	\$1,071,022	\$402,671	\$249,075	\$1,722,768	
2025	\$79,873,694	\$79,873,694		\$199,684	\$830,686	\$1,030,371	\$387,387	\$239,621	\$1,657,379	
2026	\$76,880,009	\$76,880,009		\$192,200	\$799,552	\$991,752	\$372,868	\$230,640	\$1,595,260	
2027	\$74,036,009	\$74,036,009		\$185,090	\$769,974	\$955,065	\$359,075	\$222,108	\$1,536,247	
2028	\$71,334,208	\$71,334,208		\$178,336	\$741,876	\$920,211	\$345,971	\$214,003	\$1,480,185	
						Total	\$17,990,986	\$6,764,053	\$4,183,950	\$28,938,988

Source: CPA, Prolamsa, Inc.
¹Tax Rate per \$100 Valuation

Board Finding Number 6.

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

The Prolamsa project remains fully taxable for debt services taxes, with BISD currently levying a \$0.250 per \$100 I&S tax rate. While the value of the Prolamsa project is expected to depreciate over the life of the agreement and beyond, it will provide assistance in meeting the District's 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 Prolamsa 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 Bryan 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 Prolamsa, Inc.'s application, "This project can be located at sites in multiple states in the Southern and Southeastern United States. The site in Bryan, Texas has been considered a finalist site. The availability and various real estate and economic incentives will be primary determining factors in the final site selection."

Board Finding Number 9.

During the past two years, there have not been any projects Brazos Valley 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 Prolamsa. 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 Bryan ISD is \$349.3 million. Bryan 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 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. Bryan 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. 17604936181) 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 the first 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 Bryan Independent School District. It is further ORDERED that these findings and the Attachments referred to herein be attached to the Official Minutes of this meeting, and maintained in the permanent records of the Board of Trustees of the Bryan Independent School District.

Board Findings of the Bryan Independent School District

Dated the 18th day of November 2013.

BRYAN INDEPENDENT SCHOOL DISTRICT

By: 
Dr. Douglas Wunneburger
President, Board of Trustees

ATTEST:

By: 
Ms. Felicia Benford
Secretary, Board of Trustees



Attachment A

Application

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

May 7, 2013

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

RE: Application to the Bryan Independent School District from Prolamsa, Inc.

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Bryan Independent School District is notifying Prolamsa, Inc. of its intent to consider the application for appraised value limitation on qualified property. The Applicant submitted the Application to the school district on April 15, 2013. The Board voted to accept the application on April 15, 2013. The application has been determined complete as of May 7, 2013. Please prepare the economic impact report.

Please note, no construction has begun at the project site as of the date of the filing of the application and the District's determination that the application is complete. The project is identified as Project Cosmos on the maps supplied by the Applicant. 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 likelihood of an appraised value limitation is a significant factor in the company's final site selection determination. The company has requested an expedited review of the application for completeness by the Comptroller's Office to assist in the site selection process.

Please note, the company has requested that the county create the reinvestment zone. The order designating the zone will be provided upon its creation. A map of the proposed reinvestment zone and the legal description of the two contiguous parcels of land are included in the application.

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.

Letter to Local Government Assistance & Economic Analysis Division
May 7, 2013
Page 2 of 2

In accordance with 34 Tex. Admin Code §9.1054, a copy of the application will be submitted to the Brazos County Appraisal District.

Due to the size of the application, an electronic copy is not attached. An electronic and hard copy of the application will be hand delivered to your office tomorrow. Please feel free to contact me with questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin O'Hanlon", written in a cursive style.

Kevin O'Hanlon
School District Consultant



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 4-15-13
First Name Dr. Thomas	Last Name Wallis	
Title Superintendent		
School District Name Bryan ISD		
Street Address 101 N Texas Avenue		
Mailing Address 101 N Texas Avenue		
City Bryan	State TX	ZIP 77803
Phone Number 979-209-1002	Fax Number 979-209-1050	
Mobile Number (optional)	E-mail Address thomas.wallis@bryanisd.org	

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

Will consultant be primary contact? Yes No



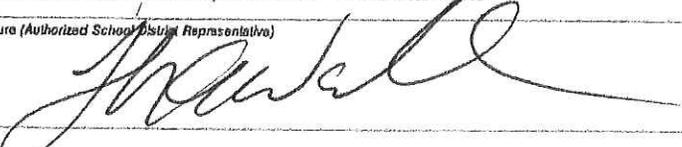
Application for Appraised Value Limitation on Qualified Property

SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized School District Consultant (If Applicable)

First Name: Kevin Last Name: O'Hanlon
 Title: Consultant
 Firm Name: O'Hanlon, McCollom & Demerath
 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; mhanley@808west.com

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

Signature (Authorized School District Representative):  Date: 5-2-13

Has the district determined this application complete? Yes No

If yes, date determined complete. 5-7-13

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

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

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



APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Business Representative (Applicant)

First Name Francisco		Last Name Garza	
Title General Manager			
Organization Prolamsa, Inc.			
Street Address 770 South Post Oak Lane Suite 200			
Mailing Address 770 South Post Oak Lane Suite 200			
City Houston		State TX	ZIP 77056
Phone Number (281) 494-0900		Fax Number (281) 494-0990	
Mobile Number (optional) (832) 217-6160		Business e-mail Address francisco.garza@prolamsausa.com	

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

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

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

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

Will consultant be primary contact? Yes No



Form 50-296

Application for Appraised Value Limitation on Qualified Property

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

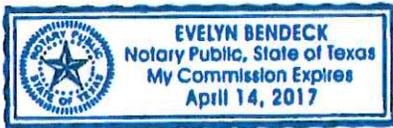
Authorized Company Consultant (If Applicable)

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
	04/19/2013

GIVEN under my hand and seal of office this 22 day of April



(Notary Seal)


 Notary Public, State of Texas

My commission expires April 14, 2017

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(l)?

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(l)?

BUSINESS APPLICANT INFORMATION

Legal Name under which application is made

Prolamsa, Inc.

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

1-760493618-1

NAICS code

332996

Is the applicant a party to any other Chapter 313 agreements?

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

n/a

APPLICANT BUSINESS STRUCTURE

Registered to do business in Texas with the Texas Secretary of State?

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

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)?

2. Is the applicant current on all tax payments due to the State of Texas?

3. Are all applicant members of the combined group current on all tax payments due to the State of Texas? 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?
The property will be used as an integral part, or as a necessary auxiliary part, in one of the following activities:
(1) manufacturing
(2) research and development
(3) a clean coal project, as defined by Section 5.001, Water Code
(4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code
(5) renewable energy electric generation
(6) electric power generation using integrated gasification combined cycle technology
(7) nuclear electric power generation
(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)
Are you requesting that any of the land be classified as qualified investment?
Will any of the proposed qualified investment be leased under a capitalized lease?
Will any of the proposed qualified investment be leased under an operating lease?
Are you including property that is owned by a person other than the applicant?
Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment?

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)

Annex 1

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

Annex 1

PROJECT CHARACTERISTICS (CHECK ALL THAT APPLY)

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

PROJECTED TIMELINE

Begin Construction 2nd Qtr 2013, Begin Hiring New Employees 2nd Qtr 2013, Construction Complete 4th Qtr 2013, Fully Operational 1st Qtr 2015, Purchase Machinery & Equipment 3th Qtr 2013 - 4th Qtr 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)?

When do you anticipate the new buildings or improvements will be placed in service? 1st Qtr 2014

ECONOMIC INCENTIVES

Identify state programs the project will apply for:

State Source	Amount
Texas Capital Fund	750,000
Total	750,000

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.)

See Schedule D

THE PROPERTY

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

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

Will this CAD be acting on behalf of another CAD to appraise this property? Yes No

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

County: Brazos 100% City: n/a
(Name and percent of project) (Name and percent of project)

Hospital District: _____ Water District: _____
(Name and percent of project) (Name and percent of project)

Other (describe): EMGSDCSDIST4 100% Other (describe): _____
(Name and percent of project) (Name and percent of project)

Is the project located entirely within this ISD? Yes No

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

n/a



Application for Appraised Value Limitation on Qualified Property

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? \$ 119,824,822

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

What is the anticipated date of application approval? September 2013

What is the anticipated date of the beginning of the qualifying time period? September 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? \$120 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? [X] Yes [] No

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

(1) in or on the new building or other new improvement for which you are applying? [X] Yes [] No

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

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

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

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

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

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

QUALIFIED PROPERTY

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

Attach the following items to this application:

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

Land

Is the land on which you propose new construction or improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? [] Yes [X] 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? September 2013

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

Will the project be on leased land? [] Yes [X] No

QUALIFIED PROPERTY (CONTINUED)

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

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

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

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

Miscellaneous

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

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

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

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

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

WAGE AND EMPLOYMENT INFORMATION

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

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

- First Quarter Second Quarter Third Quarter Fourth Quarter of 2013
(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? 65

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 285

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? 228

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)(i).

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 TWG 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 \$ 782.65

110% of the county average weekly wage for manufacturing jobs in the county is \$ 988.63

110% of the county average weekly wage for manufacturing jobs in the region is \$691.24

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? \$37,089.80

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? \$37,089.80

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? n/a

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.)

Health Benefit

ECONOMIC IMPACT

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

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

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

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

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

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

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

CONFIDENTIALITY NOTICE

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

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

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

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

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

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

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

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

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

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

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

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



COMPANY CHECKLIST AND REQUESTED ATTACHMENTS

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

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

Schedule A (Rev. Jan. 2010): Investment

PROPERTY INVESTMENT AMOUNTS

(Estimated Investment in each year. Do not put cumulative totals.)

		Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: Tangible Personal Property The amount of new investment (original cost) placed in service during this year	Column B: Building or Permanent Nonremovable Component of Building (annual amount only)	Column C: Sum of A and B Qualifying Investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment)						X		
	Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)								
	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)								
Complete tax years of qualifying time period		1					X		
		2							
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	3							
		4							
		5							
		6							
		7							
		8							
		9							
		10							
Credit Settle-Up Period	Continue to Maintain Viable Presence	11							
		12							
		13							
Post-Settle-Up Period		14							
Post-Settle-Up Period		15							

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

DATE



Schedule B (Rev. Jan. 2010): Estimated Market and Taxable Value

Applicant Name _____

ISD Name _____

		Year	School Year (YYYY-YYYY)	Tax Year (fill in actual tax year) YYYY	Qualified Property			Reductions From Market Value	Estimated Taxable Value	
					Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"	Exempted Value	Final taxable value for IRS - after all reductions	Final taxable value for M&D - after all reductions
		pre-year 1								
	Complete tax years of qualifying time period	1								
		2								
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	3								
		4								
		5								
		6								
		7								
		8								
		9								
		10								
Credit Settle-Up period	Continue to Maintain Viable Presence	11								
		12								
		13								
Post-Settle-Up Period		14								
Post-Settle-Up Period		15								

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 OF AUTHORIZED COMPANY REPRESENTATIVE _____

DATE _____

Schedule C - Application: Employment Information

Applicant Name _____

ISD Name _____

		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 quali- fying jobs appi- cant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)
		pre-year 1							
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	1							
		2							
		3							
		4							
		5							
		6							
		7							
		8							
		9							
		10							
Credit Settle-Up period	Continue to Maintain Viable Presence	11							
		12							
		13							
Post- Settle-Up Period		14							
Post- Settle-Up Period		15							

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

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

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE _____

DATE _____



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

Applicant Name

ISD Name

					Sales Tax Information		Franchise Tax	Other Property Tax Abatelements Sought				
					Sales Taxable Expenditures		Franchise Tax	County	City	Hospital	Other	
					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 percent- age exemption requested or granted in each year of the agreement	Fill in percent- age exemption requested or granted in each year of the agreement	Fill in percent- age exemption requested or granted in each year of the agreement	Fill in percent- age exemption requested or granted in each year of the agreement	
		Year	School Year (YYYY)	Tax/Calendar Year (YYYY)								
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Complete tax years of qualifying time period	1										
		2										
		3										
		4										
		5										
		6										
		7										
		8										
		9										
		10										
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	11										
		12										
		13										
Credit Settle-Up period	Continue to Maintain Viable Presence	14										
		15										
Post-Settle-Up Period		14										
Post-Settle-Up Period		15										

*For planning, construction and operation of the facility.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

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

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

Application for Appraised Value Limitation on Qualified Property

(Tax Code, Chapter 313, Subchapter B or C)

Annex 1

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)

This project went through a lengthy site-selection process that included sites in multiple states in the Southern and Southeastern United States. A site in Bryan, Texas has been considered a finalist site and the company is in the process of conducting various real estate and economic incentives due diligence prior to committing to any site.

PROLAMSA USA will establish a state of the art, fully automated and environmentally efficient pipe and tube facility for the production of Oil Country Tubular Goods ("OCTG"), Line Pipe tubing and HSS (Hollow Structural Section). This pipe and tube facility will be primarily serving the energy market for oil and gas and the construction market. The line pipe tubing is manufactured to the American Petroleum Institute (API) specification 5L and 5 CT specifications for seamless and welded steel line pipe in the oil and natural gas industries. The plant will be located on approximately 150 acres of land with an estimated 300,000 square feet under roof. It will have capacity of 360,000 tons of annual production and the projected total investment will be approximately \$120 million (including contingency).

The facility will create 255 new full-time permanent jobs. This does not include the many jobs that will be involved in the construction of the facility. PROLAMSA estimates that the plant will be operating at full capacity by the 2nd quarter of 2015.

Prolamsa, Inc. estimates that the plant will be constructed in 10 months and we will start creating jobs on Q3-2013

Ability to relocate:

This project can be located at sites in multiple states in the Southern and Southeastern United States. The site in Bryan, Texas has been considered a finalist site. The availability and various real estate and economic incentives will be primary determining factors in the final site selection.

Tax Code Chapter 313

Investment and Qualified Property

Page 8

1. The Prolamsa Plant will be a producer of Oil Country Tubular goods and Line Pipe Transmission Product. The Plant is an Electric Resistance Welded Tube Design to produce such tubular goods. Processing equipment will include Gulda slitter, Oto end welders, Oto accumulators, Nakata forming mills, Thermatool high frequency welders, Thermatool seam annealers, Oto sizing mills, Oto flying cut offs, Mair end facers, Mair hydrostatic testers and NDT Ultrasonic Weldline equipment.

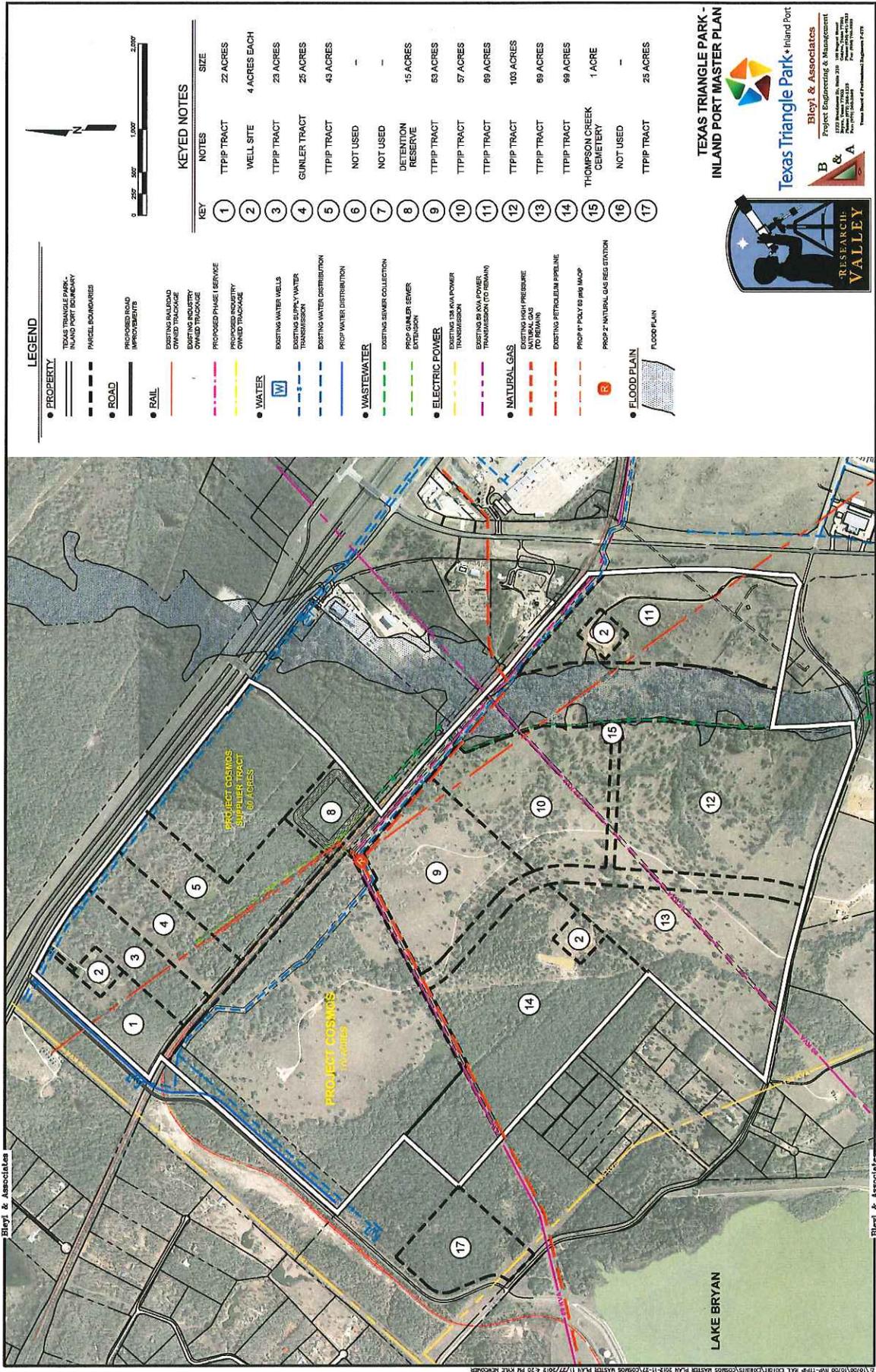
The facility will also produce High Strength tubes thru the quench and temper process which will include gas furnaces, testing equipment, inspection equipment and threading equipment. Such equipment vendors are not identified as yet.

2. Facility will build a rail spur off of Union Pacific Railway, Central Offices, parking lots, storage yard, and concrete roads. Processing equipment will be housed in large metal building exceeding 400,000 square feet.

EQUIPOS PROLAMSA - BRYAN, TX

Proveedor	Importe	Moneda	Porcentaje de pago	Purchase
GUIDA IMPIANTI	\$ 697,500.00	Euros	15%	Ok
	\$ 465,000.00	Euros	10%	Ok
	\$ 465,000.00	Euros	10%	Ok
	\$ 2,325,000.00	Euros	50%	
	\$ 697,500.00	Euros	15%	
	\$ 4,650,000.00			
OTO MILLS	\$ 2,400,000.00	Dolares	15%	Ok
	\$ 5,600,000.00	Dolares	35%	Ok
	\$ 6,400,000.00	Dolares	40%	
	\$ 1,600,000.00	Dolares	10%	
	\$ 16,000,000.00			
MAIR	\$ 2,092,500.00	Dolares	15%	Ok
	\$ 4,882,500.00	Dolares	35%	Ok
	\$ 5,580,000.00	Dolares	40%	
	\$ 1,395,000.00	Dolares	10%	
	\$ 13,950,000.00			
MAIR Addendum	\$ 1,200,000.00	Dolares	50%	
	\$ 960,000.00	Dolares	40%	
	\$ 240,000.00	Dolares	10%	
	\$ 2,400,000.00			
THERMATOOL	\$ 472,500.00	Dolares	30%	Ok
	\$ 945,000.00	Dolares	60%	
	\$ 157,500.00	Dolares	10%	
	\$ 1,575,000.00			
NDT System	\$ 202,500.00	Dolares	15%	
	\$ 135,000.00	Dolares	10%	
	\$ 135,000.00	Dolares	10%	
	\$ 607,500.00	Dolares	45%	
	\$ 270,000.00	Dolares	20%	
	\$ 1,350,000.00			
Chicago Roll	\$ 3,800,000.00	Dolares		
	\$ 4,650,000.00	Euros	1.2985	Ok
	\$ 39,075,000.00	Dolares		
Gran Total	\$ 45,113,025.00	Dolares		

Slitter Guida Implantl
Robotic Tool Change System Slitter
Large Tube Mill Oto Mills
Edge Milling System
Scrap Conveyor ID & OD Scarf from Mill
Large Tube Mill Thermatool Welder
Large Tube Mill Thermatool Seam Annealers
NDT Inspection Equipment In Line Mill
Thermatool Induction Coating System for Red Oxide on Mill
Coating System for Red Oxide on Mill
Large Tube Mill Paint Curing Equipment
Large Finishing Line Mair
NDT Inspection Equipment ERW Finishing Floor
Clear Coating System on Finishing Line
SMS Upsetting
SMS Induction Upsetting
SMS Heat Treatment
SMS Hydro testing
SMS Threading
SMS Coating Induction Drying
API Tube Coating
Future Small Tube Mill
Future Small Tube Mill Welder
Future Small Tube Mill Seam Annealers
Future Small Tube Mill Finishing Line
FBE Coating Line
Air compressors and Dryers
Equipment for grinding of metal circular saw blades
Automatic chip breaker slot grinding machine
Quality Lab Equipment
Inverse Osmosis Water treatment
Cooling Towers
Filtration Systems
Inside Cranes
Outside Cranes
Metallurgic Laboratory
Maintenance Shop
Forklifts
Roll Shop Equipment
Maintenance Equipment
Mobile Equipment Shop
Scales
Exhaust System
Auto Warehouse System for HSS
Filtration System
Transfer Coil Car
Electric Substations
Track Mobile



Qualified Improvement/Qualified Property Vicinity Map

1/10/2016 10:20 AM - TYP: 3xL CH1911\COAST15\200905 MASTER PLAN 2012-11-27\200905 MASTER PLAN 1/27/2013 4:20 PM PLOT LAYOUT

Biley & Associates

LEGEND

- PROPERTY
 - TEXAS TRIANGLE PARK - INLAND PORT BOUNDARY
 - PARCEL BOUNDARIES
- ROAD
 - PROPOSED ROAD IMPROVEMENTS
- RAIL
 - EXISTING RAILROADS OWNED TRACKS
 - EXISTING INDUSTRY OWNED TRACKS
 - PROPOSED PHASE I SERVICE OWNED TRACKS
- WATER
 - EXISTING WATER WELLS
 - EXISTING SUPPLY WATER TRANSMISSION
 - EXISTING WATER DISTRIBUTION
 - PROP WATER DISTRIBUTION
- WASTEWATER
 - EXISTING SEWER COLLECTION
 - PROP SEWER SEWER EXTENSION
- ELECTRIC POWER
 - EXISTING 138 KVA POWER TRANSMISSION
 - EXISTING 89 KVA POWER TRANSMISSION (TO REMAIN)
- NATURAL GAS
 - EXISTING HIGH PRESSURE TRANSMISSION (TO REMAIN)
 - EXISTING PETROLEUM PIPELINE
 - PROP 6" POLY 69 PIP IMOP
 - PROP 2" NATURAL GAS REG STATION
- FLOOD PLAIN
 - FLOOD PLAIN

KEYED NOTES

KEY	NOTES	SIZE
1	TTPIP TRACT	22 ACRES
2	WELL SITE	4 ACRES EACH
3	TTPIP TRACT	23 ACRES
4	GUNLER TRACT	25 ACRES
5	TTPIP TRACT	43 ACRES
6	NOT USED	-
7	NOT USED	-
8	DETENTION RESERVE	15 ACRES
9	TTPIP TRACT	53 ACRES
10	TTPIP TRACT	57 ACRES
11	TTPIP TRACT	89 ACRES
12	TTPIP TRACT	103 ACRES
13	TTPIP TRACT	69 ACRES
14	TTPIP TRACT	99 ACRES
15	THOMPSON CREEK CEMETERY	1 ACRE
16	NOT USED	-
17	TTPIP TRACT	23 ACRES

TEXAS TRIANGLE PARK - INLAND PORT MASTER PLAN

Biley & Associates
 Project Engineering & Management
 2323 Westwood Blvd, Suite 200
 Houston, Texas 77050
 Phone: 281.460.1234
 Fax: 281.460.1235
 www.bileyandassociates.com

B & A

RESEARCH VALLEY

QUALIFIED PROPERTY (CONTINUED)

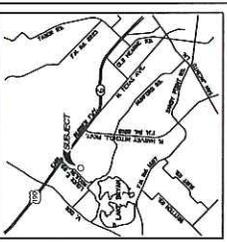
Page 9

Property ID# - 12759

Current Market Value: \$1,172,800

In addition to the land, the description of qualified property includes all property listed in the description of qualified investment.

**BRAZOS COUNTY, TEXAS
L. McLAUGHLIN SURVEY - ABSTRACT #38**



**VICINITY MAP
N.E.S.**

The Title Description and Schedule B items herein are from Abstract #38 of the L. McLaughlin Survey under C.P. No. 284779 with an Effective Date of March 14, 2013.

TITLE INFORMATION

The Title Description and Schedule B items herein are from Abstract #38 of the L. McLaughlin Survey under C.P. No. 284779 with an Effective Date of March 14, 2013.

SURVEYOR'S NOTES

1. An observable evidence of earth moving work, building construction, or other activity was observed on the site on or about the date of the survey.
2. The observable evidence of the site use as a mobile waste dump, waste transfer station, or other activity was observed on the site on or about the date of the survey.
3. The observable evidence of the site use as a mobile waste dump, waste transfer station, or other activity was observed on the site on or about the date of the survey.
4. The observable evidence of the site use as a mobile waste dump, waste transfer station, or other activity was observed on the site on or about the date of the survey.
5. All monuments were found to be in place and in good condition.
6. All monuments were found to be in place and in good condition.
7. All monuments were found to be in place and in good condition.
8. All monuments were found to be in place and in good condition.
9. All monuments were found to be in place and in good condition.
10. All monuments were found to be in place and in good condition.

SURVEYOR CERTIFICATION

I, the undersigned, being a duly qualified and licensed Professional Land Surveyor in the State of Texas, do hereby certify that I am the author of this survey and that I am a duly qualified and licensed Professional Land Surveyor in the State of Texas.



REV.	DESCRIPTION	DATE
1	Change Northwest Limit	03/29/2012

REMARKS:
REMARKS: THIS IS THE L. McLAUGHLIN SURVEY, ABSTRACT #38 OF THE CITY OF BRYAN, TEXAS. THIS SURVEY IS A PART OF THE L. McLAUGHLIN SURVEY, ABSTRACT #38 OF THE CITY OF BRYAN, TEXAS.

PROJECT NAME: PROJECT COSMOS
ADDRESS: LOUIS E. MCKILLIN ROAD, BRYAN, TEXAS

SOILS: 1" x 20"
DATE: 03-29-2012
APPROVED BY: RLM
DATE: 03-29-2012
PROJECT COSMOS



LEGEND

1/2" WIDE ROAD WITH CAP
1/2" WIDE ROAD WITH CAP
1/2" WIDE ROAD WITH CAP

LEGAL DESCRIPTION

TRACT 1
3450 ACRES
CITY OF BRYAN
Vol. 307, Pg. 204 O.R.B.C.T.

TRACT 2
2976 ACRES
CITY OF BRYAN
Vol. 307, Pg. 204 O.R.B.C.T.

TRACT 3
100.805 ACRES
CITY OF BRYAN
Vol. 295, Pg. 218 O.R.B.C.T.

TRACT 4
29.726 ACRES
CITY OF BRYAN
Vol. 307, Pg. 204 O.R.B.C.T.

TRACT 5
100.805 ACRES
CITY OF BRYAN
Vol. 295, Pg. 218 O.R.B.C.T.

TRACT 6
29.726 ACRES
CITY OF BRYAN
Vol. 307, Pg. 204 O.R.B.C.T.

TRACT 7
100.805 ACRES
CITY OF BRYAN
Vol. 295, Pg. 218 O.R.B.C.T.

TRACT 8
29.726 ACRES
CITY OF BRYAN
Vol. 307, Pg. 204 O.R.B.C.T.

TRACT 9
100.805 ACRES
CITY OF BRYAN
Vol. 295, Pg. 218 O.R.B.C.T.

TRACT 10
29.726 ACRES
CITY OF BRYAN
Vol. 307, Pg. 204 O.R.B.C.T.

SCHEDULE 'B' ITEMS

1. All items shown on this plat are to be surveyed and recorded as follows:

2. All items shown on this plat are to be surveyed and recorded as follows:

3. All items shown on this plat are to be surveyed and recorded as follows:

4. All items shown on this plat are to be surveyed and recorded as follows:

5. All items shown on this plat are to be surveyed and recorded as follows:

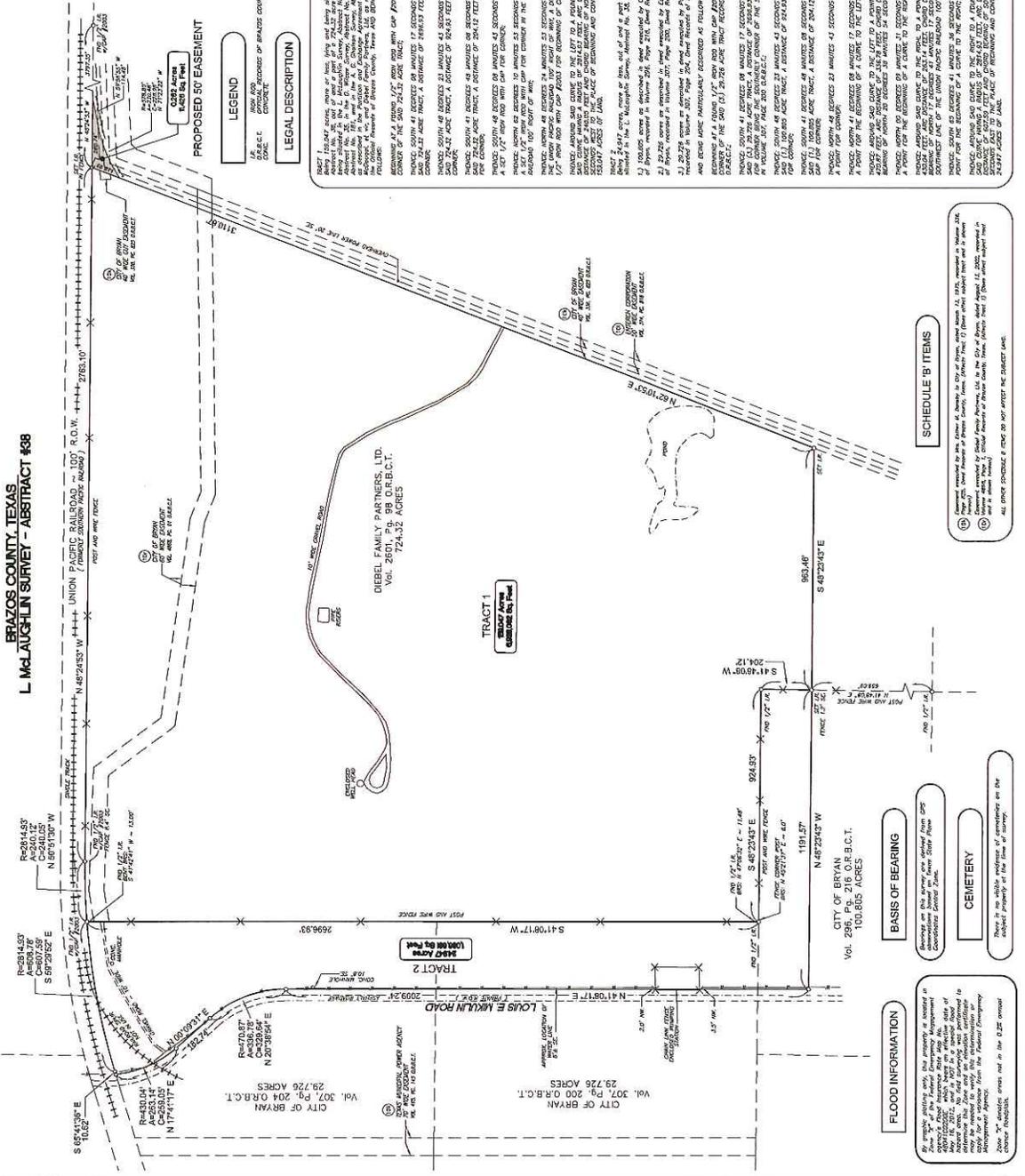
6. All items shown on this plat are to be surveyed and recorded as follows:

7. All items shown on this plat are to be surveyed and recorded as follows:

8. All items shown on this plat are to be surveyed and recorded as follows:

9. All items shown on this plat are to be surveyed and recorded as follows:

10. All items shown on this plat are to be surveyed and recorded as follows:



BASIS OF BEARING

Bearings on this plat are related to the True Meridian unless otherwise indicated.

CEMETERY

This plat shows the location of a cemetery on the project property at the time of survey.

FLOOD INFORMATION

This plat shows the location of a flood zone on the project property at the time of survey.

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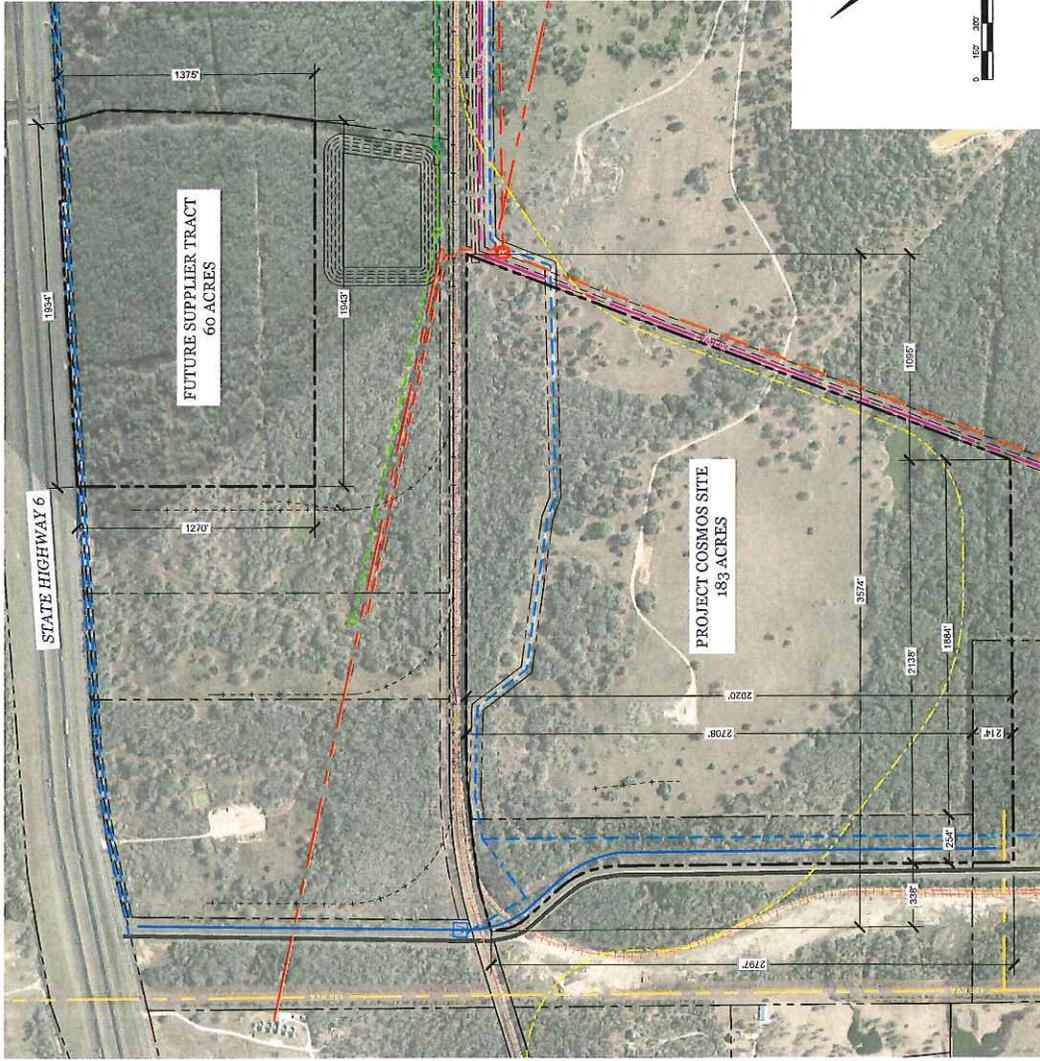
PROJECT NUMBER	10739
DATE	01/20/20
SCALE	AS SHOWN
BY	APP
DATE	
REVISION	
NO.	
DATE	
BY	
DATE	
BY	
DATE	
BY	
DATE	

Beyl & Associates
 Project Engineering & Management
 1722 Brookwood Dr., Suite 210 | 100 West Street
 Bryan, Texas 77802 | Bryan, Texas 77801
 Phone (979) 844-1125 | Phone (979) 844-1722
 Fax (979) 844-3889 | Fax (979) 844-3883

Texas Board of Professional Engineers P-578

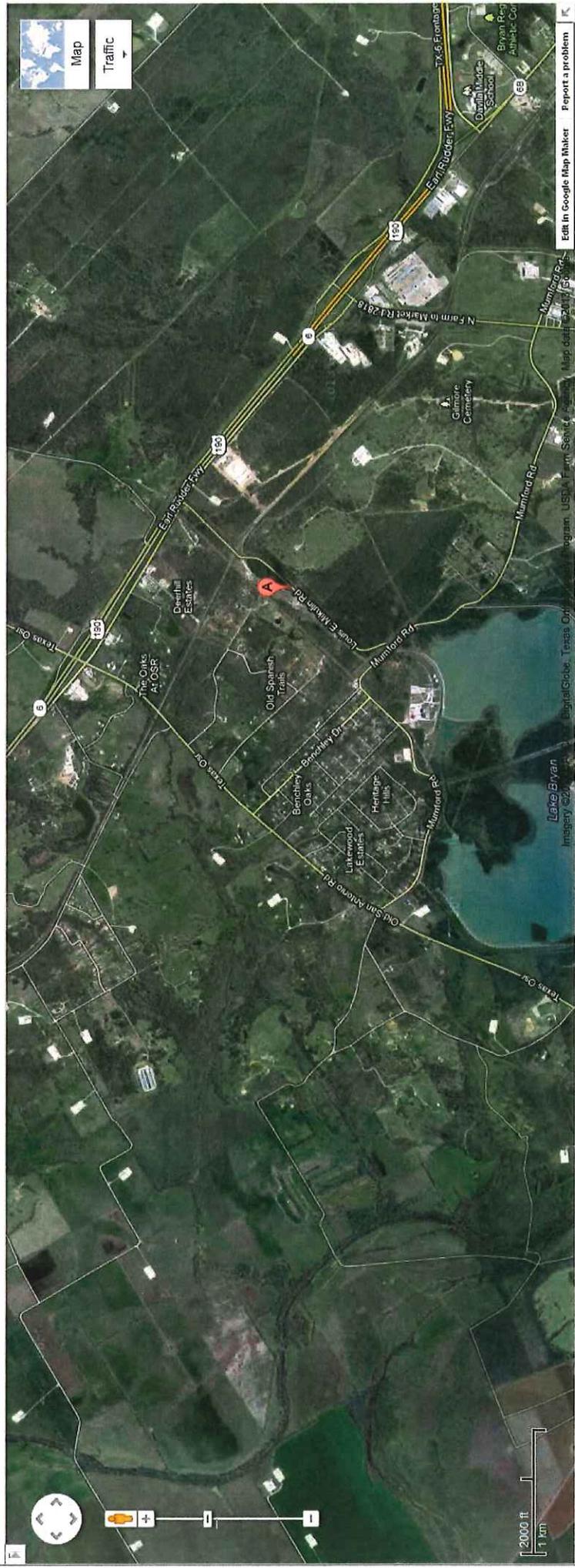
PROJECT COSMOS SITE MAP
 TEXAS TRIANGLE PARK
 & INLAND PORT
 BRYAN, BRAZOS COUNTY, TEXAS

PROJECT COSMOS EXHIBIT
 PROJECT NUMBER: 10739
 SHEET: 01 OF 01



Beyl & Associates

Beyl & Associates



Brazos CAD

Property Search Results > 12759 DIEBEL FAMILY PARTNERS LTD for Year 2013

Property

Account

Property ID: 12759 Legal Description: A003800, L MCLAUGHLIN (OCL), TRACT 12, 6E
 Geographic ID: 003800-0012-0000 Agent Code:
 Type: Real
 Property Use Code:
 Property Use Description:

Location

Address: MUMFORD RD Mapsco:
 Neighborhood: R-N;ABSTRACTS Map ID: 504-248,516-240,516-
 Neighborhood CD: L01000

Owner

Name: DIEBEL FAMILY PARTNERS LTD Owner ID: 40249
 Mailing Address: 27004 WATERFALL HILL PKWY % Ownership: 100.000000000000%
 SPICEWOOD, TX 78669-3266

Exemptions:

Values

(+) Improvement Homesite Value:	+	N/A	
(+) Improvement Non-Homesite Value:	+	N/A	
(+) Land Homesite Value:	+	N/A	
(+) Land Non-Homesite Value:	+	N/A	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	N/A	N/A
(+) Timber Market Valuation:	+	N/A	N/A

(=) Market Value:	=	N/A	
(-) Ag or Timber Use Value Reduction:	-	N/A	

(=) Appraised Value:	=	N/A	
(-) HS Cap:	-	N/A	

(=) Assessed Value:	=	N/A	

Taxing Jurisdiction

Owner: DIEBEL FAMILY PARTNERS LTD
 % Ownership: 100.000000000000%
 Total Value: N/A

Entlty	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
CAD	APPRAISAL DISTRICT	N/A	N/A	N/A	N/A
F4	EMG SVCS DIST #4	N/A	N/A	N/A	N/A
G1	BRAZOS COUNTY	N/A	N/A	N/A	N/A
S1	BRYAN ISD	N/A	N/A	N/A	N/A
ZRFND	Z REFUND ENTITY	N/A	N/A	N/A	N/A
Total Tax Rate:		N/A			

Taxes w/Current Exemptions: N/A
 Taxes w/o Exemptions: N/A

Improvement / Building

No improvements exist for this property.

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	A2	NATIVE PASTURE	529.9400	23084186.40	0.00	0.00	N/A	N/A
2	A2	NATIVE PASTURE	165.2889	7199984.48	0.00	0.00	N/A	N/A

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2013		N/A	N/A	N/A	N/A	N/A
2012		\$0	\$1,172,800	69,520	69,520	\$0 \$69,520
2011		\$200	\$1,172,800	69,520	69,720	\$0 \$69,720
2010		\$200	\$1,172,800	69,520	69,720	\$0 \$69,720
2009		\$200	\$1,027,150	62,580	62,780	\$0 \$62,780
2008		\$200	\$1,027,140	56,320	56,520	\$0 \$56,520
2007		\$200	\$1,028,480	59,200	59,400	\$0 \$59,400
2006		\$200	\$967,240	62,680	62,880	\$0 \$62,880
2005		\$200	\$967,240	62,680	62,880	\$0 \$62,880
2004		\$200	\$806,040	62,680	62,880	\$0 \$62,880
2003		\$200	\$733,090	62,680	62,880	\$0 \$62,880
2002		\$200	\$733,090	62,680	62,880	\$0 \$62,880

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volu
1	12/31/1995 12:00:00 AM	PD	PARTITION DEED	MCDUGAL ESTHI	DIEBEL FAMILY PA 2601	
2	2/20/1992 12:00:00 AM	Conv	CONVERSION	MCDUGAL ESTHI	MCDUGAL ESTHI SET	
3	1/25/1991 12:00:00 AM	ED	EXECUTOR'S DEED OR EXECUTRIX DEED	DANSBY MIT MRS	MCDUGAL ESTHI 1233	

Questions Please Call (979) 774-4100

This year is not certified and ALL values will be represented with "N/A".

Website version: 1.2.2.2

Database last updated on: 4/17/2013 8:47 PM © 2013 True Automation, Inc. All Rights Reserved. Privacy Notice

This site only supports Internet Explorer 6+, Netscape 7+ and Firefox 1.5+.

BCS RESIDENTIAL 04/23/13 08:53 AM
 ML # 80447 Zone 112 Sale/Lease FORSALE #Img 20 Status SLD
 Address 15108 FAIRCREST DR City COLLEGE STATION Zip 77845 List Price ↓ \$90,800
 County Brazos CADR# 303211 Orig Price \$113,500
 Subd Code 4092 - Meadowcreek Subd/Leg Meadowcreek LP\$/Per SF \$61.06
 School Dist COLLEGE STATION Lot # 5 Block # 3
 Tour Date Tour Info

General Information

Type SINGLFAM Stage of Const COMPLETE Level 1STORY Style TRADITNL Year Bult 2007
 Est Complete Bulder ADA Feat
 Lot Size 6000 (CAD) #Acres Lot Desc
 HOA Fee Y/200 HOA term: Flood Ins UNKNOWN Ext Const BRICK
 HOA Desc OTHER
 Roof COMP Foundation SLAB Fence WOOD
 Floors Appx Heat Area 1,487 (OTH) Fireplace N
 Interior
 Exterior
 LSD N Min Convey NO Cell Insul Wall Insul

Utilities / Room Information

Heating GAS Air Cond ELEC
 Wtr Htr 1GAS Utilities CITYSWR/ CITYWTR Energy Feat NONE
 #Beds 3 FBath 2 HBath Util Rm INHOUSE
 Garage NONE / CONVER Liv Areas 1 Dine Rms 1 Rm Areas KIT/DIN
 Oth Rms
 Kitchen -
 Convey
 Kit Oth
 MstBd/Bth Oth Bd/Bth Mstr Beds DOWN

Approximate Dimensions

LivRm 1st Floor 11x10 DlnRm 1st Floor 9x9 Kitchen 1st Floor 10x9 Master 1st Floor 12x11 BdRm2 1st Floor 10x10
 BdRm3 1st Floor 10x10 BdRm4 BdRm5 FamRm Study
 Breakfast Media GameRm Bonus

Directions / Remarks

Directions: Hwy 6 EXIT Rock Prairie, at light go WEST and then LEFT on Wellbourne RIGHT on Koppe Bridge LEFT on Meadowcreek LEFT on Sagewood RIGHT on Faircrest, home on RIGHT

Rmks: HUD CASE #493-840327. Home with open concept, kitchen, dining and living room all open, crossover bar from kitchen into the living room. Garage has been converted into play room area. Backyard totally fenced and covered back patio to enjoy. Sq Ft info is from FHA appraisal is deemed reliable but not guaranteed.

PrivRmks: CALL CSS @ 713-977-7469 to show this home!! HUD CASE #493-840327. SOLD AS IS. HUD owned property .Up to 3% commission. For Bid deadlines & offer submissions go to www.hudhomestore.com. Your Broker must have NAID#. Managed by www.hudpemco.com.\$3025 Repair Escrow. ABSOLUTELY NO REPAIRS OR OCCUPANCY PRIOR TO CLOSING. For UTILITY TURN ONS, approval must be granted in advance from HUD's Field Service Mgr. In cases where plumbing deficiencies exist, approval for water turn-on may be denied. List Type: Exclusive Agency to Sell/Lease

Sold Remarks:

Office Information

LA ESCALBRE122 LA Name Brenda Escalon LA Phone 713-542-4358 LA Email brenda@brendaleeescalon.com
 LA2 LA2 Name Fax 281-356-7861 List Date 11/24/12
 LO 04070 LO Name Olde Homestead Prop. of TX LO Phone 281-356-8470 Exp Date
 Owner HUD Contract Rental Amount Lse Exp Date none
 Occupied UNOCCUP Occup Ph Occup Ph2 Opt Exp Date
 Title Company Funded Date 04/17/13 Stat Chg Date 04/22/13
 Show Inst SPECINST Close Date 04/17/13 Pr Chg Date 02/09/13
 Lockbox Loc Front door Cont Date 02/11/13
 SA WARAPJOH122 SA Name John Warapius Lockbox# Sale Price \$90,800
 SO 17400 SO Name RE/MAX Select ADOM 79 Seller Concessions: N
 Poss CLSN/FND Terms DOM 144 Closing Cost Concesslor Y
 MemberCoBkrFee 3% Non-MemberCoBkrFee 3% Int Rate 3.75 SP\$/Per SF \$61.06
 Assump Int How Sold CONVENTIONAL Points IDX Y
 Virtual Tour

This information has been secured from sources that are believed to be reliable, but no representation or warranty is made by MLS, expressed or implied, as to the accuracy of the information. It should be independently verified.

ATTACHMENT 14 - CALCULATION OF WAGE REQUIREMENTS

Employment and Wage Calculations

<i>Year</i>	<i>Quarter</i>	<i>County</i>	<i>Industry</i>	<i>Avg. Weekly Wages</i>
2012	1 st	Brazos	All Industries	\$ 700
2012	2 nd	Brazos	All Industries	\$ 689
2012	3 rd	Brazos	All Industries	\$ 722
2012	4 th	Brazos	All Industries	\$ 735
				\$ 711.50
				110%
				<u>\$ 782.65</u>

<i>Year</i>	<i>Quarter</i>	<i>County</i>	<i>Industry</i>	<i>Avg. Weekly Wages</i>
2012	1 st	Brazos	Manufacturing	\$ 811
2012	2 nd	Brazos	Manufacturing	\$ 788
2012	3 rd	Brazos	Manufacturing	\$ 968
2012	4 th	Brazos	Manufacturing	\$ 1,028
(Mean Avg.)				\$ 898.75
				110%
				<u>\$ 988.63</u>

Brazos Valley Council of Government Annual Wage
(as of July 2012)

\$33,718
<u>110%</u>
\$37,089.80 110% of Regional Annual Wage
\$ 691.24 110% of Regional Weekly Wage

*Note: All data was taken from the Texas Workforce Commission TRACER database.

Quarterly Employment and Wages (QCEW)

[Back](#)

I.CODETITLE

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2012	1st Qtr	Brazos County	Total All	00	0	10	Total, All Industries	\$700
2012	2nd Qtr	Brazos County	Total All	00	0	10	Total, All Industries	\$689
2012	3rd Qtr	Brazos County	Total All	00	0	10	Total, All Industries	\$722
2012	4th Qtr	Brazos County	Total All	00	0	10	Total, All Industries	\$735
2012	4th Qtr	Brazos County	Total All	31	2	31-33	Manufacturing	\$1,028
2012	3rd Qtr	Brazos County	Total All	31	2	31-33	Manufacturing	\$968
2012	2nd Qtr	Brazos County	Total All	31	2	31-33	Manufacturing	\$788
2012	1st Qtr	Brazos County	Total All	31	2	31-33	Manufacturing	\$811

**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

Applicant offers to pay at least 80% of the employee's health insurance premiums.

Schedule A (Rev. May 2010): Investment

Form 50-295

Applicant Name: Proteama, Inc.
 ISD Name: Byron

PROPERTY INVESTMENT AMOUNTS									
(Estimated investment in each year. Do not put cumulative totals.)									
	Year	School Year (YYYY-YYYY)	Tax Year (fill in actual tax year below)	Column A: Tangible Personal Property investment (original cost) placed in service during this year	Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B Qualifying investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total investment (A+B+D)	
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment)	2013-2014	2013	1	0	0	0	0	
				2	0	0	0	0	
				3	0	0	0	0	
				4	0	0	0	0	
				5	0	0	0	0	
				6	0	0	0	0	
				7	0	0	0	0	
				8	0	0	0	0	
				9	0	0	0	0	
				10	0	0	0	0	
				11	0	0	0	0	
				12	0	0	0	0	
				13	0	0	0	0	
				14	0	0	0	0	
				15	0	0	0	0	
Tax Credit Period (with 50% cap on credit)	Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)	2013-2014	2013	1	0	0	0	0	
				2	0	0	0	0	
				3	0	0	0	0	
				4	0	0	0	0	
				5	0	0	0	0	
				6	0	0	0	0	
				7	0	0	0	0	
				8	0	0	0	0	
				9	0	0	0	0	
				10	0	0	0	0	
				11	0	0	0	0	
				12	0	0	0	0	
				13	0	0	0	0	
				14	0	0	0	0	
				15	0	0	0	0	
Credit Settle-Up Period	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)	2013-2014	2013	1	0	0	0	0	
				2	0	0	0	0	
				3	0	0	0	0	
				4	0	0	0	0	
				5	0	0	0	0	
				6	0	0	0	0	
				7	0	0	0	0	
				8	0	0	0	0	
				9	0	0	0	0	
				10	0	0	0	0	
				11	0	0	0	0	
				12	0	0	0	0	
				13	0	0	0	0	
				14	0	0	0	0	
				15	0	0	0	0	
Post-Settle-Up Period	Complete tax years of qualifying time period	2013-2014	2013	1	0	0	0	0	
				2	0	0	0	0	
				3	0	0	0	0	
				4	0	0	0	0	
				5	0	0	0	0	
				6	0	0	0	0	
				7	0	0	0	0	
				8	0	0	0	0	
				9	0	0	0	0	
				10	0	0	0	0	
				11	0	0	0	0	
				12	0	0	0	0	
				13	0	0	0	0	
				14	0	0	0	0	
				15	0	0	0	0	
Post-Settle-Up Period	Continue to Maintain Viable Presence	2013-2014	2013	1	0	0	0	0	
				2	0	0	0	0	
				3	0	0	0	0	
				4	0	0	0	0	
				5	0	0	0	0	
				6	0	0	0	0	
				7	0	0	0	0	
				8	0	0	0	0	
				9	0	0	0	0	
				10	0	0	0	0	
				11	0	0	0	0	
				12	0	0	0	0	
				13	0	0	0	0	
				14	0	0	0	0	
				15	0	0	0	0	
Post-Settle-Up Period	Value Limitation Period	2013-2014	2013	1	0	0	0	0	
				2	0	0	0	0	
				3	0	0	0	0	
				4	0	0	0	0	
				5	0	0	0	0	
				6	0	0	0	0	
				7	0	0	0	0	
				8	0	0	0	0	
				9	0	0	0	0	
				10	0	0	0	0	
				11	0	0	0	0	
				12	0	0	0	0	
				13	0	0	0	0	
				14	0	0	0	0	
				15	0	0	0	0	
Post-Settle-Up Period	Continue to Maintain Viable Presence	2013-2014	2013	1	0	0	0	0	
				2	0	0	0	0	
				3	0	0	0	0	
				4	0	0	0	0	
				5	0	0	0	0	
				6	0	0	0	0	
				7	0	0	0	0	
				8	0	0	0	0	
				9	0	0	0	0	
				10	0	0	0	0	
				11	0	0	0	0	
				12	0	0	0	0	
				13	0	0	0	0	
				14	0	0	0	0	
				15	0	0	0	0	
Post-Settle-Up Period	Post-Settle-Up Period	2013-2014	2013	1	0	0	0	0	
				2	0	0	0	0	
				3	0	0	0	0	
				4	0	0	0	0	
				5	0	0	0	0	
				6	0	0	0	0	
				7	0	0	0	0	
				8	0	0	0	0	
				9	0	0	0	0	
				10	0	0	0	0	
				11	0	0	0	0	
				12	0	0	0	0	
				13	0	0	0	0	
				14	0	0	0	0	
				15	0	0	0	0	

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

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

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

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

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

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

Signature:  DATE: 04/22/2013

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

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

Form 50-296

Applicant Name
ISD Name

Bryan

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Reductions from Market Value	Estimated Taxable Value	Final taxable value for M&O--after all reductions
				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 improvement"			
	pre-year 1	2013-2014	2013	\$ 175,178	0	0	\$ -	\$ -	\$ -
Complete tax years of qualifying time period	1	2014-2015	2014	\$ 175,178	\$ 19,824,822	\$ 70,000,000	\$ -	\$ 90,000,000	\$ 90,000,000
	2	2015-2016	2015	\$ 175,178	\$ 19,824,822	\$ 100,000,000	\$ -	\$ 120,000,000	\$ 120,000,000
	3	2016-2017	2016	\$ 175,178	\$ 19,824,822	\$ 95,000,000	\$ -	\$ 115,000,000	\$ 30,000,000
	4	2017-2018	2017	\$ 175,178	\$ 19,824,822	\$ 90,250,000	\$ -	\$ 110,250,000	\$ 30,000,000
	5	2018-2019	2018	\$ 175,178	\$ 19,824,822	\$ 85,737,500	\$ -	\$ 105,737,500	\$ 30,000,000
Tax Credit Period (with 50% cap on credit)	6	2019-2020	2019	\$ 175,178	\$ 19,824,822	\$ 81,450,625	\$ -	\$ 101,450,625	\$ 30,000,000
	7	2020-2021	2020	\$ 175,178	\$ 19,824,822	\$ 77,378,094	\$ -	\$ 97,378,094	\$ 30,000,000
	8	2021-2022	2021	\$ 175,178	\$ 19,824,822	\$ 73,509,189	\$ -	\$ 93,509,189	\$ 30,000,000
	9	2022-2023	2022	\$ 175,178	\$ 19,824,822	\$ 69,833,730	\$ -	\$ 89,833,730	\$ 30,000,000
	10	2023-2024	2023	\$ 175,178	\$ 19,824,822	\$ 66,342,043	\$ -	\$ 86,342,043	\$ 30,000,000
Credit Settle-Up Period	11	2024-2025	2024	\$ 175,178	\$ 19,824,822	\$ 63,024,941	\$ -	\$ 83,024,941	\$ 83,024,941
	12	2025-2026	2025	\$ 175,178	\$ 19,824,822	\$ 59,873,694	\$ -	\$ 79,873,694	\$ 79,873,694
	13	2026-2027	2026	\$ 175,178	\$ 19,824,822	\$ 56,880,009	\$ -	\$ 76,880,009	\$ 76,880,009
Post-Settle-Up Period	14	2027-2028	2027	\$ 175,178	\$ 19,824,822	\$ 54,036,009	\$ -	\$ 74,036,009	\$ 74,036,009
Post-Settle-Up Period	15	2028-2029	2028	\$ 175,178	\$ 19,824,822	\$ 51,334,208	\$ -	\$ 71,334,208	\$ 71,334,208

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.



07/24/2013

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

Schedule C- Application: Employment Information

Applicant Name
ISD Name

Prolamsa, Inc.
Bryan

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 meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs
	pre-year 1	2013-2014	2013	50 FTE	\$ 50,000		\$ 37,089.80	0	\$ 37,089.80
	1	2014-2015	2014	50 FTE	\$ 50,000	80	\$ 37,089.80	64	\$ 37,089.80
	2	2015-2016	2015			160	\$ 37,089.80	128	\$ 37,089.80
	3	2016-2017	2016			255	\$ 37,089.80	204	\$ 37,089.80
	4	2017-2018	2017			255	\$ 37,089.80	204	\$ 37,089.80
	5	2018-2019	2018			255	\$ 37,089.80	204	\$ 37,089.80
	6	2019-2020	2019			255	\$ 37,089.80	204	\$ 37,089.80
	7	2020-2021	2020			255	\$ 37,089.80	204	\$ 37,089.80
	8	2021-2022	2021			255	\$ 37,089.80	204	\$ 37,089.80
	9	2022-2023	2022			255	\$ 37,089.80	204	\$ 37,089.80
	10	2023-2024	2023			255	\$ 37,089.80	204	\$ 37,089.80
	11	2024-2025	2024			255	\$ 37,089.80	204	\$ 37,089.80
	12	2025-2026	2025			255	\$ 37,089.80	204	\$ 37,089.80
	13	2026-2027	2026			255	\$ 37,089.80	204	\$ 37,089.80
	14	2027-2028	2027			255	\$ 37,089.80	204	\$ 37,089.80
	15	2028-2029	2028			255	\$ 37,089.80	204	\$ 37,089.80
Tax Credit Period (with 50% cap on credit)									
Credit Settle-Up Period									
Post-Settle-Up Period									
Post-Settle-Up Period									

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

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

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

07/22/2013
DATE

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

Form 50-296

Applicant Name

Proclamsa, Inc.

ISD Name

Bryan

Sales Tax Information				Other Property Tax Abatements Sought						
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Year	School Year (YYYY-YYYY)	Tax/Calendar Year YYYY	Column F:	Column G:	Franchise Tax	County	City	Hospital	Other
				Estimate of total annual expenditures* subject to state sales tax	Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	
		2013-2014	2013	1,600,000	6,200,000	-	0	0	0	0
	1	2014-2015	2014	19,500,000	240,000,000	190,000	100	100	0	0
	2	2015-2016	2015	15,500,000	285,500,000	360,000	100	100	0	0
	3	2016-2017	2016	11,200,000	289,800,000	350,000	100	50	0	0
	4	2017-2018	2017	11,200,000	277,900,000	340,000	100	50	0	0
	5	2018-2019	2018	11,000,000	265,600,000	320,000	80	50	0	0
	6	2019-2020	2019	11,000,000	265,600,000	320,000	70	50	0	0
	7	2020-2021	2020	11,000,000	265,600,000	320,000	70	50	0	0
	8	2021-2022	2021	11,000,000	265,600,000	320,000	50	50	0	0
	9	2022-2023	2022	11,000,000	265,600,000	320,000	40	50	0	0
	10	2023-2024	2023	11,000,000	265,600,000	320,000	30	50	0	0
	11	2024-2025	2024	11,000,000	265,600,000	320,000	0	0	0	0
	12	2025-2026	2025	11,000,000	265,600,000	320,000	0	0	0	0
	13	2026-2027	2026	11,000,000	265,600,000	320,000	0	0	0	0
	14	2027-2028	2027	11,000,000	265,600,000	320,000	0	0	0	0
	15	2028-2029	2028	11,000,000	265,600,000	320,000	0	0	0	0

*For planning, construction and operation of the facility.



SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

04/22/2013

DATE

Attachment 22

Applicant will supplement with the order creating the reinvestment zone upon adoption by the County Commissioner's Court.

LEGAL DESCRIPTION

TRACT 1

Being 159.047 acres, more or less, lying and being situated in the L. McLaughlin Survey, Abstract No. 38, out of and a part of a 724.32 acre tract or parcel of land, lying and being situated in the L. McLaughlin Survey, Abstract No. 38, in the W. S. Martin Survey, Abstract No. 35, in the O. Wilcox Survey, Abstract No. 234, in the M. Mitchell Survey, Abstract No. 181, and in the A. G. Gholson Survey, Abstract No. 123, Brazos County, Texas, as described in the Partition and Exchange Agreement by and between Esther Jane Grant McDougal, et al, and Diebel Family Partners, Ltd, as recorded in Volume 2601, Page 98, of the Official Records of Brazos County, Texas AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A FOUND 1/2" IRON ROD WITH CAP #2003 MARKING THE MOST NORTHERLY CORNER OF THE SAID 724.32 ACRE TRACT;

THENCE: SOUTH 41 DEGREES 08 MINUTES 17 SECONDS WEST, WITH A NORTHWEST LINE OF THE SAID 724.32 ACRE TRACT, A DISTANCE OF 2696.93 FEET TO A FOUND 1/2" IRON ROD FOR CORNER;

THENCE: SOUTH 48 DEGREES 23 MINUTES 43 SECONDS EAST, WITH A SOUTHWEST LINE OF THE SAID 724.32 ACRE TRACT, A DISTANCE OF 924.93 FEET TO A FOUND 1/2" IRON ROD FOR CORNER;

THENCE: SOUTH 41 DEGREES 48 MINUTES 08 SECONDS WEST, WITH A NORTHWEST LINE OF THE SAID 724.32 ACRE TRACT, A DISTANCE OF 204.12 FEET TO A SET 1/2" IRON ROD WITH CAP FOR CORNER;

THENCE: SOUTH 48 DEGREES 08 MINUTES 43 SECONDS EAST, A DISTANCE OF 963.46 FEET TO A SET 1/2" IRON ROD WITH CAP FOR CORNER;

THENCE: NORTH 62 DEGREES 10 MINUTES 53 SECONDS EAST, A DISTANCE OF 3110.67 FEET TO A SET 1/2" IRON ROD WITH CAP FOR CORNER IN THE SOUTHWEST LINE OF THE UNION PACIFIC RAILROAD 100' RIGHT OF WAY;

THENCE: NORTH 48 DEGREES 24 MINUTES 53 SECONDS WEST, WITH THE SOUTHWEST LINE OF THE UNION PACIFIC RAILROAD 100' RIGHT OF WAY, A DISTANCE OF 2763.10 FEET TO A FOUND 1/2" IRON ROD WITH CAP #2003 FOR BEGINNING OF CURVE TO THE LEFT;

THENCE: AROUND SAID CURVE TO THE LEFT TO A FOUND 1/2" IRON ROD WITH CAP #2003 ON SAID CURVE HAVING A RADIUS OF 2814.93 FEET, ARC DISTANCE OF 240.12 FEET, CHORD DISTANCE OF 240.05 FEET AND CHORD BEARING OF NORTH 50 DEGREES 51 MINUTES 30 SECONDS WEST TO THE PLACE OF BEGINNING AND CONTAINING 6,928,062 SQUARE FEET OR 159.047 ACRES OF LAND.

TRACT 2

Being 24.947 acres, more or less, out of and a part of the following tracts lying and being situated in the L. McLaughlin Survey, Abstract No. 38, Brazos County, Texas:

- 1.) 100.805 acres as described in deed executed by Clara M. Konecny, et al to The City of Bryan, recorded in Volume 296, Page 216, Deed Records of Brazos County, Texas.
- 2.) 29.726 acres as described in deed executed by Esther Jane Grant McDougal to The City of Bryan, recorded in Volume 307, Page 200, Deed Records of Brazos County, Texas.
- 3.) 29.726 acres as described in deed executed by Pauline Bruce Grant to The City of Bryan, recorded in Volume 307, Page 204, Deed Records of Brazos County, Texas.

AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A FOUND 1/2" IRON ROD WITH CAP #2003 MARKING THE MOST EASTERLY CORNER OF THE SAID (3.) 29.726 ACRE TRACT RECORDED IN VOLUME 307, PAGE 204 O.R.B.C.T.;

THENCE: SOUTH 41 DEGREES 08 MINUTES 17 SECONDS WEST, WITH A SOUTHEAST LINE OF THE SAID (3.) 29.726 ACRE TRACT, A DISTANCE OF 2696.93 FEET TO A FOUND 1/2" IRON ROD FOR CORNER BEING THE SOUTHERLY CORNER OF THE SAID (2.) 29.726 ACRE TRACT RECORDED IN VOLUME 307, PAGE 200 O.R.B.C.T.;

THENCE: SOUTH 48 DEGREES 23 MINUTES 43 SECONDS EAST, WITH A NORTHEAST LINE OF THE SAID (1.) 100.805 ACRE TRACT, A DISTANCE OF 924.93 FEET TO A FOUND 1/2" IRON ROD FOR CORNER;

THENCE: SOUTH 41 DEGREES 48 MINUTES 08 SECONDS WEST, WITH A SOUTHEAST LINE OF THE SAID (1.) 100.805 ACRE TRACT, A DISTANCE OF 204.12 FEET TO A SET 1/2" IRON ROD WITH CAP FOR CORNER;

THENCE: NORTH 48 DEGREES 23 MINUTES 43 SECONDS WEST, A DISTANCE OF 1191.57 FEET TO A POINT FOR CORNER;

THENCE: NORTH 41 DEGREES 08 MINUTES 17 SECONDS EAST, A DISTANCE OF 2099.24 FEET TO A POINT FOR THE BEGINNING OF A CURVE TO THE LEFT;

THENCE: AROUND SAID CURVE TO THE LEFT TO A POINT ON SAID CURVE HAVING A RADIUS OF 470.87 FEET, ARC DISTANCE OF 336.78 FEET, CHORD DISTANCE OF 329.64 FEET AND CHORD BEARING OF NORTH 20 DEGREES 38 MINUTES 54 SECONDS EAST TO THE END OF CURVE;

THENCE: NORTH 00 DEGREES 09 MINUTES 31 SECONDS EAST, A DISTANCE OF 182.74 FEET TO A POINT FOR THE BEGINNING OF A CURVE TO THE RIGHT;

THENCE: AROUND SAID CURVE TO THE RIGHT TO A POINT ON SAID CURVE HAVING A RADIUS OF 430.04 FEET, ARC DISTANCE OF 263.14 FEET, CHORD DISTANCE OF 259.05 FEET AND CHORD BEARING OF NORTH 17 DEGREES 41 MINUTES 17 SECONDS EAST TO A CORNER IN THE SOUTHWEST LINE OF THE UNION PACIFIC RAILROAD 100' RIGHT OF WAY;

THENCE: SOUTH 85 DEGREES 41 MINUTES 36 SECONDS EAST, A DISTANCE OF 10.62 FEET TO A POINT FOR THE BEGINNING OF A CURVE TO THE RIGHT;

THENCE: AROUND SAID CURVE TO THE RIGHT TO A FOUND 1/2" IRON ROD WITH CAP #2003 ON SAID CURVE HAVING A RADIUS OF 2814.93 FEET, ARC DISTANCE OF 608.78 FEET, CHORD DISTANCE OF 607.59 FEET AND CHORD BEARING OF SOUTH 59 DEGREES 28 MINUTES 52 SECONDS EAST TO THE PLACE OF BEGINNING AND CONTAINING 1,086,681 SQUARE FEET OR 24.947 ACRES OF LAND.

RESOLUTION

STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENT BRAZOS COUNTY, TEXAS

I. INTRODUCTION

WHEREAS, the attraction of long-term investment and the establishment of new jobs in the Brazos County would enhance the economic base of Brazos Country; and,

WHEREAS, Brazos County has certain governmental powers that enable it to take affirmative and effective action to stimulate economic growth; and,

WHEREAS, tax abatement is one of the principal means by which the public sector and the private sector can forge a partnership to promote real economic growth within the community; and,

WHEREAS, tax incentives offered must be strictly limited in application to those new or existing industries that bring new wealth into the community in order to avoid reducing the needed tax revenues of the County; and,

WHEREAS, the Property Redevelopment and Tax Abatement Act (the "Act") Chapter 312 of the Texas Tax Code authorizes the County to provide property tax abatement for limited periods of time as an inducement for the development or redevelopment of a property; and,

WHEREAS, the Act requires eligible taxing jurisdictions to establish guidelines and criteria as to eligibility for tax abatement agreements prior to granting any future tax abatement, said guidelines to be unchanged for a two (2) year period unless amended or repealed by a three-fourths (3/4ths) vote of the Brazos County Commissioners Court; and,

WHEREAS, this document states guidelines and criteria that the County will utilize in attempts to assert positive economic development, but should not be read to imply or

suggest that Brazos County, Texas is under an obligation to afford these opportunities to any applicant; and,

WHEREAS, the governing body of a taxing unit may not enter into a tax abatement agreement unless it finds that the terms of the agreement and the property subject to the agreement meet the applicable guidelines and criteria adopted by the County under the Act; and

WHEREAS, the adoption of the guidelines by Brazos County does not: limit the discretion of the County to decide whether to enter into a specific tax abatement agreement; limit the discretion of the County to delegate to its employees the authority to determine whether or not the County should consider a particular application or request for tax abatement; or create any property, contract, or other legal right in any person to have the County consider or grant a specific application or request for tax abatement.

WHEREAS, these guidelines and criteria are designed to allow maximum flexibility in addressing the unique concerns of each applicant while enabling the County to respond to the changing needs of the community.

NOW, THEREFORE, BE IT RESOLVED, that Brazos County, Texas, acting by and through its duly elected Commissioners Court, hereby adopts these guidelines and criteria for granting tax abatements in Brazos County.

II. DEFINITIONS

- A. "Abatement" means the full or partial exemption from ad valorem taxes of certain real and/or personal property in a Reinvestment Zone designated for economic development purposes pursuant to Chapter 312 of the Texas Tax Code.
- B. "Agreement" means a contractual agreement between a property owner and/or lessee and an eligible jurisdiction for the purposes of tax abatement.
- C. "Base Year Value" means the assessed value of eligible property January 1 preceding the execution of the agreement plus the agreed upon value of eligible property improvements made after January 1, but before the execution of the Agreement.
- D. "County" means Brazos County, Texas.
- E. "Deferred Maintenance" means improvements necessary for continued operations which do not improve the productivity or alter the process technology.

F. "Distribution Center Facility" means buildings and structures, including machinery and equipment, used or to be used primarily to receive, store, service, or distribute goods or materials owned by the facility operator where a majority of the goods or services are distributed to points at least fifty (50) miles from location in the County.

G. "Expansion" means the addition of buildings, structure, fixed machinery, or equipment for purposes of increasing production capacity.

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

I. "Manufacturing Facility" means buildings and structures including machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical chemical change, including the assembly of goods and materials from multiple sources in order to create a finished or semi-finished product.

J. "Modernization" means the replacement and upgrading of existing facilities which increases the productivity input or output, updates the technology or substantially lowers the unit cost of the operation. Modernization may result from the construction, alteration, or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing, or repairing except as may be integral to or in direct connection with an existing expansion.

K. "New Facility" means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.

L. "Other Basic Industry" means buildings or structure including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services which serve a market primarily outside the County and result in the creation of new permanent jobs and create new wealth in the County.

M. "Personal Property" means tangible personal property located on the real property, excluding that personal property located on the real property prior to the period covered by the abatement with the County, and other than inventory or supplies.

N. "Productive Life" means the number of years a property improvement is expected to be in service.

O. "Project" means any property improvement including expansion, modernizations, and new facilities; but excluding any deferred maintenance.

P. "Reinvestment Zone" means any area of the County which has been designated a reinvestment zone for tax abatement purposes and which is located within the taxing jurisdiction of the County. It is the intent of the County to designate reinvestment zones on a case-by-case basis in order to maximize the potential incentives for eligible enterprises to locate or expand within the County.

Q. "Regional Entertainment Facility" means buildings and structures, including machinery and equipment, used or to be used or provide entertainment through the admission of the general public where the majority of the users reside at least fifty (50) miles from its location in the County,

R. "Regional Service Facility" means buildings and structures, including machinery and equipment, used or to be used to provide services to the general public.

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

T. "Targeted Enterprise" means the following facilities - distribution center facility, manufacturing facility, regional entertainment facility, research facility, regional service facility, or any other basic industry.

III.

CRITERIA FOR TAX ABATEMENT

A. General Criteria. All applications must meet all of the following general criteria before being considered for tax abatement:

1. The project expands the local tax base.
2. The project creates permanent full time employment opportunities.
3. The project would not otherwise be developed.
4. The project makes a contribution to enhancing further economic development.
5. The project must remain in good standing with all governmental and environmental regulations.
6. The project must not have any of the following objections:

- a. there would be substantial adverse effect on the provision of government services on tax base;
- b. the applicant has insufficient financial capacity;
- c. planned or potential use of the property would constitute a hazard to public safety;
- d. planned or potential use of the property would create adverse impacts to adjacent properties;
- e. any violation of laws of the United States or State of Texas or ordinances of the City of Bryan or City of College Station, Texas or orders of Brazos County, Texas would occur; or,
- f. it is in an improvement project financed with tax increment bonds.

7. Requests for abatements will not be considered if, prior to the submission of an application, the project is already substantially underway or completed. A project will be considered to be substantially underway if actions such as, but not limited to, the following have occurred:

- a. the demolition, site preparation, or the installation of infrastructure has begun;
- b. a building permit has been issued for construction not associated with mitigating an environmental hazard;
- c. construction (including renovations or tenant finish-out) has begun; or,
- d. equipment, inventory, or employees have been relocated to the new site.

Execution of a lease, the mitigation of environmental problems, the purchase of land, the completion of an environmental assessment, or the preparation of architectural and engineering plans do not constitute a project being substantially underway.

8. Requests for an abatement will not be considered for property that will be used in whole or in part for a sexually-oriented business, including but not limited to condoning, legitimizing, or promoting obscene materials, nude or topless modeling or dancing, adult motel operations, escort services, sexual encounter centers, sex phone centers, or any other sexually-oriented business activity. Similarly, property receiving an

existing abatement for another use cannot convert this property for use as a sexually-oriented business or an establishment and still retain the abatement.

9. Requests for an abatement will not be considered for an applicant with which the County is currently involved in or has within the past thirty-six months been involved in litigation, a pending claim, or unsatisfactory contractual performance, nor to any applicant indebted to the County for ad valorem taxes or other obligations.

B. Specific Criteria. If the project in the application meets the general criteria, is a facility of a Targeted Enterprise and has a capital cost that exceeds One Million Dollars and No/100ths (\$1,000,000.00) then abatement of any or all of the increased value will be considered. In no case would tax abatement exceed the maximum allowed by state law, presently 100% for ten (10) years. Factors to be considered in determining the portion of the increased value to be abated and the duration of the abatement include, but are not limited to:

1. Total amount of the increased value;
2. Total number of jobs created;
3. Type of jobs created;
4. Dollar Value of payroll created;
5. Other costs and revenues associated with the application.
- 6.

IV. APPLICATIONS FOR REINVESTMENT ZONES AND TAX ABATEMENTS

A. All requests for reinvestment zones and tax abatement in the jurisdiction of Brazos County, Texas shall be made by filing a written application with the Brazos County Commissioners Court after addressing all criteria questions contained in this document. An application for designation of a reinvestment zone and for tax abatement may be combined and submitted jointly. Such applications may be filed with an agent or representative of the County hired to administer the County's program of tax abatement.

All applications shall include the following unless the County has waived a requirement that it has deemed unnecessary to properly evaluate the request:

1. a general description of the project including purpose and explanation of the kind, number and location of all proposed improvements as well as how the project will meet the criteria established by this document.

2. a plat showing the precise location of the property and all improvements thereon, all roadways within 500 feet of the site and all existing zoning and land uses within 500 feet of the site (a complete legal description shall be provided if the property is described by metes and bounds).
3. a completed cost estimate of the project by land, building, equipment, inventory and personality categories.
4. a description of the methods of financing all estimated costs and the time when related costs or monetary obligations are to be incurred, estimated number of employment opportunities the project creates over the period of the abatement, including gross annual payroll of permanent time and part time employees remaining after construction is complete.
5. a detailed time schedule for under taking and completing the project.
6. a fee in the amount of One Thousand Dollars and No/100ths (\$1,000.00).

B. After reviewing the application, if the County staff or its agent or representative finds the application to be complete and accurate and meets the criteria established by this document, the County staff or its agent or representative may then do or cause to be done an impact study, which the applicant may be required to pay or participate in paying for, setting forth the impact of the proposed reinvestment zone and tax abatement agreement. This study shall include, but not be limited to, a cost benefit analysis of the creation of the investment zone and the abatement of taxes.

C. After establishing the benefits of the proposal, the County staff or its agent or representative may propose that the County offer a tax abatement agreement to the applicant. The County staff or its agent or representative may then propose the amount and duration of the tax abatement to the applicant, and formally offer the tax abatement to the applicant.

D. Having completed all the required steps in the process and having been assured by the applicant that it wishes to proceed, the County may then follow procedures in accordance with the Texas Tax Code Chapter 312 and establish a reinvestment zone and tax abatement agreement.

V.
**DESIGNATION OF A REINVESTMENT ZONE
AND TAX ABATEMENT**

A. Prior to granting tax abatement, Brazos County, by Order, shall designate an area as a reinvestment zone unless such zone has been previously established by a municipality within the County. Prior to adopting such an Order the Brazos County Commissioners Court must conduct a public hearing on the designation that entitles all interested persons to speak and present evidence for or against the designation. No later than the seventh (7th) day before the date of the hearing, notice of the hearing must be:

1. Published in a newspaper having general circulation in the County; and
2. Delivered in writing to the presiding officer of the governing body of each taxing unit that includes in its boundaries real property that is to be included in the proposed reinvestment zone.

B. The County by resolution or order may enter into a tax abatement agreement. At least seven (7) days before entering into the agreement, the County will deliver written notice of its intent to each taxing unit that is included in the reinvestments zone,

1. Any agreement will include, but not be limited to, the following specific terms:
 - a. all appropriate stipulations included in the application, as outlined by this document, for a reinvestment zone and tax abatement agreement.
 - b. the amount and duration of the tax abatement.
 - c. a method for determining the qualifications of meeting the criteria and a warranty and guarantee to meet and maintain these qualifications over the term of the agreement; the County will be allowed, upon written request and reasonable notice, to inspect and audit such records of the applicant as are necessary to substantiate that the applicant is meeting criteria agreed upon during the term of the abatement.
 - d. a provision in the event the agreement is terminated for whatever reason or the applicant fails to fulfill the terms and provisions thereof, the tax abatement agreement will be determined null and void and all or some portion of abated taxes, as may be determined by the Brazos County Commissioners Court in its sole discretion, shall be paid immediately to the County.

e. access to and authorized inspection of the property by County employees, agents or representatives to ensure that the improvements or construction are made according to specifications and conditions of the agreement.

C. An agreement may be modified or terminated by the mutual consent of the parties in the same manner that the agreement was approved and executed; provided however, the agreement may not be altered to provide for tax abatement for a period of more than ten (10) years.

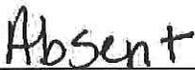
EXECUTED in open court this the 20th day of December, 2011.

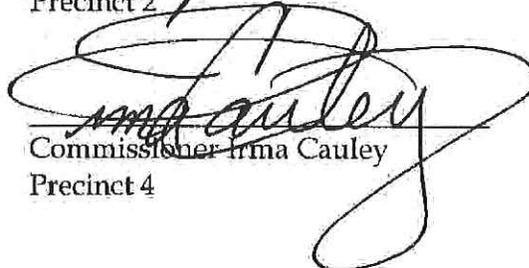


Duane Peters
County Judge


Commissioner Lloyd Wassermann
Precinct 1


Commissioner Sammy Catalena
Precinct 2


Commissioner Kenny Mallard
Precinct 3


Commissioner Irma Cauley
Precinct 4

Attachment B

Certificate of Account Status



Franchise Tax Account Status

As of: 10/01/2013 12:29:26 PM

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

PROLAMSA, INC.	
Texas Taxpayer Number	17604936181
Mailing Address	770 S POST OAK LN STE 200 HOUSTON, TX 77056-1913
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	02/20/1996
Texas SOS File Number	0010858106
Registered Agent Name	JEAN MARIE DIEDERICHS
Registered Office Street Address	12603 SOUTHWEST FREEWAY STE 521 STAFFORD, TX 77477

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



September 5, 2013

Dr. Thomas Wallis
Superintendent
Bryan Independent School District
101 N. Texas Avenue
Bryan, Texas 77803

Dear Superintendent Wallis:

On June 14, 2013, the Comptroller received the completed application (Application # 285) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted in April 2013 to the Bryan Independent School District (the school district) by Prolamsa, Inc. (the applicant). 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.

The school district is currently classified as a rural school district in Category I 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 (\$119.8 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.

The applicant is an active franchise taxpayer in good standing, as required by Section 313.024(a), and is proposing the construction of a manufacturing facility in Brazos County, an eligible property use under Section 313.024(b). The Comptroller has determined that the property, as described in 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 the applicant, the Comptroller's recommendation is that this application under Tax Code Chapter 313 be approved.

Our review of the application assumes the truth and accuracy of the statements in the application and that, if the application is approved, the applicant would perform according to the provisions of the agreement reached with the school district. Our recommendation does not address whether the applicant has complied with all Chapter 313 requirements; the school district is responsible for verifying that all requirements of the statute have been fulfilled. Additionally, Section 313.025 requires the school district to only approve an application if the school district finds that the information in the application is true and correct, finds that the applicant is eligible for a limitation and determines that granting the application is

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

in the best interest of the school district and this state. As stated above, the Comptroller's recommendation is prepared by generally reviewing the application and supporting documentation in light of the Section 313.026 criteria.

Note that any new building or other improvement existing as of the application review start date of June 14, 2013, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2).

The Comptroller's recommendation is based on the application submitted by the school district and reviewed by the Comptroller. The recommendation may not be used by the school district 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 ten (10) days prior to the meeting scheduled by the school 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 must confirm that it received and reviewed the draft agreement and affirm the recommendation made in this letter;
- 3) The school district must approve and execute a limitation agreement that has been reviewed by the Comptroller within a year from the date of this letter; and
- 4) The school district must provide a copy of the signed limitation agreement to the Comptroller within seven (7) days after execution, as required by Section 313.025.

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	Prolamsa, Inc.
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Bryan ISD
2011-2012 Enrollment in School District	15,611
County	Brazos
Total Investment in District	\$120,000,000
Qualified Investment	\$119,824,822
Limitation Amount	\$30,000,000
Number of total jobs committed to by applicant	285
Number of qualifying jobs committed to by applicant	220
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$691
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$691
Minimum Annual Wage committed to by applicant for qualified jobs	\$37,090
Investment per Qualifying Job	\$545,455
Estimated 15 year M&O levy without any limit or credit:	\$14,504,360
Estimated gross 15 year M&O tax benefit	\$7,378,811
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):	\$6,455,267
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$1,156,000
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$8,049,093
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	44.5%
Percentage of tax benefit due to the limitation	84.3%
Percentage of tax benefit due to the credit.	15.7%

This presents the Comptroller's economic impact evaluation of Prolamsa, Inc. (the project) applying to Bryan 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 285 new jobs when fully operational. Only 228 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 Brazos Valley Council of Governments Region, where Brazos County is located was \$33,718 in 2011. The annual average manufacturing wage for 2012 for Brazos County is \$46,735. That same year, the county annual average wage for all industries was \$36,998. In addition to a salary of \$37,090, each qualifying position will receive health insurance. The project's total investment is \$120 million, resulting in a relative level of investment per qualifying job of \$545,455.

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

According to Prolamsa, Inc.'s application, "This project can be located at sites in multiple states in the Southern and Southeastern United States. The site in Bryan, Texas has been considered a finalist site. The availability and various real estate and economic incentives will be primary determining factors in the final site selection."

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

During the past two years, no projects in the Brazos Valley 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 Prolamsa, Inc. 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 Prolamsa, Inc.'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 Prolamsa, Inc.

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	50	54	104	\$2,500,000	\$3,500,000	\$6,000,000
2014	130	91	221	\$5,467,184	\$6,532,816	\$12,000,000
2015	160	75	235	\$5,934,368	\$7,065,632	\$13,000,000
2016	255	108	363	\$9,457,899	\$11,542,101	\$21,000,000
2017	255	112	367	\$9,457,899	\$13,542,101	\$23,000,000
2018	255	108	363	\$9,457,899	\$14,542,101	\$24,000,000
2019	255	102	357	\$9,457,899	\$15,542,101	\$25,000,000
2020	255	97	352	\$9,457,899	\$16,542,101	\$26,000,000
2021	255	93	348	\$9,457,899	\$17,542,101	\$27,000,000
2022	255	83	338	\$9,457,899	\$17,542,101	\$27,000,000
2023	255	79	334	\$9,457,899	\$18,542,101	\$28,000,000
2024	255	67	322	\$9,457,899	\$17,542,101	\$27,000,000
2025	255	67	322	\$9,457,899	\$17,542,101	\$27,000,000
2026	255	61	316	\$9,457,899	\$18,542,101	\$28,000,000
2027	255	61	316	\$9,457,899	\$19,542,101	\$29,000,000
2028	255	61	316	\$9,457,899	\$20,542,101	\$30,000,000

Source: CPA, REMI, Prolamsa, Inc.

The statewide average ad valorem tax base for school districts in Texas was \$1.74 billion in 2011-2012. Bryan ISD's ad valorem tax base in 2011-2012 was \$4.97 billion. The statewide average wealth per WADA was estimated at \$347,943 for fiscal 2011-2012. During that same year, Bryan ISD's estimated wealth per WADA was \$262,073. 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, Brazos County, and Emergency Services District #4 with all property tax incentives sought being granted using estimated market value from Prolamsa, Inc.'s application. Prolamsa, Inc. has applied for both a value limitation under Chapter 313, Tax Code and tax abatement with the county. Table 3 illustrates the estimated tax impact of the Prolamsa, Inc. 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	Tax Rate ¹	Bryan ISD I&S Levy	Barbers Hill ISD M&O Levy	Bryan ISD M&O and I&S Tax Levies (Before Credit Credited)	Bryan ISD M&O and I&S Tax Levies (After Credit Credited)	Brazos County Tax Levy	Emergency Services District #4 Tax Levy	Estimated Total Property Taxes
			0.2500	0.2500	1.0400			0.4850	0.3000	
2014	\$90,000,000	\$90,000,000		\$225,000	\$936,000	\$1,161,000	\$1,161,000	\$0	\$270,000	\$1,431,000
2015	\$120,000,000	\$120,000,000		\$300,000	\$1,248,000	\$1,548,000	\$1,548,000	\$0	\$360,000	\$1,908,000
2016	\$115,000,000	\$30,000,000		\$287,500	\$312,000	\$599,500	\$599,500	\$0	\$345,000	\$944,500
2017	\$110,250,000	\$30,000,000		\$275,625	\$312,000	\$587,625	\$364,768	\$0	\$330,750	\$695,518
2018	\$105,737,500	\$30,000,000		\$264,344	\$312,000	\$576,344	\$353,487	\$102,565	\$317,213	\$773,265
2019	\$101,450,625	\$30,000,000		\$253,627	\$312,000	\$565,627	\$342,770	\$147,611	\$304,352	\$794,732
2020	\$97,378,094	\$30,000,000		\$243,445	\$312,000	\$555,445	\$332,588	\$141,685	\$292,134	\$766,408
2021	\$93,509,189	\$30,000,000		\$233,773	\$312,000	\$545,773	\$322,916	\$226,760	\$280,528	\$830,203
2022	\$89,833,730	\$30,000,000		\$224,584	\$312,000	\$536,584	\$313,727	\$261,416	\$269,501	\$844,645
2023	\$86,342,043	\$30,000,000		\$215,855	\$312,000	\$527,855	\$304,998	\$293,131	\$259,026	\$857,155
2024	\$83,024,941	\$83,024,941		\$207,562	\$863,459	\$1,071,022	\$1,071,022	\$402,671	\$249,075	\$1,722,768
2025	\$79,873,694	\$79,873,694		\$199,684	\$830,686	\$1,030,371	\$1,030,371	\$387,387	\$239,621	\$1,657,379
2026	\$76,880,009	\$76,880,009		\$192,200	\$799,552	\$991,752	\$991,752	\$372,868	\$230,640	\$1,595,260
2027	\$74,036,009	\$74,036,009		\$185,090	\$769,974	\$955,065	\$955,065	\$359,075	\$222,108	\$1,536,247
2028	\$71,334,208	\$71,334,208		\$178,336	\$741,876	\$920,211	\$920,211	\$345,971	\$214,003	\$1,480,185
						Total	\$10,612,174	\$3,041,140	\$4,183,950	\$17,837,265

Assumes School Value Limitation and Tax Abatements from the county.

Source: CPA, Prolamsa, Inc.

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	Tax Rate ¹	Bryan ISD I&S Levy	Bryan ISD M&O Levy	Bryan ISD M&O and I&S Tax Levies	Brazos County Tax Levy	Emergency Services District #4 Tax Levy	Estimated Total Property Taxes	
			0.2500	0.2500	1.0400		0.4850	0.3000		
2014	\$90,000,000	\$90,000,000		\$225,000	\$936,000	\$1,161,000	\$436,500	\$270,000	\$1,867,500	
2015	\$120,000,000	\$120,000,000		\$300,000	\$1,248,000	\$1,548,000	\$582,000	\$360,000	\$2,490,000	
2016	\$115,000,000	\$115,000,000		\$287,500	\$1,196,000	\$1,483,500	\$557,750	\$345,000	\$2,386,250	
2017	\$110,250,000	\$110,250,000		\$275,625	\$1,146,600	\$1,422,225	\$534,713	\$330,750	\$2,287,688	
2018	\$105,737,500	\$105,737,500		\$264,344	\$1,099,670	\$1,364,014	\$512,827	\$317,213	\$2,194,053	
2019	\$101,450,625	\$101,450,625		\$253,627	\$1,055,087	\$1,308,713	\$492,036	\$304,352	\$2,105,100	
2020	\$97,378,094	\$97,378,094		\$243,445	\$1,012,732	\$1,256,177	\$472,284	\$292,134	\$2,020,595	
2021	\$93,509,189	\$93,509,189		\$233,773	\$972,496	\$1,206,269	\$453,520	\$280,528	\$1,940,316	
2022	\$89,833,730	\$89,833,730		\$224,584	\$934,271	\$1,158,855	\$435,694	\$269,501	\$1,864,050	
2023	\$86,342,043	\$86,342,043		\$215,855	\$897,957	\$1,113,812	\$418,759	\$259,026	\$1,791,597	
2024	\$83,024,941	\$83,024,941		\$207,562	\$863,459	\$1,071,022	\$402,671	\$249,075	\$1,722,768	
2025	\$79,873,694	\$79,873,694		\$199,684	\$830,686	\$1,030,371	\$387,387	\$239,621	\$1,657,379	
2026	\$76,880,009	\$76,880,009		\$192,200	\$799,552	\$991,752	\$372,868	\$230,640	\$1,595,260	
2027	\$74,036,009	\$74,036,009		\$185,090	\$769,974	\$955,065	\$359,075	\$222,108	\$1,536,247	
2028	\$71,334,208	\$71,334,208		\$178,336	\$741,876	\$920,211	\$345,971	\$214,003	\$1,480,185	
						Total	\$17,990,986	\$6,764,053	\$4,183,950	\$28,938,988

Source: CPA, Prolamsa, Inc.

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 \$14,504,360. The estimated gross 15 year M&O tax benefit, or levy loss, is \$7,378,812.

Attachment 3 is an economic overview of Brazos County.

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



TEXAS EDUCATION AGENCY

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

Michael L. Williams
Commissioner

August 2, 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 has analyzed the revenue gains that would be realized by the proposed Prolamsa USA project for the Bryan Independent School District (BISD). Projections prepared by our Office of School Finance confirm the analysis that was prepared by Moak, Casey and Associates and provided to us by your division. We believe their assumptions regarding the potential revenue gain are valid, and their estimates of the impact of the Prolamsa USA project on BISD 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 regarding this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Al McKenzie".

Al McKenzie, Manager
Foundation School Program Support

AM/rk



TEXAS EDUCATION AGENCY

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Michael L. Williams
Commissioner

August 2, 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 Prolamsa USA project on the number and size of school facilities in Bryan Independent School District (BISD). Based on the analysis prepared by Moak, Casey and Associates for the school district and a conversation with the BISD business manager, Amy Drozd, the TEA has found that the Prolamsa USA project would not have a significant impact on the number or size of school facilities in BISD.

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 regarding this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Al McKenzie", is written over a horizontal line.

Al McKenzie, Manager
Foundation School Program Support

AM/rk

Brazos County

Population

- Total county population in 2010 for Brazos County: 183,144 , up 1.7 percent from 2009. State population increased 1.8 percent in the same time period.
- Brazos County was the state's 23th largest county in population in 2010 and the 49 th fastest growing county from 2009 to 2010.
- Brazos County's population in 2009 was 62.1 percent Anglo (above the state average of 46.7 percent), 10.5 percent African-American (below the state average of 11.3 percent) and 21.9 percent Hispanic (below the state average of 36.9 percent).
- 2009 population of the largest cities and places in Brazos County:

College Station:	86,680	Bryan:	74,656
Wixon Valley:	238	Kurten:	233
Millican town:	109		

Economy and Income

Employment

- September 2011 total employment in Brazos County: 95,032 , up 2.2 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 Brazos County unemployment rate: 6.5 percent, up from 6.1 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:

College Station:	6.3 percent, up from 5.8 percent in September 2010.
Bryan:	6.3 percent, up from 6.1 percent in September 2010.

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

Income

- Brazos County's ranking in per capita personal income in 2009: 193rd with an average per capita income of \$29,151, up 0.2 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 Brazos County averaged \$133.98 million annually from 2007 to 2010. County total agricultural values in 2010 were up 4.9 percent from 2009. Major agriculture related commodities in Brazos County during 2010 included:
 - Corn
 - Other Poultry
 - Eggs
 - Other Beef
 - Broilers
- 2011 oil and gas production in Brazos County: 1.1 million barrels of oil and 6.0 million Mcf of gas. In September 2011, there were 475 producing oil wells and 107 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 Brazos County during the fourth quarter 2010: \$514.77 million, up 4.7 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

College Station:	\$290.72 million, up 4.1 percent from the same quarter in 2009.
Bryan:	\$194.20 million, up 4.6 percent from the same quarter in 2009.
Wixon Valley:	\$878,803.00, up 49.0 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 Brazos County through the fourth quarter of 2010: \$1.95 billion, up 1.9 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

College Station:	\$1.06 billion, up 0.9 percent from the same period in 2009.
Bryan:	\$769.23 million, up 1.9 percent from the same period in 2009.
Wixon Valley:	\$3.18 million, up 13.3 percent from the same period in 2009.

Annual (2010)

- Taxable sales in Brazos County during 2010: \$1.95 billion, up 1.9 percent from 2009.
- Brazos County sent an estimated \$122.04 million (or 0.71 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:

College Station:	\$1.06 billion, up 0.9 percent from 2009.
Bryan:	\$769.23 million, up 1.9 percent from 2009.
Wixon Valley:	\$3.18 million, up 13.3 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 Brazos County based on the sales activity month of August 2011: \$2.97 million, up 6.1 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:

College Station:	\$1.85 million, up 11.6 percent from August 2010.
Bryan:	\$1.11 million, down 2.1 percent from August 2010.
Wixon Valley:	\$3,057.70, up 28.9 percent from August 2010.
Kurten*:	\$65.95

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 Brazos County based on sales activity months from September 2010 through August 2011: \$32.38 million, up 2.5 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:

College Station:	\$18.84 million, up 4.6 percent from fiscal 2010.
Bryan:	\$13.50 million, down 0.4 percent from fiscal 2010.
Wixon Valley:	\$37,626.91, up 39.4 percent from fiscal 2010.
Kurten*:	\$2,066.67

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 Brazos County based on sales activity months through August 2011: \$20.86 million, down 0.5 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:

College Station:	\$12.12 million, up 4.2 percent from the same period in 2010.
Bryan:	\$8.72 million, down 6.4 percent from the same period in 2010.
Wixon Valley:	\$26,106.00, up 36.0 percent from the same period in 2010.
Kurten*:	\$1,904.17

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 Brazos County based on sales activity in the 12 months ending in August 2011: \$32.38 million, up 2.5 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:

College Station:	\$18.84 million, up 4.6 percent from the previous 12-month period.
Bryan:	\$13.50 million, down 0.4 percent from the previous 12-month period.
Wixon Valley:	\$37,626.91, up 39.4 percent from the previous 12-month period.
Kurten*:	\$2,066.67

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

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

College Station:	\$15.67 million, up 4.6 percent from the same period in 2010.
Bryan:	\$11.13 million, down 3.0 percent from the same period in 2010.
Wixon Valley:	\$32,109.77, up 40.1 percent from the same period in 2010.
Kurten*:	\$1,977.64

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 Brazos County based on sales activity months in 2010: \$32.48 million, up 6.2 percent from 2009.

■ Payment based on sales activity months in 2010 to the city of:

College Station:	\$18.35 million, up 2.6 percent from 2009.
Bryan:	\$14.09 million, up 11.2 percent from 2009.
Wixon Valley:	\$30,711.82, up 14.1 percent from 2009.
Kurten*:	

*On 10/1/2010, the city of Kurten's local sales tax rate increased by 0.00 from 1.000 percent to 1.000 percent.

Property Tax

- As of January 2009, property values in Brazos County: \$12.17 billion, up 5.7 percent from January 2008 values. The property tax base per person in Brazos County is \$67,625, below the statewide average of \$85,809. About 2.0 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- Brazos County's ranking in state expenditures by county in fiscal year 2010: 16th. State expenditures in the county for FY2010: \$1.22 billion, up 0.1 percent from FY2009.
- In Brazos County, 30 state agencies provide a total of 23,238 jobs and \$224.77 million in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):
 - Texas A & M University
 - AgriLife Research
 - Texas A & M University System
 - Engineering Experiment Station

Higher Education

- Community colleges in Brazos County fall 2010 enrollment:
 - None.
- Brazos County is in the service area of the following:
 - Blinn College with a fall 2010 enrollment of 17,755 . Counties in the service area include:
 - Austin County
 - Bastrop County
 - Brazos County
 - Burleson County
 - Fayette County
 - Grimes County
 - Lee County
 - Madison County
 - Milam County
 - Montgomery County
 - Robertson County
 - Walker County
 - Waller County
 - Washington County
 - Williamson County

- Institutions of higher education in Brazos County fall 2010 enrollment:
 - The Texas A&M University System Health Science Ctr, a Public Health-Related Institution (part of Texas A&M University System), had 1,958 students.
 - Texas A&M University, a Public University (part of Texas A&M University System), had 49,129 students.

School Districts

- Brazos County had 2 school districts with 40 schools and 25,597 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.)
 - Bryan ISD had 15,536 students in the 2009-10 school year. The average teacher salary was \$43,920. The percentage of students meeting the 2010 TAKS passing standard for all tests was 70 percent.
 - College Station ISD had 10,061 students in the 2009-10 school year. The average teacher salary was \$48,430. The percentage of students meeting the 2010 TAKS passing standard for all tests was 88 percent.

Attachment E

Summary of Financial Impact

**SUMMARY OF FINANCIAL IMPACT OF THE PROPOSED
PROLAMSA USA PROJECT ON THE FINANCES OF THE BRYAN
INDEPENDENT SCHOOL DISTRICT UNDER A REQUESTED
CHAPTER 313 PROPERTY VALUE LIMITATION**

May 31, 2013

Final Report

PREPARED BY



Estimated Impact of the Proposed Prolamsa USA Project on the Finances of the Bryan Independent School District under a Requested Chapter 313 Property Value Limitation

Introduction

Prolamsa USA (Prolamsa) has requested that the Bryan Independent School District (BISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to BISD on April 22, 2013, Prolamsa proposes to invest \$120 million to construct a new pipe and tube manufacturing project in BISD.

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

Under the provisions of Chapter 313, BISD may offer a minimum value limitation of \$30 million. The provisions of Chapter 313 call for the project to be fully taxable in the 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 with 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 will be assessed for debt service taxes on voter-approved bond issues throughout the limitation period and thereafter, with BISD currently levying a \$0.25 per \$100 I&S tax rate. The full value of the investment is expected to reach \$120 million in the 2015-16 school year, with depreciation expected to reduce the taxable value of the project in future years.

In the case of the Prolamsa project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. BISD would experience a revenue loss as a result of the implementation of the value limitation in the initial 2016-17 school year (-\$923,545). No out-year revenue losses are anticipated under current law.

Under the assumptions outlined below, the potential tax benefits under a Chapter 313 agreement could reach an estimated \$6.5 million over the course of the agreement. This amount is net of any anticipated revenue losses for the District.

School Finance Mechanics

Under the current school finance system, the property values established by the Comptroller's Office that are used to calculate state aid and recapture lag by one year, a practical consequence of the fact that the Comptroller's Office needs this time to conduct its property value study and the planned audits of appraisal district operations. 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 or no revenue losses would be anticipated when the state property values are aligned at the minimum value established by the Board on both the local tax roll and the corresponding state property value study.

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

House Bill 3646 as enacted in 2009 created more "formula" school districts that were less dependent on ASATR state aid than had been the case previously. The formula reductions enacted under Senate Bill 1 (SB 1) as approved in the First Called Session in 2011 are designed to make \$4 billion in reductions to the existing school funding formulas for the 2011-12 and 2012-13 school years. For the 2011-12 school year, across-the-board reductions were made that reduced each district's WADA count and resulted in an estimated 781 school districts still receiving ASATR to maintain their target revenue funding levels, while an estimated 243 districts operating directly on the state formulas. BISD became a formula district in the 2011-12 school year.

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 formulas. This resulted in 336 districts receiving ASATR funding, with an estimated 688 districts operating on state funding formulas.

For the 2013-14 school year and beyond, the ASATR reduction percentage will be set in the General Appropriations Act. The 2011 legislative session also saw the adoption of a statement of legislative intent to no longer fund target revenue (through ASATR) by the 2017-18 school year. It is expected that ASATR state funding will be reduced in future years and eliminated by the 2017-18 school year, based on current state policy.

In the case of BISD, the District has a target revenue level of \$5,054 per WADA, which is about \$200 below the state average. The last year that BISD received ASATR funding was the 2010-11

school year. It is not expected that BISD will receive ASATR in future years even with the adoption of a value limitation agreement, based on the estimates presented below.

The initial legislation in the 2013 legislative session shows a further reduction in the number of ASATR districts being reduced to 308 districts under the Senate language, compared with an estimated 266 districts under the initial House language. The final bill language is in the process of being adopted and it will probably a month or so before TEA publishes information on recent legislative action. As a result, current law will be the basis for the estimates presented below.

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 Prolamsa 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 maintain static enrollment and base 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. The projected taxable values of the Prolamsa USA project are factored into the base model used here. The impact of the limitation value for the proposed Prolamsa project is isolated separately and the focus of this analysis.

Student enrollment counts are held constant at 14,414 students in average daily attendance (ADA) in analyzing the effects of the Prolamsa project on the finances of BISD. The District's local tax base reached \$5.4 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 \$1.04 is used throughout this analysis. BISD has estimated state property wealth per weighted ADA or WADA of approximately \$267,510 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 BISD 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 influences 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 Prolamsa 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 Prolamsa 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, BISD would experience a revenue loss as a result of the implementation of the value limitation in the 2016-17 school year (-\$923,545). The revenue reduction results chiefly from the one-year lag in the state property value study for the first \$1.00 of M&O tax effort and the mechanics of the four cents of tax effort beyond the compressed M&O tax rate equalized to the Austin yield, which also reflect the one-year state property value lag. Once the state property value becomes aligned with the local limitation value of \$30 million, the school district formula losses are eliminated under current law for the remainder of the value limitation period.

Table 4 summarizes the revenue loss impact in the 2016-17 school year. The Company would be expected to see \$884,000 in M&O tax savings under the \$30 million limitation at the \$1.04 per \$100 M&O tax rate. BISD would see no formula offsets for this amount until the following school year. In addition, the District would experience a state aid loss of \$39,545 under what is known as Tier II funding for the 2016-17 school year. As a result, the formula loss exceeds the tax savings by the \$39,545 amount for 2016-17.

As noted previously, the Comptroller’s state property value study influences these calculations. 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. Two state value determinations are made for school districts granting Chapter 313 agreements, consistent with local practice. A consolidated single state property value had been provided previously.

Impact on the Taxpayer

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

Under the assumptions used here, the potential tax savings from the value limitation total \$5.8 million over the life of the agreement. In addition, Prolamsa 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 \$1.6 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 BISD revenue losses are expected to total approximately -\$923,545 over the course of the agreement, all concentrated in the 2016-17 school year under current law. The total potential net tax benefits (inclusive of tax credits but after hold-harmless payments are made) are expected to reach \$6.5 million over the life of the agreement.

Facilities Funding Impact

The Prolamsa project remains fully taxable for debt services taxes, with BISD currently levying a \$0.25 per \$100 I&S rate. Full access to the additional value is expected to increase the District's projected wealth per ADA to \$371,693 in the peak year of I&S taxable project value, which will provide a modest benefit to BISD, since it exceeds the \$350,000 per ADA equivalent provided by the Instructional Facility Allotment (IFA) and Existing Debt Allotment (EDA) state aid programs.

One positive aspect of the Prolamsa project is that the Company anticipates employing 255 full-time employees once the facility begins operation. The impact on BISD will be determined in part by the housing decisions of new employees to the area, although a number of these positions could go to current local residents. Given an enrollment of more than 14,000 students, it is unlikely that the Prolamsa project will have much effect on student enrollment at BISD on a stand-alone basis.

Conclusion

The proposed Prolamsa manufacturing project enhances the tax base of BISD. It reflects continued capital investment in keeping with the goals of Chapter 313 of the Tax Code.

Under the assumptions outlined above, the potential tax savings for the applicant under a Chapter 313 agreement could reach an estimated \$6.5 million. (This amount is net of any anticipated revenue losses for the District.) The additional taxable value provides a modest enhancement to the tax base of BISD in meeting its future debt service obligations.

Table 1 – Base District Information with Prolamsa, USA 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	14,414.31	18,644.09	\$1.0400	\$0.2500	\$5,459,457,695	\$5,459,457,695	\$5,270,226,527	\$5,270,226,527	\$282,675	\$282,675
1	2014-15	14,414.31	18,638.80	\$1.0400	\$0.2500	\$5,549,457,695	\$5,549,457,695	\$5,270,226,527	\$5,270,226,527	\$282,756	\$282,756
2	2015-16	14,414.31	19,235.53	\$1.0400	\$0.2500	\$5,579,457,695	\$5,579,457,695	\$5,327,692,804	\$5,327,692,804	\$276,971	\$276,971
3	2016-17	14,414.31	19,338.05	\$1.0400	\$0.2500	\$5,574,457,695	\$5,489,457,695	\$5,357,692,804	\$5,357,692,804	\$277,054	\$277,054
4	2017-18	14,414.31	19,445.10	\$1.0400	\$0.2500	\$5,569,707,695	\$5,489,457,695	\$5,352,692,804	\$5,267,692,804	\$275,272	\$270,901
5	2018-19	14,414.31	19,556.83	\$1.0400	\$0.2500	\$5,565,195,195	\$5,489,457,695	\$5,347,942,804	\$5,267,692,804	\$273,456	\$269,353
6	2019-20	14,414.31	19,556.83	\$1.0400	\$0.2500	\$5,560,908,320	\$5,489,457,695	\$5,343,430,304	\$5,267,692,804	\$273,226	\$269,353
7	2020-21	14,414.31	19,556.83	\$1.0400	\$0.2500	\$5,556,835,789	\$5,489,457,695	\$5,339,143,429	\$5,267,692,804	\$273,007	\$269,353
8	2021-22	14,414.31	19,556.83	\$1.0400	\$0.2500	\$5,552,966,884	\$5,489,457,695	\$5,335,070,898	\$5,267,692,804	\$272,798	\$269,353
9	2022-23	14,414.31	19,556.83	\$1.0400	\$0.2500	\$5,549,291,425	\$5,489,457,695	\$5,331,201,993	\$5,267,692,804	\$272,600	\$269,353
10	2023-24	14,414.31	19,556.83	\$1.0400	\$0.2500	\$5,545,799,738	\$5,489,457,695	\$5,327,526,534	\$5,267,692,804	\$272,413	\$269,353
11	2024-25	14,414.31	19,556.83	\$1.0400	\$0.2500	\$5,542,482,636	\$5,542,482,636	\$5,324,034,847	\$5,267,692,804	\$272,234	\$269,353
12	2025-26	14,414.31	19,556.83	\$1.0400	\$0.2500	\$5,539,331,389	\$5,539,331,389	\$5,320,717,745	\$5,320,717,745	\$272,064	\$272,064
13	2026-27	14,414.31	19,556.83	\$1.0400	\$0.2500	\$5,536,337,704	\$5,536,337,704	\$5,317,566,498	\$5,317,566,498	\$271,903	\$271,903
14	2027-28	14,414.31	19,556.83	\$1.0400	\$0.2500	\$5,533,493,704	\$5,533,493,704	\$5,314,572,813	\$5,314,572,813	\$271,750	\$271,750
15	2028-29	14,414.31	19,556.83	\$1.0400	\$0.2500	\$5,530,791,903	\$5,530,791,903	\$5,311,728,813	\$5,311,728,813	\$271,605	\$271,605

*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	\$52,589,292	\$41,661,756	\$0	\$0	\$0	\$2,079,907	\$2,332,646	\$0	\$98,663,601
1	2014-15	\$53,471,336	\$41,651,685	\$0	\$0	\$0	\$2,115,143	\$2,370,889	\$0	\$99,609,053
2	2015-16	\$53,765,351	\$44,043,638	\$0	\$0	\$0	\$2,126,888	\$2,478,262	\$0	\$102,414,139
3	2016-17	\$53,733,349	\$44,267,104	\$0	\$0	\$0	\$2,125,610	\$2,475,394	\$0	\$102,601,457
4	2017-18	\$53,685,847	\$44,863,247	\$0	\$0	\$0	\$2,123,712	\$2,502,949	\$0	\$103,175,754
5	2018-19	\$53,640,719	\$45,480,285	\$0	\$0	\$0	\$2,121,910	\$2,531,516	\$0	\$103,774,429
6	2019-20	\$53,597,849	\$45,525,412	\$0	\$0	\$0	\$2,120,197	\$2,533,399	\$0	\$103,776,857
7	2020-21	\$53,557,121	\$45,568,283	\$0	\$0	\$0	\$2,118,570	\$2,535,189	\$0	\$103,779,162
8	2021-22	\$53,518,430	\$45,609,010	\$0	\$0	\$0	\$2,117,024	\$2,536,889	\$0	\$103,781,354
9	2022-23	\$53,481,674	\$45,647,701	\$0	\$0	\$0	\$2,115,556	\$2,538,504	\$0	\$103,783,436
10	2023-24	\$53,446,755	\$45,684,458	\$0	\$0	\$0	\$2,114,161	\$2,540,039	\$0	\$103,785,413
11	2024-25	\$53,402,977	\$45,719,377	\$0	\$0	\$0	\$2,112,412	\$2,540,988	\$0	\$103,775,754
12	2025-26	\$53,372,093	\$45,752,549	\$0	\$0	\$0	\$2,111,179	\$2,542,403	\$0	\$103,778,224
13	2026-27	\$53,342,754	\$45,784,063	\$0	\$0	\$0	\$2,110,006	\$2,543,748	\$0	\$103,780,571
14	2027-28	\$53,314,881	\$45,814,002	\$0	\$0	\$0	\$2,108,893	\$2,545,026	\$0	\$103,782,802
15	2028-29	\$53,288,402	\$45,842,443	\$0	\$0	\$0	\$2,107,835	\$2,546,240	\$0	\$103,784,920

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	\$52,589,292	\$41,661,756	\$0	\$0	\$0	\$2,079,907	\$2,332,646	\$0	\$98,663,601
1	2014-15	\$53,471,336	\$41,651,685	\$0	\$0	\$0	\$2,115,143	\$2,370,889	\$0	\$99,609,053
2	2015-16	\$53,765,351	\$44,043,638	\$0	\$0	\$0	\$2,126,888	\$2,478,262	\$0	\$102,414,139
3	2016-17	\$52,883,307	\$44,267,104	\$0	\$0	\$0	\$2,091,652	\$2,435,848	\$0	\$101,677,912
4	2017-18	\$52,883,307	\$45,713,289	\$0	\$0	\$0	\$2,091,652	\$2,538,693	\$0	\$103,226,941
5	2018-19	\$52,883,307	\$46,282,825	\$0	\$0	\$0	\$2,091,652	\$2,565,299	\$0	\$103,823,083
6	2019-20	\$52,883,307	\$46,282,825	\$0	\$0	\$0	\$2,091,652	\$2,565,299	\$0	\$103,823,083
7	2020-21	\$52,883,307	\$46,282,825	\$0	\$0	\$0	\$2,091,652	\$2,565,299	\$0	\$103,823,083
8	2021-22	\$52,883,307	\$46,282,825	\$0	\$0	\$0	\$2,091,652	\$2,565,299	\$0	\$103,823,083
9	2022-23	\$52,883,307	\$46,282,825	\$0	\$0	\$0	\$2,091,652	\$2,565,299	\$0	\$103,823,083
10	2023-24	\$52,883,307	\$46,282,825	\$0	\$0	\$0	\$2,091,652	\$2,565,299	\$0	\$103,823,083
11	2024-25	\$53,402,977	\$46,282,825	\$0	\$0	\$0	\$2,112,412	\$2,590,760	\$0	\$104,388,974
12	2025-26	\$53,372,093	\$45,752,549	\$0	\$0	\$0	\$2,111,179	\$2,542,403	\$0	\$103,778,224
13	2026-27	\$53,342,754	\$45,784,063	\$0	\$0	\$0	\$2,110,006	\$2,543,748	\$0	\$103,780,571
14	2027-28	\$53,314,881	\$45,814,002	\$0	\$0	\$0	\$2,108,893	\$2,545,026	\$0	\$103,782,802
15	2028-29	\$53,288,402	\$45,842,443	\$0	\$0	\$0	\$2,107,835	\$2,546,240	\$0	\$103,784,920

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	-\$850,043	\$0	\$0	\$0	\$0	-\$33,958	-\$39,545	\$0	-\$923,545
4	2017-18	-\$802,540	\$850,042	\$0	\$0	\$0	-\$32,060	\$35,744	\$0	\$51,186
5	2018-19	-\$757,412	\$802,540	\$0	\$0	\$0	-\$30,257	\$33,783	\$0	\$48,654
6	2019-20	-\$714,542	\$757,413	\$0	\$0	\$0	-\$28,545	\$31,900	\$0	\$46,226
7	2020-21	-\$673,814	\$714,542	\$0	\$0	\$0	-\$26,918	\$30,110	\$0	\$43,921
8	2021-22	-\$635,124	\$673,815	\$0	\$0	\$0	-\$25,372	\$28,410	\$0	\$41,729
9	2022-23	-\$598,368	\$635,124	\$0	\$0	\$0	-\$23,904	\$26,795	\$0	\$39,647
10	2023-24	-\$563,448	\$598,367	\$0	\$0	\$0	-\$22,509	\$25,260	\$0	\$37,670
11	2024-25	\$0	\$563,448	\$0	\$0	\$0	\$0	\$49,772	\$0	\$613,220
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 Prolamsa, USA Project Property Value Limitation Request Submitted to BISD at \$1.04 M&O Tax Rate

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	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	\$1.040	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	2014-15	\$90,000,000	\$90,000,000	\$0	\$1.040	\$936,000	\$936,000	\$0	\$0	\$0	\$0	\$0
2	2015-16	\$120,000,000	\$120,000,000	\$0	\$1.040	\$1,248,000	\$1,248,000	\$0	\$0	\$0	\$0	\$0
3	2016-17	\$115,000,000	\$30,000,000	\$85,000,000	\$1.040	\$1,196,000	\$312,000	\$884,000	\$0	\$884,000	-\$923,545	-\$39,545
4	2017-18	\$110,250,000	\$30,000,000	\$80,250,000	\$1.040	\$1,146,600	\$312,000	\$834,600	\$222,857	\$1,057,457	\$0	\$1,057,457
5	2018-19	\$105,737,500	\$30,000,000	\$75,737,500	\$1.040	\$1,099,670	\$312,000	\$787,670	\$222,857	\$1,010,527	\$0	\$1,010,527
6	2019-20	\$101,450,625	\$30,000,000	\$71,450,625	\$1.040	\$1,055,087	\$312,000	\$743,087	\$222,857	\$965,944	\$0	\$965,944
7	2020-21	\$97,378,094	\$30,000,000	\$67,378,094	\$1.040	\$1,012,732	\$312,000	\$700,732	\$222,857	\$923,589	\$0	\$923,589
8	2021-22	\$93,509,189	\$30,000,000	\$63,509,189	\$1.040	\$972,496	\$312,000	\$660,496	\$222,857	\$883,353	\$0	\$883,353
9	2022-23	\$89,833,730	\$30,000,000	\$59,833,730	\$1.040	\$934,271	\$312,000	\$622,271	\$222,857	\$845,128	\$0	\$845,128
10	2023-24	\$86,342,043	\$30,000,000	\$56,342,043	\$1.040	\$897,957	\$312,000	\$585,957	\$222,857	\$808,814	\$0	\$808,814
11	2024-25	\$83,024,941	\$83,024,941	\$0	\$1.040	\$863,459	\$863,459	\$0	\$0	\$0	\$0	\$0
12	2025-26	\$79,873,694	\$79,873,694	\$0	\$1.040	\$830,686	\$830,686	\$0	\$0	\$0	\$0	\$0
13	2026-27	\$76,880,009	\$76,880,009	\$0	\$1.040	\$799,552	\$799,552	\$0	\$0	\$0	\$0	\$0
14	2027-28	\$74,036,009	\$74,036,009	\$0	\$1.040	\$769,974	\$769,974	\$0	\$0	\$0	\$0	\$0
15	2028-29	\$71,334,208	\$71,334,208	\$0	\$1.040	\$741,876	\$741,876	\$0	\$0	\$0	\$0	\$0
						\$14,504,360	\$8,685,548	\$5,818,812	\$1,560,000	\$7,378,812	-\$923,545	\$6,455,267

<u>Year 1</u>	<u>Year 2</u>	<u>Max Credits</u>
\$624,000	\$936,000	\$1,560,000
Credits Earned		\$1,560,000
Credits Paid		<u>\$1,560,000</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

021/Brazos

021-902/Bryan ISD

Category	Local Tax Roll Value	2012 WTD Mean Ratio	2012 PTAD Value Estimate	2012 Value Assigned
A. Single-Family Residences	2,579,641,352	.9731	2,650,951,960	2,579,641,352
B. Multi-Family Residences	446,111,547	.9632	463,155,676	446,111,547
C. Vacant Lots	123,161,291	N/A	123,161,291	123,161,291
D. Rural Real(Taxable)	422,921,303	.9772	432,770,741	422,921,303
F1. Commercial Real	842,012,080	.9943	846,839,063	842,012,080
F2. Industrial Real	134,157,240	N/A	134,157,240	134,157,240
G. Oil, Gas, Minerals	391,520,972	1.0068	388,876,611	391,520,972
J. Utilities	81,119,920	N/A	81,119,920	81,119,920
L1. Commercial Personal	446,068,850	.9734	458,258,527	446,068,850
L2. Industrial Personal	215,212,440	N/A	215,212,440	215,212,440
M. Other Personal	22,916,680	N/A	22,916,680	22,916,680
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	20,752,490	N/A	20,752,490	20,752,490

S. Special Inventory	25,711,597	N/A	25,711,597	25,711,597
Subtotal	5,751,307,762		5,863,884,236	5,751,307,762
Less Total Deductions	486,547,611		504,068,037	486,547,611
Total Taxable Value	5,264,760,151		5,359,816,199	5,264,760,151 T2

Category D Detail	Local Tax Roll	Ratio	PTAD Value
Market Value Non-Qualified Acres And Farm/Ranch Imp	400,151,448	.9619	416,001,090
Prod Value Qualified Acres	22,769,855	1.3578	16,769,651
Taxable Value	422,921,303		432,770,741

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
5,407,806,195	5,264,760,151	5,407,806,195	5,264,760,151	5,313,794,880	5,313,794,880

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
143,046,044	0

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
5,407,806,195	5,264,760,151	5,407,806,195	5,264,760,151	5,313,794,880	5,313,794,880

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

198/Robertson

021-902/Bryan ISD

Category	Local Tax Roll Value	2012 WTD Mean Ratio	2012 PTAD Value Estimate	2012 Value Assigned
A. Single-Family Residences	468,185	N/A	468,185	468,185
B. Multi-Family				

Residences	0	N/A	0	0
C. Vacant Lots	27,440	N/A	27,440	27,440
D. Rural Real(Taxable)	2,511,221	N/A	2,511,221	2,511,221
F1. Commercial Real	0	N/A	0	0
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	2,868,371	N/A	2,868,371	2,868,371
J. Utilities	218,340	N/A	218,340	218,340
L1. Commercial Personal	0	N/A	0	0
L2. Industrial Personal	0	N/A	0	0
M. Other Personal	100,978	N/A	100,978	100,978
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	6,194,535		6,194,535	6,194,535
Less Total Deductions	728,159		728,159	728,159
Total Taxable Value	5,466,376		5,466,376	5,466,376 T2

Category D Detail	Local Tax Roll	Ratio	PTAD Value
Market Value Non-Qualified Acres And Farm/Ranch Imp	2,143,165	N/A	2,143,165
Prod Value Qualified Acres	368,056	N/A	368,056
Taxable Value	2,511,221		2,511,221

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
5,625,143	5,466,376	5,625,143	5,466,376	5,466,376	5,466,376

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
158,767	0

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
5,625,143	5,466,376	5,625,143	5,466,376	5,466,376	5,466,376

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

021-902/Bryan ISD

Category	Local Tax Roll Value	2012 WTD Mean Ratio	2012 PTAD Value Estimate	2012 Value Assigned
A. Single-Family Residences	2,580,109,537	.9731	2,651,420,145	2,580,109,537
B. Multi-Family Residences	446,111,547	.9632	463,155,676	446,111,547
C. Vacant Lots	123,188,731	N/A	123,188,731	123,188,731
D. Rural Real(Taxable)	425,432,524	.9774	435,281,962	425,432,524
F1. Commercial Real	842,012,080	.9943	846,839,063	842,012,080
F2. Industrial Real	134,157,240	N/A	134,157,240	134,157,240
G. Oil, Gas, Minerals	394,389,343	1.0068	391,744,982	394,389,343
J. Utilities	81,338,260	N/A	81,338,260	81,338,260
L1. Commercial Personal	446,068,850	.9734	458,258,527	446,068,850
L2. Industrial Personal	215,212,440	N/A	215,212,440	215,212,440
M. Other Personal	23,017,658	N/A	23,017,658	23,017,658

N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	20,752,490	N/A	20,752,490	20,752,490
S. Special Inventory	25,711,597	N/A	25,711,597	25,711,597
Subtotal	5,757,502,297		5,870,078,771	5,757,502,297
Less Total Deductions	487,275,770		504,796,196	487,275,770
Total Taxable Value	5,270,226,527		5,365,282,575	5,270,226,527 T2

Category D Detail	Local Tax Roll	Ratio	PTAD Value
Market Value Non-Qualified Acres And Farm/Ranch Imp	402,294,613	.9621	418,144,255
Prod Value Qualified Acres	23,137,911	1.3501	17,137,707
Taxable Value	425,432,524		435,281,962

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

Attachment G

Participation Agreement

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

by and between

BRYAN INDEPENDENT SCHOOL DISTRICT

and

PROLAMSA, INC.

(Texas Taxpayer ID # 17604936181)

TEXAS COMPTROLLER APPLICATION NUMBER 285

Dated

November 18, 2013

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

STATE OF TEXAS §

COUNTY OF BRAZOS §

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 **BRYAN 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 **PROLAMSA, INC.**, a Delaware limited liability company (Texas Taxpayer Identification Number 17604936181), 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 April 15, 2013, the Superintendent of Schools of the Bryan Independent School District (the "Superintendent"), acting as agent of the Board of Trustees of the District (the "Board of Trustees"), received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code; and,

WHEREAS, on April 15, 2013, the Board of Trustees authorized the Superintendent to accept, on behalf of the District, the Application from Prolamsa, Inc.; and,

WHEREAS, on May 7, 2013, the Superintendent acknowledged receipt of the Application and the requisite application fee, pursuant to Texas Tax Code §313.025(a)(1) and Local District Policy CCG (Local), and determined the Application to be complete; and,

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

WHEREAS, the Comptroller established June 14, 2013 as the completed Application date; and,

WHEREAS, pursuant to 34 Texas Administrative Code § 9.1054, the Application was delivered for review to the Appraisal District established in Brazos 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 September 5, 2013, via letter, recommended that the Application be approved; and,

WHEREAS, the Comptroller conducted an economic impact evaluation pursuant to Chapter 313 of the Texas Tax Code, which was presented to the Board of Trustees at the November 18, 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 November 18, 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 November 18, 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,

WHEREAS, the Bryan Independent School District qualifies as a rural school district under the provisions of Texas Tax Code § 313.051(a)(2); and,

WHEREAS, on November 18, 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, §313.052, 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 May 14, 2013 that the Application be approved; and,

WHEREAS, on November 18, 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 November 18, 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. Except as otherwise provided herein, this Agreement will terminate, in full, on the Final Termination Date. The termination of this Agreement shall not (i) release any obligations, liabilities, rights and remedies arising out of any breach of, or failure to comply with, this Agreement occurring prior to such termination, or (ii) affect the right of a Party to enforce the payment of any amount to which such Party was entitled before such termination or to which such Party became entitled as a result of an event that occurred before such termination, so long as the right to such payment survives said termination.

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

Full Tax Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions
Partial Year (Commencing November 18, 2013)	January 1, 2013	2013-14	2013	Start of Qualifying Time Period beginning on November 18, 2013 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.
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.

Full Tax Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions
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 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 of an entity means (i) the ownership, directly or indirectly, of fifty percent (50%) or more of the voting rights in a company or other legal entity or (ii) the right to direct the management or operation of such entity whether by 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 of this Agreement, the cumulative total of the Annual Limit amount for such Tax Year and all previous years of the Agreement.

“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 \$100, or any larger amount in 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 Prolamsa, Inc., (Texas Taxpayer ID #17604936181), the company listed in the Preamble of this Agreement who, on April 15, 2013, filed with the District the Original Application for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The term “Applicant” shall also include the Applicant’s Affiliated Group, assigns and successors-in-interest, and their direct and indirect subsidiaries, and specifically includes Axis Pipe and Tube, Inc., (Texas Taxpayer ID # 32050679284) a Delaware corporation that is part of the same Affiliated Group as Applicant Prolamsa, Inc.

“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); the provisions of Chapter 403; Subchapter M, of the Texas Government Code applicable to the District; the Constitution and general laws of the State applicable to the independent school districts of the State; 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 or all of the above. The term also includes any amendments or successor statutes that may be adopted in the future which 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 April 15, 2013, which has been certified by the Comptroller to collectively constitute a complete final Application as of the date of June 14, 2013. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant to the District or the Comptroller 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 Brazos County Appraisal District.

"Board of Trustees" means the Board of Trustees of the Bryan Independent School District.

"Commencement Date" means November 18, 2013, the date upon which this Agreement was approved by the District's Board of Trustees.

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

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

"County" means Brazos County, Texas.

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

"District" or "School District" means the Bryan 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 Applicant's performance of its obligations under this Agreement.

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

"Net Tax Benefit" means, (i) the amount of maintenance and operations *ad valorem* taxes which the Applicant would have paid to the District for all Tax Years 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 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 November 18, 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 the Application, the evaluation or consideration of the Application, or this Agreement or implementation of this Agreement for Limitation of Appraised Value pursuant to Chapter 313 of the Texas Tax Code. The term includes, but is not limited to, the Application and any amendments or supplements, any economic impact evaluation made in connection with the Application, this Agreement between the Applicant and the District and any subsequent amendments or assignments, any school district written finding or report filed with the Comptroller as required by Comptroller's Rule, 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 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).

The Tax Limitation Amount set forth in the immediately preceding Subsection (b) 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.

"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 of the Texas Tax Code, which are set forth at Title 19 – Part 2, Texas Administrative Code, together with any court or administrative decisions interpreting same.

ARTICLE II

PROPERTY DESCRIPTION

Section 2.1. LOCATION WITHIN A QUALIFIED REINVESTMENT OR ENTERPRISE ZONE

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

Section 2.2. LOCATION OF QUALIFIED PROPERTY

The location of the Applicant's Qualified Property upon which the Applicant's Qualified Investment will be located is described in the legal description which is attached to this Agreement as **EXHIBIT 2**, and is incorporated herein by reference for all purposes. The Parties expressly agree that the boundaries of the Land may not be materially changed from the 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 June 14, 2013, 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 property to the limitation agreement, which request shall include a specific description of the additional property to which the Applicant requests that the limitation 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 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 Qualified Property to which the value limitation 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 the 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 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).

The Tax Limitation Amount set forth in the immediately preceding Subsection(b) 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; or for any new uncompensated operating cost incurred 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 applicable 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 tax rate actually adopted by the District 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, on account of any other factors not contained in this Agreement.

Section 3.3. COMPENSATION FOR LOSS OF OTHER REVENUES

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

- (a) All non-reimbursed costs incurred by the District in paying or otherwise crediting to the account of the Applicant, any applicable tax credit to which the Applicant may be entitled pursuant to Chapter 313, Subchapter D of the Texas Tax Code, and for which the District does not receive reimbursement from the State pursuant to Texas Education Code § 42.2515, or other similar or successor statute.
- (b) All non-reimbursed costs, certified by the District's external auditor to have been incurred by the District for extraordinary education-related expenses related to the

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) All non-reimbursed increases in District costs paid to the Appraisal District caused by increased appraised values arising solely from the project described in the Application.
- (d) Any other loss of District revenues which are, or may be attributable to the payment by the Applicant to or on behalf of 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 under this Agreement shall be initially based upon the valuations which are placed upon all taxable property in the District, including 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, or under Section 5.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's offices, personnel, books, records, and correspondence

pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation and fee for a period of five (5) years after payment. The Applicant shall not be liable for any of Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement or the fee paid by the Applicant to the Third Party pursuant to Section 3.7, if such fee is timely paid.

Section 3.7. PAYMENT BY APPLICANT

The Applicant shall pay any amount determined to be due and owing to the District under this Agreement on or before the January 31 of the year 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. In no year shall the Applicant be responsible for the payment of any total expenses under this Section and Section 3.6, above, in excess of Ten Thousand Dollars (\$10,000.00).

Section 3.8. RESOLUTION OF DISPUTES

Pursuant to Section 3.4 and Section 3.6, should the Applicant disagree with the certification containing the calculations, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days 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's Board of Trustees. 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

In the event that, at the time the Third Party selected under Section 3.4 makes its calculations under this Agreement, the Applicant has appealed the taxable values placed by the Appraisal District on the Qualified Property, and the appeal of the appraised values are unresolved, the Third Party shall base its calculations upon the values initially placed upon the Qualified Property by the Appraisal District.

In the event that the 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 a new value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations for the applicable year or years. In the event the new calculations result in the change of any amount payable by the Applicant under this Agreement, the party from whom the adjustment is payable shall remit such amounts to the counter-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, or to other governmental entities including the Appraisal District, 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 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 of the Texas Tax Code, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the obligation for 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 such limitations as are contained in Section 5.1, and that all payments under 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) unless that limit is increased by the Legislature at a future date, in which case all references to statutory limits in this Agreement will be automatically adjusted to reflect the new, higher limits, but only if, and to the extent that such increases are authorized by law.

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

In any year 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, defined as Twenty-Five Percent (25%) of the Applicant's Net Tax Benefit, as the term is defined in Section 1.3, above; or,
- (b) the Net Aggregate Limit, as the term is defined in Section 1.3, above.

Section 4.3. ANNUAL CALCULATION OF STIPULATED SUPPLEMENTAL PAYMENT AMOUNT

The Parties agree that for each Tax Year of this Agreement, beginning with the third full year (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 for such Tax Year;

Multiplied by,

The number 0.25;

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 any changes in the data.

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

For each year of this Agreement, beginning with year three (Tax Year 2016) and continuing thereafter through 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 Net Aggregate Limit, defined in Section 1.3, above.

If, for any year of this Agreement, the payment of the Applicant's Stipulated Supplemental Payment amount, calculated under sections 4.2 and 4.3, above, exceeds the Net Aggregate Limit for that year, the difference between the Stipulated Supplemental Payment amount and the Net Aggregate Limit, shall be carried forward from year-to-year into subsequent

years of this Agreement, and to the extent not limited by the Net Aggregate Limit in any subsequent year of this Agreement, shall be paid to the District.

Any Stipulated Supplemental Payment amount, which cannot be made to the District prior to the end of year thirteen (Tax Year 2026), because such payment would exceed the Net Aggregate Limit, will be deemed to have been cancelled by operation of law.

Section 4.5. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS

- (a) All calculations required by this Article, including but not limited to: (i) the calculation of the Stipulated Supplemental Payment amount; (ii) the determination of both the Annual Limit, the Aggregate Limit, and the Net Aggregate Limit; (iii) the effect, if any, of the Net Aggregate Limit upon the actual amount of Supplemental Payments eligible to be paid to the District by the Applicant; and, (iv) the carry forward and accumulation of any Stipulated Supplemental Payment amounts unpaid by the Applicant due to the Net 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 District's 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 obligations under this Article IV be made to its educational foundation, or to a similar entity. The alternative entity may only use such funds received under this Article to support the educational mission of the District and its students. Any designation of an alternative entity must be made by recorded vote of the District's Board of Trustees at a properly posted public Board meeting. 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, with respect to future payments only, by action of the District's Board of Trustees at any time.

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

ARTICLE V

ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

SECTION 5.1. ANNUAL LIMITATION AFTER FIRST THREE YEARS

Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year during the term of this Agreement beginning after the 2016 Tax Year and ending on the Final Termination Date, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles III and IV with respect to such current Tax Year and all preceding Tax Years of this Agreement, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Section 3.4 and Section 3.6, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles III and IV shall be reduced until such excess is eliminated.

Section 5.2. OPTION TO CANCEL AGREEMENT

In the event that any payment otherwise due from the Applicant to the District under Article III and/or Section 4.2 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 June 30 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. 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 timely filing of a completed tax credit 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. Notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure (as hereinafter defined), provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure; and,
- (c) it will meet 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, as of the date upon which such payments were made to the District. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV, as of the date upon which such payments were made to the District.

(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, as of the date upon which such payments were made to the District. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV, as of the date upon which such payments were made to the District. 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 representations of fact in 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 make any payment required by this Agreement, or by the State or its agencies where such payment is authorized or required by the Act or by rules adopted thereunder.
- (e) Applicant fails to create and maintain at least the number of New Jobs set forth it committed to create and maintain on Schedule C, Column C of its Application.
- (f) Applicant fails to create and maintain at least the number of Qualifying Jobs set forth it committed to create and maintain on Schedule C, Column E of its Application.
- (g) Applicant fails to create and maintain at least Eighty Percent (80%) of all New Jobs created by the Applicant on the project as Qualifying Jobs.
- (h) 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 for limitation on appraised value made pursuant to Chapter 313, Texas Tax Code, 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 consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 are not barred by this provision.
- (i) Applicant fails to comply with any other term of this Agreement, or the Applicant fails to meet its obligations under the applicable Comptroller's Rules, and under the Act, including but not limited to the filing of all required reports.

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 Breaches of this Agreement, defined 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 its non-compliance with Sections 7.6(d) and 7.6(e) or 7.6(f) for the particular Tax Year of non-compliance only, 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 that the Applicant has committed a material breach of this Agreement, such as making a 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 has otherwise committed a material breach of this Agreement as defined in Section 7.6, above, 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 it is not in material breach of its obligations under the Agreement, 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 sixty (60) 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 sixty (60) days after the Applicant's receipt of notice of the Board of Trustee's determination of 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 presiding in Brazos County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the Texas Civil Practice and

Remedies Code and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator's fees and expenses and the Applicant shall bear one-half of such mediator's fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation.

In the event that any mediation is not successful in resolving the dispute or that payment is not received before the expiration of such sixty (60) 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 lien and/or tax lien on the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Texas Tax Code § 33.07 to the attorneys representing the District pursuant to Texas Tax Code § 6.30.

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

Section 7.10. LIMITATION OF OTHER DAMAGES

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

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

Section 7.11. BINDING ON SUCCESSORS

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

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.1. INFORMATION AND NOTICES

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

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

Dr. Thomas Wallis, Superintendent
BRYAN INDEPENDENT SCHOOL DISTRICT
101 North Texas Avenue
Bryan, Texas 77803
Fax: (979) 209-1050
Email: superintendent@bryanisd.org

With a copy to:

Kevin O'Hanlon
O'Hanlon, McCollom & Demerath
808 West Avenue
Austin, Texas 78701

or at such other address or to such other facsimile and/or electronic mail 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:

Francisco Garza
General Manager
PROLAMSA, INC.
770 South Post Oak Lane, Suite 200
Houston, Texas 77056
Fax: (281) 494-0900

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 District's Board of Trustees,
- (b) The obligation to Maintain Viable Presence under this Agreement shall remain in full force and effect through the termination in full date established in Section 1.2 of this Agreement.
- (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 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.

This agreement is entered into after January 1, 2013, pursuant to an application filed under Chapter 313, Tax Code, before January 1, 2014, with the stated intent of amending this agreement after January 1, 2014, to amend the contractual commitments in this agreement related to new jobs as authorized by Section 23 of House Bill 3390 (83rd Regular). Specifically, the Parties will amend the agreement to provide that the property owner is required to create at least 10 new qualifying jobs as defined by Texas Tax Code Section 313.021(3) on the owner's qualified property, and the average weekly wage for all jobs created by the owner that are not

qualifying jobs must exceed the county average weekly wage for all jobs in the county where the jobs are located.

Section 8.4. ASSIGNMENT

Unless otherwise prohibited by law, Applicant will have the right to assign this Agreement, or a portion of this Agreement, to an Affiliate or to a company which is part of its Affiliated Group, including Axis Pipe & Tube, Inc., (Texas Taxpayer ID # 32050679284) a Delaware corporation or a new owner or lessee of all or a portion of the Applicant's Qualified Property and/or the Applicant's Qualified Investment, so long as the Applicant shall provide written notice of such assignment to the District. Upon such assignment, the Applicant's assignee will be liable to the District for outstanding taxes or other obligations arising under this Agreement. A recipient of limited value under Texas Tax Code, Chapter 313 shall notify immediately the District, the Comptroller, and the Appraisal District in writing of any change in address or other contact information for the owner of the property subject to the limitation agreement for the purposes of Texas Tax Code § 313.032. The assignee's or its reporting entity's Texas Taxpayer Identification Number shall be included in the notification.

Section 8.5. MERGER

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

Section 8.6. MAINTENANCE OF 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 Brazos 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 an 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, each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement.

Section 8.11. INTERPRETATION

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

Section 8.12. EXECUTION OF COUNTERPARTS

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

Section 8.13. ACCURACY OF REPRESENTATIONS CONTAINED IN APPLICATION

The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application. The Applicant warrants that all information, facts, and representations contained therein 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:

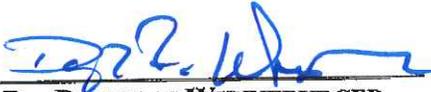
- a. Within seven days of such document, the school district shall submit a copy to the Comptroller for Publication on the Comptroller's Internet website.
- b. District shall provide on its website a link to the location of those documents posted on the Comptroller's website.
- c. This Section does not 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 18th day of November, 2013.

PROLAMSA, INC.
a Delaware limited liability company

**BRYAN INDEPENDENT SCHOOL
DISTRICT**

By: 
Authorized Representative

By: 
DR. DOUGLAS WUNNEBURGER
President
Board of Trustees

Name: FRANCISCO GARCIA

Title: GENERAL MANAGER

Attest:
By: 
FELICIA BENFORD
Secretary
Board of Trustees

EXHIBIT 1

DESCRIPTION OF QUALIFIED REINVESTMENT ZONE

A Reinvestment Zone was originally created April 26, 2013 by action of the Brazos County Commissioner's Court (the "County"). A map of the Reinvestment Zone is attached, below to this **EXHIBIT 1**.

As a result of the action of the County, the Reinvestment Zone includes real property within the boundaries of the Bryan Independent School District and Brazos County, Texas, more specifically described by the legal description also attached to this **EXHIBIT 1**.

LEGAL DESCRIPTION

TRACT 1

Being 159.047 acres, more or less, lying and being situated in the L. McLaughlin Survey, Abstract No. 38, out of and a part of a 724.32 acre tract or parcel of land, lying and being situated in the L. McLaughlin Survey, Abstract No. 38, in the W. S. Martin Survey, Abstract No. 35, in the O. Wilcox Survey, Abstract No. 234, in the M. Mitchell Survey, Abstract No. 181, and in the A. G. Gholson Survey, Abstract No. 123, Brazos County, Texas, as described in the Partition and Exchange Agreement by and between Esther Jane Grant McDougal, et vir, and Diebel Family Partners, Ltd, as recorded in Volume 2601, Page 98, of the Official Records of Brazos County, Texas AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A FOUND 1/2" IRON ROD WITH CAP #2003 MARKING THE MOST NORTHERLY CORNER OF THE SAID 724.32 ACRE TRACT;

THENCE: SOUTH 41 DEGREES 08 MINUTES 17 SECONDS WEST, WITH A NORTHWEST LINE OF THE SAID 724.32 ACRE TRACT, A DISTANCE OF 2696.93 FEET TO A FOUND 1/2" IRON ROD FOR CORNER;

THENCE: SOUTH 48 DEGREES 23 MINUTES 43 SECONDS EAST, WITH A SOUTHWEST LINE OF THE SAID 724.32 ACRE TRACT, A DISTANCE OF 924.93 FEET TO A FOUND 1/2" IRON ROD FOR CORNER;

THENCE: SOUTH 41 DEGREES 48 MINUTES 08 SECONDS WEST, WITH A NORTHWEST LINE OF THE SAID 724.32 ACRE TRACT, A DISTANCE OF 204.12 FEET TO A SET 1/2" IRON ROD WITH CAP FOR CORNER;

THENCE: SOUTH 48 DEGREES 08 MINUTES 43 SECONDS EAST, A DISTANCE OF 963.46 FEET TO A SET 1/2" IRON ROD WITH CAP FOR CORNER;

THENCE: NORTH 62 DEGREES 10 MINUTES 53 SECONDS EAST, A DISTANCE OF 3110.67 FEET TO A SET 1/2" IRON ROD WITH CAP FOR CORNER IN THE SOUTHWEST LINE OF THE UNION PACIFIC RAILROAD 100' RIGHT OF WAY;

THENCE: NORTH 48 DEGREES 24 MINUTES 53 SECONDS WEST, WITH THE SOUTHWEST LINE OF THE UNION PACIFIC RAILROAD 100' RIGHT OF WAY, A DISTANCE OF 2763.10 FEET TO A FOUND 1/2" IRON ROD WITH CAP #2003 FOR BEGINNING OF CURVE TO THE LEFT;

THENCE: AROUND SAID CURVE TO THE LEFT TO A FOUND 1/2" IRON ROD WITH CAP #2003 ON SAID CURVE HAVING A RADIUS OF 2814.93 FEET, ARC DISTANCE OF 240.12 FEET, CHORD DISTANCE OF 240.05 FEET AND CHORD BEARING OF NORTH 50 DEGREES 51 MINUTES 30 SECONDS WEST TO THE PLACE OF BEGINNING AND CONTAINING 6,928,062 SQUARE FEET OR 159.047 ACRES OF LAND.

TRACT 2

Being 24.947 acres, more or less, out of and a part of the following tracts lying and being situated in the L. McLaughlin Survey, Abstract No. 38, Brazos County, Texas:

- 1.) 100.805 acres as described in deed executed by Clara M. Konacny, et al to The City of Bryan, recorded in Volume 296, Page 216, Deed Records of Brazos County, Texas.
- 2.) 29.726 acres as described in deed executed by Esther Jane Grant McDougal to The City of Bryan, recorded in Volume 307, Page 200, Deed Records of Brazos County, Texas.
- 3.) 29.726 acres as described in deed executed by Pauline Bruce Grant to The City of Bryan, recorded in Volume 307, Page 204, Deed Records of Brazos County, Texas.

AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A FOUND 1/2" IRON ROD WITH CAP #2003 MARKING THE MOST EASTERLY CORNER OF THE SAID (3.) 29.726 ACRE TRACT RECORDED IN VOLUME 307, PAGE 204 O.R.B.C.T.;

THENCE: SOUTH 41 DEGREES 08 MINUTES 17 SECONDS WEST, WITH A SOUTHEAST LINE OF THE SAID (3.) 29.726 ACRE TRACT, A DISTANCE OF 2896.93 FEET TO A FOUND 1/2" IRON ROD FOR CORNER BEING THE SOUTHERLY CORNER OF THE SAID (2.) 29.726 ACRE TRACT RECORDED IN VOLUME 307, PAGE 200 O.R.B.C.T.;

THENCE: SOUTH 48 DEGREES 23 MINUTES 43 SECONDS EAST, WITH A NORTHEAST LINE OF THE SAID (1.) 100.805 ACRE TRACT, A DISTANCE OF 924.93 FEET TO A FOUND 1/2" IRON ROD FOR CORNER;

THENCE: SOUTH 41 DEGREES 48 MINUTES 08 SECONDS WEST, WITH A SOUTHEAST LINE OF THE SAID (1.) 100.805 ACRE TRACT, A DISTANCE OF 204.12 FEET TO A SET 1/2" IRON ROD WITH CAP FOR CORNER;

THENCE: NORTH 48 DEGREES 23 MINUTES 43 SECONDS WEST, A DISTANCE OF 1191.57 FEET TO A POINT FOR CORNER;

THENCE: NORTH 41 DEGREES 08 MINUTES 17 SECONDS EAST, A DISTANCE OF 2099.24 FEET TO A POINT FOR THE BEGINNING OF A CURVE TO THE LEFT;

THENCE: AROUND SAID CURVE TO THE LEFT TO A POINT ON SAID CURVE HAVING A RADIUS OF 470.87 FEET, ARC DISTANCE OF 336.78 FEET, CHORD DISTANCE OF 329.64 FEET AND CHORD BEARING OF NORTH 20 DEGREES 38 MINUTES 54 SECONDS EAST TO THE END OF CURVE;

THENCE: NORTH 00 DEGREES 09 MINUTES 31 SECONDS EAST, A DISTANCE OF 182.74 FEET TO A POINT FOR THE BEGINNING OF A CURVE TO THE RIGHT;

THENCE: AROUND SAID CURVE TO THE RIGHT TO A POINT ON SAID CURVE HAVING A RADIUS OF 430.04 FEET, ARC DISTANCE OF 263.14 FEET, CHORD DISTANCE OF 259.05 FEET AND CHORD BEARING OF NORTH 17 DEGREES 41 MINUTES 17 SECONDS EAST TO A CORNER IN THE SOUTHWEST LINE OF THE UNION PACIFIC RAILROAD 100' RIGHT OF WAY;

THENCE: SOUTH 65 DEGREES 41 MINUTES 36 SECONDS EAST, A DISTANCE OF 10.62 FEET TO A POINT FOR THE BEGINNING OF A CURVE TO THE RIGHT;

THENCE: AROUND SAID CURVE TO THE RIGHT TO A FOUND 1/2" IRON ROD WITH CAP #2003 ON SAID CURVE HAVING A RADIUS OF 2814.93 FEET, ARC DISTANCE OF 608.78 FEET, CHORD DISTANCE OF 607.59 FEET AND CHORD BEARING OF SOUTH 59 DEGREES 29 MINUTES 52 SECONDS EAST TO THE PLACE OF BEGINNING AND CONTAINING 1,086,681 SQUARE FEET OR 24.947 ACRES OF LAND.

EXHIBIT 2

LOCATION OF QUALIFIED INVESTMENT/QUALIFIED PROPERTY

All Qualified Property owned by Applicant and located within the boundaries of both the Bryan Independent School District and the Reinvestment Zone originally created on April 26, 2013 by action of the Commissioner's Court of Brazos County (the "County") is intended to be included in this Agreement.

A map of the Reinvestment Zone created by the County is attached to **EXHIBIT 1**. Specifically, all Qualified Property of the Applicant located within the boundaries on the map first placed in service after June 14, 2013 used in connection with the manufacturing pipe and tube facility for the production of Oil Country Tubular Goods ("OCTG"), Line Pipe tubing and HSS (Hollow Structural Section).

EXHIBIT 3

DESCRIPTION OF THE APPLICANT'S QUALIFIED INVESTMENT/QUALIFIED PROPERTY

PROLAMSA USA will establish a state of the art, fully automated and environmentally efficient pipe and tube facility for the production of Oil Country Tubular Goods ("OCTG"), Line Pipe tubing and HSS (Hollow Structural Section).

The Plant is an Electric Resistance Welded Tube Design to produce such tubular goods. Processing equipment will include Guida slitter, Oto end welders, Oto accumulators, Nakata forming mills, Thermatool high frequency welders, Thermatool seam annealers, Oto sizing mills, Oto flying cut offs, Mair end facers, Mair hydrostatic testers and NDT Ultrasonic Weldline equipment.

The facility will also produce High Strength tubes thru the quench and temper process which will include gas furnaces, testing equipment, inspection equipment and threading equipment. Such equipment vendors are not identified as yet.

Facility will build a rail spur off of Union Pacific Railway, Central Offices, parking lots, storage yard, and concrete roads. Processing equipment will be housed in large metal building exceeding 400,000 square feet.

The facility will also require an 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 including Axis Pipe & Tube, Inc., (*Texas Taxpayer ID # 32050679284*) a Delaware corporation pursuant to this Agreement.