
FINDINGS AND ORDER
OF THE
CROCKETT INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
ETC TEXAS PIPELINE, LTD
(Tax ID 10505324664)

(Application #1044)

August 17, 2015

FINDINGS OF THE CROCKETT INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY ETC TEXAS PIPELINE, LTD

COUNTY OF HOUSTON §

On November 12, 2014, the Superintendent of Schools of the Crockett Independent School District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts received an Application from ETC Texas Pipeline for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is attached as **Attachment A**.

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

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

Board Findings of the Crockett Independent School District

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code § 313.026, and a determination that the application was complete was issued on March 26, 2015. 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 Crockett Independent School District. A copy of a report prepared by Jigsaw School Finance Solutions LLC is attached to these findings as **Attachment E**.

The Board of Trustees has confirmed that the taxable value of property in the Crockett 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 submitted a proposed form of Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, in the form required by the Comptroller of Public Accounts. The proposed Agreement is attached to these findings as **Attachment G**.

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

Board Finding Number 1.

The Applicant ETC qualifies for a limitation on appraised value of Qualified Property under Section 313.024, TEXAS TAX CODE, in the eligibility category of manufacturing.

Board Finding Number 2.

ETC's entire proposed investment in the Crockett ISD is \$105,000,000, all of which is proposed to be Qualified Investment under Section 313.021, TEXAS TAX CODE.

Board Finding Number 3.

The average salary level of qualifying jobs is expected to be at least \$37,715.50 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. ETC TEXAS PIPELINE indicates that total employment will be approximately 10 new jobs, of which 10 will be qualifying jobs.

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 \$10,500,000 on the basis of the goal of 10 new qualifying positions for the entire ETC TEXAS PIPELINE project.

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

The project's total investment is \$105,000,000, resulting in a relative level of investment per qualifying job of \$10,500,000.

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 2 depicts this project's estimated direct, indirect and induced effects on employment and personal income within the state based on 15 years of annual investment and employment levels:

Table 2: Estimated Statewide Economic Impact of ETC TEXAS PIPELINE (modeled):

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2015	175	199	374	\$6,600,248	\$15,399,753	\$22,000,000
2016	10	58	68	\$377,157	\$5,622,843	\$6,000,000
2017	10	49	59	\$377,157	\$5,622,843	\$6,000,000
2018	10	43	53	\$377,157	\$4,622,843	\$5,000,000
2019	10	39	49	\$377,157	\$4,622,843	\$5,000,000
2020	10	33	43	\$377,157	\$4,622,843	\$5,000,000
2021	10	29	39	\$377,157	\$4,622,843	\$5,000,000
2022	10	27	37	\$377,157	\$4,622,843	\$5,000,000
2023	10	31	41	\$377,157	\$4,622,843	\$5,000,000
2024	10	37	47	\$377,157	\$4,622,843	\$5,000,000
2025	10	31	41	\$377,157	\$4,622,843	\$5,000,000
2026	10	35	45	\$377,157	\$4,622,843	\$5,000,000
2027	10	35	45	\$377,157	\$4,622,843	\$5,000,000

Board Findings of the Crockett Independent School District

2028	10	37	47	\$377,157	\$5,622,843	\$6,000,000
2029	10	39	49	\$377,157	\$5,622,843	\$6,000,000
2030	10	33	43	\$377,157	\$6,622,843	\$7,000,000

Source: CPA, REMI, ETC Texas Pipeline, LTD

Table 4 examines the estimated direct impact on ad valorem taxes to the school district, Houston County and Houston County Hospital District, and Houston County Emergency Services District #2 with all property tax incentives sought being granted using estimated market value from ETC Texas Pipeline's application. ETC Texas Pipeline has applied for both a value limitation under Chapter 313, Tax Code and tax abatements with the county. The difference noted in the last line is the difference between the totals in Table 3 and Table 4:

Table 4 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	Crockett ISD I&S Levy	Crockett ISD M&O Levy	Crockett ISD M&O and I&S Tax Levies	Houston County	Houston County Hospital District	Houston County Emergency Services District #2	Estimated Total Property Taxes
2016	\$ 90,000,000	\$20,000,000	0.21	\$189,000	\$1,0400	\$397,000	\$209,250	\$27,000	\$58,977	\$606,250
2017	\$ 86,400,000	\$20,000,000		\$181,440	\$208,000	\$389,440	\$200,880	\$25,920	\$56,618	\$590,320
2018	\$ 82,800,000	\$20,000,000		\$173,880	\$208,000	\$381,880	\$192,510	\$24,840	\$54,259	\$574,390
2019	\$ 79,200,000	\$20,000,000		\$166,320	\$208,000	\$374,320	\$184,140	\$23,760	\$51,900	\$558,460
2020	\$ 75,600,000	\$20,000,000		\$158,760	\$208,000	\$366,760	\$175,770	\$22,680	\$49,541	\$542,530
2021	\$ 72,000,000	\$20,000,000		\$151,200	\$208,000	\$359,200	\$334,800	\$21,600	\$47,182	\$694,000
2022	\$ 68,400,000	\$20,000,000		\$143,640	\$208,000	\$351,640	\$318,060	\$20,520	\$44,823	\$669,700
2023	\$ 64,800,000	\$20,000,000		\$136,080	\$208,000	\$344,080	\$301,320	\$19,440	\$42,463	\$645,400
2024	\$ 61,200,000	\$20,000,000		\$128,520	\$208,000	\$336,520	\$284,580	\$18,360	\$40,104	\$621,100
2025	\$ 57,600,000	\$20,000,000		\$120,960	\$208,000	\$328,960	\$267,840	\$17,280	\$37,745	\$596,800
2026	\$ 54,000,000	\$54,000,000		\$113,400	\$561,600	\$675,000	\$251,100	\$16,200	\$35,386	\$926,100
2027	\$ 50,400,000	\$50,400,000		\$105,840	\$524,160	\$630,000	\$234,360	\$15,120	\$33,027	\$864,360
2028	\$ 46,800,000	\$46,800,000		\$98,280	\$486,720	\$585,000	\$217,620	\$14,040	\$30,668	\$802,620
2029	\$ 43,200,000	\$43,200,000		\$90,720	\$449,280	\$540,000	\$200,880	\$12,960	\$28,309	\$740,880
2030	\$ 39,600,000	\$39,600,000		\$83,160	\$411,840	\$495,000	\$184,140	\$11,880	\$25,950	\$679,140
			Total	\$2,041,200	\$ 4,513,601	\$ 6,554,800	\$ 3,557,250	\$291,600	\$ 636,952	\$ 10,112,050
			Difference	\$ -	\$ 5,595,199	\$ 5,595,200	\$ 962,550	\$ -	\$ (0)	\$ 6,557,750

Table 3 illustrates the estimated tax impact of the ETC TEXAS PIPELINE project on the region if all taxes are assessed:

Board Findings of the Crockett Independent School District

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate ¹	Crockett ISD I&S Levy	Crockett ISD M&O Levy	Crockett ISD M&O and I&S Tax Levies	Houston County	Houston County Hospital District	Houston County Emergency Services District #2	Estimated Total Property Taxes
				0.21	1.0400		0.465	0.030000	0.065530	
2016	\$ 90,000,000	\$90,000,000		\$189,000	\$936,000	\$1,125,000	\$418,500	\$27,000	\$58,977	\$1,543,500
2017	\$ 86,400,000	\$86,400,000		\$181,440	\$898,560	\$1,080,000	\$401,760	\$25,920	\$56,618	\$1,481,760
2018	\$ 82,800,000	\$82,800,000		\$173,880	\$861,120	\$1,035,000	\$385,020	\$24,840	\$54,259	\$1,420,020
2019	\$ 79,200,000	\$79,200,000		\$166,320	\$823,680	\$990,000	\$368,280	\$23,760	\$51,900	\$1,358,280
2020	\$ 75,600,000	\$75,600,000		\$158,760	\$786,240	\$945,000	\$351,540	\$22,680	\$49,541	\$1,296,540
2021	\$ 72,000,000	\$72,000,000		\$151,200	\$748,800	\$900,000	\$334,800	\$21,600	\$47,182	\$1,234,800
2022	\$ 68,400,000	\$68,400,000		\$143,640	\$711,360	\$855,000	\$318,060	\$20,520	\$44,823	\$1,173,060
2023	\$ 64,800,000	\$64,800,000		\$136,080	\$673,920	\$810,000	\$301,320	\$19,440	\$42,463	\$1,111,320
2024	\$ 61,200,000	\$61,200,000		\$128,520	\$636,480	\$765,000	\$284,580	\$18,360	\$40,104	\$1,049,580
2025	\$ 57,600,000	\$57,600,000		\$120,960	\$599,040	\$720,000	\$267,840	\$17,280	\$37,745	\$987,840
2026	\$ 54,000,000	\$54,000,000		\$113,400	\$561,600	\$675,000	\$251,100	\$16,200	\$35,386	\$926,100
2027	\$ 50,400,000	\$50,400,000		\$105,840	\$524,160	\$630,000	\$234,360	\$15,120	\$33,027	\$864,360
2028	\$ 46,800,000	\$46,800,000		\$98,280	\$486,720	\$585,000	\$217,620	\$14,040	\$30,668	\$802,620
2029	\$ 43,200,000	\$43,200,000		\$90,720	\$449,280	\$540,000	\$200,880	\$12,960	\$28,309	\$740,880
2030	\$ 39,600,000	\$39,600,000		\$83,160	\$411,840	\$495,000	\$184,140	\$11,880	\$25,950	\$679,140
			Total	\$2,041,200	\$10,108,800	\$12,150,000	\$4,519,800	\$291,600	\$636,952	\$16,669,800

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.

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 project.

Board Finding Number 8.

The ETC Texas Pipeline, LTD (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This finding is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

In support of Finding No. 8, Attachment B of the economic impact study contains a year-by-year analysis as follows:

Board Findings of the Crockett Independent School District

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2013	\$0	\$0	\$0	\$0
	2014	\$0	\$0	\$0	\$0
	2015	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2016	\$208,000	\$208,000	\$728,000	\$728,000
	2017	\$208,000	\$416,000	\$690,560	\$1,418,560
	2018	\$208,000	\$624,000	\$653,120	\$2,071,680
	2019	\$208,000	\$832,000	\$615,680	\$2,687,360
	2020	\$208,000	\$1,040,000	\$578,240	\$3,265,600
	2021	\$208,000	\$1,248,000	\$540,800	\$3,806,400
	2022	\$208,000	\$1,456,000	\$503,360	\$4,309,760
	2023	\$208,000	\$1,664,000	\$465,920	\$4,775,680
	2024	\$208,000	\$1,872,000	\$428,480	\$5,204,160
	2025	\$208,000	\$2,080,000	\$391,040	\$5,595,200
Maintain Viable Presence (5 Years)	2026	\$561,600	\$2,641,600	\$0	\$5,595,200
	2027	\$524,160	\$3,165,760	\$0	\$5,595,200
	2028	\$486,720	\$3,652,480	\$0	\$5,595,200
	2029	\$449,280	\$4,101,760	\$0	\$5,595,200
	2030	\$411,840	\$4,513,600	\$0	\$5,595,200
Additional Years as Required by 313.026(c)(1) (10 Years)	2031	\$374,400	\$4,888,000	\$0	\$5,595,200
	2032	\$336,960	\$5,224,960	\$0	\$5,595,200
	2033	\$299,520	\$5,524,480	\$0	\$5,595,200
	2034	\$262,080	\$5,786,560	\$0	\$5,595,200
	2035	\$234,000	\$6,020,560	\$0	\$5,595,200
	2036	\$234,000	\$6,254,560	\$0	\$5,595,200
	2037	\$234,000	\$6,488,560	\$0	\$5,595,200
	2038	\$234,000	\$6,722,560	\$0	\$5,595,200
	2039	\$234,000	\$6,956,560	\$0	\$5,595,200
	2040	\$234,000	\$7,190,560	\$0	\$5,595,200

\$7,190,560

is greater than

\$5,595,200

Analysis Summary	
Is the project reasonably likely to generate M&O tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?	Yes

Source: CPA, ETC Texas Pipeline, LTD

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.

Board Finding Number 9.

The limitation on appraised value requested by the applicant is a determining factor in the applicant's decision to invest capital and construct the project in this state.

Board Finding Number 10.

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 Findings No. 10 and No. 11, Attachment C of the economic impact study states:

The Comptroller has determined that the limitation on appraised value is a determining factor in the ETC Texas Pipeline, LTD's decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per the applicant, it currently owns the land on which the proposed project will occur, but it doesn't have currently business activities at the location where the proposed project will occur.
- Staff research discovered a press release by the applicant announcing an "Ease Texas Plant" which fits the description presented in the application. The announced East Texas Plant and the Alamo Plant in the application both have the same capacity, same construction time line, and are both located in the east Texas region.
- In response to staff's inquiry regarding the similarities between the two plants mentioned above, the applicant stated that "The term "East Texas Plant" refers instead to the generic possibility of building the same or a similar plant in any of several possible locations within greater East Texas. The company has not committed to pursuing any such plant or location at this point." The applicant also stated "As the primary available property tax incentive in Texas, a 313 agreement is vital to the Alamo Plant's economics just as potential customer response will be. Both factors will be considered before any determination is made. Moreover, six other potential projects are presently competing for the same capital expenditures by our company, including two possible plants in Louisiana that would be eligible for a 10-year, 100% property tax abatement under that state's Industrial Tax Exemption program (and for state sales tax incentives). Other competing projects are also under review that would be located in New Mexico or Oklahoma, the latter of which state has also offered manufacturing exemptions."
- Per the applicant, it is "a leading midstream energy company whose primary activities include gathering, treating, processing and transporting natural gas and natural gas liquids to a variety of markets and states. Energy Transfer currently operates over 17,500 miles of pipeline, 4 gas processing plants, 17 gas treating facilities and 10 gas conditioning plants. Locations for these operations included Arizona, New Mexico, Utah, Colorado, Kansas, Oklahoma, Texas, Arkansas and Louisiana. However, ETC could redirect it expenditures to build plants in other Texas Counties or the following states.

Kansas
Louisiana
New Mexico
Oklahoma

Supporting Information

Board Findings of the Crockett Independent School District

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

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.

Board Finding Number 11.

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

Board Finding Number 12.

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

Board Finding Number 13.

The Applicant (Taxpayer Id. 10505324664) 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 14.

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.

Board Finding Number 15.

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.

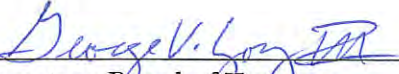
It is therefore **ORDERED** that the Agreement attached hereto as **Attachment G** is approved and hereby authorized to be executed and delivered by and on behalf of the Crockett Independent School District. It is further **ORDERED** that these findings and the Attachments referred to herein be attached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

Board Findings of the Crockett Independent School District

CROCKETT INDEPENDENT SCHOOL DISTRICT

By: 
President, Board of Trustees

ATTEST:

By: 
Secretary, Board of Trustees

**RESOLUTION OF THE BOARD OF TRUSTEES
CROCKETT INDEPENDENT SCHOOL DISTRICT
ADOPTING FINDINGS AND ORDER ON ETC TEXAS PIPELINE
APPLICATION**

Upon motion by Roy E. Johnson, duly seconded by
Dr. John Garner, it is resolved by the board of trustees of Crockett
Independent School District as follows:

1. The Findings and Order of the Crockett Independent School District Board of Trustees under the Texas Economic Development Act on the Application Submitted by ETC Texas Pipeline, LTD (Texas Comptroller File #1044) attached and made a part hereof as Exhibit A are APPROVED and ADOPTED.

2. The President of the Board of Trustees is AUTHORIZED and DIRECTED to implement the same forthwith.

3. This resolution and the findings and order it adopts are made a part of the minutes of the board meeting at which they are passed.

MOVED, PASSED, and ENTERED this the 17th day of August, 2015.



Lela Wheeler
President, Board of Trustees
Crockett Independent School District

ATTEST:



Karen Johnson
Secretary, Board of Trustees
Crockett Independent School District

Findings and Order of the Crockett Independent School District Board of Trustees
under the Texas Economic Development Act on the Application Submitted by
ETC Texas Pipeline, LTD (Tax ID 10505324664) (Application #1044)

ATTACHMENT A
Application of ETC Texas Pipeline, Ltd.

November 4, 2014

Crockett ISD
Mr. Terry Myers
1400 West Austin
Crockett, Texas 75835

RE: Application for Section 313 – Value Limitation Agreement

ETC Texas Pipeline, LTD is considering plans to build a cryogenic gas facility for the manufacture of industrial gases in Houston County, within the Crockett Independent School District. This will be a 200mmcf/d gas processing plant. The estimated investment for this project will be approximately \$105mm with estimated completion December 2015.

The positive economic impact stretches beyond the investment by providing a number of jobs during the construction phase, and at least 10 full time local jobs once construction is complete.

ETC Texas Pipeline, LTD is committed to the growth and welfare of the community. We believe our investment in Houston County/Crockett ISD affirms our dedication to maintaining a considerable presence in the area.

Attached is our application for property tax limitation. We respectfully request this 10 year limitation under The Appraised Value Limitation on Qualified Property (Chapter 313 of the Texas Tax Code). Please feel free to contact me if you have any questions. I can be reached via telephone 469-298-1594 or by email mfry@keatax.com.

Sincerely,



Mike Fry

TAB 01

Application



Application for Appraised Value Limitation on Qualified Property (Tax Code, Chapter 313, Subchapter B or C)

Economic Development
and Analysis

Form 50-296-A

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 hard copy of the completed application to the Comptroller in a three-ring binder with tabs, as indicated on page 9 of this application, 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 website. 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. For more information, see guidelines on Comptroller's website.

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. Pursuant to 9.1053(a)(1)(C), requested information shall be provided within 20 days of the date of the request. 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, issue a certificate for a limitation on appraised value 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 not later than the 150th 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 issue a certificate, complete the economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's website to find out more about the program at www.texasahead.org/tax_programs/chapter313/. There are links to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

SECTION 1: School District Information

1. Authorized School District Representative

Date Application Received by District

Terry

Myers

First Name

Last Name

Superintendent

Title

Crockett ISD

School District Name

1400 W Austin St.

Street Address

1400 W Austin St.

Mailing Address

Crockett

TX

75835

City

State

ZIP

936-544-2125

936-544-5727

Phone Number

Fax Number

terry.myers@crockettisd.net

Mobile Number (optional)

Email Address

2. Does the district authorize the consultant to provide and obtain information related to this application?

☐

Yes

☐

No

The Economic Development and Analysis Division at the Texas Comptroller of Public Accounts provides information and resources for taxpayers and local taxing entities.

For more information, visit our website:
www.TexasAhead.org/tax_programs/chapter313/

50-296-A • 05-14/2

Application for Appraised Value Limitation on Qualified Property

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

Sara

First Name

Attorney

Title

Powell & Leon LLP

Firm Name

512-494-1177

Phone Number

Leon

Last Name

512-494-1188

Fax Number

sleon@powell-leon.com

Email Address

Mobile Number (optional)

4. On what date did the district determine this application complete?

5. Has the district determined that the electronic copy and hard copy are identical? ☐ Yes ☐ No

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

Megan

First Name

Assistant Controller

Title

800 E. Sonterra Blvd., Suite 400

Street Address

800 E. Sonterra Blvd., Suite 400

Mailing Address

San Antonio

City

210-572-0457

Phone Number

McKavanagh

Last Name

Energy Transfer Partners, L.P.

Organization

Texas

State

210-403-6664

Fax Number

megan.mckavanagh@energytransfer.com

Business Email Address

78258-3941

ZIP

2. Will a company official other than the authorized company representative be responsible for responding to future information requests?

☐ Yes ☒ No

2a. 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)

Business Email Address

3. Does the applicant authorize the consultant to provide and obtain information related to this application? ☒ Yes ☐ No

For more information, visit our website: www.TexasAhead.org/tax_programs/chapter313/

Application for Appraised Value Limitation on Qualified Property



SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

Mike Fry
 First Name Last Name
 Authorized Agent
 Title
 K E Andrews 1900 Dalrock Road; Rowlett, Texas 75088
 Firm Name
 469-298-1594 469-298-1619
 Phone Number Fax Number
 mfry@keatax.com
 Business Email Address

SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district? ☒ Yes ☐ No

The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.

1a. If yes, attach in **Tab 2** proof of application fee paid to the school district.

For the purpose of questions 2 and 3, "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.

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

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? ETC Texas Pipeline, LTD
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 10505324664
3. List the NAICS code 325110
4. Is the applicant a party to any other pending or active Chapter 313 agreements? ☒ Yes ☐ No
- 4a. If yes, please list application number, name of school district and year of agreement
 Ganado ISD #225, Glasscock ISD #379 and Kenedy ISD #234;

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) Texas Limited Partnership
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? ☒ Yes ☐ No
- 2a. If yes, attach in **Tab 3** a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.
3. Is the applicant current on all tax payments due to the State of Texas? ☒ Yes ☐ No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? ☒ Yes ☐ No ☐ N/A
5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (If necessary, attach explanation in **Tab 3**)

Application for Appraised Value Limitation on Qualified Property

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? ☒ Yes ☐ No
2. The property will be used for one of the following activities:
 - (1) manufacturing ☒ Yes ☐ No
 - (2) research and development ☐ Yes ☒ No
 - (3) a clean coal project, as defined by Section 5.001, Water Code ☐ Yes ☒ No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code ☐ Yes ☒ No
 - (5) renewable energy electric generation ☐ Yes ☒ No
 - (6) electric power generation using integrated gasification combined cycle technology ☐ Yes ☒ No
 - (7) nuclear electric power generation ☐ Yes ☒ No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) ☐ Yes ☒ No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 ☐ Yes ☒ No
3. Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☒ No
4. Will any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☒ No
5. Will any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☒ No
6. Are you including property that is owned by a person other than the applicant? ☐ Yes ☒ No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? ☐ Yes ☒ No

SECTION 7: Project Description

1. In **Tab 4**, attach 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.
2. Check the project characteristics that apply to the proposed project:

☒ Land has no existing improvements	☐ Land has existing improvements (<i>complete Section 13</i>)
☐ Expansion of existing operation on the land (<i>complete Section 13</i>)	☐ Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? ☒ Yes ☐ No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? ☐ Yes ☒ No
3. Does the applicant have current business activities at the location where the proposed project will occur? ☐ Yes ☒ No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? ☐ Yes ☒ No
5. Has the applicant received any local or state permits for activities on the proposed project site? ☐ Yes ☒ No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? ☐ Yes ☒ No
7. Is the applicant evaluating other locations not in Texas for the proposed project? ☒ Yes ☐ No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? ☐ Yes ☒ No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? ☐ Yes ☒ No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? ☒ Yes ☐ No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

For more information, visit our website: www.TexasAhead.org/tax_programs/chapter313/

Application for Appraised Value Limitation on Qualified Property



SECTION 9: Projected Timeline

1. Application approval by school board February 2015
 2. Commencement of construction June 2015
 3. Beginning of qualifying time period January 2016
 4. First year of limitation 2016
 5. Begin hiring new employees July 2015
 6. Commencement of commercial operations December 2015
 7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? ☒ Yes ☐ No
- Note:** Improvements made before that time may not be considered qualified property.
8. When do you anticipate the new buildings or improvements will be placed in service? December 2015

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Houston County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Houston County CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☒ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:

County: <u>Houston County, .465 -100%</u> (Name, tax rate and percent of project)	City: <u>N/A</u> (Name, tax rate and percent of project)
Hospital District: <u>Houston Co Hospital, .0300- 100%</u> (Name, tax rate and percent of project)	Water District: (Name, tax rate and percent of project)
Other (describe): <u>Emergency SD #2, .06553- 100%</u> (Name, tax rate and percent of project)	Other (describe): (Name, tax rate and percent of project)
5. Is the project located entirely within the ISD listed in Section 1? ☒ Yes ☐ No
 - 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? ☐ Yes ☒ No
 - 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: 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 Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at www.texasahead.org/tax_programs/chapter313/.

1. At the time of application, what is the estimated minimum qualified investment required for this school district? 20,000,000.00
 2. What is the amount of appraised value limitation for which you are applying? 20,000,000.00
- Note:** The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? ☒ Yes ☐ No
 4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. 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 (**Tab 7**);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
 - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).
 5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? ☒ Yes ☐ No

For more information, visit our website: www.TexasAhead.org/tax_programs/chapter313/

Application for Appraised Value Limitation on Qualified Property

SECTION 12: Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
 - 1a. 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 (Tab 8);
 - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (Tab 8); and
 - 1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (Tab 11).
2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? ☐ Yes ☒ No
 - 2a. If yes, attach complete documentation including:
 - a. legal description of the land (Tab 9);
 - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (Tab 9);
 - c. owner (Tab 9);
 - d. the current taxable value of the land. Attach estimate if land is part of larger parcel (Tab 9); and
 - e. a detailed map showing the location of the land with vicinity map (Tab 11).
3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? ☐ Yes ☒ No
 - 3a. If yes, attach the applicable supporting documentation:
 - a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (Tab 16);
 - b. legal description of reinvestment zone (Tab 16);
 - c. order, resolution or ordinance establishing the reinvestment zone (Tab 16);
 - d. guidelines and criteria for creating the zone (Tab 16); and
 - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (Tab 11)
 - 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? March 2015

SECTION 13: Information on Property Not Eligible to Become Qualified Property

1. In Tab 10, attach a specific and detailed description of all **existing property**. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In Tab 10, attach a specific and detailed description of all **proposed new property that will not become new improvements** as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following supporting information in Tab 10:
 - a. maps and/or detailed site plan;
 - b. surveys;
 - c. appraisal district values and parcel numbers;
 - d. inventory lists;
 - e. existing and proposed property lists;
 - f. model and serial numbers of existing property; or
 - g. other information of sufficient detail and description.
4. Total estimated market value of existing property (that property described in response to question 1): \$ 0.00
5. In Tab 10, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property (that property described in response to question 2): \$ 0.00

Note: Investment for the property listed in question 2 may count towards qualified investment in Column C of Schedules A-1 and A-2, if it meets the requirements of §313.021(1). Such property cannot become qualified property on Schedule B.

Application for Appraised Value Limitation on Qualified Property



SECTION 14: Wage and Employment Information

1. 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
2. What is the last complete calendar quarter before application review start date:
☐ First Quarter ☐ Second Quarter ☒ Third Quarter ☐ Fourth Quarter of 2014
(year)
3. 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 Texas Workforce Commission (TWC)? 0
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 10
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? ☐ Yes ☒ No
 - 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. 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(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 931.00
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 1,318.63
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 725.30
8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? ☐ §313.021(5)(A) or ☒ §313.021(5)(B)
9. What is the minimum required annual wage for each qualifying job based on the qualified property? 37,715.70
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 37,715.70
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? ☒ Yes ☐ No
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? ☐ Yes ☒ No
 - 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? ☐ Yes ☒ No
 - 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, C, and D in **Tab 14**. Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.
2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in **Tab 15**. (*not required*)
3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.

Application for Appraised Value Limitation on Qualified Property

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in Tab 17. NOTE: If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

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.

print
here →

Terry Myers
Print Name (Authorized School District Representative)

Superintendent
Title

sign
here →

Terry Myers
Signature (Authorized School District Representative)

11/17/14
Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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 and schedules 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.

print
here →

Megan McKavanagh
Print Name (Authorized Company Representative (Applicant))

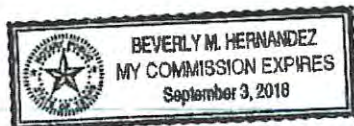
Property Tax Manager
Title

sign
here →

Megan McKavanagh
Signature (Authorized Company Representative (Applicant))

Date

10 to 2014



(Notary Seal)

GIVEN under my hand and seal of office this, the

6 day of October, 2014
Beverly M. Hernandez
Notary Public in and for the State of Texas
My Commission expires: 9.3.2018

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 Section 37.10.

TAB 02

Proof of Payment of Application Fee

TAB 03

Documentation of Combined Group Membership

**Documentation of combined
group received by the
Texas Comptroller
of Public Accounts**

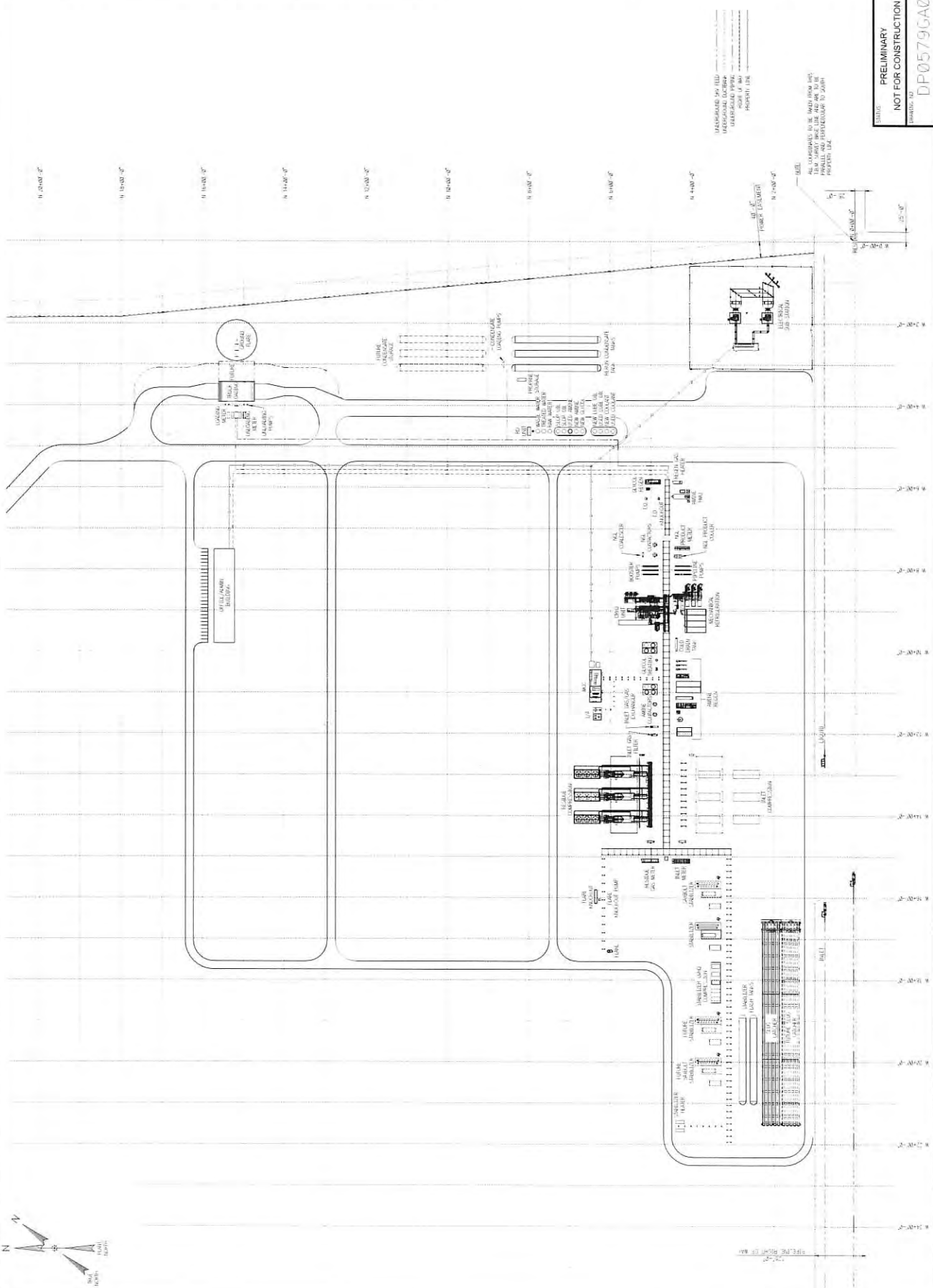
TAB 04

Detailed Description of Project

10	10/10/10	10/10/10	10/10/10
11	11/11/11	11/11/11	11/11/11
12	12/12/12	12/12/12	12/12/12
13	13/13/13	13/13/13	13/13/13
14	14/14/14	14/14/14	14/14/14
15	15/15/15	15/15/15	15/15/15
16	16/16/16	16/16/16	16/16/16
17	17/17/17	17/17/17	17/17/17
18	18/18/18	18/18/18	18/18/18
19	19/19/19	19/19/19	19/19/19
20	20/20/20	20/20/20	20/20/20

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CONFIDENTIALITY STATEMENT



DETAILED PROJECT DESCRIPTION OF QUALIFIED INVESTMENT
CROCKETT INDEPENDENT SCHOOL DISTRICT

ETC Texas Pipeline, LTD (or “the Company”) is a leading midstream energy company whose primary activities include gathering, treating, processing and transporting natural gas and natural gas liquids to a variety of markets and states. Energy Transfer currently operates over 17,500 miles of pipeline, 4 gas processing plants, 17 gas treating facilities and 10 gas conditioning plants. Locations for these operations included Arizona, New Mexico, Utah, Colorado, Kansas, Oklahoma, Texas, Arkansas and Louisiana.

However, ETC could redirect its expenditures to build plants in other Texas Counties or the following states.

Kansas
Louisiana
New Mexico
Oklahoma

Proposed Project Description

ETC Texas Pipeline, LTD proposes to build a new 200 mmscf/d Gas Processing Plant in Crockett ISD/Houston County, Texas. Projected timeline for ETC to start construction is June of 2015 and start hiring the new employees in July of 2015. This should allow for completion and commencement of commercial operations to start in December of 2015.

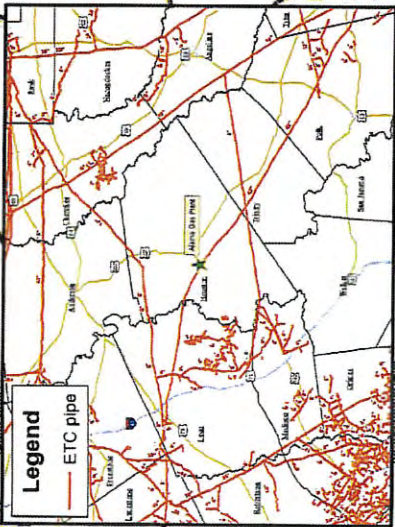
Cryogenic Natural Gas Processing Plant

The Alamo Plant would include the installation of a refrigerated cryogenic gas plant. If completed, the Alamo Gas Processing Plant will be designed to process 200mmcf/d of gas and would include the following components, providing long-term processing, compression and residue gas takeaway:

- Buildings, Foundations, Inlet Separator, Amine Unit, Boilers, Heat Exchangers, Natural Gas/Air/H₂O Piping, Control
- Valves, Dehydration Units, Knock Out Drums, Slug Catcher, Compressors, Vessels, Heat Exchanger, SCADA plus Controls.
- ENVIRONMENTAL: (A) Flare-Stack, Scrubber, Leak Detection; (L) Liners, Containment.

Alamo Gas Plant - Houston County

Legend
— ETC pipe



Legend

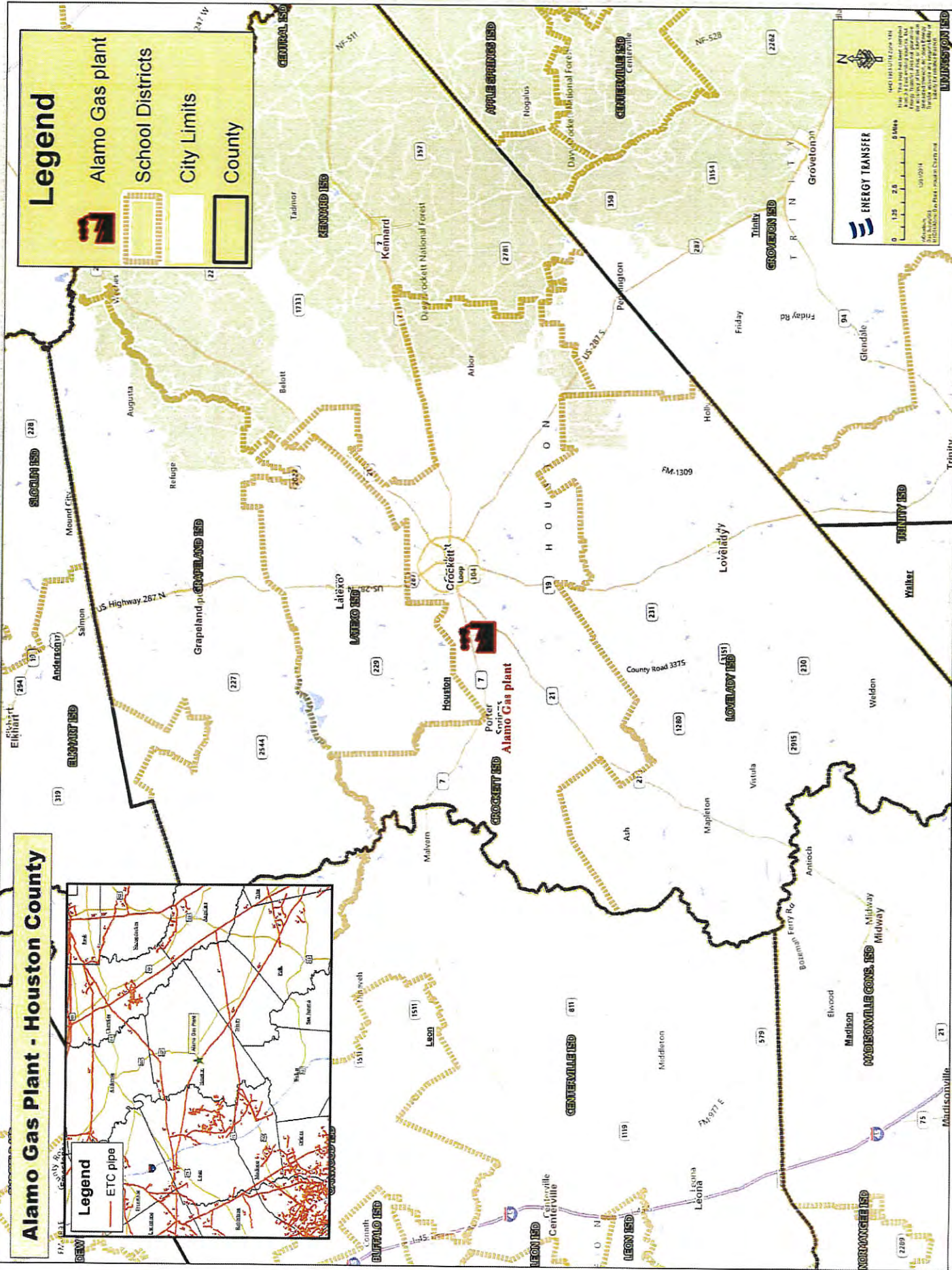
Alamo Gas plant

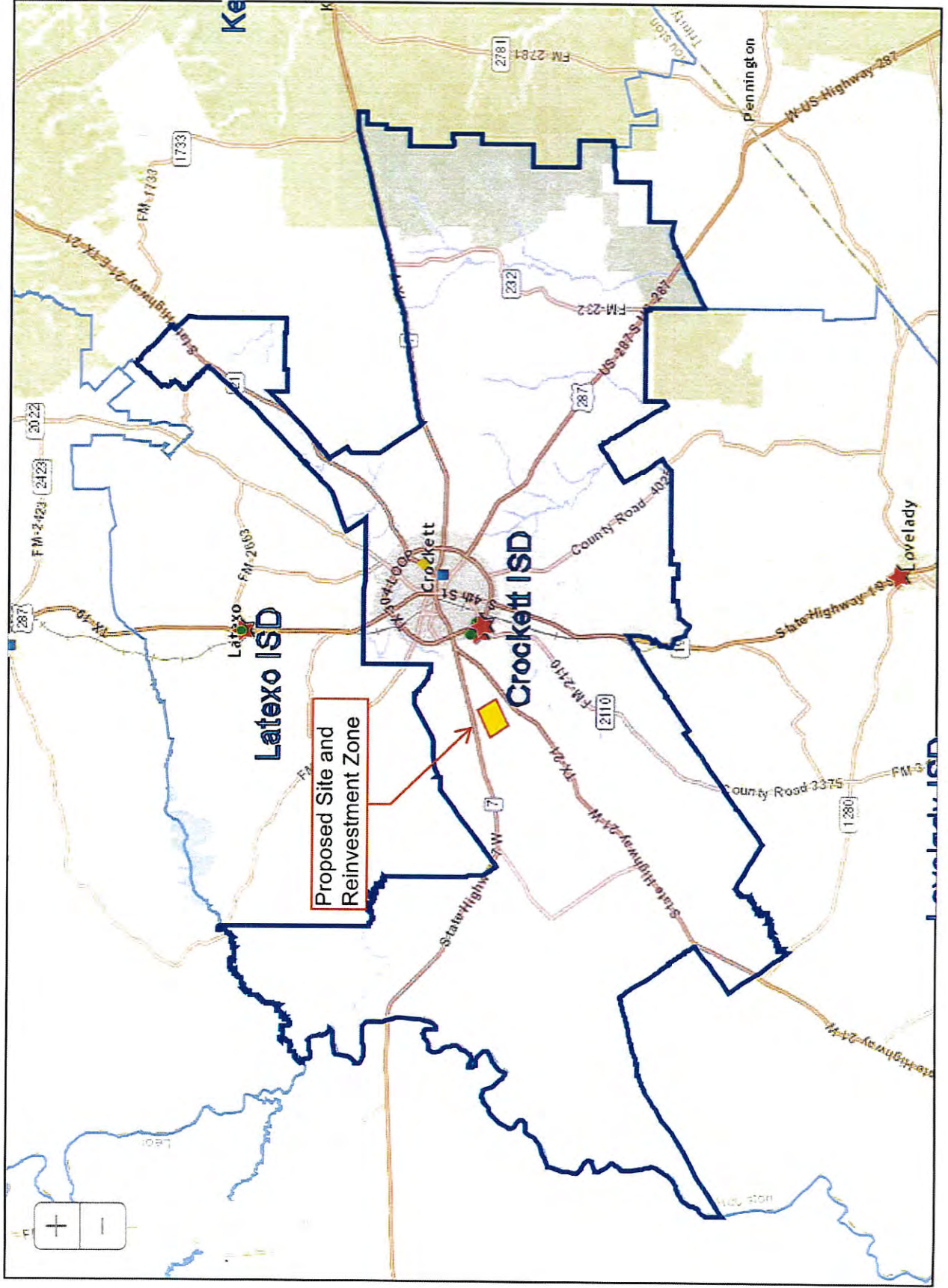


School Districts

City Limits

County





Alamo Gas Plant - Houston County Aerial

Legend

— Energy Transfer Pipelines



NAD 1983 UTM Zone 15N

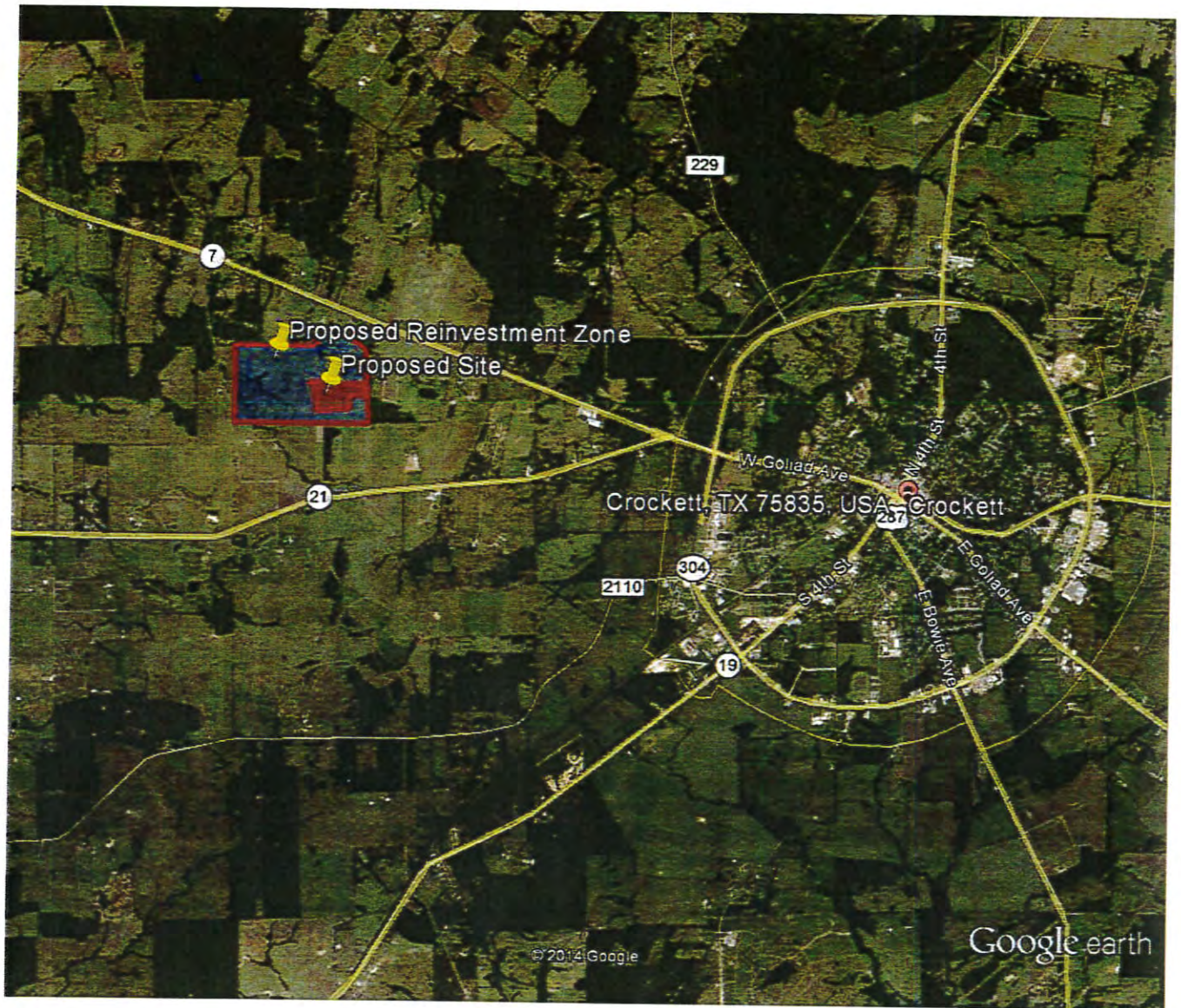
Note: This map has been compiled from data from various sources, but the accuracy of the map is not guaranteed. The map is for informational purposes only and should not be used for legal or financial decisions. The map is not a warranty or representation of the accuracy of the map. The map is for informational purposes only and should not be used for legal or financial decisions.

0 125 250 500 Feet

1001/2014

Gas Supply/CIS

MDU/Memo Gas Plant - Houston County Aerial.mxd



Google earth

miles
km





Google earth



TAB 05

Limitation as Determining Factor

Ability to locate or relocate:

ETC Texas Pipeline, LTD (or "the Company") is a leading midstream energy company whose primary activities include gathering, treating, processing and transporting natural gas and natural gas liquids to a variety of markets and states. Energy Transfer currently operates over 17,500 miles of pipeline, 4 gas processing plants, 17 gas treating facilities and 10 gas conditioning plants. Locations for these operations included Arizona, New Mexico, Utah, Colorado, Kansas, Oklahoma, Texas, Arkansas and Louisiana.

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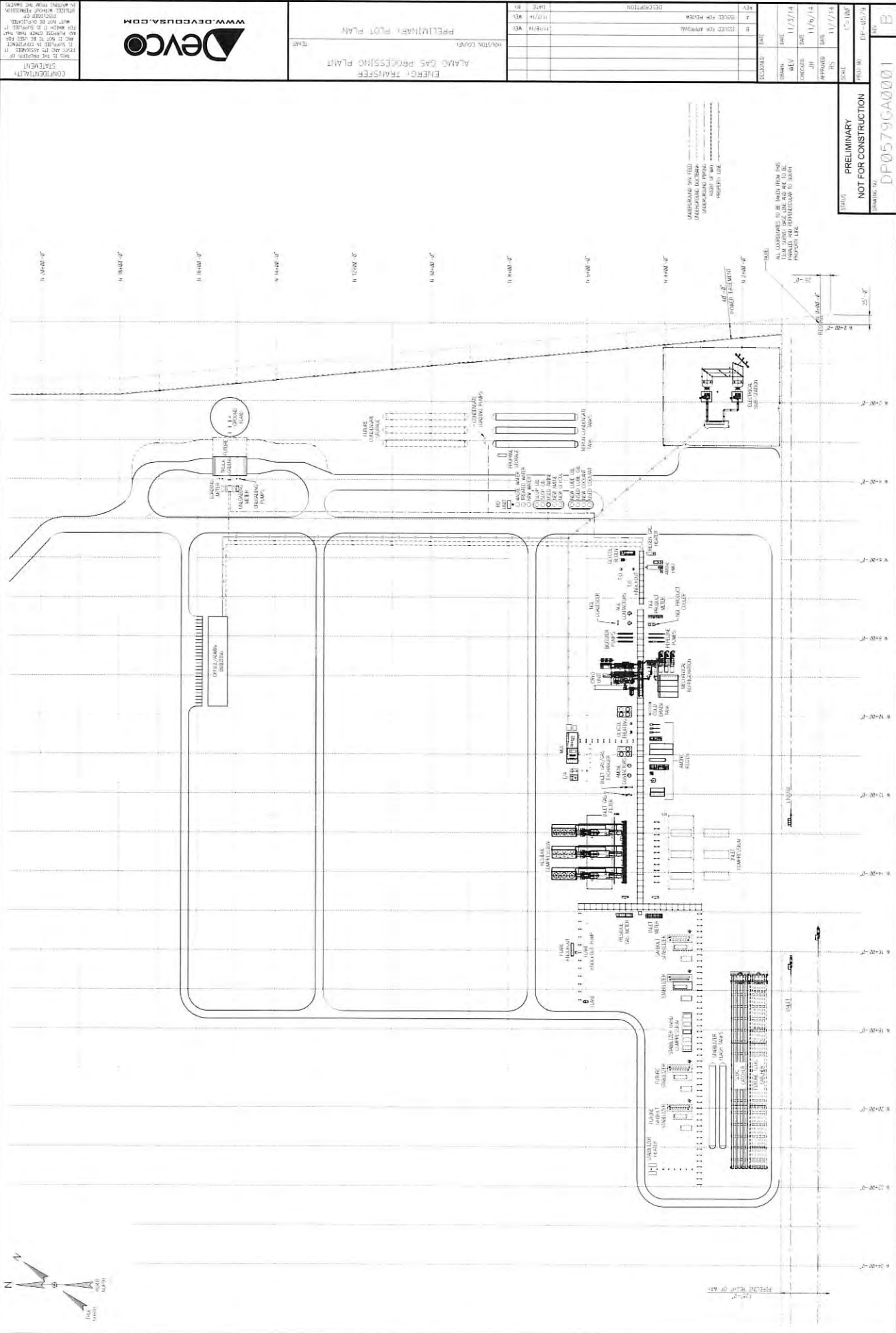
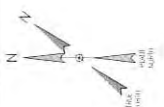
Kansas
Louisiana
New Mexico
Oklahoma

TAB 06

N/A

TAB 07

Description of Qualified Investment



PRELIMINARY
NOT FOR CONSTRUCTION

DP0579CA0001

DATE	11/17/14
DESIGNED	JH
CHECKED	JH
APPROVED	RS
SCALE	1"=100'
PROJECT NO.	DP-0579
REV.	B

REVISION	DATE	BY
1	11/13/14	WV
2	11/17/14	JH
3	11/17/14	RS

DESCRIPTION

1	11/17/14	RS
2	11/17/14	RS

ENERGY TRANSFER
ALAMO GAS PROCESSING PLANT
PRELIMINARY PLOT PLAN
HOUSTON, TEXAS

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CONSENT OF DEVCO
OR ITS ASSOCIATES

DETAILED PROJECT DESCRIPTION OF QUALIFIED INVESTMENT
CROCKETT INDEPENDENT SCHOOL DISTRICT

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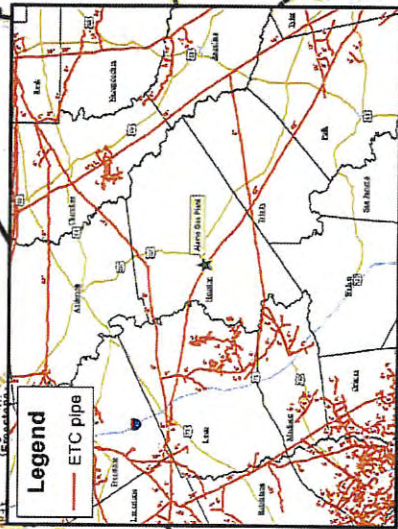
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The Alamo Plant would include the installation of a refrigerated cryogenic gas plant. If completed, the Alamo Gas Processing Plant will be designed to process 200mmcf/d of gas and would include the following components, providing long-term processing, compression and residue gas takeaway:

- Buildings, Foundations, Inlet Separator, Amine Unit, Boilers, Heat Exchangers, Natural Gas/Air/H₂O Piping, Control
- Valves, Dehydration Units, Knock Out Drums, Slug Catcher, Compressors, Vessels, Heat Exchanger, SCADA plus Controls.
- ENVIRONMENTAL: (A) Flare-Stack, Scrubber, Leak Detection; (L) Liners, Containment.

Alamo Gas Plant - Houston County



Legend

- Alamo Gas plant
- School Districts
- City Limits
- County

ENERGY TRANSFER

Scale: 0 to 10 miles

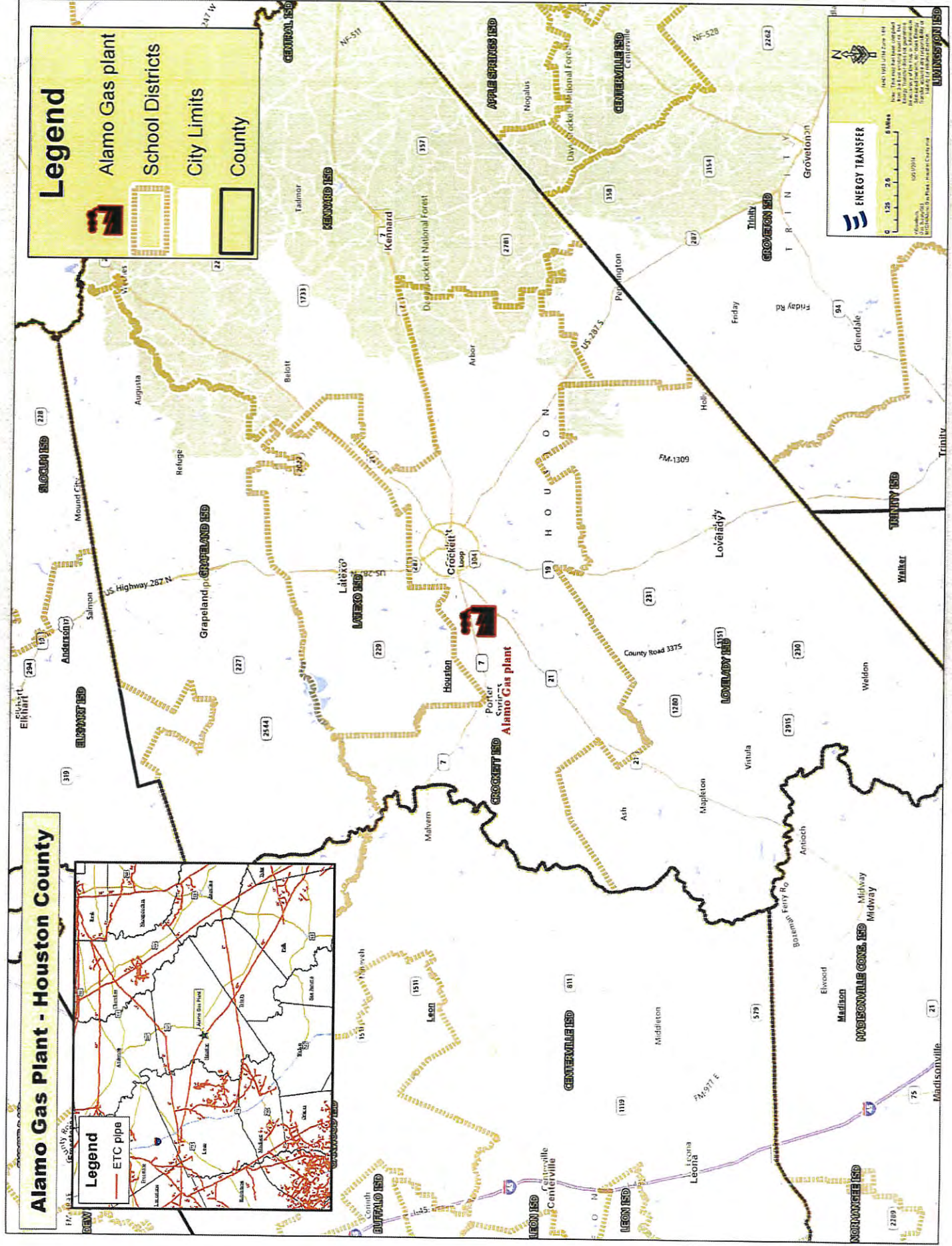
North Arrow

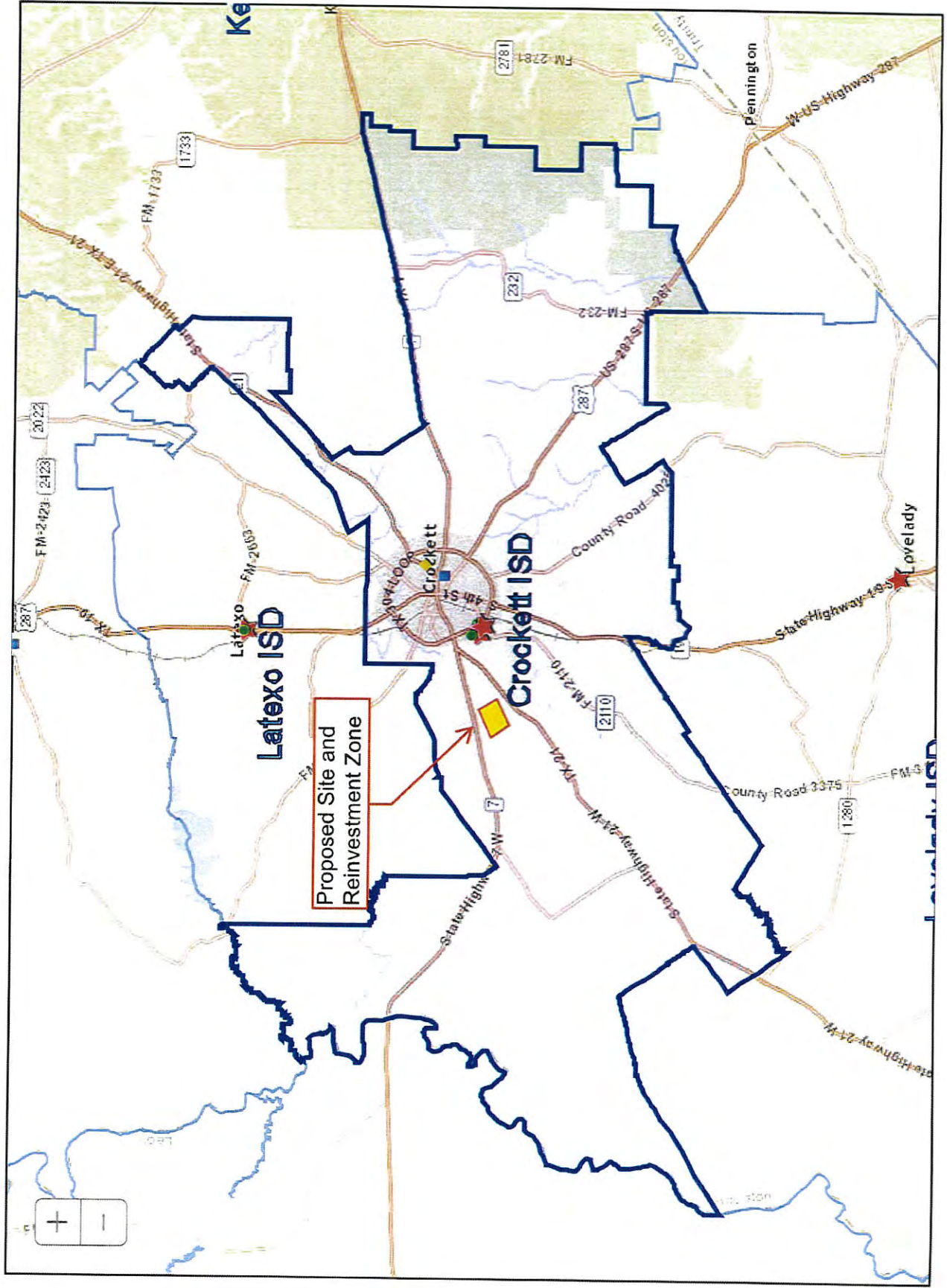
Map Date: 10/1/2014

Map Scale: 1 inch = 10 miles

Map Projection: NAD 83 UTM Zone 14N

Map Data: Esri, DeLorme, Garmin, etc.





Alamo Gas Plant - Houston County Aerial

Legend

— Energy Transfer Pipelines



ENERGY TRANSFER

NAD 1983 UTM Zone 15N

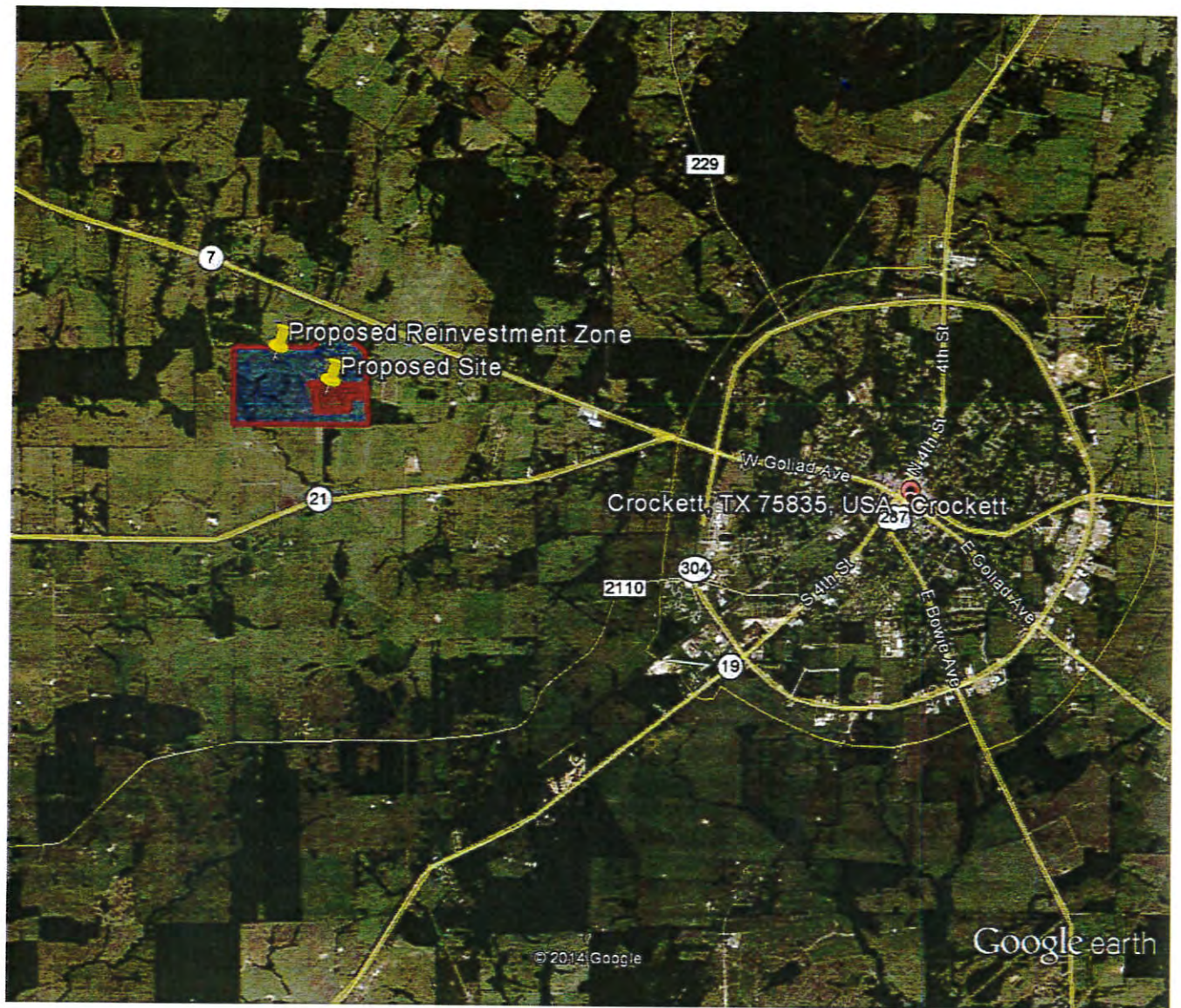
Note: This map has been compiled from the best available sources, but the accuracy of the map or information from the sources, and does not constitute a warranty or representation of accuracy for the purposes of this map.

0 125 250 500 Feet

Woodburn, 10/31/2014

Gas Supply/City

AKO/Alamo Gas Plant - Houston County Aerial (m)



Google earth

miles 4
km 6





Google earth

feet 2000
meters 800



TAB 08

Please refer to Tab 07

TAB 09

Description of Land

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

WARRANTY DEED WITH VENDOR'S LIEN

THE STATE OF TEXAS |

COUNTY OF HOUSTON | KNOW ALL MEN BY THESE PRESENTS:

1
THAT THE UNDERSIGNED, **James A. St. John, Trustee of the James A. St. John Trust**, hereinafter called "Grantor," whether one or more, for and in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00), and other valuable consideration to the undersigned in hand paid by the Grantee herein named, the receipt of which is hereby acknowledged, and the further consideration of the execution and delivery by the Grantee of that one certain promissory note of even date herewith in the principal sum of **FOUR HUNDRED THIRTY-THREE THOUSAND SEVEN HUNDRED FIVE and 00/100 DOLLARS (\$433,705.00)**, payable to the order of **Citizens State Bank**, Corrigan, Texas, as therein specified, providing for acceleration of maturity and for attorney's fees, the payment of which note is secured by the vendor's lien herein retained, and is additionally secured by a deed of trust of even date herewith to **L. A. Page, TRUSTEE**, has GRANTED, SOLD AND CONVEYED, and by these presents does GRANT, SELL AND CONVEY unto **Sam Carlton and Johnny Ray Lowe**, whose address is 10771 FM 2262, Groveton, Trinity County, Texas 75845, herein referred to as the "Grantee," whether one or more, all of the real property described as follows, to-wit:

FIRST TRACT:

308.103 acres out of and a part of the J.J. HAILE SURVEY, A-40, and the JOHN HAGAN SURVEY, A-39 in Houston County, Texas, and being the same land described in a deed from George S. Satterwhite and wife Helen to B.L. Satterwhite recorded in Vol. 232, Page 281 of the Houston County Deed Records, which 308.103 acres more particularly described by metes and

bounds as follows:

BEGINNING on a ½ inch iron rod set for the West corner of this tract and being in the North East line of John L. Patrick called 324.294 acres tract, recorded in Vol. 919, Page 652 of the Official Records of Houston County, and being in the South East line of Calvin Johnson Tract, and being on or near the West corner of the said JOHN HAGAN SURVEY, A-39 and the North corner of the THOMAS R. TOWNSEND SURVEY, A-87 and being in the South East line of the J. J. HAILE SURVEY, A-40, and also being S 34 deg 48' 48" E 18.38 feet from a ½ inch iron rod found for the North corner of the said Patrick tract;

THENCE N 56 deg 09' 06" E 879.73 feet to a ½ inch iron rod found for corner, same being the East corner of the said Calvin Johnson tract and being the South West corner of Ronnie Goolsby called 104.963 acres tract, recorded in Vol. 624, Page 216 of the H.C.D.R., and also being on or near the South East line of the said J.J. HAILE SURVEY, A-40, and the North West line of the said JOHN HAGAN SURVEY, A-39;

THENCE N 55 deg 16' 15" E 1932.60 feet to a ½ inch iron rod set for corner, same being on or near the South East line of the said J. J. HAILE SURVEY, A-40, and the North West line of the JOHN HAGAN SURVEY, A-39, and also being the South East corner of the said Ronnie Goolsby tract;

THENCE N 7 deg 59' 04" E 1008.19 feet to corner of County Road No. 3020, and also being a North East corner of the said Ronnie Goolsby called 104.963 acres tract, set ½ inch iron rod at fence corner post for reference corner S 7 deg 59' 04" W 28.0 feet;

THENCE along with and near the center of County Road No. 3020 as follows: S 89 deg 10' 48" E 684.05 feet, S 89 deg 17' 46" E 332.26 feet, and S 88 deg 40' 54" E 456.72 feet to corner in same, set ½ inch iron rod for reference corner at fence corner post, S 34 deg 23' 27" E 34.0 feet;

THENCE along with and near a fence line for the North East line of this tract and the South West line of Mitchell Jones called 56.5 acres tract as follows: S 34 deg 23' 27" E 780.32 feet, S 37 deg 39' 08" E 488.35 feet and S 38 deg 15' 47" E 1324.60 feet to a ½ inch iron rod set at fence corner post for corner, same being the South corner of the said Jones called 56.5 acres tract and being in the North West line of the said William Clark called 148.59 acres tract, described in Vol. 1089, Page 324 of the Official Records of Houston County;

THENCE S 55 deg 09' 23" W 1597.34 feet to a 4" X 4" concrete monument found for corner, same being the West corner of said William Clark called 148.59 acres tract, and the North corner of a S. F. Zelesky called 25 acres tract, recorded in Vol. 913, Page 550 of the Official Records of Houston County;

THENCE S 54 deg 57' 16" W 318.40 feet to a ½ inch iron rod found for corner, same being the West corner of the said S. F. Zelesky called 25 acres tract and North corner of the said John L. Patrick called 324.294 acres tract;

THENCE S 55 deg 25' 19" W 2263.12 feet and S 57 deg 16' 20" W 611.47 feet to a ½ inch iron rod found for corner, from which a 30" R.O. brs N 53 deg E 16.0 feet, and also being on or near the

South West line of the said JOHN HAGAN SURVEY, A-39 and the North East line of the THOMAS R. TOWNSEND SURVEY, A-87;

THENCE N 34 deg 48' 48" W 2699.59 feet to the place of beginning and containing 308.103 acres of land more or less, of which 0.852 acre is in County Road No. 3020.

SECOND TRACT:

12.565 acres out of and a part of the J. J. HAILE SURVEY, A-40, in Houston County, Texas, and being the same land described in a deed from Virginia Grosland, guardian of the Estate of Ewen Durst Hail to B. L. Satterwhite recorded in Vol. 284, Page 550 of the Houston County Deed Records, which 12.565 acres more particularly described by metes and bounds as follows:

BEGINNING on a ½ inch iron rod set at fence corner post for the North West corner of this tract and the North East corner of the Joe Adamo called 10.5 acres tract recorded in Vol. 1068, Page 380 of the Official Records of Houston County and also being in the South East R.O.W. of State Hwy. No. 7;

THENCE N 77 deg 41' 45" E 880.43 feet to a ½ inch iron rod set at fence corner post for the North East corner of this tract and being the West corner of Frank Smith called 90 acres tract and being in the South East R.O.W. line of State Hwy. No. 7;

THENCE S 17 deg 03' 18" E 428.07 feet to a 1-1/4 inch iron pipe found for corner, same being in the South West line of the said Frank Smith called 90 acres tract and the North corner of Elbert Warren called 3 acres tract, recorded in Vol. 228, Page 41 of the Houston County Deed Records;

THENCE S 49 deg 51' 34" W 611.92 feet to a ½ inch iron rod set for corner, same being the West corner of the said Warren called 3 acres tract, and being in the North line of County Road No. 3020;

THENCE N 89 deg 54' 00" W 368.25 feet to a ½ inch iron rod set for corner at fence corner post, same being in the East line of the said Joe Adamo tract, and also being in the North fence line of said County Road No. 3020;

THENCE N 13 deg 40' 20" W 633.42 feet to the place of beginning and containing 12.565 acres of land more or less.

THIS CONVEYANCE IS MADE SUBJECT TO THE FOLLOWING:

One-half (1/2) of all oil, gas and other minerals of every character in and under 14.8 acre tract in the J.J. Hail Survey, A-40, and 296.3 acre tract in the JOHN HAGAN SURVEY, A-39, which make up a portion of subject property, reserved by Crockett State Bank, Crockett, Texas, in instrument recorded in Vol. 215, Page 221 of the Deed Records of Houston County, Texas, reference to which instrument is here made for all purposes. Title to said interest has not been investigated subsequent to date of the aforesaid instrument.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging, unto the said Grantee, Grantee's heirs, executors, administrators, successors and/or assigns forever; and Grantor does hereby bind Grantor, Grantor's heirs, executors, administrators, successors and/or assigns to WARRANT AND FOREVER DEFEND all and singular the said premises unto the said Grantee, Grantee's heirs, executors, administrators, successors and/or assigns, against every person whomsoever claiming or to claim the same or any part thereof.

But it is expressly agreed that the Vendor's Lien, as well as Superior Title in and to the above described premises, is retained against the above described property, premises and improvements until the above described note and all interest thereon are fully paid according to the face, tenor, effect and reading thereof, when this Deed shall become absolute. THAT **Citizens State Bank**, Corrigan, Texas, at the instance and request of the Grantee herein, having advanced and paid in cash to the Grantor herein that portion of the purchase price of the herein described property as is evidenced by the hereinabove described Note, the Vendor's Lien, together with the Superior Title to said property, is retained herein for the benefit of said Lender and the same are hereby TRANSFERRED AND ASSIGNED to said Lender, its successors and assigns.

Current ad valorem taxes on the property having been prorated, the payment thereof is assumed by Grantee.

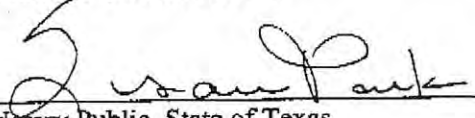
EXECUTED this 16th day of September 2005.


James A. St. John, Trustee
of the James A. St. John Trust

THE STATE OF TEXAS |

COUNTY OF HOUSTON |

The foregoing instrument was acknowledged before me on this the 16th day of September 2005 by James A. St. John, Trustee of the James A. St. John Trust.



 Notary Public, State of Texas
 My Commission Expires:



RCvD/05-272.CSB/sp

Accepted for filing in Houston County, Texas
 by Bridget Lamb, County Clerk

September 16, 2005 - 3:39 P

STATE OF TEXAS COUNTY OF HOUSTON
 I hereby certify that this instrument
 was filed on the date and time stamped hereon
 by me and was duly recorded in the public
 records of Houston County, Texas as stamped
 hereon by me,
 Honorable Bridget Lamb, County Clerk
 Houston County, Texas

This document has been received by this
 Office for Recording. We do hereby swear that
 we do not discriminate due to race, creed,
 color, sex or national origin.

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Foreclosure Sale Deed

Date: March 3, 2009

Deed of Trust

Date: February 28, 2008

Grantor: Frederick G. Roberts and Melvis T. Denman

Original Beneficiary: Sam Carlton and Johnny Ray Lowe

Current Beneficiary: Sam Carlton and Johnny Ray Lowe

Trustee: R.C. (Chris) von Doenhoff

Recording Information: Document No 0801038 of the Image Records of Houston County, Texas

Property: 308.103 acres out of and a part of the J. J. HAILE SURVEY, A-40 and the JOHN HAGAN SURVEY, A-39 in Houston County, Texas, and being the same land described in a deed from George S. Satterwhite and wife, Helen to B. L. Satterwhite recorded in Volume 232, Page 281 of the Houston County Deed Records, which 308.103 acres more particularly described by metes and bounds to follow:

BEGINNING on a 1/2-inch iron pin set for the West corner of this tract and being in the North East line of John L. Patrick called 324.294-acre tract, recorded in Volume 919, Page 652 of the Official Records of Houston County, and being in the South East line of Calvin Johnson Tract, and being on or near the West corner of the said JOHN HAGAN SURVEY, A-39 and the North corner of the THOMAS R. TOWNSEND SURVEY, A-87 and being in the South East line of the J. J. HAILE SURVEY, A-40, and also being South 34 deg 48' 48" East 18.38 feet from a 1/2-inch iron rod found for the North corner of the said Patrick tract;

THENCE North 56 deg 09' 06" East 879.73 feet to a 1/2-inch iron rod found for corner, same being the East corner of the said Calvin Johnson tract and being the South West corner of Ronnie Goolsby called 104.963-acre tract, recorded in Volume 624, Page 216 of the Houston County Deed Records, and also being on or near the South East line of the said J. J. HAILE SURVEY, A-40, and the North West line of the said JOHN HAGAN SURVEY, A-39;

THENCE North 55 deg 16' 15" East 1932.60 feet to a 1/2-inch iron rod set for corner, same being on or near the South East line of the said J. J. HAILE SURVEY, A-40, and the Northwest line of the JOHN HAGAN SURVEY, A-39, and also being the South East corner of the said Ronnie Goolsby tract;

THENCE North 7 deg 59' 04" East 1008.19 feet to corner of County Road No. 3020, and also being a North East corner of the said Ronnie Goolsby called 104.963-acre tract, set 1/2-inch iron rod at fence corner post for reference corner South 7 deg 59' 04" West 28.0 feet;

THENCE along with and near the center of County Road No. 3020 as follows: South 89 deg 10' 48" East 684.05 feet, South 89 deg 17' 46" East 332.26 feet, and South 88 deg 40' 54" East 456.72 feet to corner in same, set 1/2-inch iron rod for reference corner at fence corner post, South 34 deg 23' 27" East 34.0 feet;

THENCE along with and near a fence line for the North East line of this tract and the South West line of Mitchell Jones called 56.5-acre tract as follows: South 34 deg 23' 27" East 780.32 feet, South 37 deg 39' 08" East 488.35 feet and South 38 deg 15' 47" East 1324.60 feet to a 1/2-inch iron rod set at fence corner post for corner, same being the South corner of the said Jones called 56.5-acre tract and being in the North West line of the said William Clark called 148.59-acre tract, described in Volume 1089, Page 324 of the Official Records of Houston County;

THENCE South 55 deg 09' 23" West 1597.34 feet to a 4" X 4" concrete monument found for corner, same being the West corner of said William Clark called 148.59-acre tract, and the North corner of a S. F. Zelesky called 25-acre tract, recorded in Volume 913, Page 550 of the Official Records of Houston County;

THENCE South 54 deg 57' 16" West 318.40 feet to a 1/2-inch iron rod found for corner, same being the West corner of the said S. F. Zelesky called 25-acre tract and North corner of the said John L. Patrick called 324.294-acre tract;

THENCE South 55 deg 25' 19" West 2263.12 feet and South 57 deg 16' 20" West 611.47 feet to a 1/2-inch iron rod found for corner, from which a 30" R.O. bears North 53 deg East 16.0 feet, and also being on or near the South West line of the said JOHN HAGAN SURVEY, A-39 and the North East line of the THOMAS R. TOWNSEND SURVEY, A-87;

THENCE North 34 deg 48' 48" West 2699.59 feet to the **PLACE OF BEGINNING** and containing 308.103 acres of land more or less, of which 0.852 acres is in County Road No. 3020.

Note Secured by Deed of Trust (Note)

Date: February 28, 2008

Maker: Frederick G. Roberts and Melvis T. Denman

Original Principal Amount: \$794,075.00

Original Payee: Sam Carlton and Johnny Ray Lowe

Current Holder: Sam Carlton and Johnny Ray Lowe

Date of Sale of Property (first Tuesday of month): March 3, 2009

Time Sale of Property Began: 10:47 a.m.

Place of Sale of Property: East side of courthouse, in Crockett, Houston County, Texas

Buyer: SAM CARLTON AND JOHNNY RAY LOWE

Buyer's Mailing Address:

SAM CARLTON AND JOHNNY RAY LOWE
1077 FM 2262
Groveton, Texas 75845

Amount of Sale: \$775,000.00

By Deed of Trust, Grantor conveyed to R.C. (Chris) von Doenhoff, as Trustee, certain property for the purpose of securing and enforcing payment of the indebtedness and obligations therein described (collectively, the Obligations), including but not limited to the Note, all renewals and extensions of the note, and any and all present and future indebtedness of Frederick G. Roberts and Melvis T. Denman to Beneficiary.

Default has occurred in the payment of the Obligations when due. The unpaid balance of the principal of the Obligations was accelerated, and default has occurred and is continuing in the payment of the Obligations. Sam Carlton and Johnny Ray Lowe, the current Holder of the Obligations and the current Beneficiary of the Deed of Trust, requested R.C. (Chris) von Doenhoff, as Trustee, to enforce the trust of the Deed of Trust.

Pursuant to the requirements of the Deed of Trust and the laws of the state of Texas, written notice of the time, place, date, and terms of the public foreclosure sale of the Property was posted at the courthouse door of Houston County, Texas, the county in which the Property is situated, and a copy of the notice was also filed with the county clerk of Houston County, Texas, each notice having been posted and filed for at least twenty-one days preceding the date of the foreclosure sale.

Additionally, written notice of the time, date, place, and terms of the foreclosure sale was served on behalf of the current Beneficiary by certified mail on each debtor who, according to the records of the current Beneficiary, is obligated to pay any of the Obligations. The certified mail notice was timely sent by depositing the notice in the United States mail, postage prepaid in proper amount, and addressed to the debtor at the debtor's last known address as shown by the records of the current Beneficiary at least twenty-one days preceding the date of the foreclosure.

Written notice of default and of the opportunity to cure the default to avoid acceleration of the maturity of the note was served on behalf of the current Beneficiary by certified mail on each debtor who, according to the records of the current Beneficiary, is obligated to pay any of the Obligations. The certified-mail notice was timely sent by depositing the notice in the United States mail, postage prepaid in proper amount, and addressed to the debtor at the debtor's last known address as shown by the records of the current Beneficiary at least twenty days preceding the date of the acceleration of the maturity of the note and the posting of the mortgaged Property for foreclosure.

Attached is an affidavit for the mailing of notice of intent to accelerate the maturity of the note to debtor and posting and mailing of notice of foreclosure sale and conduct of the foreclosure sale.

In consideration of the premises and of the bid and payment of the amount of \$775,000.00, the highest bid by Buyer, I, as Trustee, by virtue of the authority conferred on me in the Deed of Trust, have granted, sold, and conveyed all of the Property to Buyer and Buyer's heirs and assigns, to have

and to hold the Property, together with the rights, privileges, and appurtenances thereto belonging unto Buyer and Buyer's heirs and assigns forever.

I, as the Trustee, do hereby bind Grantor and Grantor's heirs and assigns to warrant and forever defend the Property to Buyer and Buyer's heirs and assigns forever, against the claim or claims of all persons claiming the same or any part thereof.

And in consideration of the premises and of the payment to the Trustee of the above-referenced amount, Trustee hereby grants, bargains, sells, and transfers to Buyer the following described personal property (the "Personal Property"): None, to have and to hold, all and singular, the Personal Property to Buyer and Buyer's heirs and assigns to use forever.

No warranty or representation exists as to the merchantability or fitness for use or a particular purpose of the Personal Property. Trustee is selling the Personal Property described above on an "as is" and "where is" basis and disclaims any implied or express warranties with respect to such Personal Property.

Executed on March 3, 2009.


R.C. (Chris) von Doenhoff TRUSTEE

STATE OF TEXAS §

COUNTY OF HOUSTON §

BEFORE ME, the undersigned authority, on this day personally appeared R.C. (Chris) von Doenhoff, as Trustee, known to me to be the person whose name is subscribed to the foregoing instrument, and who acknowledged to me that Trustee executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

Given under my hand and seal of office this 3rd day of March 2009.

SUBSCRIBED AND SWORN TO before me on March 3, 2009 by R.C. (Chris) von Doenhoff.




Notary Public, State of Texas

PREPARED IN THE OFFICE OF:
R. C. (Chris) von Doenhoff, PC
1121 EAST HOUSTON
P. O. BOX 1322
CROCKETT, TEXAS 75835
Tel: (936) 544-2091; Fax: (936) 544-2411
RCVD\08-365\sp

AFTER RECORDING RETURN TO:
R. C. (Chris) von Doenhoff, PC
1121 EAST HOUSTON
P. O. BOX 1322
CROCKETT, TEXAS 75835
Tel: (936) 544-2091; Fax: (936) 544-2411

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Composite Affidavit for Trustee

STATE OF TEXAS

§

COUNTY OF HOUSTON

§

R.C. (Chris) von Doenhoff appeared in person before me today and stated under oath:

"My name is R.C. (Chris) von Doenhoff. I am competent to make this affidavit. The facts stated in this affidavit are within my personal knowledge and are true and correct.

"Under the direction of Sam Carlton and Johnny Ray Lowe, the legal holders of the deed of trust described below and of the obligations secured thereby, I, as the Trustee appointed to enforce the power of sale contained in the deed of trust dated February 28, 2008, executed by Frederick G. Roberts and Melvis T. Denman to R.C. (Chris) von Doenhoff, Trustee, filed for record in Document No 0801038 of the Image Records of Houston County, Texas of the real property records of Houston County, Texas, securing payment of the promissory note of the same date in the original principal amount of \$794,075.00, executed by Frederick G. Roberts and Melvis T. Denman and payable to the order of Sam Carlton and Johnny Ray Lowe on February 28, 2008, did post, on February 3, 2009, signed copies of a notice of foreclosure sale, of which a true and correct copy is attached to and incorporated in this affidavit by reference for all purposes, at the officially designated place, located near an entrance door to the county courthouse of Houston County, Crockett, Texas, and filed a duplicate of the notice of foreclosure sale with the county clerk's office of Houston County, Texas, at 10:46 AM that same day.

"I further served a true and correct copy of the notice of foreclosure sale on the following people on February 3, 2009, at Crockett, Texas, by depositing the same, postage prepaid, certified mail, return receipt requested, in a post office or official depository of the U.S. Postal Service. The person served with notice and their address is as follows:

Frederick G. Roberts and Melvis T. Denman, 800 North Sixth Street, Crockett, Texas 75835

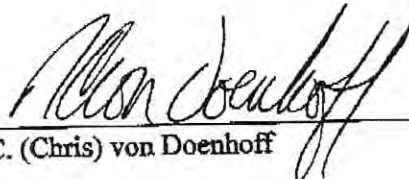
"Further, on March 3, 2009, at a time not earlier than the time set forth in the notice of foreclosure sale and beginning not later than three hours thereafter, I did conduct the foreclosure sale. The foreclosure sale occurred in the area of the courthouse designated by the commissioner's court in the real property records.

"On December 10, 2008, I notified Frederick G. Roberts and Melvis T. Denman by certified mail that Frederick G. Roberts and Melvis T. Denman had a period of not less than twenty

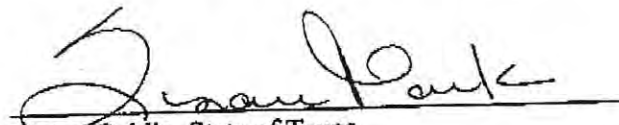
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days to cure the default before the entire debt secured by the deed of trust became due and notice of the proposed foreclosure sale was given.

"To the best of my knowledge and belief, the mortgagors holding an interest in the above-described property were not on active duty with any branch of the Armed Forces of the United States or were not protected by the Servicemembers Civil Relief Act on the date of the Trustee's Sale and were alive on the date of such sale."


R.C. (Chris) von Doenhoff

SUBSCRIBED AND SWORN TO before me on March 3, 2009 by R.C. (Chris) von Doenhoff.


Notary Public, State of Texas



PREPARED IN THE OFFICE OF:

R. C. (Chris) von Doenhoff, PC
1121 EAST HOUSTON
P. O. BOX 1322
CROCKETT, TEXAS 75835
Tel: (936) 544-2091; Fax: (936) 544-2411

RCvD\08-365\sp

AFTER RECORDING RETURN TO:

R. C. (Chris) von Doenhoff, PC
1121 EAST HOUSTON
P. O. BOX 1322
CROCKETT, TEXAS 75835
Tel: (936) 544-2091; Fax: (936) 544-2411

March 03, 2009 - 3:35 P
STATE OF TEXAS
COUNTY OF HOUSTON
I hereby certify that this instrument
was filed on the date and time stamped hereon
for me and was duly recorded in the large
records of Houston County, Texas as stamped
hereon by me.
Honorable Bridget Lamb, County Clerk
Houston County, Texas
This does not discriminate due to Race, Creed,
Color, Sex or National Origin.

Accepted for Filing in Houston County, Texas
by Bridget Lamb, County Clerk

Houston County Appraisal District

Chief Appraiser - Kathryn Keith, RPA, RTA, CTA



Official Website

Hosted By Pritchard & Abbott, Inc.



Building Information

[New Property Search](#)

[Go To Previous Page](#)

Parcel ID: 26266

Owner Name: CARLTON SAM & JOHNNY LOWE

Account Number: 00040-01130-00000-000196

Situs Address:

Building Sequence	Type	Class	Year Built	Homesite Value	Condition	Percent Good	Square Feet	Replacement Value	Total Value
1	PBGMD	3	0	NO		40%	2,400	10,200	4,080

Total Building Value: \$ 4,080

[New Property Search](#)

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PRITCHARD & ABBOTT, INC.
VALUATION CONSULTANTS

Houston County Appraisal District

Chief Appraiser - Kathryn Keith, RPA, RTA, CTA



Official Website

Hosted By Pritchard & Abbott, Inc.



Land Information

[New Property Search](#)

[Go To Previous Page](#)

Parcel ID: 26266

Owner Name: CARLTON SAM & JOHNNY LOWE

Account Number: 00040-01130-00000-000196

Situs Address:

Sequence 1

Acres: 14.629
Land Method: AC
Homesite Value: NO
Front Foot: N/A
Front Foot Avg: N/A
Land Note:

Market Class: RPR300
Ag/Timber Class: AIP
Land Type: IMPR
Rear Foot: N/A
Lot Depth %: N/A

Market Value: 35,110
Ag/Timber Value: 1,320
Ag Code: 1D1
Lot Depth: N/A
Land Square Ft: N/A

Total Land Value: \$ 35,110

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Houston County Appraisal District

Chief Appraiser - Kathryn Keith, RPA, RTA, CTA



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Building Information

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Parcel ID: 28524

Owner Name: CARLTON SAM & JOHNNY LOWE

Account Number: 00039-01280-00010-000196

Situs Address:

Building Sequence	Type	Class	Year Built	Homesite Value	Condition	Percent Good	Square Feet	Replacement Value	Total Value
1	POLE	G	2009	NO		100%	5,760	15,840	15,840

Total Building Value: \$ 15,840

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PRITCHARD & ABBOTT, INC.
VALUATION CONSULTANTS

Houston County Appraisal District

Chief Appraiser - Kathryn Keith, RPA, RTA, CTA



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Land Information

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Parcel ID: 28524

Owner Name: CARLTON SAM & JOHNNY LOWE

Account Number: 00039-01280-00010-000196

Situs Address:

Sequence 1

Acres: 291.474
Land Method: AC
Homesite Value: NO
Front Foot: N/A
Front Foot Avg: N/A
Land Note:

Market Class: RPR300
Ag/Timber Class: AIP
Land Type: IMPR
Rear Foot: N/A
Lot Depth %: N/A

Market Value: 699,540
Ag/Timber Value: 26,230
Ag Code: 1D1
Lot Depth: N/A
Land Square Ft: N/A

Total Land Value: \$ 699,540

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Land Information

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Parcel ID: 13136

Owner Name: CARLTON SAM & JOHNNY LOWE

Account Number: 00040-00574-00000-000196

Situs Address:

Sequence 1

Acres: 11.565	Market Class: RUR015	Market Value: 30,650
Land Method: AC	Ag/Timber Class: AIP	Ag/Timber Value: 1,040
Homesite Value: NO	Land Type: IMPR	Ag Code: 1D1
Front Foot: N/A	Rear Foot: N/A	Lot Depth: N/A
Front Foot Avg: N/A	Lot Depth %: N/A	Land Square Ft: N/A
Land Note:		

Sequence 2

Acres: 1	Market Class: RUR015	Market Value: 2,650
Land Method: AC	Ag/Timber Class:	Ag/Timber Value: 0
Homesite Value: NO	Land Type:	Ag Code:
Front Foot: N/A	Rear Foot: N/A	Lot Depth: N/A
Front Foot Avg: N/A	Lot Depth %: N/A	Land Square Ft: N/A
Land Note:		

Total Land Value: \$ 33,300

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Houston County Appraisal District

Chief Appraiser - Kathryn Keith, RPA, RTA, CTA



Building Information

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Parcel ID: 13140

Owner Name: CARLTON SAM & JOHNNY LOWE

Account Number: 00039-01280-00000-000196

Situs Address:

Building Sequence	Type	Class	Year Built	Homesite Value	Condition	Percent Good	Square Feet	Replacement Value	Total Value
1	RES	GM1	1999	YES		100%	2,099	101,130	101,130
2	FLV	PRCH	1999	YES		100%	488	4,990	4,990
3	FLV	PRCH	1999	YES		100%	24	250	250
4	FLV	CRPT	0	YES		100%	884	9,040	9,040

Total Building Value: \$ 115,410

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VALUATION CONSULTANTS

Houston County Appraisal District

Chief Appraiser - Kathryn Keith, RPA, RTA, CTA



Official Website

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Land Information

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Parcel ID: 13140

Owner Name: CARLTON SAM & JOHNNY LOWE

Account Number: 00039-01280-00000-000196

Situs Address:

Sequence 1

Acres: 2
Land Method: AC
Homesite Value: YES
Front Foot: N/A
Front Foot Avg: N/A
Land Note:

Market Class: RPR300
Ag/Timber Class:
Land Type:
Rear Foot: N/A
Lot Depth %: N/A

Market Value: 4,800
Ag/Timber Value: 0
Ag Code:
Lot Depth: N/A
Land Square Ft: N/A

Total Land Value: \$ 4,800

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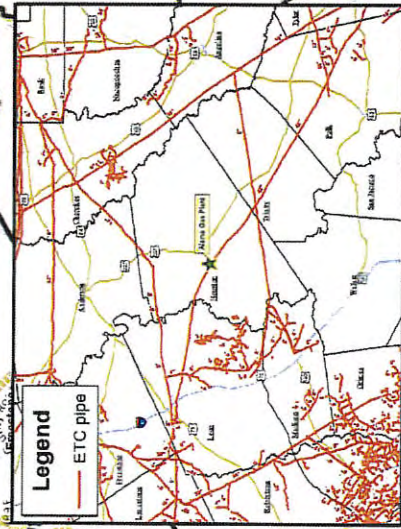
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Alamo Gas Plant - Houston County

Legend

ETC pipe



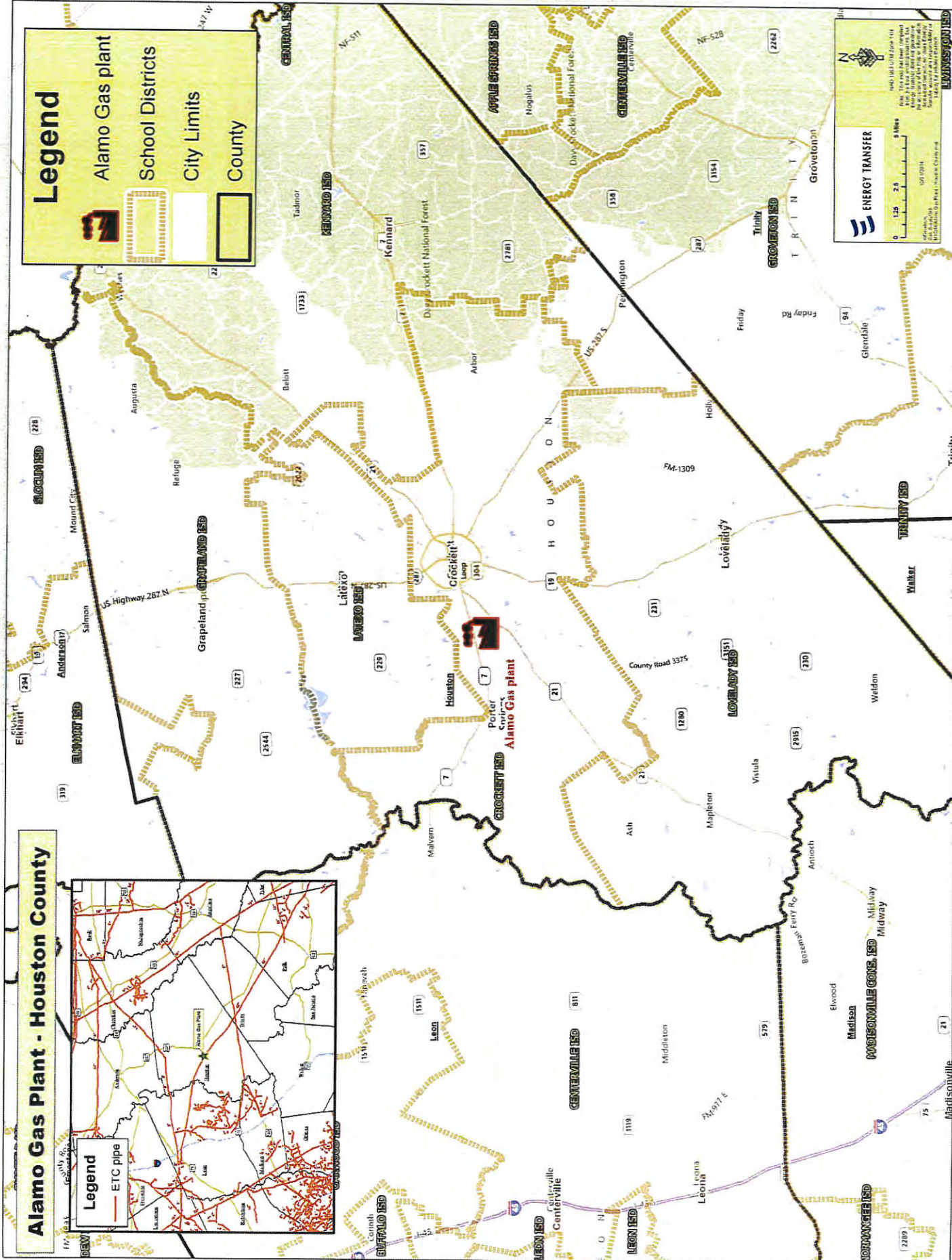
Legend

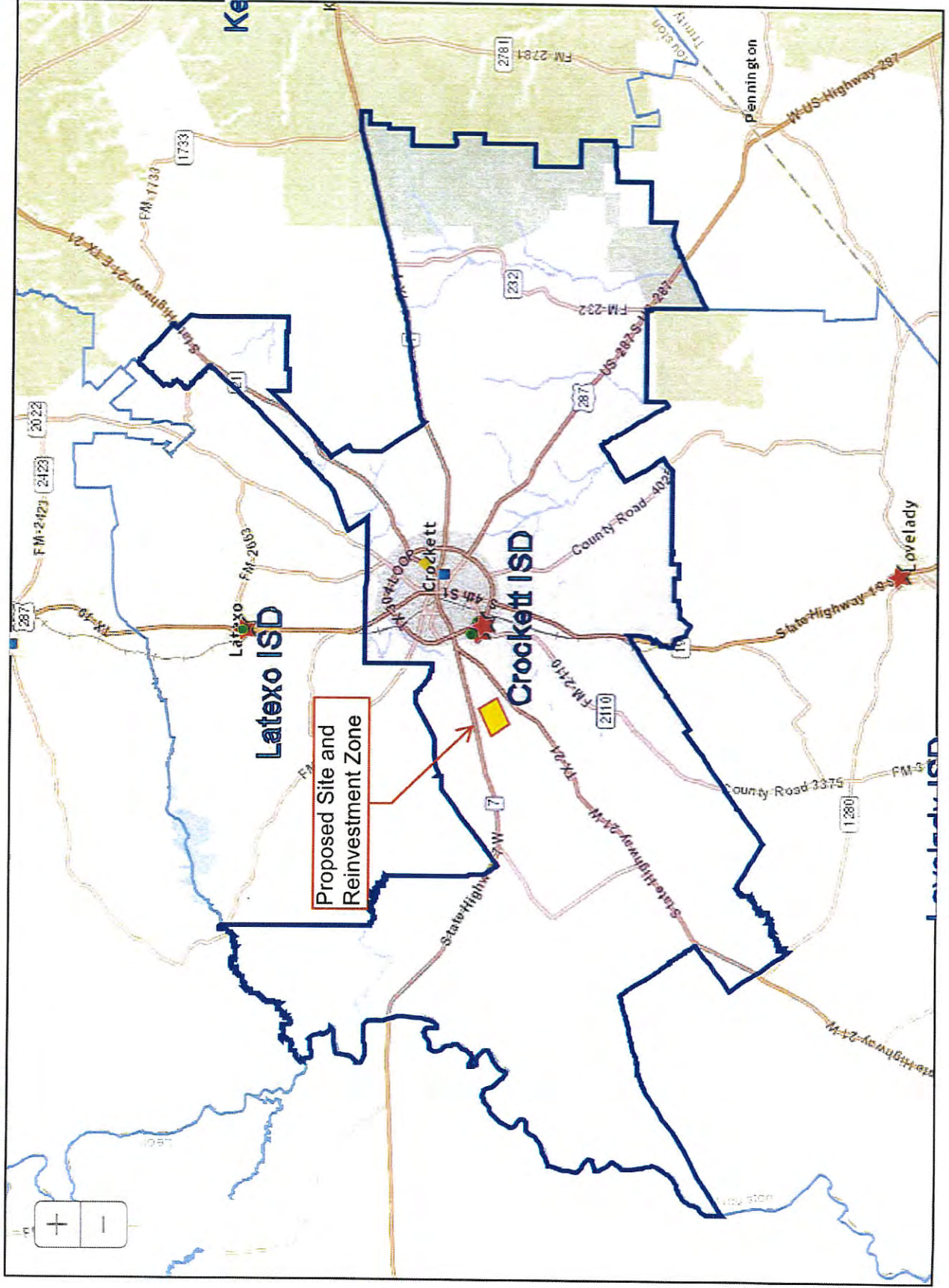
Alamo Gas plant

School Districts

City Limits

County





Alamo Gas Plant - Houston County Aerial

Legend

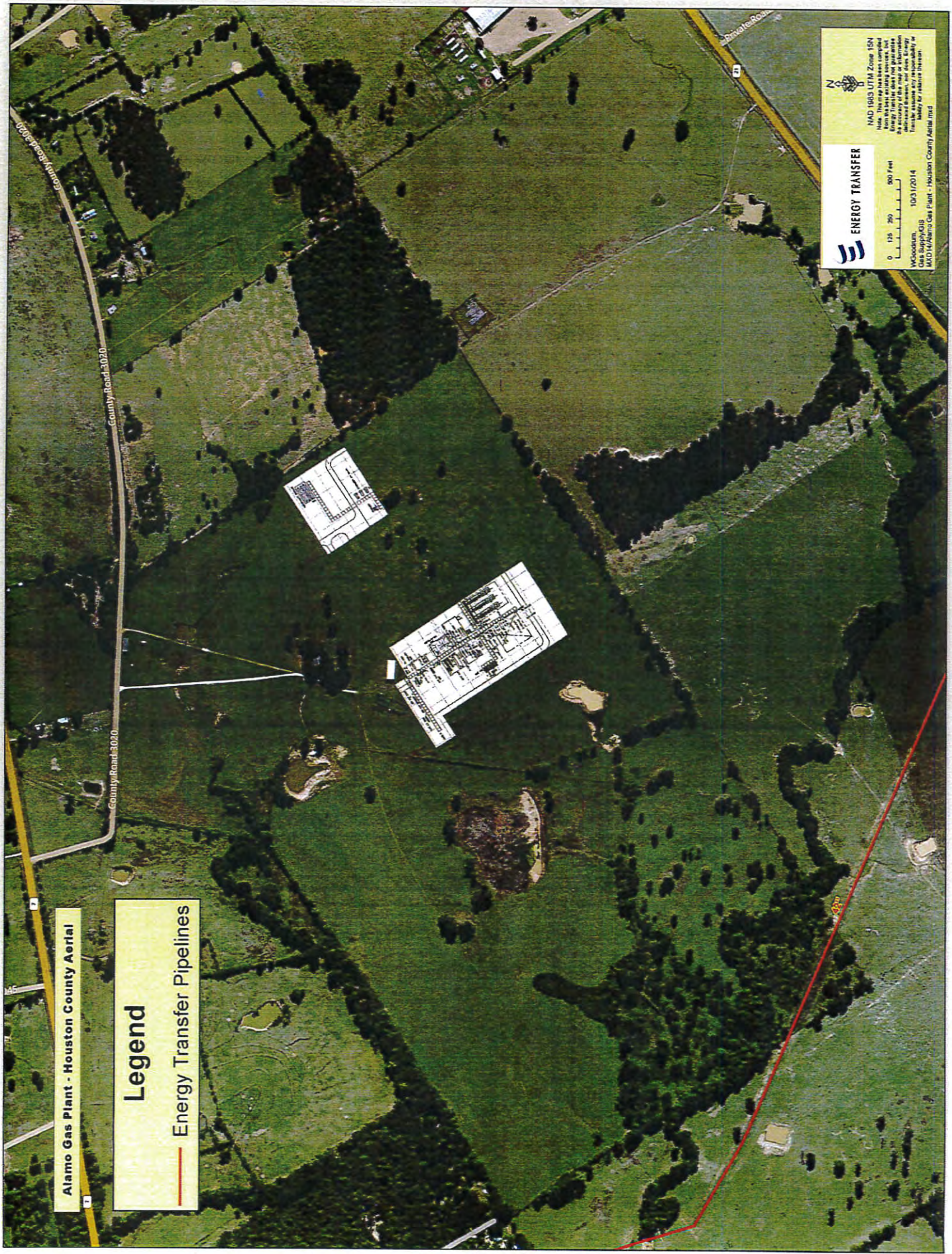
— Energy Transfer Pipelines

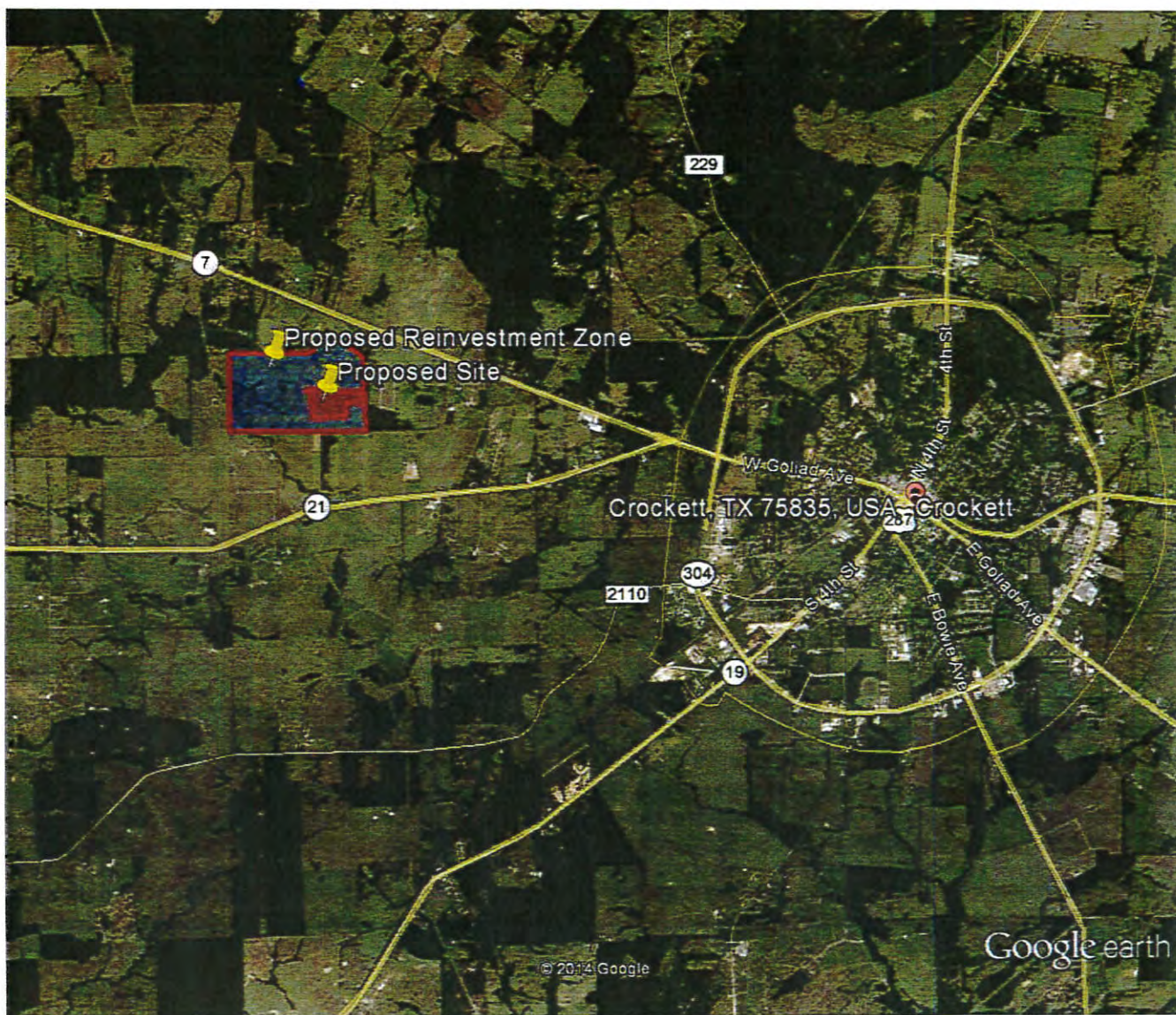
ENERGY TRANSFER

NAD 1983 UTM Zone 15N
Note: This map has been compiled
from various sources and is not
guaranteed to be 100% accurate.
The accuracy of the map is not
guaranteed. Energy Transfer
Transfer assumes no responsibility for
safety or relative threat.

0 125 250 500 Feet

10/31/2014
Gas Supply GIS
MAD/H/Alamo Gas Plant - Houston County Aerial map





Google earth

miles 4
km 6





Google earth

feet 2000
meters 800



TAB 10

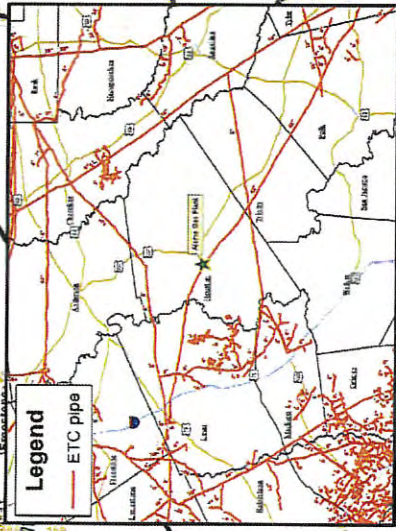
Description of Existing Improvements

There are no existing improvements related to the proposed project at this site.

TAB 11

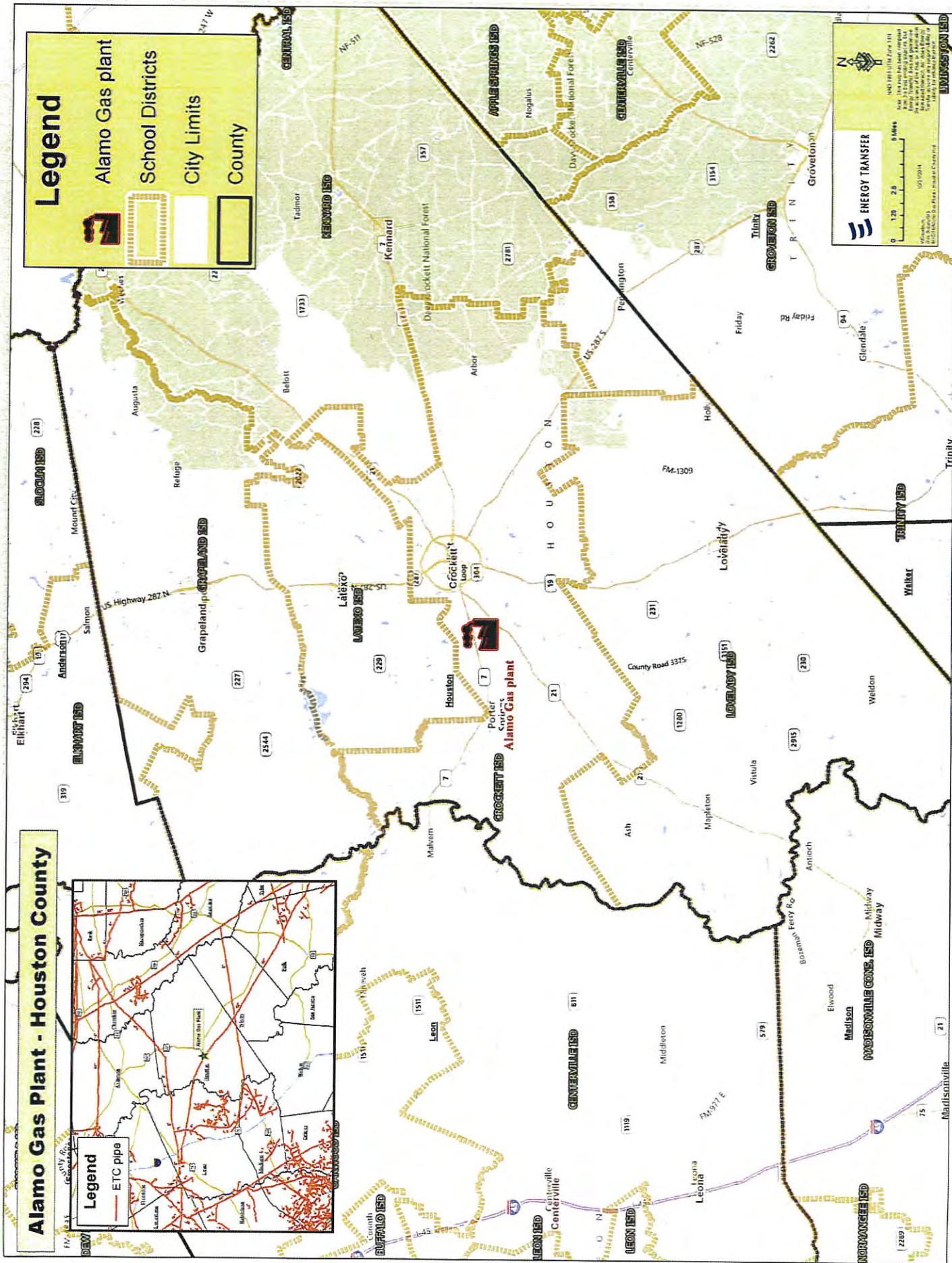
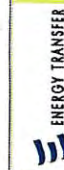
Maps

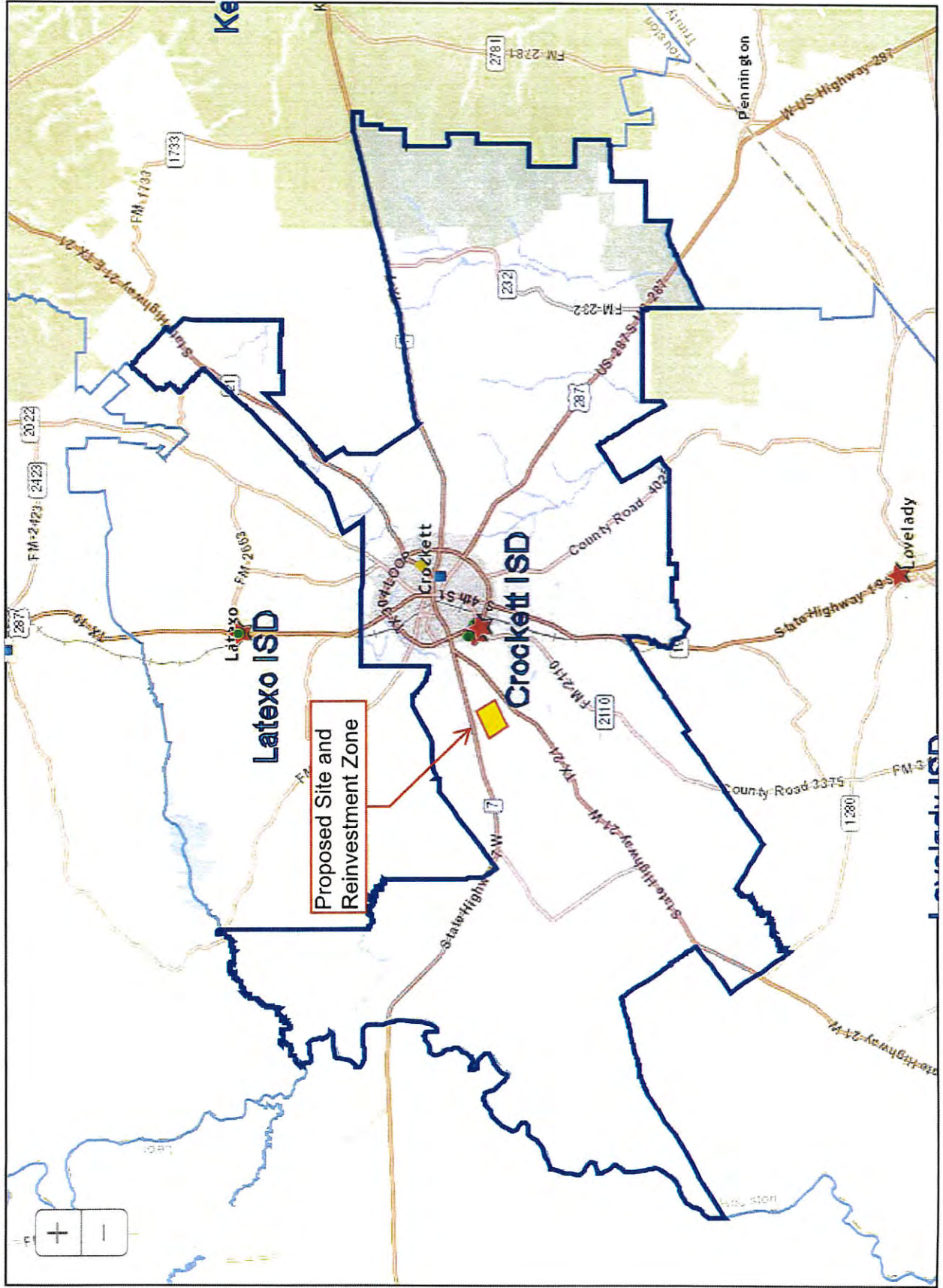
Alamo Gas Plant - Houston County



Legend

- Alamo Gas plant
- School Districts
- City Limits
- County





Alamo Gas Plant - Houston County Aerial

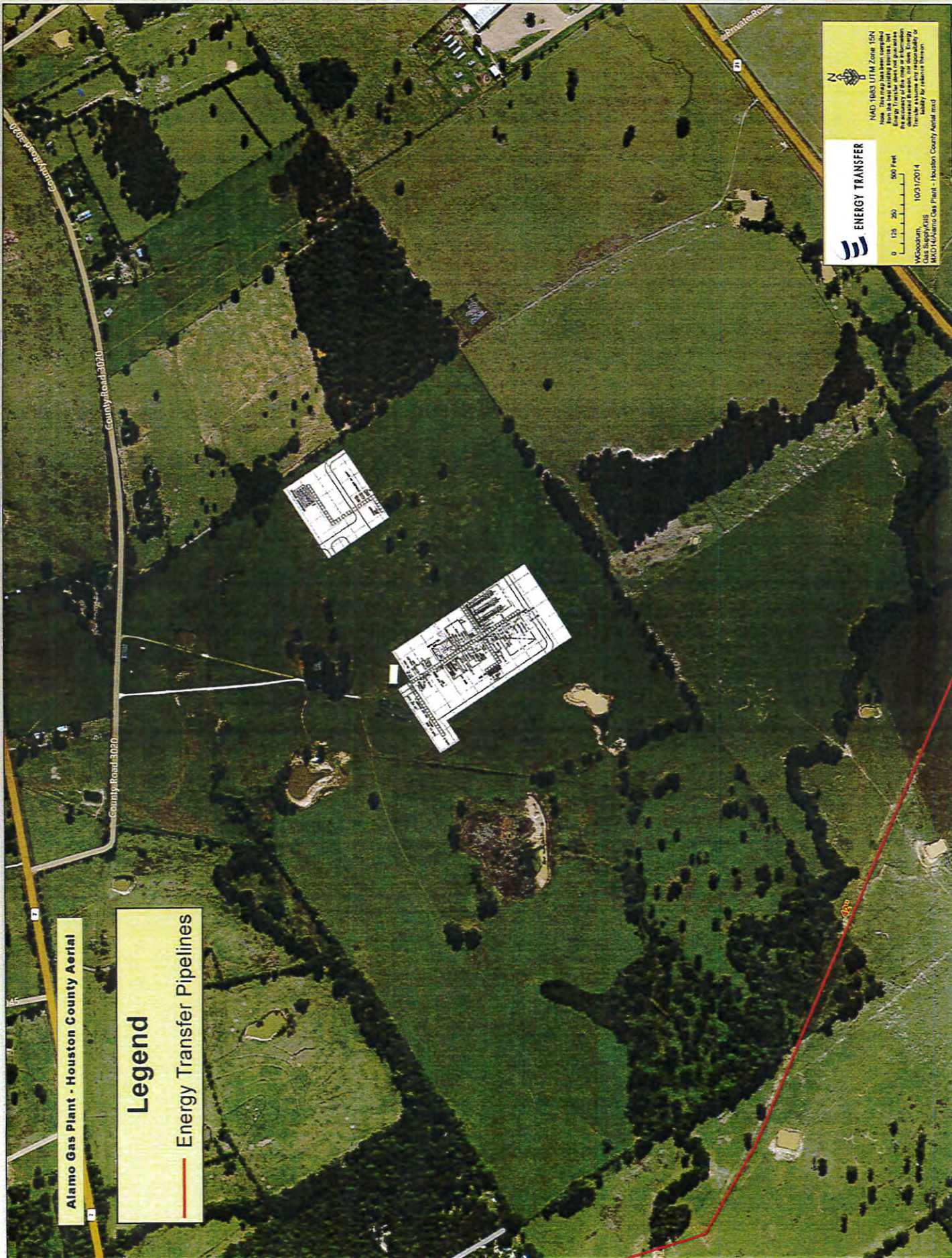
Legend

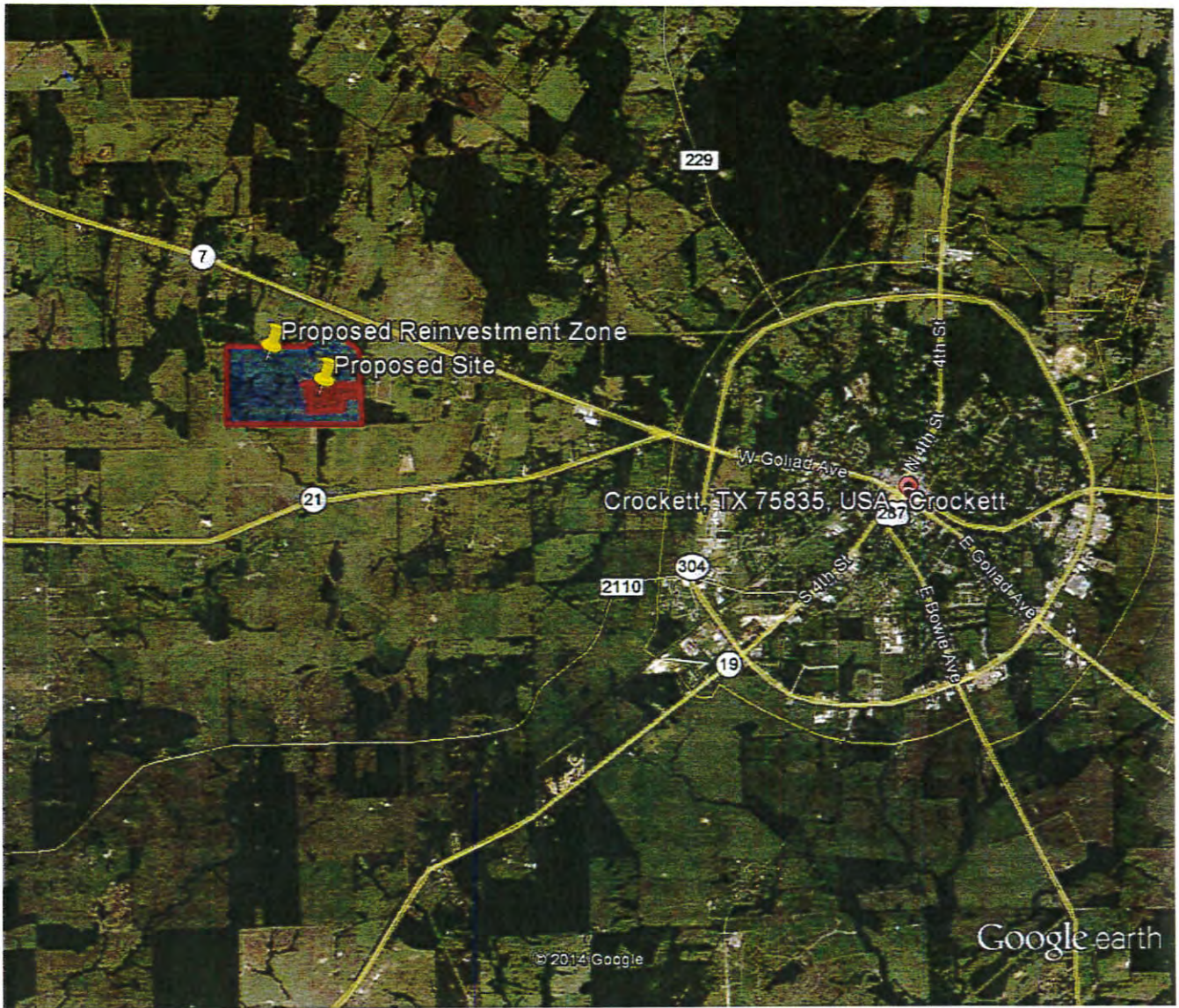
— Energy Transfer Pipelines



Scale: This map has been compiled from the best available sources, and the accuracy of the map is not warranted. The map is for informational purposes only and should not be used for any other purpose. The map is not a substitute for a site visit or other professional surveying or engineering work. The map is not a warranty for future performance.

1003/2014
Houston County Aerial





Google earth

miles
km





Google earth



TAB 12

Request for Job Waiver

N/A

TAB 13

Calculation of Wage Requirements

Calculation of Wage Information - Based on Most Recent Data Available

Houston County, TX

110% of County Average Weekly Wage for all Jobs

2014	1Q	\$ 1,096
2013	2Q	\$ 834
2013	3Q	\$ 849
2013	4Q	\$ 945

$$\begin{array}{rcl} \$ 3,724 & /4 = & \$931 \text{ average weekly salary} \\ & & \underline{\times 1.1 (110\%)} \\ & & \$ 1,024.10 \end{array}$$

110% of County Average Weekly Wage for Manufacturing Jobs in County

2014	1Q	\$ 1,353
2013	2Q	\$ 1,200
2013	3Q	\$ 1,077
2013	4Q	\$ 1,165

$$\begin{array}{rcl} \$ 4,795 & /4 = & \$1,199 \text{ average weekly salary} \\ & & \underline{\times 1.1 (110\%)} \\ & & \$ 1,318.63 \end{array}$$

110% of County Average Weekly Wage for Manufacturing Jobs in Region

\$34,287.00 per year

X1.10 (110%)

\$37,715.70

\$725.30 Average weekly

Quarterly Census of Employment and Wages

Series Id: ENU4822540510

State: Texas

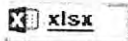
Area: Houston County, Texas

Industry: Total, all industries

Owner: Private

Size: All establishment sizes

Type: Average Weekly Wage



Year	Qtr1	Qtr2	Qtr3	Qtr4	Annual
2013	946	834	849	945	893
2014	1096(P)				

P : Preliminary.

Quarterly Census of Employment and Wages

Series Id: ENU482254051013

State: Texas

Area: Houston County, Texas

Industry: Manufacturing

Owner: Private

Size: All establishment sizes

Type: Average Weekly Wage

 [xlsx](#)

Year	Qtr1	Qtr2	Qtr3	Qtr4	Annual
2013	1371	1200	1077	1165	1204
2014	1353(P)				

P : Preliminary.

2013 Manufacturing Wages by Council of Government Region
Wages for All Occupations

COG	Wages	
	Hourly	Annual
Texas	\$23.73	\$49,363
<u>1. Panhandle Regional Planning Commission</u>	\$20.43	\$42,499
<u>2. South Plains Association of Governments</u>	\$16.53	\$34,380
<u>3. NORTEX Regional Planning Commission</u>	\$19.15	\$39,838
<u>4. North Central Texas Council of Governments</u>	\$25.00	\$51,997
<u>5. Ark-Tex Council of Governments</u>	\$17.45	\$36,298
<u>6. East Texas Council of Governments</u>	\$19.50	\$40,565
<u>7. West Central Texas Council of Governments</u>	\$18.64	\$38,779
<u>8. Rio Grande Council of Governments</u>	\$16.27	\$33,848
<u>9. Permian Basin Regional Planning Commission</u>	\$22.89	\$47,604
<u>10. Concho Valley Council of Governments</u>	\$17.20	\$35,777
<u>11. Heart of Texas Council of Governments</u>	\$19.44	\$40,444
<u>12. Capital Area Council of Governments</u>	\$27.31	\$56,805
<u>13. Brazos Valley Council of Governments</u>	\$17.20	\$35,770
<u>14. Deep East Texas Council of Governments</u>	\$16.48	\$34,287
<u>15. South East Texas Regional Planning Commission</u>	\$29.09	\$60,501
<u>16. Houston-Galveston Area Council</u>	\$26.13	\$54,350
<u>17. Golden Crescent Regional Planning Commission</u>	\$22.23	\$46,242
<u>18. Alamo Area Council of Governments</u>	\$18.91	\$39,329
<u>19. South Texas Development Council</u>	\$13.94	\$28,990
<u>20. Coastal Bend Council of Governments</u>	\$23.78	\$49,454
<u>21. Lower Rio Grande Valley Development Council</u>	\$15.82	\$32,907
<u>22. Texoma Council of Governments</u>	\$20.93	\$43,529
<u>23. Central Texas Council of Governments</u>	\$17.33	\$36,042
<u>24. Middle Rio Grande Development Council</u>	\$19.07	\$39,666

Source: Texas Occupational Employment and Wages

Data published: July 2014

Data published annually, next update will be July 31, 2015

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.

TAB 14

Schedules A1 - D

Schedule A1: Total Investment for Economic Impact (through the Qualifying Time Period)

Applicant Name ETC Texas Pipeline, LTD
ISD Name Crockett ISDForm 50-298A
Revised Feb 2014

PROPERTY INVESTMENT AMOUNTS

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

					Column A	Column B	Column C	Column D	Column E		
					New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will not become Qualified Property (NOTE)	Other new investment made during this year that may become Qualified Property (NOTE)	Total Investment (sum of Columns A+B+C+D)		
Investment made before filing complete application with district	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY		Total Investment through Qualifying Time Period (ENTER this row in Schedule A2)	Total Qualified Investment (sum of green cells)					
Investment made after filing complete application with district, but before final board approval of application	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2014-2015	2014								
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period											
Complete tax years of qualifying time period	QTP1	2015-2016	2015	\$			105,000,000.00	\$	-	\$	105,000,000.00
	QTP2	2016-2017	2016	\$			-	\$	-	\$	-
					\$	105,000,000.00	\$	-	\$	105,000,000.00	
Total Investment through Qualifying Time Period (ENTER this row in Schedule A2)					Enter amounts from TOTAL row above in Schedule A2						
Total Qualified Investment (sum of green cells)					\$	105,000,000.00					

For All Columns: List amount invested each year, not cumulative totals.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.

Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonmovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property. Is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

Schedule A2: Total Investment for Economic Impact (Including Qualified Property and other Investments)

PROPERTY INVESTMENT AMOUNTS

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

		Column A		Column B	Column C	Column D	Column E
		New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property		New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will become Qualified Property (SEE NOTE)	Other investment made during this year that will become Qualified Property (SEE NOTE)	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	Year	School Year (YYYY-YYYY)	Tax Year (fill in actual tax year YYYY)	Enter amounts from TOTAL row in Schedule A1 in the row below			
Each year prior to start of value limitation period**	0	2014-2015	2014	\$ 105,000,000.00			\$ 105,000,000.00
Each year prior to start of value limitation period**	0	2015-2016	2015	\$ 105,000,000.00			\$ 105,000,000.00
Each year prior to start of value limitation period**	1	2016-2017	2016				
Each year prior to start of value limitation period**	2	2017-2018	2017				
Each year prior to start of value limitation period**	3	2018-2019	2018				
Each year prior to start of value limitation period**	4	2019-2020	2019				
Each year prior to start of value limitation period**	5	2020-2021	2020				
Each year prior to start of value limitation period**	6	2021-2022	2021				
Each year prior to start of value limitation period**	7	2022-2023	2022				
Each year prior to start of value limitation period**	8	2023-2024	2023				
Each year prior to start of value limitation period**	9	2024-2025	2024				
Each year prior to start of value limitation period**	10	2025-2026	2025				
Total Investment made through limitation				\$ 105,000,000.00			\$ 105,000,000.00
Continue to maintain viable presence		11	2026-2027	2026			
		12	2027-2028	2027			
		13	2028-2029	2028			
		14	2029-2030	2029			
		15	2030-2031	2030			
		16	2031-2032	2031			
		17	2032-2033	2032			
		18	2033-2034	2033			
		19	2034-2035	2034			
		20	2035-2036	2035			
		21	2036-2037	2036			
		22	2037-2038	2037			
		23	2038-2039	2038			
		24	2039-2040	2039			
		25	2040-2041	2040			

* All investments made through the qualifying time period are captured and totaled on Schedule A1 (blue box) and incorporated into this schedule in the first row.
 ** Only investment made during deferral of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "Year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.
 *** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were not captured on Schedule A1.
 Column A: This represents the total dollar amount of planned investment in the remaining rows of Schedule A2 that were not captured on Schedule A1.
 Column B: Only tangible personal property that is specifically described in the application can become qualified property.
 Column C: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.
 Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.02(c)(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property, is used to maintain, refurbish, renovate, modify or upgrade existing property, or is affixed to existing property—described in SECTION 13, question #5 of the application.
 Column E: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Applicant Name
ISD Name

Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)
ETC Texas Pipeline, LTD
Crockett ISD

Form 50-296A
Revised Feb 2014

Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property		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 buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Value Limitation Period	0	2014-2015	2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	1	2015-2016	2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	2	2016-2017	2016	\$ -	\$ -	\$ 90,000,000.00	\$ 90,000,000.00	\$ 90,000,000.00	\$ 20,000,000.00
	3	2017-2018	2017	\$ -	\$ -	\$ 86,400,000.00	\$ 86,400,000.00	\$ 86,400,000.00	\$ 20,000,000.00
	4	2018-2019	2018	\$ -	\$ -	\$ 82,800,000.00	\$ 82,800,000.00	\$ 82,800,000.00	\$ 20,000,000.00
	5	2019-2020	2019	\$ -	\$ -	\$ 79,200,000.00	\$ 79,200,000.00	\$ 79,200,000.00	\$ 20,000,000.00
	6	2020-2021	2020	\$ -	\$ -	\$ 75,600,000.00	\$ 75,600,000.00	\$ 75,600,000.00	\$ 20,000,000.00
	7	2021-2022	2021	\$ -	\$ -	\$ 72,000,000.00	\$ 72,000,000.00	\$ 72,000,000.00	\$ 20,000,000.00
	8	2022-2023	2022	\$ -	\$ -	\$ 68,400,000.00	\$ 68,400,000.00	\$ 68,400,000.00	\$ 20,000,000.00
	9	2023-2024	2023	\$ -	\$ -	\$ 64,800,000.00	\$ 64,800,000.00	\$ 64,800,000.00	\$ 20,000,000.00
Continue to maintain viable presence	10	2024-2025	2024	\$ -	\$ -	\$ 61,200,000.00	\$ 61,200,000.00	\$ 61,200,000.00	\$ 20,000,000.00
	11	2025-2026	2025	\$ -	\$ -	\$ 57,600,000.00	\$ 57,600,000.00	\$ 57,600,000.00	\$ 20,000,000.00
	12	2026-2027	2026	\$ -	\$ -	\$ 54,000,000.00	\$ 54,000,000.00	\$ 54,000,000.00	\$ 20,000,000.00
	13	2027-2028	2027	\$ -	\$ -	\$ 50,400,000.00	\$ 50,400,000.00	\$ 50,400,000.00	\$ 20,000,000.00
	14	2028-2029	2030	\$ -	\$ -	\$ 46,800,000.00	\$ 46,800,000.00	\$ 46,800,000.00	\$ 20,000,000.00
	15	2029-2030	2031	\$ -	\$ -	\$ 43,200,000.00	\$ 43,200,000.00	\$ 43,200,000.00	\$ 20,000,000.00
	16	2030-2031	2030	\$ -	\$ -	\$ 39,600,000.00	\$ 39,600,000.00	\$ 39,600,000.00	\$ 20,000,000.00
	17	2031-2032	2031	\$ -	\$ -	\$ 36,000,000.00	\$ 36,000,000.00	\$ 36,000,000.00	\$ 20,000,000.00
	18	2032-2033	2032	\$ -	\$ -	\$ 32,400,000.00	\$ 32,400,000.00	\$ 32,400,000.00	\$ 20,000,000.00
	19	2033-2034	2033	\$ -	\$ -	\$ 28,800,000.00	\$ 28,800,000.00	\$ 28,800,000.00	\$ 20,000,000.00
Additional years for 25 year economic impact as required by 313.026(c)(1)	20	2034-2035	2034	\$ -	\$ -	\$ 25,200,000.00	\$ 25,200,000.00	\$ 25,200,000.00	\$ 25,200,000.00
	21	2035-2036	2035	\$ -	\$ -	\$ 22,500,000.00	\$ 22,500,000.00	\$ 22,500,000.00	\$ 22,500,000.00
	22	2036-2037	2036	\$ -	\$ -	\$ 22,500,000.00	\$ 22,500,000.00	\$ 22,500,000.00	\$ 22,500,000.00
	23	2037-2038	2037	\$ -	\$ -	\$ 22,500,000.00	\$ 22,500,000.00	\$ 22,500,000.00	\$ 22,500,000.00
	24	2038-2039	2038	\$ -	\$ -	\$ 22,500,000.00	\$ 22,500,000.00	\$ 22,500,000.00	\$ 22,500,000.00
	25	2039-2040	2039	\$ -	\$ -	\$ 22,500,000.00	\$ 22,500,000.00	\$ 22,500,000.00	\$ 22,500,000.00
	26	2040-2041	2040	\$ -	\$ -	\$ 22,500,000.00	\$ 22,500,000.00	\$ 22,500,000.00	\$ 22,500,000.00

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.
Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Applicant Name
ISD Name

ETC Texas Pipeline, LTD
Crockett ISD

Form 50-296A
Revised Feb 2014

	Construction			Non-Qualifying Jobs			Qualifying Jobs	
	Column A	Column B	Column C	Column D	Column E			
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
0	2014-2015	2014	0	\$	-	N/A	0	N/A
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2015-2016	2015	175 FTE	\$ 37,715.70	N/A	0	N/A
Value Limitation Period <i>The qualifying time period could overlap the value limitation period</i>	1	2016-2017	2016			N/A	10	\$ 37,715.70
	2	2017-2018	2017			N/A	10	\$ 37,715.70
	3	2018-2019	2018			N/A	10	\$ 37,715.70
	4	2019-2020	2019			N/A	10	\$ 37,715.70
	5	2020-2021	2020			N/A	10	\$ 37,715.70
	6	2021-2022	2021			N/A	10	\$ 37,715.70
	7	2022-2023	2022			N/A	10	\$ 37,715.70
8	2023-2024	2023			N/A	10	\$ 37,715.70	
9	2024-2025	2024			N/A	10	\$ 37,715.70	
10	2025-2026	2025			N/A	10	\$ 37,715.70	
Years Following Value Limitation Period	11 through 26	2026-2027	2026			N/A	10	\$ 37,715.70

Notes: See TAC 9.1051 for definition of non-qualifying jobs.
Only include jobs on the project site in this school district.

C1. Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25)
If yes, answer the following two questions:

C1a. Will the applicant request a job waiver, as provided under 313.025(-1)?

C1b. Will the applicant avail itself of the provision in 313.021(3)(F)?

☒ Yes	☐ No
☒ Yes	☐ No
☐ Yes	☒ No

Schedule D: Other Incentives (Estimated)

Applicant Name
ISD Name

ETC Texas Pipeline, LTD
Crockett ISD

Form 50-296A
Revised Feb 2014

State and Local Incentives for which the Applicant Intends to apply (Estimated)					
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County: City: Other:				
Tax Code Chapter 312	County: Houston (Application Pending) City: Other:	2016	2020	\$ 343,170.00 Avg 50% Per Yr	\$ 171,585.00
Local Government Code Chapters 380/381	County: City: Other:				
Freeport Exemptions					
Non-Annexation Agreements					
Enterprise Zone/Project					
Economic Development Corporation					
Texas Enterprise Fund					
Employee Recruitment					
Skills Development Fund					
Training Facility Space and Equipment					
Infrastructure Incentives					
Permitting Assistance					
Other:					
Other:					
Other:					
TOTAL				\$ 343,170.00	\$ 171,585.00

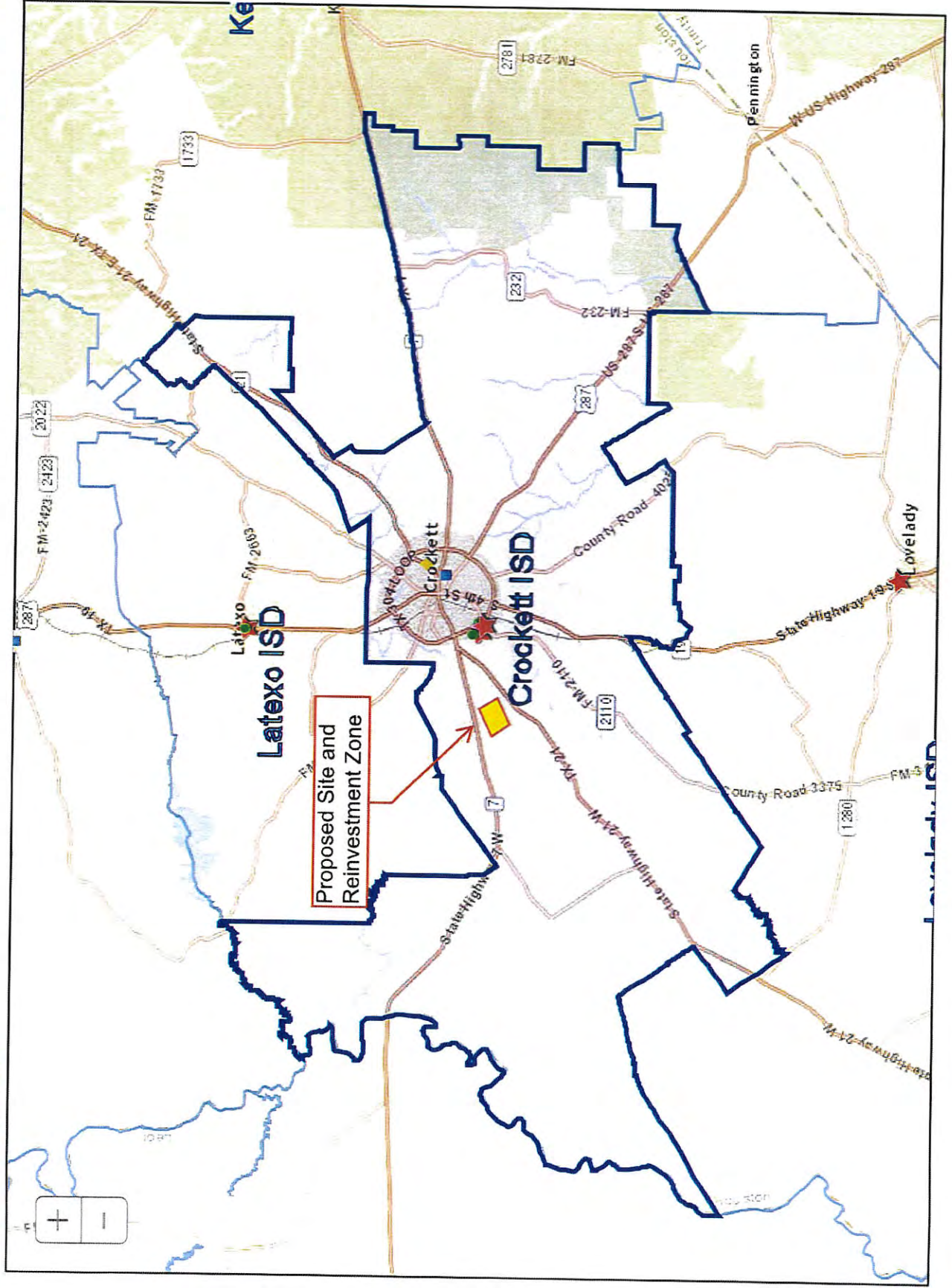
Additional information on incentives for this project:

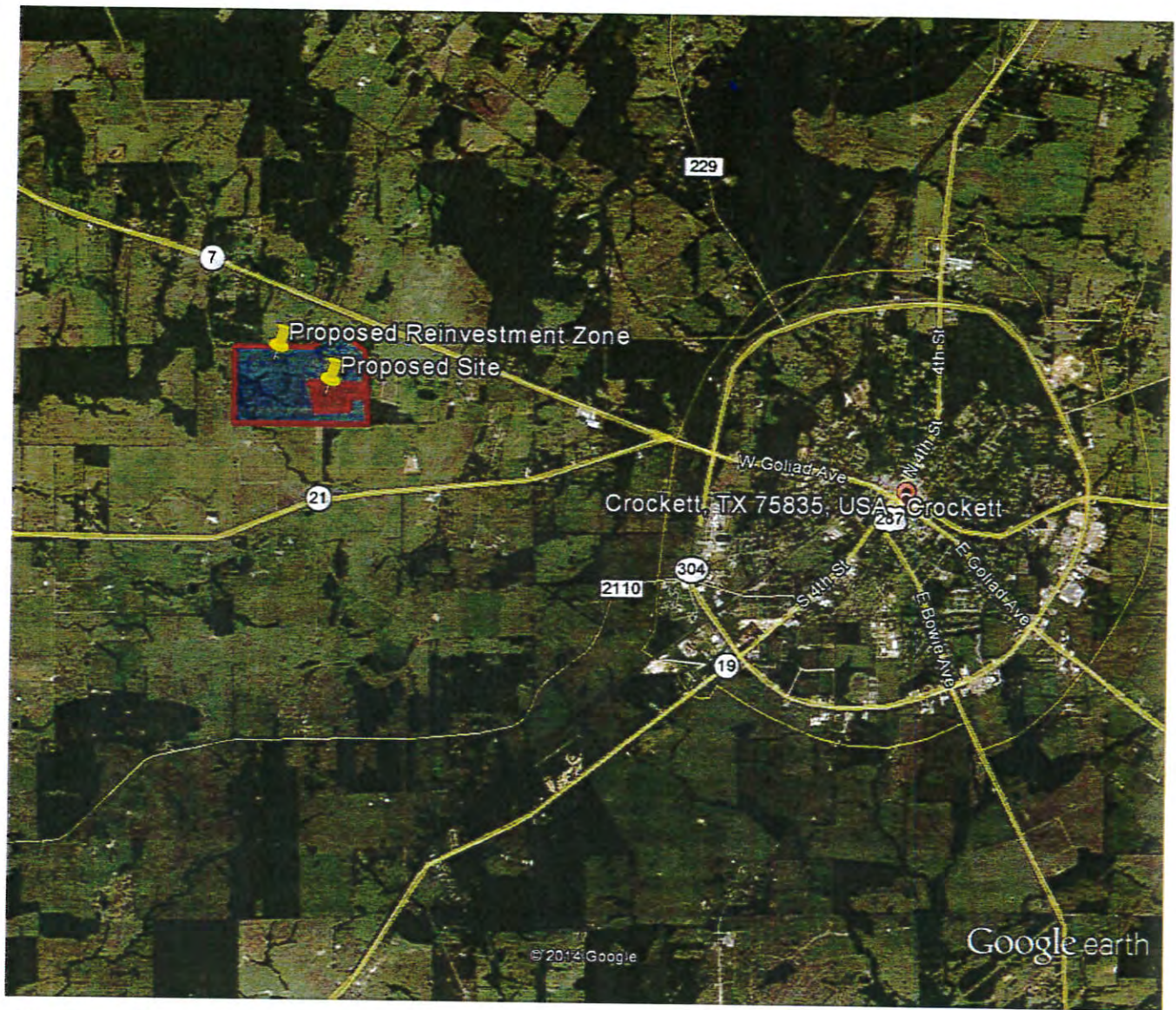
TAB 15

Economic Impact Study

TAB 16

Description of Reinvestment Zone





Google earth

miles 4
km 6





Google earth

feet 2000
meters 800



NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

WARRANTY DEED WITH VENDOR'S LIEN

THE STATE OF TEXAS |

COUNTY OF HOUSTON | KNOW ALL MEN BY THESE PRESENTS:

1

THAT THE UNDERSIGNED, James A. St. John, Trustee of the James A. St. John Trust, hereinafter called "Grantor," whether one or more, for and in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00), and other valuable consideration to the undersigned in hand paid by the Grantee herein named, the receipt of which is hereby acknowledged, and the further consideration of the execution and delivery by the Grantee of that one certain promissory note of even date herewith in the principal sum of **FOUR HUNDRED THIRTY-THREE THOUSAND SEVEN HUNDRED FIVE and 00/100 DOLLARS (\$433,705.00)**, payable to the order of **Citizens State Bank**, Corrigan, Texas, as therein specified, providing for acceleration of maturity and for attorney's fees, the payment of which note is secured by the vendor's lien herein retained, and is additionally secured by a deed of trust of even date herewith to **L. A. Page, TRUSTEE**, has GRANTED, SOLD AND CONVEYED, and by these presents does GRANT, SELL AND CONVEY unto **Sam Carlton and Johnny Ray Lowe**, whose address is 10771 FM 2262, Groveton, Trinity County, Texas 75845, herein referred to as the "Grantee," whether one or more, all of the real property described as follows, to-wit:

FIRST TRACT:

308.103 acres out of and a part of the J.J. HAILE SURVEY, A-40, and the JOHN HAGAN SURVEY, A-39 in Houston County, Texas, and being the same land described in a deed from George S. Satterwhite and wife Helen to B.L. Satterwhite recorded in Vol. 232, Page 281 of the Houston County Deed Records, which 308.103 acres more particularly described by metes and

bounds as follows:

BEGINNING on a ½ inch iron rod set for the West corner of this tract and being in the North East line of John L. Patrick called 324.294 acres tract, recorded in Vol. 919, Page 652 of the Official Records of Houston County, and being in the South East line of Calvin Johnson Tract, and being on or near the West corner of the said JOHN HAGAN SURVEY, A-39 and the North corner of the THOMAS R. TOWNSEND SURVEY, A-87 and being in the South East line of the J. J. HAILE SURVEY, A-40, and also being S 34 deg 48' 48" E 18.38 feet from a ½ inch iron rod found for the North corner of the said Patrick tract;

THENCE N 56 deg 09' 06" E 879.73 feet to a ½ inch iron rod found for corner, same being the East corner of the said Calvin Johnson tract and being the South West corner of Ronnie Goolsby called 104.963 acres tract, recorded in Vol. 624, Page 216 of the H.C.D.R., and also being on or near the South East line of the said J.J. HAILE SURVEY, A-40, and the North West line of the said JOHN HAGAN SURVEY, A-39;

THENCE N 55 deg 16' 15" E 1932.60 feet to a ½ inch iron rod set for corner, same being on or near the South East line of the said J. J. HAILE SURVEY, A-40, and the North West line of the JOHN HAGAN SURVEY, A-39, and also being the South East corner of the said Ronnie Goolsby tract;

THENCE N 7 deg 59' 04" E 1008.19 feet to corner of County Road No. 3020, and also being a North East corner of the said Ronnie Goolsby called 104.963 acres tract, set ½ inch iron rod at fence corner post for reference corner S 7 deg 59' 04" W 28.0 feet;

THENCE along with and near the center of County Road No. 3020 as follows: S 89 deg 10' 48" E 684.05 feet, S 89 deg 17' 46" E 332.26 feet, and S 88 deg 40' 54" E 456.72 feet to corner in same, set ½ inch iron rod for reference corner at fence corner post, S 34 deg 23' 27" E 34.0 feet;

THENCE along with and near a fence line for the North East line of this tract and the South West line of Mitchell Jones called 56.5 acres tract as follows: S 34 deg 23' 27" E 780.32 feet, S 37 deg 39' 08" E 488.35 feet and S 38 deg 15' 47" E 1324.60 feet to a ½ inch iron rod set at fence corner post for corner, same being the South corner of the said Jones called 56.5 acres tract and being in the North West line of the said William Clark called 148.59 acres tract, described in Vol. 1089, Page 324 of the Official Records of Houston County;

THENCE S 55 deg 09' 23" W 1597.34 feet to a 4" X 4" concrete monument found for corner, same being the West corner of said William Clark called 148.59 acres tract, and the North corner of a S. F. Zelesky called 25 acres tract, recorded in Vol. 913, Page 550 of the Official Records of Houston County;

THENCE S 54 deg 57' 16" W 318.40 feet to a ½ inch iron rod found for corner, same being the West corner of the said S. F. Zelesky called 25 acres tract and North corner of the said John L. Patrick called 324.294 acres tract;

THENCE S 55 deg 25' 19" W 2263.12 feet and S 57 deg 16' 20" W 611.47 feet to a ½ inch iron rod found for corner, from which a 30" R.O. brs N 53 deg E 16.0 feet, and also being on or near the

South West line of the said JOHN HAGAN SURVEY, A-39 and the North East line of the THOMAS R. TOWNSEND SURVEY, A-87;

THENCE N 34 deg 48' 48" W 2699.59 feet to the place of beginning and containing 308.103 acres of land more or less, of which 0.852 acre is in County Road No. 3020.

SECOND TRACT:

12.565 acres out of and a part of the J. J. HAILE SURVEY, A-40, in Houston County, Texas, and being the same land described in a deed from Virginia Grosland, guardian of the Estate of Ewen Durst Hail to B. L. Satterwhite recorded in Vol. 284, Page 550 of the Houston County Deed Records, which 12.565 acres more particularly described by metes and bounds as follows:

BEGINNING on a ½ inch iron rod set at fence corner post for the North West corner of this tract and the North East corner of the Joe Adamo called 10.5 acres tract recorded in Vol. 1068, Page 380 of the Official Records of Houston County and also being in the South East R.O.W. of State Hwy. No. 7;

THENCE N 77 deg 41' 45" E 880.43 feet to a ½ inch iron rod set at fence corner post for the North East corner of this tract and being the West corner of Frank Smith called 90 acres tract and being in the South East R.O.W. line of State Hwy. No. 7;

THENCE S 17 deg 03' 18" E 428.07 feet to a 1-1/4 inch iron pipe found for corner, same being in the South West line of the said Frank Smith called 90 acres tract and the North corner of Elbert Warren called 3 acres tract, recorded in Vol. 228, Page 41 of the Houston County Deed Records;

THENCE S 49 deg 51' 34" W 611.92 feet to a ½ inch iron rod set for corner, same being the West corner of the said Warren called 3 acres tract, and being in the North line of County Road No. 3020;

THENCE N 89 deg 54' 00" W 368.25 feet to a ½ inch iron rod set for corner at fence corner post, same being in the East line of the said Joe Adamo tract, and also being in the North fence line of said County Road No. 3020;

THENCE N 13 deg 40' 20" W 633.42 feet to the place of beginning and containing 12.565 acres of land more or less.

THIS CONVEYANCE IS MADE SUBJECT TO THE FOLLOWING:

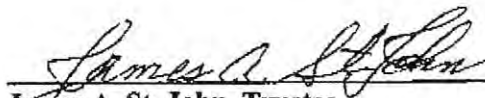
One-half (1/2) of all oil, gas and other minerals of every character in and under 14.8 acre tract in the J.J. Hail Survey, A-40, and 296.3 acre tract in the JOHN HAGAN SURVEY, A-39, which make up a portion of subject property, reserved by Crockett State Bank, Crockett, Texas, in instrument recorded in Vol. 215, Page 221 of the Deed Records of Houston County, Texas, reference to which instrument is here made for all purposes. Title to said interest has not been investigated subsequent to date of the aforesaid instrument.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging, unto the said Grantee, Grantee's heirs, executors, administrators, successors and/or assigns forever; and Grantor does hereby bind Grantor, Grantor's heirs, executors, administrators, successors and/or assigns to WARRANT AND FOREVER DEFEND all and singular the said premises unto the said Grantee, Grantee's heirs, executors, administrators, successors and/or assigns, against every person whomsoever claiming or to claim the same or any part thereof.

But it is expressly agreed that the Vendor's Lien, as well as Superior Title in and to the above described premises, is retained against the above described property, premises and improvements until the above described note and all interest thereon are fully paid according to the face, tenor, effect and reading thereof, when this Deed shall become absolute. THAT **Citizens State Bank**, Corrigan, Texas, at the instance and request of the Grantee herein, having advanced and paid in cash to the Grantor herein that portion of the purchase price of the herein described property as is evidenced by the hereinabove described Note, the Vendor's Lien, together with the Superior Title to said property, is retained herein for the benefit of said Lender and the same are hereby TRANSFERRED AND ASSIGNED to said Lender, its successors and assigns.

Current ad valorem taxes on the property having been prorated, the payment thereof is assumed by Grantee.

EXECUTED this 16th day of September 2005.


James A. St. John, Trustee
of the James A. St. John Trust

054198

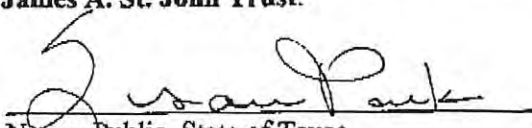
8

THE STATE OF TEXAS |

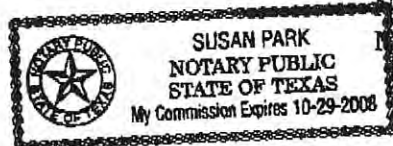
COUNTY OF HOUSTON |

The foregoing instrument was acknowledged before me on this the 16th day of September 2005 by **James A. St. John, Trustee of the James A. St. John Trust.**

5



Notary Public, State of Texas
My Commission Expires:



RCvD/05-272.CSB/sp

Accepted for Filing in Houston County, Texas
by Bridget Lamb, County Clerk

September 16, 2005 - 3:39 P

STATE OF TEXAS COUNTY OF HOUSTON
I hereby certify that this instrument
was filed on the date and time stamped hereon
by me and was duly recorded in the image
records of Houston County, Texas as stamped
hereon by me.
Honorable Bridget Lamb, County Clerk
Houston County, Texas

This document has been received by this
Office for Recording. We do hereby swear that
we do not discriminate due to Race, Creed,
Color, Sex or National Origin.

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Foreclosure Sale Deed

Date: March 3, 2009

Deed of Trust

Date: February 28, 2008

Grantor: Frederick G. Roberts and Melvis T. Denman

Original Beneficiary: Sam Carlton and Johnny Ray Lowe

Current Beneficiary: Sam Carlton and Johnny Ray Lowe

Trustee: R.C. (Chris) von Doenhoff

Recording Information: Document No 0801038 of the Image Records of Houston County, Texas

Property: 308.103 acres out of and a part of the J. J. HAILE SURVEY, A-40 and the JOHN HAGAN SURVEY, A-39 in Houston County, Texas, and being the same land described in a deed from George S. Satterwhite and wife, Helen to B. L. Satterwhite recorded in Volume 232, Page 281 of the Houston County Deed Records, which 308.103 acres more particularly described by metes and bounds to follow:

BEGINNING on a 1/2-inch iron pin set for the West corner of this tract and being in the North East line of John L. Patrick called 324.294-acre tract, recorded in Volume 919, Page 652 of the Official Records of Houston County, and being in the South East line of Calvin Johnson Tract, and being on or near the West corner of the said JOHN HAGAN SURVEY, A-39 and the North corner of the THOMAS R. TOWNSEND SURVEY, A-87 and being in the South East line of the J. J. HAILE SURVEY, A-40, and also being South 34 deg 48' 48" East 18.38 feet from a 1/2-inch iron rod found for the North corner of the said Patrick tract;

THENCE North 56 deg 09' 06" East 879.73 feet to a 1/2-inch iron rod found for corner, same being the East corner of the said Calvin Johnson tract and being the South West corner of Ronnie Goolsby called 104.963-acre tract, recorded in Volume 624, Page 216 of the Houston County Deed Records, and also being on or near the South East line of the said J. J. HAILE SURVEY, A-40, and the North West line of the said JOHN HAGAN SURVEY, A-39;

THENCE North 55 deg 16' 15" East 1932.60 feet to a 1/2-inch iron rod set for corner, same being on or near the South East line of the said J. J. HAILE SURVEY, A-40, and the Northwest line of the JOHN HAGAN SURVEY, A-39, and also being the South East corner of the said Ronnie Goolsby tract;

THENCE North 7 deg 59' 04" East 1008.19 feet to corner of County Road No. 3020, and also being a North East corner of the said Ronnie Goolaby called 104.963-acre tract, set 1/2-inch iron rod at fence corner post for reference corner South 7 deg 59' 04" West 28.0 feet;

THENCE along with and near the center of County Road No. 3020 as follows: South 89 deg 10' 48" East 684.05 feet, South 89 deg 17' 46" East 332.26 feet, and South 88 deg 40' 54" East 456.72 feet to corner in same, set 1/2-inch iron rod for reference corner at fence corner post, South 34 deg 23' 27" East 34.0 feet;

THENCE along with and near a fence line for the North East line of this tract and the South West line of Mitchell Jones called 56.5-acre tract as follows: South 34 deg 23' 27" East 780.32 feet, South 37 deg 39' 08" East 488.35 feet and South 38 deg 15' 47" East 1324.60 feet to a 1/2-inch iron rod set at fence corner post for corner, same being the South corner of the said Jones called 56.5-acre tract and being in the North West line of the said William Clark called 148.59-acre tract, described in Volume 1089, Page 324 of the Official Records of Houston County;

THENCE South 55 deg 09' 23" West 1597.34 feet to a 4" X 4" concrete monument found for corner, same being the West corner of said William Clark called 148.59-acre tract, and the North corner of a S. F. Zelesky called 25-acre tract, recorded in Volume 913, Page 550 of the Official Records of Houston County;

THENCE South 54 deg 57' 16" West 318.40 feet to a 1/2-inch iron rod found for corner, same being the West corner of the said S. F. Zelesky called 25-acre tract and North corner of the said John L. Patrick called 324.294-acre tract;

THENCE South 55 deg 25' 19" West 2263.12 feet and South 57 deg 16' 20" West 611.47 feet to a 1/2-inch iron rod found for corner, from which a 30" R.O. bears North 53 deg East 16.0 feet, and also being on or near the South West line of the said JOHN HAGAN SURVEY, A-39 and the North East line of the THOMAS R. TOWNSEND SURVEY, A-87;

THENCE North 34 deg 48' 48" West 2699.59 feet to the **PLACE OF BEGINNING** and containing 308.103 acres of land more or less, of which 0.852 acres is in County Road No. 3020.

Note Secured by Deed of Trust (Note)

Date: February 28, 2008

Maker: Frederick G. Roberts and Melvis T. Denman

Original Principal Amount: \$794,075.00

Original Payee: Sam Carlton and Johnny Ray Lowe

Current Holder: Sam Carlton and Johnny Ray Lowe

Date of Sale of Property (first Tuesday of month): March 3, 2009

Time Sale of Property Began: 10:47 a.m.

Place of Sale of Property: East side of courthouse, in Crockett, Houston County, Texas

Buyer: SAM CARLTON AND JOHNNY RAY LOWE

Buyer's Mailing Address:

SAM CARLTON AND JOHNNY RAY LOWE
1077 FM 2262
Groveton, Texas 75845

Amount of Sale: \$775,000.00

By Deed of Trust, Grantor conveyed to R.C. (Chris) von Doenhoff, as Trustee, certain property for the purpose of securing and enforcing payment of the indebtedness and obligations therein described (collectively, the Obligations), including but not limited to the Note, all renewals and extensions of the note, and any and all present and future indebtedness of Frederick G. Roberts and Melvis T. Denman to Beneficiary.

Default has occurred in the payment of the Obligations when due. The unpaid balance of the principal of the Obligations was accelerated, and default has occurred and is continuing in the payment of the Obligations. Sam Carlton and Johnny Ray Lowe, the current Holder of the Obligations and the current Beneficiary of the Deed of Trust, requested R.C. (Chris) von Doenhoff, as Trustee, to enforce the trust of the Deed of Trust.

Pursuant to the requirements of the Deed of Trust and the laws of the state of Texas, written notice of the time, place, date, and terms of the public foreclosure sale of the Property was posted at the courthouse door of Houston County, Texas, the county in which the Property is situated, and a copy of the notice was also filed with the county clerk of Houston County, Texas, each notice having been posted and filed for at least twenty-one days preceding the date of the foreclosure sale.

Additionally, written notice of the time, date, place, and terms of the foreclosure sale was served on behalf of the current Beneficiary by certified mail on each debtor who, according to the records of the current Beneficiary, is obligated to pay any of the Obligations. The certified mail notice was timely sent by depositing the notice in the United States mail, postage prepaid in proper amount, and addressed to the debtor at the debtor's last known address as shown by the records of the current Beneficiary at least twenty-one days preceding the date of the foreclosure.

Written notice of default and of the opportunity to cure the default to avoid acceleration of the maturity of the note was served on behalf of the current Beneficiary by certified mail on each debtor who, according to the records of the current Beneficiary, is obligated to pay any of the Obligations. The certified-mail notice was timely sent by depositing the notice in the United States mail, postage prepaid in proper amount, and addressed to the debtor at the debtor's last known address as shown by the records of the current Beneficiary at least twenty days preceding the date of the acceleration of the maturity of the note and the posting of the mortgaged Property for foreclosure.

Attached is an affidavit for the mailing of notice of intent to accelerate the maturity of the note to debtor and posting and mailing of notice of foreclosure sale and conduct of the foreclosure sale.

In consideration of the premises and of the bid and payment of the amount of \$775,000.00, the highest bid by Buyer, I, as Trustee, by virtue of the authority conferred on me in the Deed of Trust, have granted, sold, and conveyed all of the Property to Buyer and Buyer's heirs and assigns, to have

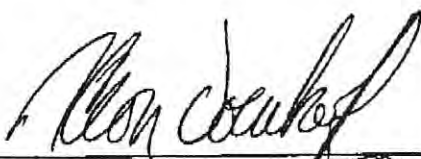
and to hold the Property, together with the rights, privileges, and appurtenances thereto belonging unto Buyer and Buyer's heirs and assigns forever.

I, as the Trustee, do hereby bind Grantor and Grantor's heirs and assigns to warrant and forever defend the Property to Buyer and Buyer's heirs and assigns forever, against the claim or claims of all persons claiming the same or any part thereof.

And in consideration of the premises and of the payment to the Trustee of the above-referenced amount, Trustee hereby grants, bargains, sells, and transfers to Buyer the following described personal property (the "Personal Property"): None, to have and to hold, all and singular, the Personal Property to Buyer and Buyer's heirs and assigns to use forever.

No warranty or representation exists as to the merchantability or fitness for use or a particular purpose of the Personal Property. Trustee is selling the Personal Property described above on an "as is" and "where is" basis and disclaims any implied or express warranties with respect to such Personal Property.

Executed on March 3, 2009.


R.C. (Chris) von Doenhoff TRUSTEE

STATE OF TEXAS §

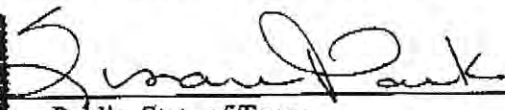
COUNTY OF HOUSTON §

BEFORE ME, the undersigned authority, on this day personally appeared R.C. (Chris) von Doenhoff, as Trustee, known to me to be the person whose name is subscribed to the foregoing instrument, and who acknowledged to me that Trustee executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

Given under my hand and seal of office this 3rd day of March 2009.

SUBSCRIBED AND SWORN TO before me on March 3, 2009 by R.C. (Chris) von Doenhoff.





Notary Public, State of Texas

PREPARED IN THE OFFICE OF:
R. C. (Chris) von Doenhoff, PC
1121 EAST HOUSTON
P. O. BOX 1322
CROCKETT, TEXAS 75835
Tel: (936) 544-2091; Fax: (936) 544-2411
RCVD\08-365\up

AFTER RECORDING RETURN TO:
R. C. (Chris) von Doenhoff, PC
1121 EAST HOUSTON
P. O. BOX 1322
CROCKETT, TEXAS 75835
Tel: (936) 544-2091; Fax: (936) 544-2411

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Composite Affidavit for Trustee

STATE OF TEXAS §

COUNTY OF HOUSTON §

R.C. (Chris) von Doenhoff appeared in person before me today and stated under oath:

"My name is R.C. (Chris) von Doenhoff. I am competent to make this affidavit. The facts stated in this affidavit are within my personal knowledge and are true and correct.

"Under the direction of Sam Carlton and Johnny Ray Lowe, the legal holders of the deed of trust described below and of the obligations secured thereby, I, as the Trustee appointed to enforce the power of sale contained in the deed of trust dated February 28, 2008, executed by Frederick G. Roberts and Melvis T. Denman to R.C. (Chris) von Doenhoff, Trustee, filed for record in Document No 0801038 of the Image Records of Houston County, Texas of the real property records of Houston County, Texas, securing payment of the promissory note of the same date in the original principal amount of \$794,075.00, executed by Frederick G. Roberts and Melvis T. Denman and payable to the order of Sam Carlton and Johnny Ray Lowe on February 28, 2008, did post, on February 3, 2009, signed copies of a notice of foreclosure sale, of which a true and correct copy is attached to and incorporated in this affidavit by reference for all purposes, at the officially designated place, located near an entrance door to the county courthouse of Houston County, Crockett, Texas, and filed a duplicate of the notice of foreclosure sale with the county clerk's office of Houston County, Texas, at 10:46 AM that same day.

"I further served a true and correct copy of the notice of foreclosure sale on the following people on February 3, 2009, at Crockett, Texas, by depositing the same, postage prepaid, certified mail, return receipt requested, in a post office or official depository of the U.S. Postal Service. The person served with notice and their address is as follows:

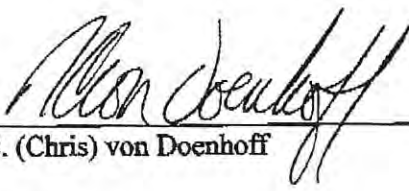
Frederick G. Roberts and Melvis T. Denman, 800 North Sixth Street, Crockett, Texas 75835

"Further, on March 3, 2009, at a time not earlier than the time set forth in the notice of foreclosure sale and beginning not later than three hours thereafter, I did conduct the foreclosure sale. The foreclosure sale occurred in the area of the courthouse designated by the commissioner's court in the real property records.

"On December 10, 2008, I notified Frederick G. Roberts and Melvis T. Denman by certified mail that Frederick G. Roberts and Melvis T. Denman had a period of not less than twenty

days to cure the default before the entire debt secured by the deed of trust became due and notice of the proposed foreclosure sale was given.

"To the best of my knowledge and belief, the mortgagors holding an interest in the above-described property were not on active duty with any branch of the Armed Forces of the United States or were not protected by the Servicemembers Civil Relief Act on the date of the Trustee's Sale and were alive on the date of such sale."


R.C. (Chris) von Doenhoff

SUBSCRIBED AND SWORN TO before me on March 3, 2009 by R.C. (Chris) von Doenhoff.


Notary Public, State of Texas



PREPARED IN THE OFFICE OF:

R. C. (Chris) von Doenhoff, PC
1121 EAST HOUSTON
P. O. BOX 1322
CROCKETT, TEXAS 75835
Tel: (936) 544-2091; Fax: (936) 544-2411

RCvD\08-365\sp

AFTER RECORDING RETURN TO:

R. C. (Chris) von Doenhoff, PC
1121 EAST HOUSTON
P. O. BOX 1322
CROCKETT, TEXAS 75835
Tel: (936) 544-2091; Fax: (936) 544-2411

March 03, 2009 - 3:35 P
STATE OF TEXAS
I hereby certify that this instrument
was filed on the date and time stamped hereon
and was duly recorded in the image
records of Houston County, Texas as stamped
hereon by me.
Honorable Bridget Lamb, County Clerk
Houston County, Texas
This does not discriminate due to Race, Creed,
Color, Sex or National Origin.

Accepted for Filing in Houston County, Texas
by Bridget Lamb, County Clerk

TAB 17

Signature and Certification Page

Application for Appraised Value Limitation on Qualified Property

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in Tab 17. NOTE: If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

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.

print here Terry Myers
Print Name (Authorized School District Representative)

Superintendent
Title

sign here Terry Myers
Signature (Authorized School District Representative)

11/17/14
Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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 and schedules 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.

print here Megan McKavanagh
Print Name (Authorized Company Representative (Applicant))

Property Tax Manager
Title

sign here Megan McKavanagh
Signature (Authorized Company Representative (Applicant))

10 to 2014
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

6 day of October, 2014
Beverly M. Hernandez
Notary Public in and for the State of Texas

My Commission expires: 9.3.2018

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 Section 37.10.

Findings and Order of the Crockett Independent School District Board of Trustees
under the Texas Economic Development Act on the Application Submitted by
ETC Texas Pipeline, LTD (Tax ID 10505324664) (Application #1044)

ATTACHMENT B
Franchise Account Status of
ETC TEXAS PIPELINE, LTD



Franchise Tax Account Status

As of: 08/10/2015 02:23:23 PM

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

ETC TEXAS PIPELINE, LTD.

Texas Taxpayer Number 10505324664

Mailing Address 800 E SONTERRA BLVD STE 400
SAN ANTONIO, TX 78258-3941

Right to Transact Business ACTIVE
in Texas

State of Formation TX

Effective SOS Registration 09/24/2002
Date

Texas SOS File Number 0800126082

Registered Agent Name CORPORATION SERVICE COMPANY D/B/A CSC-
LAWYERS INCO

Registered Office Street 211 E. 7TH STREET SUITE 620
Address AUSTIN, TX 78701

Findings and Order of the Crockett Independent School District Board of Trustees
under the Texas Economic Development Act on the Application Submitted by
ETC Texas Pipeline, LTD (Tax ID 10505324664) (Application #1044)

ATTACHMENT C
Comptroller Letter of March 26, 2015
Certifying Application as Complete



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

March 26, 2015

Terry Myers
Superintendent
Crockett Independent School District
1400 W. Austin St.
Crockett, Texas 75835

Dear Superintendent Myers:

On Dec. 1, 2014, the Comptroller's office received from Crockett Independent School District (Crockett ISD) an application from ETC Texas Pipeline, LTD for a limitation on appraised value (App #1044).

The purpose of this letter is to inform you that the Comptroller's office has reviewed the submitted application and determined that it includes the information necessary to be determined as complete on March 26, 2015.

Texas Tax Code §313.025(d) directs the Comptroller's office to issue a certificate for a limitation on the appraised value of the property, or provide the governing body of the school district with a written explanation of the comptroller's decision to not issue a certificate no later than the 90th day after receiving the completed application. The requirements to determine eligibility and to issue a certificate for a limitation do not begin until an application is complete as determined by this agency. The Comptroller's office will move forward with our economic impact evaluation and will send a letter of determination to the ISD and the applicant.

This letter does not constitute a review of the application under Section 313.025(h) to determine if the project meets the requirements of Section 313.024 for eligibility for a limitation on appraised value. Likewise, this letter does not address the determinations required under Section 313.026(c).

Should you have any questions, please contact Jenny Hicks with our office. She can be reached by email at jenny.hicks@cpa.texas.gov or by phone at 1-800-531-5441, ext. 3-4794, or direct in Austin at 512-463-4794.

Sincerely,

A handwritten signature in blue ink, appearing to read "R. Wood", is positioned above the printed name of the Associate Deputy Comptroller.

Robert Wood
Associate Deputy Comptroller

cc: Sara Leon, Powell & Leon LLP
Megan McKavanagh, Energy Transfer Partners, L.P.

Findings and Order of the Crockett Independent School District Board of Trustees
under the Texas Economic Development Act on the Application Submitted by
ETC Texas Pipeline, LTD (Tax ID 10505324664) (Application #1044)

ATTACHMENT D
Comptroller's Economic Impact Analysis



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

June 22, 2015

Terry Myers
Superintendent
Crockett Independent School District
1400 W. Austin St.
Crockett, Texas 75835

Dear Superintendent Myers:

On March 26, 2015, the Comptroller issued written notice that ETC Texas Pipeline, LTD (the applicant) submitted a completed application (Application #1044) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted in November, 2014, to the Crockett Independent School District (the school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

- 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 issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

Sec. 313.024(a)	Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b)	Applicant is proposing to use the property for an eligible project.
Sec. 313.024(d)	Applicant has committed to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.
Sec. 313.024(d-2)	Not applicable to Application #1044.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

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

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period. See Attachment B.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. See Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

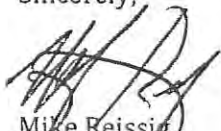
The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-286) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement within a year from the date of this letter.

Note that any building or improvement existing as of the application review start date of March 26, 2015, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Robert Wood, Associate Deputy Comptroller, by email at robert.wood@cpa.texas.gov or by phone at 1-800-531-5441, ext. 3-3973, or direct in Austin at 512-463-3973.

Sincerely,



Mike Reissig
Deputy Comptroller

Enclosure

cc: Robert Wood

Attachment A – Economic Impact Analysis

This following tables summarizes the Comptroller's economic impact analysis of ETC Texas Pipeline, LTD (the project) applying to Crockett Independent School District (the district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of ETC Texas Pipeline, LTD.

Applicant	ETC Texas Pipeline, LTD
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Crockett ISD
2013-14 Enrollment in School District	1295
County	Houston
Proposed Total Investment in District	\$105,000,000
Proposed Qualified Investment	\$105,000,000
Limitation Amount	\$20,000,000
Number of new qualifying jobs committed to by applicant	10
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$725
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)	\$725
Minimum annual wage committed to by applicant for qualified jobs	\$37,716
Minimum weekly wage required for non-qualifying jobs	
Minimum annual wage required for non-qualifying jobs	
Investment per Qualifying Job	\$10,500,000
Estimated M&O levy without any limit (15 years)	\$10,108,800
Estimated M&O levy with Limitation (15 years)	\$4,513,601
Estimated gross M&O tax benefit (15 years)	\$5,595,199

Table 2 is the estimated statewide economic impact of ETC Texas Pipeline, LTD (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2015	175	199	374	\$6,600,248	\$15,399,753	\$22,000,000
2016	10	58	68	\$377,157	\$5,622,843	\$6,000,000
2017	10	49	59	\$377,157	\$5,622,843	\$6,000,000
2018	10	43	53	\$377,157	\$4,622,843	\$5,000,000
2019	10	39	49	\$377,157	\$4,622,843	\$5,000,000
2020	10	33	43	\$377,157	\$4,622,843	\$5,000,000
2021	10	29	39	\$377,157	\$4,622,843	\$5,000,000
2022	10	27	37	\$377,157	\$4,622,843	\$5,000,000
2023	10	31	41	\$377,157	\$4,622,843	\$5,000,000
2024	10	37	47	\$377,157	\$4,622,843	\$5,000,000
2025	10	31	41	\$377,157	\$4,622,843	\$5,000,000
2026	10	35	45	\$377,157	\$4,622,843	\$5,000,000
2027	10	35	45	\$377,157	\$4,622,843	\$5,000,000
2028	10	37	47	\$377,157	\$5,622,843	\$6,000,000
2029	10	39	49	\$377,157	\$5,622,843	\$6,000,000
2030	10	33	43	\$377,157	\$6,622,843	\$7,000,000

Source: CPA, REMI, ETC Texas Pipeline, LTD

Table 3 examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

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	Crockett ISD I&S Levy	Crockett ISD M&O Levy	Crockett ISD M&O and I&S Tax Levies	Houston County	Houston County Hospital District #2	Houston County Emergency Services District #2	Estimated Total Property Taxes
				0.21	1.0400		0.465	0.030000	0.065530	
2016	\$ 90,000,000	\$90,000,000		\$189,000	\$936,000	\$1,125,000	\$418,500	\$27,000	\$58,977	\$1,543,500
2017	\$ 86,400,000	\$86,400,000		\$181,440	\$898,560	\$1,080,000	\$401,760	\$25,920	\$56,618	\$1,481,760
2018	\$ 82,800,000	\$82,800,000		\$173,880	\$861,120	\$1,035,000	\$385,020	\$24,840	\$54,259	\$1,420,020
2019	\$ 79,200,000	\$79,200,000		\$166,320	\$823,680	\$990,000	\$368,280	\$23,760	\$51,900	\$1,358,280
2020	\$ 75,600,000	\$75,600,000		\$158,760	\$786,240	\$945,000	\$351,540	\$22,680	\$49,541	\$1,296,540
2021	\$ 72,000,000	\$72,000,000		\$151,200	\$748,800	\$900,000	\$334,800	\$21,600	\$47,182	\$1,234,800
2022	\$ 68,400,000	\$68,400,000		\$143,640	\$711,360	\$855,000	\$318,060	\$20,520	\$44,823	\$1,173,060
2023	\$ 64,800,000	\$64,800,000		\$136,080	\$673,920	\$810,000	\$301,320	\$19,440	\$42,463	\$1,111,320
2024	\$ 61,200,000	\$61,200,000		\$128,520	\$636,480	\$765,000	\$284,580	\$18,360	\$40,104	\$1,049,580
2025	\$ 57,600,000	\$57,600,000		\$120,960	\$599,040	\$720,000	\$267,840	\$17,280	\$37,745	\$987,840
2026	\$ 54,000,000	\$54,000,000		\$113,400	\$561,600	\$675,000	\$251,100	\$16,200	\$35,386	\$926,100
2027	\$ 50,400,000	\$50,400,000		\$105,840	\$524,160	\$630,000	\$234,360	\$15,120	\$33,027	\$864,360
2028	\$ 46,800,000	\$46,800,000		\$98,280	\$486,720	\$585,000	\$217,620	\$14,040	\$30,668	\$802,620
2029	\$ 43,200,000	\$43,200,000		\$90,720	\$449,280	\$540,000	\$200,880	\$12,960	\$28,309	\$740,880
2030	\$ 39,600,000	\$39,600,000		\$83,160	\$411,840	\$495,000	\$184,140	\$11,880	\$25,950	\$679,140
			Total	\$2,941,200	\$10,108,800	\$12,150,000	\$4,519,800	\$291,600	\$636,952	\$16,669,800

Source: CPA, ETC Texas Pipeline, LTD

¹Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Houston County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with the county.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate ¹	Crockett ISD I&S Levy	Crockett ISD M&O Levy	Crockett ISD M&O and I&S Tax Levies	Houston County	Houston County Hospital District	Houston County Emergency Services District #2	Estimated Total Property Taxes
2016	\$ 90,000,000	\$20,000,000	0.21	\$189,000	\$208,000	\$397,000	\$209,250	\$27,000	\$58,977	\$606,250
2017	\$ 86,400,000	\$20,000,000		\$181,440	\$208,000	\$389,440	\$200,880	\$25,920	\$56,618	\$590,320
2018	\$ 82,800,000	\$20,000,000		\$173,880	\$208,000	\$381,880	\$192,510	\$24,840	\$54,259	\$574,390
2019	\$ 79,200,000	\$20,000,000		\$166,320	\$208,000	\$374,320	\$184,140	\$23,760	\$51,900	\$558,460
2020	\$ 75,600,000	\$20,000,000		\$158,760	\$208,000	\$366,760	\$175,770	\$22,680	\$49,541	\$542,530
2021	\$ 72,000,000	\$20,000,000		\$151,200	\$208,000	\$359,200	\$334,800	\$21,600	\$47,182	\$694,000
2022	\$ 68,400,000	\$20,000,000		\$143,640	\$208,000	\$351,640	\$318,060	\$20,520	\$44,823	\$669,700
2023	\$ 64,800,000	\$20,000,000		\$136,080	\$208,000	\$344,080	\$301,320	\$19,440	\$42,463	\$645,400
2024	\$ 61,200,000	\$20,000,000		\$128,520	\$208,000	\$336,520	\$284,580	\$18,360	\$40,104	\$621,100
2025	\$ 57,600,000	\$20,000,000		\$120,960	\$208,000	\$328,960	\$267,840	\$17,280	\$37,745	\$596,800
2026	\$ 54,000,000	\$20,000,000		\$113,400	\$208,000	\$321,400	\$251,100	\$16,200	\$35,386	\$572,100
2027	\$ 50,400,000	\$20,000,000		\$105,840	\$208,000	\$314,840	\$234,360	\$15,120	\$33,027	\$547,400
2028	\$ 46,800,000	\$20,000,000		\$98,280	\$208,000	\$306,280	\$217,620	\$14,040	\$30,668	\$522,600
2029	\$ 43,200,000	\$20,000,000		\$90,720	\$208,000	\$298,720	\$200,880	\$12,960	\$28,309	\$500,000
2030	\$ 39,600,000	\$20,000,000		\$83,160	\$208,000	\$291,160	\$184,140	\$11,880	\$25,950	\$477,100
			Total	\$2,041,200	\$ 4,513,601	\$ 6,554,801	\$ 3,557,250	\$291,600	\$ 636,952	\$ 10,112,050
			Difference	\$ -	\$ 5,595,199	\$ 5,595,200	\$ 962,550	\$ -	\$ (0)	\$ 6,557,750

Source: CPA, ETC Texas Pipeline, LTD

¹Tax Rate per \$100 Valuation

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.

Attachment B – Tax Revenue over 25 Years

This represents the Comptroller's determination that ETC Texas Pipeline, LTD (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2013	\$0	\$0	\$0	\$0
	2014	\$0	\$0	\$0	\$0
	2015	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2016	\$208,000	\$208,000	\$728,000	\$728,000
	2017	\$208,000	\$416,000	\$690,560	\$1,418,560
	2018	\$208,000	\$624,000	\$653,120	\$2,071,680
	2019	\$208,000	\$832,000	\$615,680	\$2,687,360
	2020	\$208,000	\$1,040,000	\$578,240	\$3,265,600
	2021	\$208,000	\$1,248,000	\$540,800	\$3,806,400
	2022	\$208,000	\$1,456,000	\$503,360	\$4,309,760
	2023	\$208,000	\$1,664,000	\$465,920	\$4,775,680
	2024	\$208,000	\$1,872,000	\$428,480	\$5,204,160
	2025	\$208,000	\$2,080,000	\$391,040	\$5,595,200
Maintain Viable Presence (5 Years)	2026	\$561,600	\$2,641,600	\$0	\$5,595,200
	2027	\$524,160	\$3,165,760	\$0	\$5,595,200
	2028	\$486,720	\$3,652,480	\$0	\$5,595,200
	2029	\$449,280	\$4,101,760	\$0	\$5,595,200
	2030	\$411,840	\$4,513,600	\$0	\$5,595,200
Additional Years as Required by 313.026(c)(1) (10 Years)	2031	\$374,400	\$4,888,000	\$0	\$5,595,200
	2032	\$336,960	\$5,224,960	\$0	\$5,595,200
	2033	\$299,520	\$5,524,480	\$0	\$5,595,200
	2034	\$262,080	\$5,786,560	\$0	\$5,595,200
	2035	\$234,000	\$6,020,560	\$0	\$5,595,200
	2036	\$234,000	\$6,254,560	\$0	\$5,595,200
	2037	\$234,000	\$6,488,560	\$0	\$5,595,200
	2038	\$234,000	\$6,722,560	\$0	\$5,595,200
	2039	\$234,000	\$6,956,560	\$0	\$5,595,200
	2040	\$234,000	\$7,190,560	\$0	\$5,595,200

\$7,190,560

is greater than

\$5,595,200

Analysis Summary

Is the project reasonably likely to generate M&O tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

Yes

Source: CPA, ETC Texas Pipeline, LTD

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.

Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that “the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.” This represents the basis for the Comptroller’s determination.

Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

Determination

The Comptroller has determined that the limitation on appraised value is a determining factor in the ETC Texas Pipeline, LTD’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per the applicant, it currently owns the land on which the proposed project will occur, but it doesn’t have currently business activities at the location where the proposed project will occur.
- Staff research discovered a press release by the applicant announcing an “Ease Texas Plant” which fits the description presented in the application. The announced East Texas Plant and the Alamo Plant in the application both have the same capacity, same construction time line, and are both located in the east Texas region.
- In response to staff’s inquiry regarding the similarities between the two plants mentioned above, the applicant stated that “The term “East Texas Plant” refers instead to the generic possibility of building the same or a similar plant in any of several possible locations within greater East Texas. The company has not committed to pursuing any such plant or location at this point.” The applicant also stated “As the primary available property tax incentive in Texas, a 313 agreement is vital to the Alamo Plant’s economics just as potential customer response will be. Both factors will be considered before any determination is made. Moreover, six other potential projects are presently competing for the same capital expenditures by our company, including two possible plants in Louisiana that would be eligible for a 10-year, 100% property tax abatement under that state’s Industrial Tax Exemption program (and for state sales tax incentives). Other competing projects are also under review that would be located in New Mexico or Oklahoma, the latter of which state has also offered manufacturing exemptions.”
- Per the applicant, it is “a leading midstream energy company whose primary activities include gathering, treating, processing and transporting natural gas and natural gas liquids to a variety of

markets and states. Energy Transfer currently operates over 17,500 miles of pipeline, 4 gas processing plants, 17 gas treating facilities and 10 gas conditioning plants. Locations for these operations included Arizona, New Mexico, Utah, Colorado, Kansas, Oklahoma, Texas, Arkansas and Louisiana. However, ETC could redirect its expenditures to build plants in other Texas Counties or the following states.

Kansas

Louisiana

New Mexico

Oklahoma”

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

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.

Supporting Information

Section 8 of the Application for
a Limitation on Appraised Value



Application for Appraised Value Limitation on Qualified Property

SECTION 6: Eligibility Under Tax Code Chapter 313.024

- | | | |
|---|---|--|
| 1. Are you an entity subject to the tax under Tax Code, Chapter 171? | ☒ Yes | No |
| 2. The property will be used for one of the following activities: | | |
| (1) manufacturing | ☒ Yes | No |
| (2) research and development | Yes | ☒ No |
| (3) a clean coal project, as defined by Section 5.001, Water Code | Yes | ☒ No |
| (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code | Yes | ☒ No |
| (5) renewable energy electric generation | Yes | ☒ No |
| (6) electric power generation using integrated gasification combined cycle technology | Yes | ☒ No |
| (7) nuclear electric power generation | Yes | ☒ No |
| (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) | Yes | ☒ No |
| (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 | Yes | ☒ No |
| 3. Are you requesting that any of the land be classified as qualified investment? | Yes | ☒ No |
| 4. Will any of the proposed qualified investment be leased under a capitalized lease? | Yes | ☒ No |
| 5. Will any of the proposed qualified investment be leased under an operating lease? | Yes | ☒ No |
| 6. Are you including property that is owned by a person other than the applicant? | Yes | ☒ No |
| 7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? | Yes | ☒ No |

SECTION 7: Project Description

1. In **Tab 4**, attach 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.

2. Check the project characteristics that apply to the proposed project:

☒ Land has no existing improvements

Land has existing improvements (*complete Section 13*)

Expansion of existing operation on the land (*complete Section 13*)

Relocation within Texas

SECTION 8: Limitation as Determining Factor

- | | | |
|---|---|--|
| 1. Does the applicant currently own the land on which the proposed project will occur? | ☒ Yes | No |
| 2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? | Yes | ☒ No |
| 3. Does the applicant have current business activities at the location where the proposed project will occur? | Yes | ☒ No |
| 4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? | Yes | ☒ No |
| 5. Has the applicant received any local or state permits for activities on the proposed project site? | Yes | ☒ No |
| 6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? | Yes | ☒ No |
| 7. Is the applicant evaluating other locations not in Texas for the proposed project? | ☒ Yes | No |
| 8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? | Yes | ☒ No |
| 9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? | Yes | ☒ No |
| 10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? | ☒ Yes | No |

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

For more information, visit our website: www.TexasAhead.org/tax_programs/chapter313/

Supporting Information

Attachments provided in Tab 5
of the Application for a
Limitation on Appraised Value

Ability to locate or relocate:

ETC Texas Pipeline, LTD (or "the Company") is a leading midstream energy company whose primary activities include gathering, treating, processing and transporting natural gas and natural gas liquids to a variety of markets and states. Energy Transfer currently operates over 17,500 miles of pipeline, 4 gas processing plants, 17 gas treating facilities and 10 gas conditioning plants. Locations for these operations included Arizona, New Mexico, Utah, Colorado, Kansas, Oklahoma, Texas, Arkansas and Louisiana.

However, ETC could redirect its expenditures to build plants in other Texas Counties or the following states.

Kansas
Louisiana
New Mexico
Oklahoma

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller


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PRESS RELEASE

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Energy Transfer Partners Announces New Processing Plants and Expanded Gathering Systems in the Growing Eagle Ford and Eaglebine Production Areas

DALLAS--(BUSINESS WIRE)--Nov. 5, 2014-- Energy Transfer Partners, L.P. (NYSE: ETP) today announced that it has entered into additional long-term gas gathering and processing agreements with producers in the growing Eagle Ford and Eaglebine production areas of south and southeast Texas. To facilitate these agreements, ETP has begun construction on two new cryogenic gas processing plants and additional gas gathering pipelines.

East Texas Plant

The East Texas Plant, a 200 million cubic feet per day cryogenic gas processing plant, will be constructed and installed east of the Partnership's La Grange Plant. The new plant is expected to be constructed and placed in-service by the fourth quarter of 2015. The Volunteer Pipeline, as further detailed below, will deliver rich gas to the East Texas Plant for processing with the resulting natural gas liquids and residue gas delivered to Lone Star NGL LLC's pipeline and ETP's Southeast Bossier 42-inch gas pipeline, respectively.

Volunteer Pipeline

The approximate 70-mile, 24-inch Volunteer Pipeline will have an initial capacity of 200 million cubic feet per day that will be expandable to over 400 million cubic feet per day with the addition of compression. The Volunteer Pipeline will originate in eastern Brazos County, Texas at an interconnect with ETP's Southeast Texas Pipeline System, a gas gathering system consisting of over 5,000 miles of pipe and over 80,000 horsepower of compression, and will extend to the Partnership's new East Texas Plant. The pipeline is expected to be constructed and placed in-service by the fourth quarter of 2015.

REM Eagle Ford Plant II

Also in light of ETP's continuing success in securing long-term, fee-based gathering and processing agreements along ETP's REM system, the Partnership has started construction of a new 200 million cubic feet per day cryogenic gas processing plant in the Eagle Ford production area that is expected to be online by June of 2015. This plant will be fully subscribed once it is on line and will deliver the residue gas into ETP's HPL intrastate pipeline system and the natural gas liquids into Lone Star NGL LLC's pipeline system. By the end of 2015, ETP expects to have in service approximately 1.8 billion cubic feet per day of cryogenic processing capacity in the Eagle Ford and Eaglebine plays in south and southeast Texas with expected NGL barrels recovered reaching 250,000 barrels per day.

The East Texas Plant, REM Eagle Ford Plant II and Volunteer Pipeline projects, estimated to cost between \$375 and \$410 million in aggregate, will add to ETP's ever-growing presence in south and southeast Texas where ETP has already spent in excess of \$3 billion on pipelines, plants and associated infrastructure in the last several years, resulting in strong distributable cash flow to the Partnership.

Energy Transfer Partners, L.P. (NYSE: ETP) is a master limited partnership owning and operating one of the largest and most diversified portfolios of energy assets in the United States. ETP currently owns and operates approximately 35,000 miles of natural gas and natural gas liquids pipelines. ETP also owns 100% of Panhandle Eastern Pipe Line Company, LP (the successor of Southern Union Company) and a 70% interest in Lone Star NGL LLC, a joint venture that owns and operates natural gas liquids storage, fractionation and transportation assets. ETP also owns the general partner, 100% of the incentive distribution rights, and approximately 57.1 million common units in Sunoco Logistics Partners L.P. (NYSE: SXL), which operates a geographically diverse portfolio of crude oil and refined products pipelines, terminalling and crude oil acquisition and marketing assets. ETP owns 100% of Sunoco, Inc. and 100% of Sussler Holdings Corporation. Additionally, ETP owns the general partner, 100% of the incentive distribution rights and approximately 44% of the limited partnership interests in Sunoco LP (formerly Sussler Petroleum Partners LP) (NYSE: SUN), a wholesale fuel distributor and convenience store operator. ETP's general partner is owned by ETE. For more information, visit the Energy Transfer Partners, L.P. web site at www.energytransfer.com.

Forward-Looking Statements

This press release may include certain statements concerning expectations for the future that are forward-looking statements as defined by federal law. Such forward-looking statements are subject to a variety of known and unknown risks, uncertainties, and other factors that are difficult to predict and many of which are beyond management's control. An extensive list of factors that can affect future results are discussed in the Partnership's Annual Reports on Form 10-K and other documents filed from time to time with the Securities and Exchange Commission. The Partnership undertakes no obligation to update or revise any forward-looking statement to reflect new information or events.

The information contained in this press release is available on our website at www.energytransfer.com.

Source: Energy Transfer Partners, L.P.

Investor Relations:

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5/26/2015

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COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2) –
ETC Texas Pipeline - Application #1044 – Crockett ISD

Comptroller Question (via email on May 28, 2015)

Provide more information on the East Texas Plant mentioned in [the Energy Transfer Press Release dated November 5, 2014, and investor presentation dated January 30, 2015] and clarify whether it is the same plant as the one in this application.

Applicant Response (via email on June 11, 2015):

The Alamo Plant and the East Texas Plant are definitely not one and the same. The Alamo Plant is a specific proposed plant and location as described in our application. The term "East Texas Plant" refers instead to the generic possibility of building the same or a similar plant in any of several possible locations within greater East Texas. The company has not committed to pursuing any such plant or location at this point. On the contrary, the press release from our marketing department was issued for the sole purpose of assessing customer demand and determining whether potential commitments would justify going forward with the Alamo Plant project, a different East Texas Plant, or no plant at all, at a time when oil and gas exploration and development has hit a slowdown.

Please note that the press release in question suggests only a general location for the East Texas Plant: somewhere "east of the Partnership's La Grange Plant". The La Grange Plant is located in La Grange, Texas, whereas the proposed Alamo Plant would be located specifically in Crockett per our application. Crockett is some 150 miles northeast of La Grange, between Centerville and Lufkin. That geography thus leaves a wide swath of Texas "east of the Partnership's La Grange Plant" under consideration for an "East Texas Plant", the design and location of which again hinges upon both available incentives and customer demand.

As the primary available property tax incentive in Texas, a 313 agreement is vital to the Alamo Plant's economics just as potential customer response will be. Both factors will be considered before any determination is made. Moreover, six other potential projects are presently competing for the same capital expenditures by our company, including two possible plants in Louisiana that would be eligible for a 10-year, 100% property tax abatement under that state's Industrial Tax Exemption program (and for state sales tax incentives). Other competing projects are also under review that would be located in New Mexico or Oklahoma, the latter of which state has also offered manufacturing exemptions.

DETAILED PROJECT DESCRIPTION OF QUALIFIED INVESTMENT
CROCKETT INDEPENDENT SCHOOL DISTRICT

ETC Texas Pipeline, LTD (or "the Company") is a leading midstream energy company whose primary activities include gathering, treating, processing and transporting natural gas and natural gas liquids to a variety of markets and states. Energy Transfer currently operates over 17,500 miles of pipeline, 4 gas processing plants, 17 gas treating facilities and 10 gas conditioning plants. Locations for these operations included Arizona, New Mexico, Utah, Colorado, Kansas, Oklahoma, Texas, Arkansas and Louisiana.

However, ETC could redirect its expenditures to build plants in other Texas Counties or the following states.

Kansas
Louisiana
New Mexico
Oklahoma

Proposed Project Description

ETC Texas Pipeline, LTD proposes to build a new 200 mmscf/d Gas Processing Plant in Crockett ISD/Houston County, Texas. Projected timeline for ETC to start construction is June of 2015 and start hiring the new employees in July of 2015. This should allow for completion and commencement of commercial operations to start in December of 2015.

Cryogenic Natural Gas Processing Plant

The Alamo Plant would include the installation of a refrigerated cryogenic gas plant. If completed, the Alamo Gas Processing Plant will be designed to process 200mmcf/d of gas and would include the following components, providing long-term processing, compression and residue gas takeaway:

- Buildings, Foundations, Inlet Separator, Amine Unit, Boilers, Heat Exchangers, Natural Gas/Air/H₂O Piping, Control
- Valves, Dehydration Units, Knock Out Drums, Slug Catcher, Compressors, Vessels, Heat Exchanger, SCADA plus Controls.
- ENVIRONMENTAL: (A) Flare-Stack, Scrubber, Leak Detection; (L) Liners, Containment.

Find

crockett

Crockett County Cons

CSD

Crockett ISD

CROCKETT

CROCKETT EARLY HEADSTART

CROCKETT EL

Map navigation controls: +, -, Home, Refresh

Map of Texas showing school district boundaries. The Crockett County area is highlighted in blue. Other districts shown include CROCKETT, CROCKETT EARLY HEADSTART, and CROCKETT EL.

Map navigation controls: +, -, Home, Refresh

Map of Texas showing school district boundaries. The Crockett County area is highlighted in blue. Other districts shown include CROCKETT, CROCKETT EARLY HEADSTART, and CROCKETT EL.

Map navigation controls: +, -, Home, Refresh

Map of Texas showing school district boundaries. The Crockett County area is highlighted in blue. Other districts shown include CROCKETT, CROCKETT EARLY HEADSTART, and CROCKETT EL.



ENERGY TRANSFER PARTNERS, L.P. REGENCY ENERGY PARTNERS LP

ETP's Merger with Regency

January 30, 2015



ENERGY TRANSFER

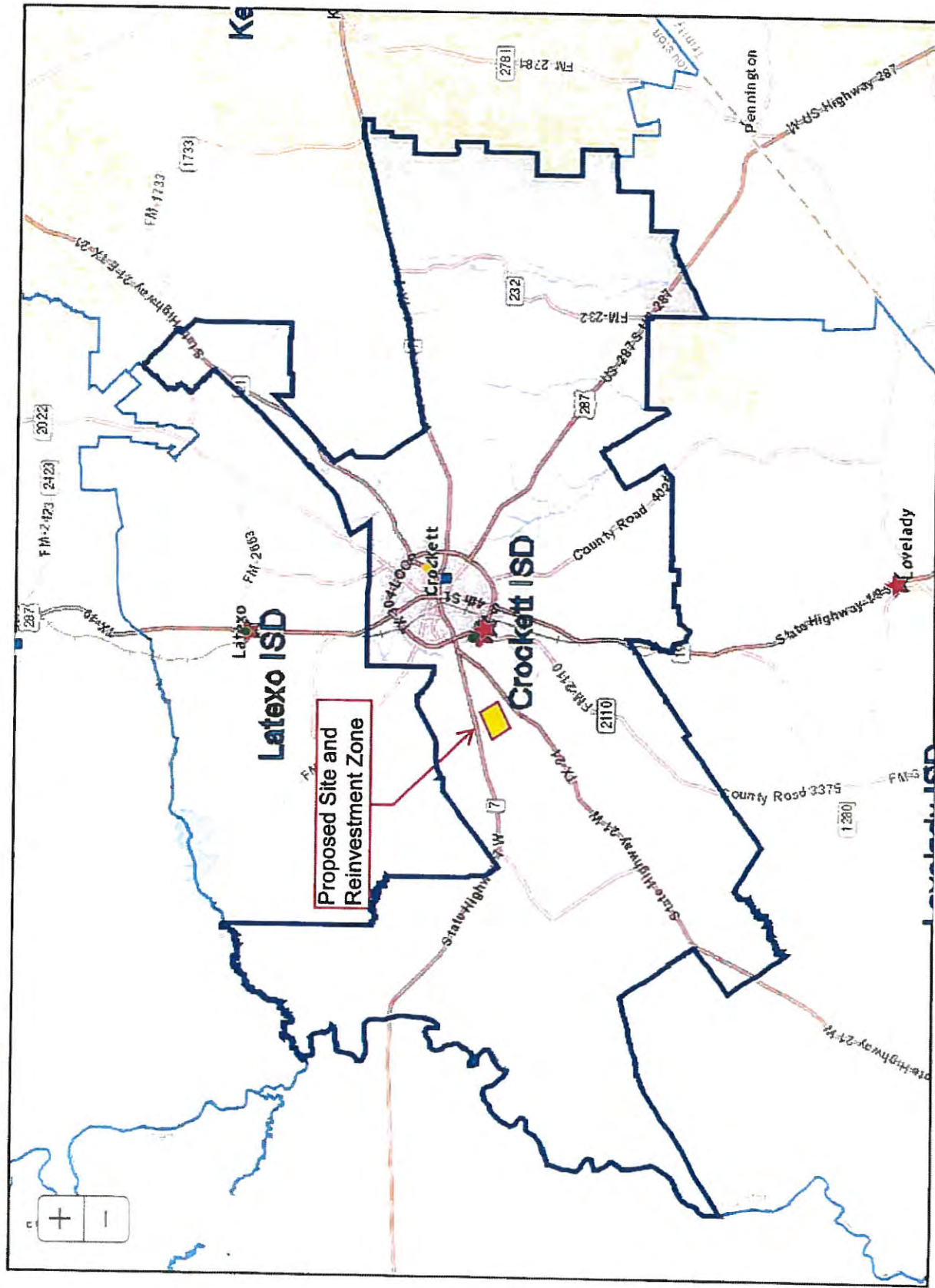
TAB 05

Limitation as Determining Factor

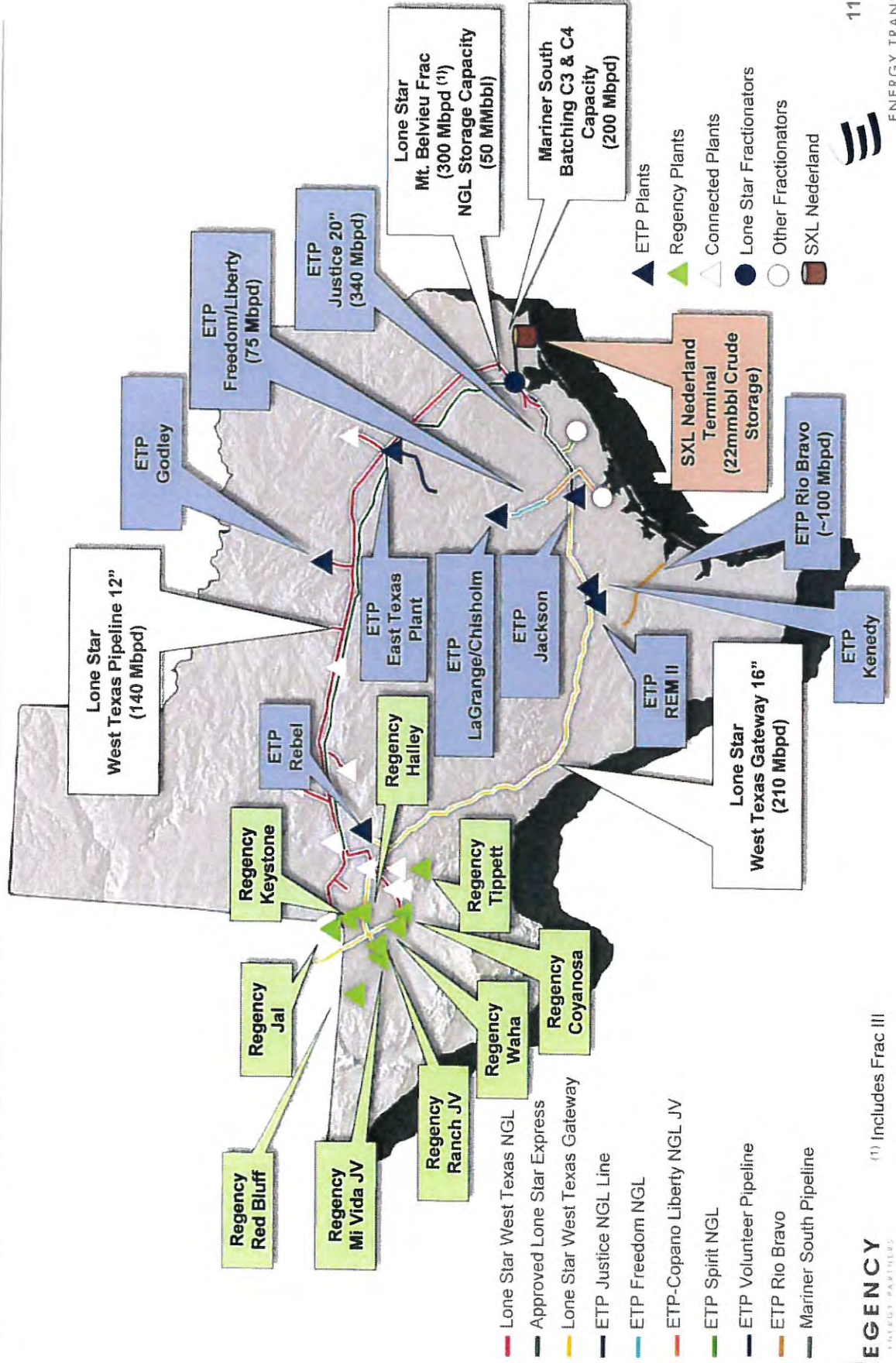


TEXAS EDUCATION AGENCY

Texas School District Locator



INTEGRATED MODEL DRIVES VALUE CREATION



(1) Includes Frac III

Findings and Order of the Crockett Independent School District Board of Trustees
under the Texas Economic Development Act on the Application Submitted by
ETC Texas Pipeline, LTD (Tax ID 10505324664) (Application #1044)

ATTACHMENT E
Summary of Financial Impact on Crockett ISD
Jigsaw School Finance Solutions LLC

SUMMARY OF THE FINANCIAL IMPACT OF THE PROPOSED
ETC TEXAS PIPELINE, LTD PROJECT (APP # 1044) ON THE
FINANCES OF CROCKETT ISD UNDER A REQUESTED
CHAPTER 313 APPRAISED VALUE LIMITATION

PREPARED BY
JIGSAW SCHOOL FINANCE SOLUTIONS, LLC
DECEMBER 16, 2014

Introduction

ETC Texas Pipeline, LTD has submitted an application to the Crockett ISD Board of Trustees for a property value limitation on a proposed project under Chapter 313 of the Tax Code. The Crockett ISD Board of Trustees accepted the application on November 17, 2014. The application is for a manufacturing project as authorized by Sec. 313.024 (b) of the Tax Code with a proposed \$105 million qualifying investment.

This project is consistent with the state's goal for economic development, the expanded intent of House Bill 1200 as originally passed by the Texas Legislature in 2001 and amended thereafter, and with Chapter 313 of the Texas Tax Code.

ETC Texas Pipeline, LTD is proposing to invest in Crockett ISD for a cryogenic gas facility to manufacture industrial gases. Under the provisions of Chapter 313, CISD may offer a minimum value limitation of \$20 million. Under Sec. 313.027, the application must provide that the limitation under Subsection (a) applies for a period of 10 years; and (2) specify the beginning date of the limitation, which must be January 1 of the first tax year that begins after: (A) the application date; (B) the qualifying time period; or (C) the date commercial operations begin at the site of the project. ETC Texas Pipeline, LTD proposed December 31, 2015 as the commencement of commercial operations with a January 1, 2016 beginning date of the limitation. For the purposed of this review, the limitation would extend from 2016-17 through 2025-26 (years 1-10). Beginning with the 2016-17 school year, the project would go on the local tax roll at \$20 million and remain at that level of taxable value for ten years for maintenance and operations (M&O) taxes.

School Finance Background

Crockett ISD intends to offer a value limitation for this project of \$20 million effective school year 2016-17 through 2025-26. As a result, the project will impact the local tax roll of the school district at that same amount for M&O taxes only. Taxes for debt service, voter approved projects financed by the sale of bonds, will be at the full taxable value. I&S taxes for any future projects approved by the voters of the district will also be assessed against the full taxable value. Depreciation will reduce the taxable value of the project over time at an estimated annual rate of about 4-9% in accordance with schedule B of the application.

While taxes are collected by the district on the current year county appraisal district (CAD) value, the state funding formulas use the comptroller's property tax division (CPTD) value for the purpose of calculating the district's required local shares within the funding tiers of that formula. The CPTD is a reflection of last year's CAD value; therefore, it lags behind the CAD value in all years. As a result, state and local revenues are generated by two different values in any given year.

With the passage of House Bill 1 in the 2006 special legislative session, the school finance system in Texas moved from one that was formula driven with a maximum M&O tax rate of \$1.50 to one that was, and continues to be, target revenue driven at a maximum tax rate of generally \$1.04, voter approval for a higher tax rate up to \$1.17 notwithstanding. This means

that most districts now receive additional state aid for tax reduction (ASATR) to offset the loss in state and local funds at the new maximum \$1.04 M&O tax cap vs. what was previously generated at the \$1.50 maximum M&O tax cap. The stated goal is for ASATR revenue to be completely eliminated by school year 2017-18.

With the passage of Senate Bill 1 in the 2011 special legislative session, funding reductions to the school finance system in Texas amounted to \$4 billion for the biennium or \$2 billion each year of the biennium. To accomplish these reductions, schools' regular program allotments are reduced by 7.61% in school year 2011-12 while those same calculated allotments are reduced by 2% in school year 2012-13 in addition to the ASATR funding also being reduced by 7.65%. As of the 2013 legislative session, approximately \$3.4 billion of those cuts were restored. Currently filed legal challenges and future legislative sessions will determine the course of school finance after school year 2014-15 and beyond.

Underlying Assumptions

The drivers of the funding mechanisms for Texas school districts are the current year property values, known as the County Appraisal District (CAD values), the prior year property values [after review by the Texas State Comptroller become the "comptroller's property tax division" (CPTD) values (used for next year funding)] and Average Daily Attendance (ADA of current funding year).

In calculating district's state and local tax revenue for any year the current year CAD values, current year ADA and prior year CPTD is used. For the purposes of these calculations, the starting point is to determine the projected CAD value for the 2014-15 school year. The District's 2014 local CAD certified value is \$382,033,120.

An ADA of 1193.40 has been used as the basis of these calculations. The enrollment projections were provided by Crockett ISD. ETC Texas Pipeline, LTD commits to 10 qualifying new jobs, which is not expected to impact enrollment.

For the Chapter 313 projects, 15 years of data must be calculated. In order to provide calculations extended 15 years into the future and to isolate the impact of the proposed project by ETC Texas Pipeline, LTD, certain constants and assumptions are used.

1. The estimates presented below are based upon the school funding system and formulas as defined by Senate Bill 1 and supplemented by House Bill 1025 passed in 2013. This school funding system and formulas were used for the duration of the project; although, no guarantee exists that this system or these formulas will remain in effect after the 2014-15 school year.
2. The ADA funding driver used is 1193.4 and is held constant for the duration of the agreement.
3. The general approach used here is to maintain relatively static base property values. The certified freeze adjusted CAD taxable value as furnished by Houston County Appraisal District for school year 2014-15 as released on or about July 25, 2014 was

used as the base value to which the estimated project values for each year as set forth in schedule B of the application were added. These projected CAD values were then used for the CPTD values in each of the following years based on the lag between these two values as heretofore explained.

4. Tax collections each year were based on the district's 2014-15 adopted M&O rate of \$1.04. The focus of this review is the impact on M&O funding of the district, therefore \$0.21, the district's adopted tax rate in school year 2014-15 was used for the duration of the review, and an assumed collection rate of 100 percent each year.

The enrollment and property value assumptions are summarized in Table 1.

Table 1 – Data Assumptions for Crockett ISD and ETC Texas Pipeline, LTD, – This table illustrates by year the tax rates, CAD Values with the Limitation in place, CAD Values for full taxable value for I&S purposes and the respective move to the next year of those value to the CPTD value. This respective data is then used as the basis for calculations in Tables 2 - 4.

Tables 2 - 4 – M&O Revenue Without the Limitation and With the Limitation – The first set of calculations (Table 2) uses the data to calculate the baseline revenue by adding the value of the proposed facility to the model, but without assuming that the value limitation is approved. The second set of the calculations (Table 3) show the M&O taxes and state revenue with the limitation in place. The ending result after the basic calculations are performed is to illustrate the difference between the two sets of calculations since this will be the basis for the Revenue Protection under the agreement (Table 4).

Financial Impact on the District

A summary of the differences in Table 2 and Table 3 are summarized in Table 4. A loss in total state and local M&O revenue to the district is noted in year one resulting from the agreement due to the inverted value lag between the CPTD and CAD values during the first year of the value limitation. Gains are noted in years 2-11. The larger gain noted in year 11 is due primarily to another value lag between the CPTD and CAD values, the inverse of that observed in year 1. Assuming the aforementioned elimination of ASATR funding at the end of school year 2016-17, ASATR is not a factor for CISD as the district's revenue is completely formula driven in all years of the agreement.

M&O Impact on Taxpayer (ETC Texas Pipeline, LTD)

In tax year 2016, the tax value limitation applies, but only to the M&O portion of the M&O taxes collected at the assumed rate of \$1.04 per \$100 of taxable value.

Under these provisions, ETC Texas Pipeline, LTD has the potential savings in M&O taxes of \$5,595,200 in tax savings. (This does not include school revenue loss or any other supplemental payments permitted by law). ETC Texas Pipeline, LTD is not eligible for a tax credit(s) on taxes paid on value in excess of the value limitation in the years

prior to the value limitation becoming effective. House Bill (HB) 3390 as passed by the 83rd Texas Legislature repealed the provision for tax credits. Correspondingly the provision for the school district to make such payments to ETC Texas Pipeline, LTD and the reimbursement by the state for such tax credit payments has been eliminated. 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. It is important to note that future legislative action on school funding could potentially affect the impact of the value limitation on the school district's finances and result in revenue-loss estimates that differ from the estimates presented in this report.

I&S Funding Impact on School District

The project remains fully taxable for debt services taxes, with CISD currently levying a \$0.21 I&S rate. The value of the ETC Texas Pipeline, LTD project is expected to depreciate over the life of the agreement and beyond, but full access to the additional value is expected to increase the District's projected wealth per ADA to \$232,345 in the peak year of I&S taxable project value. Even with depreciation in project values in future years, local taxpayers should benefit from the addition of the project to the local I&S tax roll. Projected I&S rates each year ranging from \$0.21 (the district's adopted tax rate in school year 2014-15) to \$0.0784 (the projected tax rate in school year 2036-37, the last year of the district's current bonded indebtedness).

The ETC Texas Pipeline, LTD project is not expected to affect CISD in terms of enrollment. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but it is not certain that this project will have an impact on a stand-alone basis.

Conclusion

While some uncertainty exists concerning school finance legislation over the future of this project, the following points appear to currently apply to the ETC Texas Pipeline, LTD project and the CISD. The proposed project enhances the tax base of CISD and it reflects continued capital investment and job creation in keeping with the goals of Chapter 313 of the Tax Code. Under the assumptions outlined above, the potential tax savings for ETC Texas Pipeline, LTD under a Chapter 313 agreement could reach an estimated \$5.6 million. This amount is net of any anticipated revenue losses, and prior to any supplemental payments to CISD as permitted by law. The additional taxable value also enhances the tax base of CISD in meeting possible future debt service obligations without creating an overall financial loss for the district with regard to M&O earnings over the term of the project provided ETC Texas Pipeline, LTD contractually agrees to offset the loss that is indicated in the Table 5.

Table 1 - Base District Information with ETC Texas Pipeline, LTD 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	2014-15	1,193.40	1,876.66	\$1.0400	\$0.2100	\$382,033,120	\$382,033,120	\$418,970,350	\$418,970,350	\$223,253	\$223,253
Pre-Year 1	2015-16	1,193.40	1,876.66	\$1.0400	\$0.2100	\$382,033,120	\$382,033,120	\$382,033,120	\$382,033,120	\$203,571	\$203,571
1	2016-17	1,193.40	1,876.66	\$1.0400	\$0.2100	\$472,033,120	\$402,033,120	\$382,033,120	\$382,033,120	\$203,571	\$203,571
2	2017-18	1,193.40	1,876.66	\$1.0400	\$0.2100	\$468,433,120	\$402,033,120	\$472,033,120	\$402,033,120	\$251,528	\$214,228
3	2018-19	1,193.40	1,876.66	\$1.0400	\$0.2100	\$464,833,120	\$402,033,120	\$468,433,120	\$402,033,120	\$249,610	\$214,228
4	2019-20	1,193.40	1,876.66	\$1.0400	\$0.2100	\$461,233,120	\$402,033,120	\$464,833,120	\$402,033,120	\$247,692	\$214,228
5	2020-21	1,193.40	1,876.66	\$1.0400	\$0.2100	\$457,633,120	\$402,033,120	\$461,233,120	\$402,033,120	\$245,774	\$214,228
6	2021-22	1,193.40	1,876.66	\$1.0400	\$0.2100	\$454,033,120	\$402,033,120	\$457,633,120	\$402,033,120	\$243,855	\$214,228
7	2022-23	1,193.40	1,876.66	\$1.0400	\$0.2100	\$450,433,120	\$402,033,120	\$454,033,120	\$402,033,120	\$241,937	\$214,228
8	2023-24	1,193.40	1,876.66	\$1.0400	\$0.2100	\$446,833,120	\$402,033,120	\$450,433,120	\$402,033,120	\$240,019	\$214,228
9	2024-25	1,193.40	1,876.66	\$1.0400	\$0.2100	\$443,233,120	\$402,033,120	\$446,833,120	\$402,033,120	\$238,100	\$214,228
10	2025-26	1,193.40	1,876.66	\$1.0400	\$0.2100	\$439,633,120	\$402,033,120	\$443,233,120	\$402,033,120	\$236,182	\$214,228
11	2026-27	1,193.40	1,876.66	\$1.0400	\$0.2100	\$436,033,120	\$436,033,120	\$439,633,120	\$402,033,120	\$234,264	\$214,228
12	2027-28	1,193.40	1,876.66	\$1.0400	\$0.2100	\$432,433,120	\$432,433,120	\$436,033,120	\$436,033,120	\$232,345	\$232,345
13	2028-29	1,193.40	1,876.66	\$1.0400	\$0.2100	\$428,833,120	\$428,833,120	\$432,433,120	\$432,433,120	\$230,427	\$230,427
14	2029-30	1,193.40	1,876.66	\$1.0400	\$0.2100	\$425,233,120	\$425,233,120	\$428,833,120	\$428,833,120	\$228,509	\$228,509
15	2030-31	1,193.40	1,876.66	\$1.0400	\$0.2100	\$421,633,120	\$421,633,120	\$425,233,120	\$425,233,120	\$226,591	\$226,591

Basic Allotment: \$5040; AISD Yield: \$61.86; Equalized Wealth: \$504,000 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	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid	Total General Fund
Pre-Year 1	2014-15	\$3,743,925	\$5,579,084	\$0	\$0	\$229,220	\$405,912	\$0	\$114,114	\$10,072,254
Pre-Year 1	2015-16	\$3,743,925	\$5,941,069	\$0	\$0	\$229,220	\$467,321	\$0	\$33,500	\$10,415,034
1	2016-17	\$4,625,925	\$5,941,069	\$0	\$0	\$283,220	\$577,413	\$0	\$33,500	\$11,461,126
2	2017-18	\$4,590,645	\$5,059,069	\$0	\$0	\$281,060	\$410,169	\$0	\$33,500	\$10,374,442
3	2018-19	\$4,555,365	\$5,094,349	\$0	\$0	\$278,900	\$412,288	\$0	\$33,500	\$10,374,401
4	2019-20	\$4,520,085	\$5,129,629	\$0	\$0	\$276,740	\$414,406	\$0	\$33,500	\$10,374,359
5	2020-21	\$4,484,805	\$5,164,909	\$0	\$0	\$274,580	\$416,524	\$0	\$33,500	\$10,374,317
6	2021-22	\$4,449,525	\$5,200,189	\$0	\$0	\$272,420	\$418,641	\$0	\$33,500	\$10,374,274
7	2022-23	\$4,414,245	\$5,235,469	\$0	\$0	\$270,260	\$420,758	\$0	\$33,500	\$10,374,231
8	2023-24	\$4,378,965	\$5,270,749	\$0	\$0	\$268,100	\$422,874	\$0	\$33,500	\$10,374,187
9	2024-25	\$4,343,685	\$5,306,029	\$0	\$0	\$265,940	\$424,989	\$0	\$33,500	\$10,374,142
10	2025-26	\$4,308,405	\$5,341,309	\$0	\$0	\$263,780	\$427,103	\$0	\$33,500	\$10,374,096
11	2026-27	\$4,273,125	\$5,376,589	\$0	\$0	\$261,620	\$429,217	\$0	\$33,500	\$10,374,050
12	2027-28	\$4,237,845	\$5,411,869	\$0	\$0	\$259,460	\$431,330	\$0	\$33,500	\$10,374,003
13	2028-29	\$4,202,565	\$5,447,149	\$0	\$0	\$257,300	\$433,442	\$0	\$33,500	\$10,373,955
14	2029-30	\$4,167,285	\$5,482,429	\$0	\$0	\$255,172	\$435,609	\$0	\$33,500	\$10,373,994
15	2030-31	\$4,132,005	\$5,517,709	\$0	\$0	\$252,980	\$437,664	\$0	\$33,500	\$10,373,857

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	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid	Total General Fund
Pre-Year 1	2014-15	\$3,743,925	\$5,579,084	\$0	\$0	\$229,220	\$405,912	\$0	\$114,114	\$10,072,254
Pre-Year 1	2015-16	\$3,743,925	\$5,941,069	\$0	\$0	\$229,220	\$467,321	\$0	\$33,500	\$10,415,034
1	2016-17	\$3,939,925	\$5,941,069	\$0	\$0	\$241,220	\$491,786	\$0	\$33,500	\$10,647,499
2	2017-18	\$3,939,925	\$5,745,069	\$0	\$0	\$241,220	\$455,321	\$0	\$33,500	\$10,415,034
3	2018-19	\$3,939,925	\$5,745,069	\$0	\$0	\$241,220	\$455,321	\$0	\$33,500	\$10,415,034
4	2019-20	\$3,939,925	\$5,745,069	\$0	\$0	\$241,220	\$455,321	\$0	\$33,500	\$10,415,034
5	2020-21	\$3,939,925	\$5,745,069	\$0	\$0	\$241,220	\$455,321	\$0	\$33,500	\$10,415,034
6	2021-22	\$3,939,925	\$5,745,069	\$0	\$0	\$241,220	\$455,321	\$0	\$33,500	\$10,415,034
7	2022-23	\$3,939,925	\$5,745,069	\$0	\$0	\$241,220	\$455,321	\$0	\$33,500	\$10,415,034
8	2023-24	\$3,939,925	\$5,745,069	\$0	\$0	\$241,220	\$455,321	\$0	\$33,500	\$10,415,034
9	2024-25	\$3,939,925	\$5,745,069	\$0	\$0	\$241,220	\$455,321	\$0	\$33,500	\$10,415,034
10	2025-26	\$3,939,925	\$5,745,069	\$0	\$0	\$241,220	\$455,321	\$0	\$33,500	\$10,415,034
11	2026-27	\$4,273,125	\$5,745,069	\$0	\$0	\$261,620	\$493,827	\$0	\$33,500	\$10,807,140
12	2027-28	\$4,237,845	\$5,411,869	\$0	\$0	\$259,460	\$431,330	\$0	\$33,500	\$10,374,003
13	2028-29	\$4,202,565	\$5,447,149	\$0	\$0	\$257,300	\$433,442	\$0	\$33,500	\$10,373,955
14	2029-30	\$4,167,285	\$5,482,429	\$0	\$0	\$255,172	\$435,609	\$0	\$33,500	\$10,373,994
15	2030-31	\$4,132,005	\$5,517,709	\$0	\$0	\$252,980	\$437,664	\$0	\$33,500	\$10,373,857

Table 4 - "Baseline Revenue Model" Less "Value Limitation Model"

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Other State Aid	Total General Fund
Pre-Year 1	2014-15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pre-Year 1	2015-16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	2016-17	-\$686,000	\$0	\$0	\$0	-\$42,000	-\$85,627	\$0	\$0	-\$813,627
2	2017-18	-\$650,720	\$686,000	\$0	\$0	-\$39,840	\$45,152	\$0	\$0	\$40,592
3	2018-19	-\$615,440	\$650,720	\$0	\$0	-\$37,680	\$43,033	\$0	\$0	\$40,633
4	2019-20	-\$580,160	\$615,440	\$0	\$0	-\$35,520	\$40,915	\$0	\$0	\$40,675
5	2020-21	-\$544,880	\$580,160	\$0	\$0	-\$33,360	\$38,797	\$0	\$0	\$40,717
6	2021-22	-\$509,600	\$544,880	\$0	\$0	-\$31,200	\$36,680	\$0	\$0	\$40,760
7	2022-23	-\$474,320	\$509,600	\$0	\$0	-\$29,040	\$34,563	\$0	\$0	\$40,803
8	2023-24	-\$439,040	\$474,320	\$0	\$0	-\$26,880	\$32,447	\$0	\$0	\$40,847
9	2024-25	-\$403,760	\$439,040	\$0	\$0	-\$24,720	\$30,332	\$0	\$0	\$40,892
10	2025-26	-\$368,480	\$403,760	\$0	\$0	-\$22,560	\$28,218	\$0	\$0	\$40,938
11	2026-27	\$0	\$368,480	\$0	\$0	\$0	\$64,610	\$0	\$0	\$433,090
12	2027-28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	2028-29	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	2029-30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	2030-31	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Table 5: Estimated Financial Impact of the ETC Texas Pipeline, LTD Project Property Value Limitation Request Submitted to Crockett ISD at \$1.04 M&O 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 Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits
QTP 1	2014-15	\$0	\$0	\$0	\$1.040	\$0	\$0	\$0	\$0	\$0	\$0
QTP 2	2015-16	\$0	\$0	\$0	\$1.040	\$0	\$0	\$0	\$0	\$0	\$0
LP 1	2016-17	\$90,000,000	\$20,000,000	\$70,000,000	\$1.040	\$936,000	\$208,000	\$728,000	\$728,000	-\$813,627	-\$85,627
LP 2	2017-18	\$86,400,000	\$20,000,000	\$66,400,000	\$1.040	\$898,560	\$208,000	\$690,560	\$690,560	\$0	\$690,560
LP 3	2018-19	\$82,800,000	\$20,000,000	\$62,800,000	\$1.040	\$861,120	\$208,000	\$653,120	\$653,120	\$0	\$653,120
LP 4	2019-20	\$79,200,000	\$20,000,000	\$59,200,000	\$1.040	\$823,680	\$208,000	\$615,680	\$615,680	\$0	\$615,680
LP 5	2020-21	\$75,600,000	\$20,000,000	\$55,600,000	\$1.040	\$786,240	\$208,000	\$578,240	\$578,240	\$0	\$578,240
LP 6	2021-22	\$72,000,000	\$20,000,000	\$52,000,000	\$1.040	\$748,800	\$208,000	\$540,800	\$540,800	\$0	\$540,800
LP 7	2022-23	\$68,400,000	\$20,000,000	\$48,400,000	\$1.040	\$711,360	\$208,000	\$503,360	\$503,360	\$0	\$503,360
LP 8	2023-24	\$64,800,000	\$20,000,000	\$44,800,000	\$1.040	\$673,920	\$208,000	\$465,920	\$465,920	\$0	\$465,920
LP 9	2024-25	\$61,200,000	\$20,000,000	\$41,200,000	\$1.040	\$636,480	\$208,000	\$428,480	\$428,480	\$0	\$428,480
LP 10	2025-26	\$57,600,000	\$20,000,000	\$37,600,000	\$1.040	\$599,040	\$208,000	\$391,040	\$391,040	\$0	\$391,040
VP 1	2026-27	\$54,000,000	\$54,000,000	\$0	\$1.040	\$561,600	\$561,600	\$0	\$0	\$0	\$0
VP 2	2027-28	\$50,400,000	\$50,400,000	\$0	\$1.040	\$524,160	\$524,160	\$0	\$0	\$0	\$0
VP 3	2028-29	\$46,800,000	\$46,800,000	\$0	\$1.040	\$486,720	\$486,720	\$0	\$0	\$0	\$0
14	2029-30	\$43,200,000	\$43,200,000	\$0	\$1.040	\$449,280	\$449,280	\$0	\$0	\$0	\$0
15	2030-31	\$39,600,000	\$39,600,000	\$0	\$1.040	\$411,840	\$411,840	\$0	\$0	\$0	\$0
16	2031-32	\$36,000,000	\$36,000,000	\$0	\$1.040	\$374,400	\$374,400	\$0	\$0	\$0	\$0
						\$10,483,200	\$4,888,000	\$5,595,200	\$5,595,200	-\$813,627	\$4,781,573

QTP = Qualifying Time Period

LP = Limitation Period

VP = Continue to Maintain Viable Presence

*Note: School District Revenue-Loss estimates are subject to change based on various factors, including legislative and Texas Education Agency administrative changes to school finance formulas, year-to-year project appraisal 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.

Findings and Order of the Crockett Independent School District Board of Trustees
under the Texas Economic Development Act on the Application Submitted by
ETC Texas Pipeline, LTD (Tax ID 10505324664) (Application #1044)

ATTACHMENT F
Comptroller's 2014 ISD Summary Worksheet - Crockett ISD

Glenn Hegar

Texas Comptroller of Public Accounts

Welcome to your official online window on state government services from the Texas Comptroller of Public Accounts.

2014 ISD Summary Worksheet

113/Houston

113-901/Crockett ISD

Category	Local Tax Roll Value	2014 WTD Mean Ratio	2014 PTAD Value Estimate	2014 Value Assigned
A. Single-Family Residences	157,137,390	.9691	162,147,756	157,137,390
B. Multi-Family Residences	6,777,450	N/A	6,777,450	6,777,450
C1. Vacant Lots	5,025,980	N/A	5,025,980	5,025,980
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	14,380,080	1.0356	13,885,385	14,380,080
D2. Real Prop Farm & Ranch	11,957,690	N/A	11,957,690	11,957,690
E. Real Prop NonQual Acres	73,063,990	1.0400	70,253,837	73,063,990
F1. Commercial Real	74,661,780	.8733	85,493,851	74,661,780
F2. Industrial Real	14,936,720	N/A	14,936,720	14,936,720
G. Oil, Gas, Minerals	4,075,540	N/A	4,075,540	4,075,540
J. Utilities	63,338,220	1.0028	63,161,368	63,338,220
L1. Commercial Personal	28,887,930	1.0283	28,092,901	28,887,930
L2. Industrial Personal	19,938,260	N/A	19,938,260	19,938,260
M. Other Personal	5,159,060	N/A	5,159,060	5,159,060
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	221,750	N/A	221,750	221,750
S. Special Inventory	1,124,690	N/A	1,124,690	1,124,690
Subtotal	480,686,530		492,252,238	480,686,530
Less Total Deductions	60,635,450		62,564,947	60,635,450
Total Taxable Value	420,051,080		429,687,291	420,051,080 T2

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
439,436,120	420,051,080	439,436,120	420,051,080	423,677,960	423,677,960
Loss To the Additional \$10,000 Homestead Exemption		50% of the loss to the Local Optional Percentage Homestead Exemption			
19,385,040		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
439,436,120	420,051,080	439,436,120	420,051,080	423,677,960	423,677,960

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

Findings and Order of the Crockett Independent School District Board of Trustees
under the Texas Economic Development Act on the Application Submitted by
ETC Texas Pipeline, LTD (Tax ID 10505324664) (Application #1044)

ATTACHMENT G
Proposed Agreement Between
Crockett ISD and ETC Texas Pipeline, Ltd

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

by and between

CROCKETT INDEPENDENT SCHOOL DISTRICT

and

ETC TEXAS PIPELINE, LTD

(Tax ID 10505324664)

TEXAS COMPTROLLER APPLICATION NUMBER 1044

Dated

August 17, 2015

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

STATE OF TEXAS §
 §
COUNTY OF HOUSTON §

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 **CROCKETT INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as "District," a lawfully created independent school district within the State of Texas operating under and subject to the Texas Education Code, and **ETC TEXAS PIPELINE, LTD**, Taxpayer Identification Number 10505324664, hereinafter referred to as "Applicant." Applicant and District are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, on November 12, 2014, the Superintendent of Schools of the Crockett Independent School District, acting as agent for the Board of Trustees of District, received from Applicant an Application for Appraised Value Limitation on Qualified Property pursuant to Chapter 313 of the TEXAS TAX CODE;

WHEREAS, the Board of Trustees has acknowledged receipt of the Application, and along with the requisite application fee as established pursuant to Section 313.025(a) of the TEXAS TAX CODE and Local District Policy CCG (Local), and agreed to consider the application;

WHEREAS, the Application was delivered to the Texas Comptroller's Office for review pursuant to Section 313.025(a-1) of the TEXAS TAX CODE; and,

WHEREAS, the District and Texas Comptroller's Office have determined that the application is complete and March 26, 2015 is the Application Review Start Date as that term is defined by 34 TEX. ADMIN. CODE 9.1051;

WHEREAS, pursuant to 34 TEX. ADMIN. CODE §9.1054, the Application was delivered for review to the Houston County Appraisal District established in Houston County, Texas (the "Houston County Appraisal District"), pursuant to Section 6.01 of the TEXAS TAX CODE;

WHEREAS, the Texas Comptroller's Office reviewed the Application pursuant to Section 313.025 of the TEXAS TAX CODE, conducted an economic impact evaluation pursuant to Section 313.026 of the TEXAS TAX CODE, and on June 22, 2015, issued a certificate for limitation on appraised value of the property described in the Application and provided the certificate to the District;

WHEREAS, the Board of Trustees has reviewed and carefully considered the economic impact evaluation and certificate for limitation on appraised value submitted by the Texas Comptroller's Office

pursuant to Section 313.026 of the TEXAS TAX CODE;

WHEREAS, on August 17, 2015, 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;

WHEREAS, on August 17, 2015, the Board of Trustees made factual findings pursuant to Section 313.025(f) of the TEXAS TAX CODE, including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) Applicant is eligible for the Limitation on Appraised Value of Applicant's Qualified Property; (iii) the project proposed by Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset District's maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period; (iv) the limitation on appraised value is a determining factor in Applicant's decision to invest capital and construct the project in this state; and (v) this Agreement is in the best interest of District and the State of Texas; and

WHEREAS, on August 17, 2015, the Texas Comptroller's Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes; and

WHEREAS, on August 17, 2015, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary to execute and deliver such Agreement to the Applicant; and

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

ARTICLE I DEFINITIONS

Section 1.1 DEFINITIONS. Wherever used herein, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning. Words or terms defined in 34 Texas Administrative Code Section 9.1051 and not defined in this Agreement shall have the meanings provided by 34 Texas Administrative Code Section 9.1051.

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

"Agreement" means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented as approved pursuant to Section 10.2.

"Applicable School Finance Law" means Chapters 41 and 42 of the Texas Education Code, the Texas Economic Development Act, Chapter 403, Subchapter M, of the Texas Government Code applicable to District, and the Constitution and general laws of the State applicable to the school districts of the State, including specifically, the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State,

and judicial decisions construing or interpreting any of the above. The term also includes any amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of Applicant's ad valorem tax obligation to District, either with or without the limitation of property values made pursuant to this Agreement.

"Applicant" means ETC Texas Pipeline, LTD, Taxpayer Identification Number 10505324664, the company listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term "Applicant" shall also include Applicant's assigns and successors-in-interest as approved according to Section 10.2 of this Agreement.

"Applicant's Qualified Investment" means the Qualified Investment of the Applicant during the Qualifying Time Period and as more fully described in Section 3.3 of this Agreement.

"Application" means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C, of the Texas Tax Code) filed with District by Applicant on November 12, 2014. The term includes all forms required by Comptroller, the schedules attached thereto, and all other documentation submitted by Applicant for the purpose of obtaining an Agreement with District. The term also includes all amendments and supplements thereto submitted by Applicant.

"Application Approval Date" means the date that the Application is approved by the Board of Trustees of District and as further identified in Section 2.3.B of this Agreement.

"Application Review Start Date" means the later date of either the date on which District issues its written notice that Applicant has submitted a completed application or the date on which Comptroller issues its written notice that Applicant has submitted a completed application and as further identified in Section 2.3.A of this Agreement.

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

"Appraisal District" means the Houston County Appraisal District.

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

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

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

"County" means Houston County, Texas.

"District" or "School District" means the Crockett Independent School District, being a duly

authorized and operating 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 Applicant's Qualified Property or the Applicant's Qualified Investment.

"Final Termination Date" means the last date of the final year in which Applicant is required to Maintain Viable Presence and as further identified in Section 2.3.E of this Agreement.

"Force Majeure" means those causes generally recognized under Texas law as constituting impossible conditions. Each party must inform the other in writing with proof of receipt within three business days of the existence of such force majeure or otherwise waive this right as a defense.

"Land" means the real property described on EXHIBIT 2, which is attached hereto and incorporated herein by reference for all purposes.

"Maintain Viable Presence" means (i) the development, construction and operation during 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 retention during the term of this Agreement of the number of New Qualifying Jobs set forth in its Application by Applicant; (iii) and continue the average weekly wage paid by Applicant for all Non-Qualifying Jobs created by Applicant that exceeds the county average weekly wage for all jobs in the county where the administrative office of District is maintained.

"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 District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Section 45.002 of the TEXAS EDUCATION CODE 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 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.

"New Qualifying Jobs" means the total number of jobs to be created and maintained by Applicant after the Application Approval Date in connection with the project which is the subject of its Application that meet the criteria of Qualifying Job as defined in Section 313.021(4) of the TEXAS TAX CODE.

"Qualified Investment" has the meaning set forth in Chapter 313 of the TEXAS TAX CODE, as interpreted by Comptroller's Rules, as these provisions existed on the Application Review Start Date.

"Non-Qualifying Jobs" means the number of New Non-Qualifying Jobs, as defined in 34 TAC §9.0151, to be created and maintained by the Applicant after the Application Approval Date in connection with the project which is the subject of its Application.

"Qualified Property" has the meaning set forth in Chapter 313 of the Texas Tax Code and as interpreted by Comptroller's Rules and the Texas Attorney General, as these provisions existed on the date of the Application is approved by District,

"Qualifying Time Period" means the period that begins on the date of approval of this Agreement by District's Board of Trustees and ends on December 31st of the second Tax Year that begins after such date of approval as is defined in Section 313.021(4)(A) of the Texas Tax Code and during which Applicant shall make investment on the land where the qualified property in the amount required by the Act, the Comptroller's rules, and this Agreement and as further identified in Section 2.3.C of this Agreement.

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

"State" means the State of Texas.

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

"Supplemental Payment" has the meaning as set forth in Article VI of this Agreement.

"Tax Limitation Amount" means the maximum amount which may be placed as the Appraised Value on Applicant's Qualified Property for each tax year of the Tax Limitation Period of this Agreement pursuant to Section 313.054 of the TEXAS TAX CODE.

"Tax Limitation Period" means the Tax Years for which the Applicant's Qualified Property is subject to the Tax Limitation Amount and as further identified in Section 2.3.D of this Agreement.

"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 19 TEX. ADMIN. CODE, Part 2, together with any court or administrative decisions interpreting same.

ARTICLE II

AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

Section 2.1. AUTHORITY. This Agreement is executed by District as its written agreement with Applicant pursuant to the provisions and authority granted to District in Section 313.027 of the TEXAS TAX CODE.

Section 2.2. PURPOSE. In consideration of the execution of and subsequent performance of the terms and obligations by Applicant pursuant to this Agreement, identified in Section 2.5 and 2.6 and as more fully specified in this Agreement, the value of Applicant's Qualified Property listed and assessed by the County Appraiser for District's operation and maintenance ad valorem property tax shall be the Tax Limitation Amount as set forth in Section 2.4 of this Agreement during the Tax Limitation Period.

Section 2.3. TERM OF THE AGREEMENT.

A. The Application Review Start Date for this Agreement is March 26, 2015, which will determine Applicant's Qualified Property and applicable wage standard.

B. The Application Approval Date for this Agreement is August 17, 2015, which will determine the qualifying time period.

C. The Qualifying Time Period for this agreement:

1. Starts on August 17, 2015, the Application Approval Date; and
2. Ends on December 31, 2017, being the second complete tax year after the effective date of this agreement.

D. The Tax Limitation Period for this Agreement:

1. Starts on January 1, 2016.
2. Ends on December 31, 2025.

E. The Final Termination Date for this Agreement is December 31, 2030.

F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and become effective on the Application Approval Date identified in Subsection B. This Agreement, and the obligation and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Subsection E, unless extended by the express terms of this Agreement.

2.4. TAX LIMITATION. So long as Applicant makes the Qualified Investment as defined by Section

2.5 below, during the Qualifying Time Period, and unless this Agreement has been terminated as provided herein before such Tax Year, on January 1 of each Tax Year of the Tax Limitation Period, the Appraised Value of the Applicant's Qualified Property 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 Property; or
- B. Twenty Million Dollars (\$20,000,000.00).

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the effective date of this Agreement, as set out by Section 313.052 of the TEXAS TAX CODE.

2.5. QUALIFIED INVESTMENT FOR TAX LIMITATION ELIGIBILITY. In order to be eligible and entitled to receive the value limitation identified in 2.4 for the Qualified Property identified in Article III, Applicant shall:

- A. have completed a Qualified Investment in the amount of \$20,000,000.00 by the end of the Qualifying Time Period;
- B. have created the number of Qualifying Jobs specified in, and in the time period specified on, Schedule C of the Application; and
- C. be paying the average weekly wage of all jobs in the county in which District's administrative office is located for all non-qualifying jobs created by Applicant.

2.6. TAX LIMITATION OBLIGATIONS. In order to receive and maintain the limitation authorized by 2.4, Applicant shall:

- A. provide payments to District sufficient to protect the future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV;
- B. provide payments to the District that protect District from the payment of extraordinary education related expenses related to the project, as more fully specified in Article V;
- C. provide such supplemental payments as more fully specified in Article VI; and
- D. create and Maintain Viable Presence on and/or with the qualified property and perform additional obligations as more fully specified in Article VII of this Agreement.

ARTICLE III **QUALIFIED PROPERTY**

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE. At the time of making the Qualified Investment and during the period starting with the Application Approval Date and ending on the Final Termination Date, the Land is and shall be within an area designated either as an enterprise zone, pursuant to Chapter 2303 of the TEXAS GOVERNMENT CODE, or a reinvestment zone, pursuant to Chapter 311 or 312 of the TEXAS TAX CODE. The legal description of such zone is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

Section 3.2. LOCATION OF QUALIFIED PROPERTY AND INVESTMENT. The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described on **EXHIBIT 2** which is attached hereto and incorporated herein by reference for all purposes. The Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in **EXHIBIT 2** unless amended pursuant to the provisions of Section 10.2 of this Agreement.

Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY. The 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. 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 Property for purposes of this Agreement, unless by official action the Board of Trustees provides that such other property is a part of the Applicant's Qualified Property for purposes of this Agreement in compliance with Section 313.027(e) of the TEXAS TAX CODE, the Comptroller's rules, and Section 10.2 of this Agreement.

Section 3.4. CURRENT INVENTORY OF QUALIFIED PROPERTY. If at any time after the Application Approval Date there is a material change in the Qualified Property located on the land described in **EXHIBIT 2**; or, upon a reasonable request of District, Comptroller, the Appraisal District, or the State Auditor's Office, Applicant shall provide to District, Comptroller, the Appraisal District or the State Auditor's Office a specific and detailed description of the tangible personal property, buildings, or permanent, non-removable building components (including any affixed to or incorporated into real property) on the Land to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property on the Land.

Section 3.5. QUALIFYING USE. Applicant's Qualified Property described above in Section 2.3 qualifies for a tax limitation agreement under Section 313.024(b)(1) of the TEXAS TAX CODE as a manufacturing facility.

ARTICLE IV

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES.

A. Subject to the limitations contained in this Agreement (including Section 7.1), it is the intent of the Parties that the District shall, in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue as a result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement. Such payments shall be independent of, and in addition to such other payments as set forth in Article V in this Agreement. Subject to the limitations contained in this Agreement (including Section 7.1), it is the intent of the Parties that the risk of any negative financial consequence to District in making the decision to enter into this Agreement will be borne solely by Applicant and not by District.

B. The calculation of any amount required to be paid by the Applicant under this Article IV shall be made for the first time for the first complete Tax Year following the start of "Commercial Operations" (as

hereinafter defined).

C. For purposes of this Article IV, and of Section 2.3, D, 1, above, the term “Commercial Operations” means the date on which the project described in **Exhibit 3** becomes commercially operational and placed into service, such that it has been constructed, tested, and is fully capable of commercial generation and transmission of electricity.

D. If the Qualified Property when complete is different than the description provided in the Application or any supplemental application information, the Applicant shall provide to the District, the Comptroller, and the Appraisal District, within sixty (60) days after the date Commercial Operations begin, a verified written report, giving a specific and detailed description of the land, tangible personal property, buildings, structures, or permanent, non-removable building or structural components (including any affixed to or incorporated into real property) to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such Qualified Property within the boundaries of the land that is subject to the agreement. If no substantial changes have been made, Applicant may submit in lieu of the report a verified written statement that no substantial changes have been made.

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT. Subject to the provisions of Sections 5.1 and 5.2, the amount to be paid by Applicant to compensate District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year starting in the year of the Application Review Start Date and ending on the Final Termination Date, 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:

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

Where:

- i. “Original M&O Revenue” means the total State and local Maintenance and Operations Revenue that the District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Applicant’s Qualified Property and/or the Applicant’s Qualified Investment been subject to the ad valorem maintenance and 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 and Operations Revenue that the District actually received for such school year, after all adjustments have been made to such Maintenance and Operations Revenue because of any portion of this Agreement.

B. In making the calculations required by this Section 4.2:

- 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 4.2 results in a negative number, the negative number will be considered to be zero.
- iv. All calculations made for each Tax Year during the Tax Limitation Period under this Section 4.2, clause ii of this Subsection B will reflect the Tax Limitation Amount for such Tax Year.
- v. All calculations made under this Section 4.2 shall be made by a methodology which isolates the full M&O Revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements, or on account of or otherwise arising out of any other factors not contained in this Agreement.

Section 4.3. CUMULATIVE PAYMENT LIMITATION. In no event shall the Cumulative Payments (as defined in Section 6.1, C, (i)) made by the Applicant to the District exceed an amount equal to One Hundred Percent (100%) of the Applicant's Cumulative Unadjusted Tax Benefit (as defined in Section 6.1, C, (ii)) under this Agreement from the Commencement Date through Tax Year 2030. For each year of this Agreement, amounts due and owing by the Applicant to the District which, by virtue of the application of the payment limitation set forth in this Section 4.3 are not payable to the District for a given year, shall be carried forward to future years during the term of this Agreement, but shall be subject, in each subsequent year, to the limit set forth in this Section 4.3.

Section 4.4. COMPENSATION FOR LOSS OF OTHER REVENUES. In addition to the amounts determined pursuant to Section 4.2 above, the Applicant, on an annual basis, shall also indemnify and reimburse the District for the following:

A. 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. Applicant shall have the right to contest the findings of the District's external auditor pursuant to Section 4.9 herein.

B.. Any other loss of District revenues which are, or may be reasonably attributable to the payment by the Applicant to or on behalf of any other third party beneficiary of this Agreement. Applicant shall have the right to contest the findings of the District's external auditor pursuant to Section 4.9 herein.

C. Any other cost to the District, including costs under Subsection 8.6(C), below, which are or may be attributable to compliance with State-imposed costs of compliance with the terms of this Agreement.

Section 4.5 CALCULATIONS TO BE MADE BY THIRD PARTY. Except for any certifications made by the District's external auditor under Article V, 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 9.5 of this Agreement.

Section 4.6 DATA USED FOR CALCULATIONS. The calculations under this Agreement shall be initially based upon the valuations placed upon all taxable property in the District, including the Applicant's Qualified Investment and/or the Applicant's Qualified Property, by the Appraisal District in its annual certified tax roll submitted to the District pursuant to Section 26.01 of the Texas Tax Code 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 4.4. 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 4.7 DELIVERY OF CALCULATIONS. On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.4 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 4.2 and/or 4.3, Article VI, and/or Section 7.1 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 the Final Termination Date. The Applicant shall not be liable for any of the Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement or the fee paid by the Applicant to the Third Party pursuant to Section 4.7, if such fee is timely paid.

Section 4.8 PAYMENT BY APPLICANT. The Applicant shall pay any amount determined to be due and owing to the District under this Agreement on or before the January 31 next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Third Party under Section 4.6 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 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. Notwithstanding anything contained herein to the contrary, for no Tax Year during the term of this Agreement shall the Applicant be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.7 and Section 4.6 which exceeds Ten Thousand Dollars (\$10,000.00).

Section 4.9 RESOLUTION OF DISPUTES. Should the Applicant disagree with any certification or calculations made and presented pursuant to this Article IV or Article V, the Applicant may appeal such certification or calculation and any findings related thereto, in writing, to the Third Party or the District's external auditor, as the case may be, within thirty (30) days following the later of (i) receipt of the certification or calculation, or (ii) the date the Applicant is granted access to the books, records and other information in accordance with Section 4.6 for purposes of auditing or reviewing the information in connection with the certification or calculation. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party or the District's external auditor, as the case may be, will issue, in writing, a final determination with respect to the certification or calculations in issue, as the case may be. Thereafter, the Applicant may appeal such final determination with respect to the certification or calculations in issue, as the case may be, to the Board of Trustees. Any such appeal by the Applicant to the Board of Trustees may be made, in writing, to the Board of Trustees within thirty (30) days of such final determination and shall be without limitation of the Applicant's other rights and remedies available hereunder, at law or in equity. Without limiting the generality of the immediately preceding sentence, if the Applicant disagrees with any determination by the Board of Trustees with respect to such an appeal, the Applicant may mediate such determination with the District pursuant to the mediation procedures set forth in Section 9.5.

Section 4.10 EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT. If at the time the Third Party selected under Section 4.4 makes its calculations under this Agreement, the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property and/or the Applicant's Qualified Investment and such appeal remains unresolved, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Property and/or the Applicant's Qualified Investment by the Appraisal District. If as a result of an appeal or for any other reason, the Taxable Value of the Applicant's Qualified Investment and/or the Applicant's Qualified Property is changed, once the determination of the new Taxable Value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations for the applicable year or years using the new Taxable Value. In the event the new calculations result in a change in any amount paid or payable by the Applicant under this Agreement, the Party from whom the adjustment is payable shall remit such amount to the other Party within thirty (30) days of the receipt of the new calculations from the Third Party.

Section 4.3. EFFECT OF STATUTORY CHANGES. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District reasonably determines that it will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, or to other governmental entities including the Appraisal District, because of its participation in this Agreement, the Applicant shall make payments to the District that are necessary to offset any actual negative impact on the District as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on the District. Such payment shall be made no later than thirty (30) days following notice from the District of such determination and calculation. The District shall use reasonable efforts to mitigate the economic effects of any such statutory change or administrative interpretation, and if the Applicant disagrees with any calculation or determination by the District of any adverse impact described in this Section 4.10, the Applicant shall have the right to appeal such calculation or determination in accordance with the procedures set forth in Section 9.5.

ARTICLE V
PAYMENT OF EXTRAORDINARY EDUCATION RELATED EXPENSES

Section 5.1. EXTRAORDINARY EXPENSES. In addition to the amounts determined pursuant to Section 4.2 of this Agreement above, the Applicant on an annual basis shall also indemnify and reimburse the District for the following:

A. 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 described in the Application 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 such project. The Applicant shall have the right to contest the findings of, or any such costs certified by, the District's external auditor under the provisions of Section 4.8.

B. Any other loss of the District's revenues, as certified by the District's external auditor to have been incurred by the District, which directly result from, or are reasonably attributable to, any payment by the Applicant to or on behalf of any third party beneficiary of this Agreement. The Applicant shall have the right to contest the findings of, or any such costs certified by, the District's external auditor under the provisions of Section 4.8

ARTICLE VI
SUPPLEMENTAL PAYMENTS

Section 6.1 INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS. In interpreting the provisions of Articles IV, V and VI, 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 IV, 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 VI ("Supplemental Payments"). The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the obligation to make Supplemental Payments under this Article VI is separate and independent of the obligation of the Applicant to pay the amounts described in Article IV; provided, however, that all payments under Articles IV, V and VI are subject to such limitations contained in Section 7.1, that all payments under Articles IV and this Article VI are subject to the separate limitations contained in Section 4.3, and that all payments under this Article VI are subject to the separate limitations contained in Section 6.4.

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 VI shall not exceed the limits imposed by the provisions of Section 313.027(i) of the Texas Tax Code, 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.

C. Certain Definitions. As used in Article IV and this Article VI, the following terms shall be defined as follows:

- i. "Cumulative Payments" means for each Tax Year during the term of this Agreement, the total of all payments, calculated under Article IV, V and VI of this Agreement, for such Tax Year which are paid by or owed by the Applicant to the District, plus all payments, calculated under Article IV, V and VI of this Agreement, paid by the Applicant for all previous Tax Years during the term of this Agreement.
- ii. "Cumulative Unadjusted Tax Benefit" means for each Tax Year during the term of this Agreement, the Unadjusted Tax Benefit for such Tax Year added to the Unadjusted Tax Benefit from all previous Tax Years during the term of this Agreement.
- iii. "Unadjusted Tax Benefit" means for each Tax Year during the term of this Agreement, the total of all gross tax savings calculated for such Tax Year by multiplying (i) an amount equal to (a) the Taxable Value of the Applicant's Qualified Property used for the District's interest and sinking fund tax purposes for such Tax Year, minus (b) the Tax Limitation Amount (as defined in Section 2.4 above), by (ii) the District's maintenance and operations tax rate for such Tax Year.
- iv. "Net Tax Benefit" means an amount equal to (but not less than zero): (i) the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for all Tax Years during the term of this Agreement if this Agreement had not been entered into by the Parties; minus (ii) an amount equal to the sum of (a) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas, for all Tax Years during the term of this Agreement, plus (b) any and all payments due to the District under Article IV of this Agreement, plus (c) any and all payments of the Annual Limit (as such term is defined in Section 6.2(C)) due to the District.

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION.

A. Notwithstanding the foregoing, the total annual supplement payment made pursuant to this Article IV shall:

- i. not exceed in any calendar year of this Agreement an amount equal to the greater of One Hundred Dollars (\$100.00) per student per year in average daily attendance, as defined by Section 42.005 of the Texas Education Code, or Fifty Thousand Dollars (\$50,000.00) per year; and
- ii. only be made during the period starting the first year of the Qualifying Time Period and ending December 31 of the third year following the end of the Tax Limitation Period.

B This limitation does not apply to amounts described by Section 313.027(f)(1)-(2) of the Texas Tax Code as implemented in Articles IV and V of this Agreement.

C For purposes of this Agreement, the amount of the Annual Limit shall be \$121,650.00 based upon the District's 2014-2015 Average Daily Attendance of 1216.5.

Section 6.3 STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO SUPPLEMENTAL PAYMENT LIMITATION. 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 Forty percent (40%) of the Applicant's "Net Tax Benefit," as the term is defined in Section 6.1(C)(iv), above; or,

B the Annual Limit, as the term is defined in Section 6.2(C), above.

Section 6.4 ANNUAL CALCULATION OF STIPULATED SUPPLEMENTAL PAYMENT AMOUNT. The Parties agree that for each Tax Year during the term of this Agreement beginning with the Tax Year 2016, the first Tax Year of the Tax Limitation Period specified in Section 2.3(D) of this Agreement, the Applicant's Stipulated Supplemental Payment Amount, as defined in Section 6.3(A), 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, including the District's maintenance and operations tax rate adopted for such Tax Year, in accordance with the following formula:

The 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;

Minus,

Any amounts previously paid to the District under Article IV with respect to such Tax Year;

Multiplied by,

The number 0.4;

Minus,

Any amounts previously paid to the District under Sections 6.2 and 6.3 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 4.4 above shall adjust the Applicant's Stipulated Supplemental Payment Amount calculation to reflect such changes in the data.

Section 6.5 PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS

A. All calculations required by this Article VI shall be calculated by the Third Party selected pursuant to Section 4.4.

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 4.6, above.

C. The payment of all amounts due under this Article VI shall be made by December 31 of the Tax Year for which the payment is due.

Section 6.6 DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY. At any time during this Agreement, the Board of Trustees may, in its sole discretion, direct that any of the Applicant's payments under this Article IV be made to the District's educational foundation or to a similar entity, provided that such decision and direction of the Board of Trustees does not result in additional costs to the Applicant. Such foundation or entity may only use such funds received under this Article IV to support the educational mission of the District and its students. Any designation of such a foundation or entity must be made by recorded vote of the Board of Trustees at a properly posted public meeting of the Board of Trustees. Any such designation will become effective after such public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 10.1 below. Such designation may be rescinded, with respect to future payments only, by action of the Board of Trustees, at any time, provided, however, that any such rescission will become effective after delivery of notice of such action to the Applicant in conformance with the provisions of Section 10.1. Any designation of a successor beneficiary under this Section 6.6 shall not alter the Supplemental Payments calculated pursuant to this Article VI.

ARTICLE VII
ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

Section 7.1 ANNUAL LIMITATION. Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year of the Tax Limitation Period, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by Applicant to District for such Tax Year, plus the sum of all payments otherwise due from Applicant to District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that Applicant would have paid to District for such Tax Year (determined by using 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 4.2 of this Agreement, 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 Applicant to District under Articles IV, V, and VI shall be reduced until such excess is eliminated.

Section 7.2. OPTION TO TERMINATE AGREEMENT. In the event that any payment otherwise due from Applicant to District under Article IV, Article V, and/or Article VI of this Agreement with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 7.1 above, then the Applicant shall have the option to terminate this Agreement. Applicant may exercise such option to terminate this Agreement by notifying District of its election in writing not later than the July 31 of the year next following the Tax Year with respect to which a reduction under Section 7.1 is applicable. Any termination of this Agreement under the foregoing provisions of this Section 7.2 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.

Section 7.3. EFFECT OF OPTIONAL TERMINATION. Upon the exercise of the option to terminate pursuant to Section 7.2, this Agreement shall terminate and be of no further force or effect; provided, however, that:

A. 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 District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged; and

B. the provisions of this Agreement regarding payments, records and dispute resolution shall survive the termination or expiration dates of this Agreement.

ARTICLE VIII
ADDITIONAL OBLIGATIONS OF APPLICANT

Section 8.1. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE. In order to receive and maintain the limitation authorized by 2.4 in addition to the other obligations required by this Agreement, Applicant shall Maintain Viable Presence in District commencing at the start of the Tax Limitation Period through the Final Termination Date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, 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, provided Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure. The Final Termination Date will only be extended for the mutually agreed length of the Force Majeure.

Section 8.2. REPORTS. In order to receive and maintain the limitation authorized by 2.4 in addition to the other obligations required by this Agreement, Applicant shall submit the following reports completed by Applicant to the satisfaction of Comptroller on the dates indicated on the form and starting on the first such due date after the Application Approval Date:

A. The Annual Eligibility Report, Form 50-772 located at Comptroller website <http://www.window.state.tx.us/taxinfo/taxforms/50-772.pdf>;

B. The Biennial Progress Report, Form 50-773, located at Comptroller website <http://www.window.state.tx.us/taxinfo/taxforms/50-773.pdf>; and

C. The Job Creation Compliance Report, Form 50-825, located at the Comptroller website http://www.texasahead.org/tax_programs/chapter313/forms.php.

Section 8.3. COMPTROLLER'S ANNUAL REPORT ON CHAPTER 313 AGREEMENTS. During the term of this Agreement, both Parties shall provide Comptroller with all information reasonably necessary for Comptroller to assess performance under this Agreement for the purpose of issuing Comptroller's report, as required by Section 313.032 of the TEXAS TAX CODE.

Section 8.4. DATA REQUESTS. During the term of this Agreement, and upon the written request of District, the State Auditor's Office, or Comptroller, the Applicant shall provide the requesting party with all information reasonably necessary for the requesting party to determine whether the Applicant is in compliance with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement.

Section 8.5. SITE VISITS AND RECORD REVIEW. Applicant shall allow authorized employees of District, the Comptroller, the Appraisal District, and/or the State Auditor's Office to have access to Applicant's Qualified Property and/or business records, in accordance with Section 22.07 of the TEXAS TAX CODE, from the Application Review Start Date through the Final Termination Date, in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of Applicant's Qualified Property.

A. 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 Applicant's Qualified Property.

B. All inspections may be accompanied by one or more representatives of Applicant, and shall be conducted in accordance with Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide District, Comptroller, or the Appraisal District with any technical or business information that is proprietary, a trade secret or is subject to a confidentiality agreement with any third party.

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; INDEPENDENT AUDITS. This Agreement is subject to review and audit by the State Auditor pursuant to Section 2262.003 of the TEXAS GOVERNMENT CODE and Section 331.010(a) of the TEXAS TAX CODE, and the following requirements:

A. District and Applicant shall maintain and retain supporting documents adequate to ensure that claims for the Tax Limitation Amount are in accordance with applicable Comptroller and State of Texas requirements. Applicant and District shall maintain all such documents and other records relating to this Agreement and the State's property for a period of four (4) years after the later of:

- B.
 - i. date of submission of the final payment;
 - ii. Final Termination Date; or
 - iii. date of resolution of all disputes or payment.

C. District and Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to the Applicant's Qualified Property, Qualified Investment, Qualifying Jobs, and wages paid for Non-Qualifying Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by Comptroller, State Auditor's Office, State of Texas or their authorized representatives. Applicant and District shall cooperate with auditors and other authorized Comptroller and State of Texas representatives and shall provide them with prompt access to all of such property as requested by Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, Applicant's failure to comply with this Section shall constitute a material breach of this Agreement.

D. Comptroller may require, at Applicant's or District's sole cost and expense, as applicable, independent audits by a qualified certified public accounting firm of Applicant's, District's or the Comptroller's books, records, or property. The independent auditor shall provide Comptroller with a copy of such audit at the same time it is provided to Applicant and/or District.

E. In addition to and without limitation on the other audit provisions of this Agreement, pursuant to Section 2262.003 of the TEXAS GOVERNMENT CODE, the state auditor may conduct an audit or investigation of Applicant or District or any other entity or person receiving funds from the state

directly under this Agreement or indirectly through a subcontract under this Agreement. The acceptance of funds by Applicant or District or any other entity or person directly under this Agreement or indirectly through a subcontract under this Agreement acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, Applicant or District or other entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. This Agreement may be amended unilaterally by Comptroller to comply with any rules and procedures of the state auditor in the implementation and enforcement of Section 2262.003 of the TEXAS GOVERNMENT CODE.

Section 8.7 FALSE STATEMENTS; BREACH OF REPRESENTATIONS. The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application, and any supplements or amendments thereto, without which Comptroller would not have approved this Agreement and District would not executed this Agreement. By signature to this Agreement, Applicant:

A. represents and warrants that all information, facts, and representations contained in the Application are true and correct; and

B. acknowledges that if Applicant submitted its Application with a false statement, signs this Agreement with a false statement, or submits a report with a false statement, or it is subsequently determined that Applicant has violated any of the representations, warranties, guarantees, certifications or affirmations included in the Application or this Agreement, Applicant shall have materially breached this Agreement and the Agreement shall be invalid and void except for the enforcement of the provisions required by 34 Tex. Admin. Code § 9.1053(f)(2)(L).

ARTICLE IX

MATERIAL BREACH OR EARLY TERMINATION

Section 9.1. EVENTS CONSTITUTING MATERIAL BREACH OF AGREEMENT. Applicant shall be in Material Breach of this Agreement if it commits one or more of the following acts or omissions:

A. The Application, any Application Supplement, or any Application Amendment on which this Agreement is approved is determined to be inaccurate as to an material representation, information, or fact or is not complete as to any material fact or representation or such application;

B. Applicant failed to have complete Qualified Investment as required by Section 2.5 of this Agreement;

C. Applicant failed to create the number of Qualifying Jobs specified in Schedule C of the Application;

D. Applicant failed to pay the average weekly wage of all jobs in the county in which District's administrative office is located for all Non-Qualifying Jobs created by Applicant;

E. Applicant failed to provide payments to District sufficient to protect the future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV of this Agreement;

F. Applicant failed to provide payments to the District that protect District from the payment of extraordinary education related expenses related to the project, as more fully specified in Article V of this Agreement;

G. Applicant failed to provide such supplemental payments as more fully specified in Article VI of this Agreement;

H. Applicant failed to create and Maintain Viable Presence on and/or with the qualified property as more fully specified in Article VIII of this Agreement;

I. Applicant failed to submit the reports required to be submitted by section 8.2 to the satisfaction of Comptroller on the dates indicated on the form;

J. Applicant failed to provide the District or Comptroller with all information reasonably necessary for District or Comptroller determine whether Applicant is in compliance with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement;

K. Applicant failed to allow authorized employees of District, Comptroller, the Appraisal District, and/or the State Auditor's Office to have access to Applicant's Qualified Property and/or business records in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of Applicant's Qualified Property;

L. Applicant failed to comply with a request by the State Auditor's office to review and audit the Applicant's compliance with the Agreement.

M. Applicant has made 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 of the TEXAS TAX CODE, in excess of the amounts set forth in Articles III and IV, of this Agreement; or

N. Applicant fails either to:

- i. Implement a plan to remedy non-compliance as required by Comptroller pursuant to 34 TAC Section 9.1059; or
- ii. Pay a penalty assessed by Comptroller pursuant to 34 TAC Section 9.1059.

Section 9.2. CONSEQUENCES OF EARLY TERMINATION OR OTHER BREACH BY APPLICANT.

A. In the event that Applicant terminates this Agreement without the consent of District, except

as provided in Section 7.2 of this Agreement, or in the event that Applicant 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 9.3, then 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 9.3.C on that recaptured ad valorem tax revenue. For purposes of this recapture calculation, Applicant shall be entitled to a credit for all payments made to District pursuant to Article IV, V, and VI of this Agreement.

B. Notwithstanding Section 9.2.A, in the event that District determines that Applicant has failed to Maintain Viable Presence and provides written notice of termination of the Agreement, then Applicant shall pay to 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 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 Applicant to 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, Applicant shall be entitled to a credit for all payments made to District pursuant to Article IV, V, and VI. Upon payment of such liquidated damages, Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

C. In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, District shall first determine the base amount of recaptured taxes less all credits under Section 9.2.A owed for each Tax Year during the Tax Limitation Period. District shall calculate penalty or interest for each Tax Year during the Tax Limitation Period 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 9.2.A 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 Section 33.01(a) of the TEXAS TAX CODE, or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(c) of the TEXAS TAX CODE, or its successor statute.

Section 9.3. LIMITED STATUTORY CURE OF MATERIAL BREACH. In accordance with the provisions of Section 313.0275 of the Texas Tax Code, for any full tax year which commences after the project has become operational, Applicant may cure the Material Breaches of this Agreement, defined in Sections 9.1.C. or 9.1.D, above, without the termination of the remaining term of this Agreement. In order to cure its non-compliance with Sections 9.1.C. or 9.1.D for the particular Tax Year of non-compliance only, Applicant may make the liquidated damages payment required by Section 313.0275(b) of the Texas Tax Code, in accordance with the provisions of Section 313.0275(c) of the TEXAS TAX CODE.

Section 9.3. DETERMINATION OF MATERIAL BREACH AND TERMINATION OF AGREEMENT.

A. 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 District as required by Section 8.1 of this Agreement, failing to make any payment required under this Agreement when due, or has otherwise committed a material breach of this Agreement, District shall provide

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 District. After receipt of the notice, 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.

B. 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 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, 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 9.2.A and B (net of all credits under Section 9.2.A and B), and the amount of any penalty and/or interest under Section 9.2.C that are owed to District.

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

Section 9.4. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 9.3, Applicant shall have ninety (90) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within ninety (90) days after the Applicant's receipt of notice of the Board of Trustee's determination of breach under Section 9.3, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then residing in Houston 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) District shall bear one-half of such mediator's fees and expenses and 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.

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

Section 6.30 of the Texas Tax Code.

C. In any event where a dispute between District and Applicant under this Agreement cannot be resolved by the Parties, after completing the procedures required above in this Section, either District or 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 9.5. 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, District's damages for such a default shall under no circumstances exceed the greater of either any amounts calculated under Sections 9.2 above, or the monetary sum of the difference between the payments and credits due and owing to Applicant at the time of such default and District taxes that would have been lawfully payable to District had this Agreement not been executed. In addition, 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 9.5 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 9.6. BINDING ON SUCCESSORS. In the event of a merger or consolidation of District with another school district or other governmental authority, this Agreement shall be binding on the successor school district or other governmental authority.

ARTICLE X.

MISCELLANEOUS PROVISIONS

Section 10.1. INFORMATION AND NOTICES.

A. 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.

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

	To the District	With copy to
Name:	Crockett ISD	Powell & Leon. LLP
Attn:	Superintendent Terry Myers, Or his successor	Attn: Sara Hardner Leon
Address:	1400 West Austin	115 Wild Basin Road # 106

City/Zip:	Crockett, Texas 75835	West Lake Hills TX 78746
Phone # :	(936) 544-2125	Phone # : (512) 494-1177
Fax # :	(936) 544-5727	Fax # : (512) 494-1188
Email:	terry.myers@crockettisd.net	sleon@powell-leon.com

C. Notices to Applicant shall be addressed to its Authorized Representative as follows:

Name: Megan McKavanagh, Assistant Comptroller
Energy Transfer Partners, L.P.
Address: 800 East Sonterra Blvd., Ste 400
City/Zip: San Antonio, TX 78258-3941
Phone: (210) 572-0457
Fax # : (210) 403-6664
Email: megan.mckavanagh@energytransfer.com

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

Section 10.2 AMENDMENTS TO AGREEMENT; WAIVERS.

A. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties and after completing the requirements of subsection B hereof. 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.

B. By official action of the District's Board of Trustees, this Agreement may only be amended according to the following:

- i. Applicant shall submit to District and Comptroller:
 - a. a written request to amend the Application and this Agreement which shall specify the changes Applicant requests;
 - b. any changes to the information that was provided in the Application that was approved by District and considered by Comptroller;
 - c. and any additional information requested by District or Comptroller necessary to evaluate the amendment or modification; and
- ii. Comptroller shall review the request and any additional information and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by Comptroller by the end of the 90 day period, the request is denied;
- iii. If Comptroller has not denied the request, District's Board of Trustees shall approve

or disapprove the request before the expiration of 150 days after the request is filed.

C. Any amendment of the Agreement adding additional or replacement Qualified Property pursuant to this Section 10.3 of this Agreement shall:

- i. require that all property added by amendment be eligible property as defined by Section 313.024 of the Texas Tax Code;
- ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and
- iii. define minimum eligibility requirements for the recipient of limited value.

D. This Agreement may not be amended to extend the value limitation time period beyond its ten year statutory term.

Section 10.4. ASSIGNMENT Any assignment of the interests of Applicant in this Agreement is considered an amendment to the Agreement and Applicant may only assign this Agreement, or a portion of this Agreement, after complying with the provisions of Section 10.3 regarding amendments to the Agreement.

Section 10.5. 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 10.6 MAINTENANCE OF COUNTY APPRAISAL DISTRICT RECORDS. When appraising the Applicant's Qualified Property and the Applicant's Qualified Investment subject to a limitation on Appraised Value under this Agreement, the Chief Appraiser of the Appraisal District shall determine the Market Value thereof and include both such Market Value and the appropriate value thereof under this Agreement in its appraisal records.

Section 10.7 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 the County.

Section 10.8 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 10.9 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 10.9, 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 10.10 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 10.11 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 10.12 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 10.13 PUBLICATION OF DOCUMENTS. The Parties acknowledge that District is required to publish Application and its required schedules, or any amendment thereto; all economic analyses of the proposed project submitted to District; and the approved and executed copy of this Agreement or any amendment thereto, as follows:

A. Within seven (7) days of such document, the school district shall submit a copy to Comptroller for Publication on Comptroller's Internet website;

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

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

Section 10.14 CONTROL; OWNERSHIP; LEGAL PROCEEDINGS. Applicant shall immediately notify District in writing of any actual or anticipated change in the control or ownership of Applicant and of any legal or administrative investigations or proceedings initiated against Applicant regardless of the jurisdiction from which such proceedings originate.

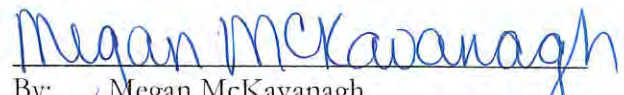
Section 10.15 DUTY TO DISCLOSE. If circumstances change or additional information is obtained regarding any of the representations and warranties made by Applicant in the Application or this Agreement, or any other disclosure requirements, subsequent to the date of this Agreement, Applicant's duty to disclose continues throughout the term of this Contract.

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 17 day of August, 2015.

CROCKETT INDEPENDENT SCHOOL DISTRICT

ETC TEXAS PIPELINE, LTD


By: Lela Wheeler, President,
Board of Trustees


By: Megan McKavanagh
Authorized Company Representative

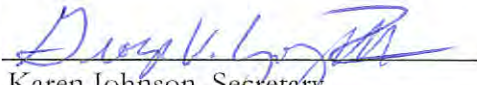
Attest: 
Karen Johnson, Secretary
Board of Trustees

EXHIBIT 1

DESCRIPTION AND MAP OF REINVESTMENT ZONE AND/OR ENTERPRISE ZONE

The reinvestment zone shall be that adopted by the Houston County Commissioners Court on January 27, 2015.

FIRST TRACT:

308.103 acres out of and a part of the J.J.HAILE SURVEY, A-40, and the JOHN HAGAN SURVEY, A-39 in Houston County, Texas, and being the same land described in a deed from George S. Satterwhite and wife Helen to B.L. Satterwhite recorded in Vol. 232, Page 281 of the Houston County Deed Records, which 308.103 acres more particularly described by metes and bounds as follows:

BEGINNING on a ½ inch iron rod set for the West corner of this tract and being in the North East line of John L. Patrick called 324.294 acres tract, recorded in Vol. 919, Page 652 of the Official Records of Houston County, and being in the South East line of Calvin Johnson Tract, and being on or near the West corner of the said JOHN HAGAN SURVEY, A-39 and the North corner of the THOMAS R. TOWNSEND SURVEY, A-87 and being in the South East line of the J. J.HAILE SURVEY, A-40, and also being S 34 deg 48' 48" E 18.38 feet from a ½ inch iron rod found for the North corner of the said Patrick tract;

THENCE N 56 deg 09'06" E 879.73 feet to a ½ inch iron rod found for corner, same being the East corner of the said Calvin Johnson tract and being the South West corner of Ronnie Goolsby called 104.963 acres tract, recorded in Vol. 624, Page 216 of the H.C.D.R., and also being on or near the South East line of the said J.J. HAILE SURVEY, A-40, and the North West line of the said JOHN HAGAN SURVEY, A-39;

THENCE N 55 deg 16' 15" E 1932.60 feet to a ½ inch iron rod set for corner, same being on or near the South East line of the said J. J. HAILE SURVEY, A-40, and the North West line of the JOHN HAGAN SURVEY, A-39, and also being the South East corner of the said Ronnie Goolsby tract;

THENCE N 7 deg 59' 04" E 1008.19 feet to corner of County Road No. 3020, and also being a North East corner of the said Ronnie Goolsby called 104.963 acres tract, set ½ inch iron rod at fence corner post for reference corner S 7 deg 59' 04" W 28.0 feet;

THENCE along with and near the center of County Road No. 3020 as follows: S 89 deg 10' 48" E 684.05 feet, S 89 deg 17' 46" E 332.26 feet, and S 88 deg 40' 54" E 456.72 feet to corner in same, set ½ inch iron rod for reference corner at fence corner post, S 34 deg 23' 27" E 34.0 feet;

THENCE along with and near a fence line for the North East line of this tract and the South West line of Mitchell Jones called 56.5 acres tract as follows: S 34 deg 23' 27" E 780.32 feet, S 37 deg 39' 08" E 488.35 feet and S 38 deg 15' 47" E 1324.60 feet to a ½ inch iron rod set at fence corner

post for corner, same being the South corner of the said Jones called 56.5 acres tract and being in the North West line of the said William Clark called 148.59 acres tract, described in Vol. 1089, Page 324 of the Official Records of Houston County;

THENCE S 55 deg 09' 23" W 1597.34 feet to a 4" X 4" concrete monument found for corner, same being the West corner of said William Clark called 148.59 acres tract, and the North corner of a S. F. Zelesky called 25 acres tract, recorded in Vol. 913, Page 550 of the Official Records of Houston County;

THENCE S 54 deg 57' 16" W 318.40 feet to a ½ inch iron rod found for corner, same being the West corner of the said S. F. Zelesky called 25 acres tract and North corner of the said John L. Patrick called 324.294 acres tract;

THENCE S 55 deg 25' 19" W 2263.12 feet and S 57 deg 16' 20" W 611.47 feet to a ½ inch iron rod found for corner, from which a 30" R.O. brs N 53 deg E 16.0 feet, and also being on or near the South West line of the said JOHN HAGAN SURVEY, A-39 and the North East line of the THOMAS R. TOWNSEND SURVEY, A-87;

THENCE N 34 deg 48' 48" W 2699.59 feet to the place of beginning and containing 308.103 acres of land more or less, of which 0.852 acre is in County Road No. 3020.

SECOND TRACT:

12.565 acres out of and a part of the J. J. HAILE SURVEY, A-40, in Houston County, Texas, and being the same land described in a deed from Virginia Grosland, guardian of the Estate of Ewen Durst Hail to B. L. Satterwhite recorded in Vol. 284, Page 550 of the Houston County Deed Records, which 12.565 acres more particularly described by metes and bounds as follows:

BEGINNING on a ½ inch iron rod set at fence corner post for the North West corner of this tract and the North East corner of the Joe Adamo called 10.5 acres tract recorded in Vol. 1068, Page 380 of the Official Records of Houston County and also being in the South East R.O.W. of State Hwy. No.7;

THENCE N 77 deg 41' 45" E 880.43 feet to a ½ inch iron rod set at fence corner post for the North East corner of this tract and being the West corner of Frank Smith called 90 acres tract and being in the South East R.O.W. line of State Hwy. No.7;

THENCE S 17 deg 03' 18" E 428.07 feet to a 1-1/4 inch iron pipe found for corner, same being in the South West line of the said Frank Smith called 90 acres tract and the North corner of Elbert Warren called 3 acres tract, recorded in Vol. 228, Page 41 of the Houston County Deed Records;

THENCE S 49 deg 51' 34" W 611.92 feet to a ½ inch iron rod set for corner, same being the West corner of the said Warren called 3 acres tract, and being in the North line of County Road No. 3020;

THENCE N 89 deg 54' 00" W 368.25 feet to a ½ inch iron rod set for corner at fence corner post, same being in the East line of the said Joe Adamo tract, and also being in the North fence line of said County Road No. 3020;

THENCE N 13 deg 40' 20" W 633.42 feet to the place of beginning and containing 12.565 acres of land more or less.

EXHIBIT 2

DESCRIPTION AND LOCATION OF THE APPLICANT'S QUALIFIED INVESTMENT

All Qualified Property owned or leased by the Applicant and included in the project described in EXHIBIT 3 and located within the boundaries of both the Crockett Independent School District and the Total Reinvestment Zone, will be included in and subject to this Agreement. Specifically, all Qualified Property of the Applicant included in the project described in EXHIBIT 3 and located within the land identified in EXHIBIT 1.

EXHIBIT 3

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

This Agreement covers all qualified property within the reinvestment zone described at Exhibit 1 hereto and necessary for the commercial operations of the proposed manufacturing facility described in Tab 4 of the Application. Qualified property includes, but is not limited to:

- Buildings, Foundations, Inlet Separator, Amine Unit, Boilers, Heat Exchangers, Natural Gas/ Air/H₂O Piping, Control
- Valves, Dehydration Units, Knock Out Drums, Slug Catcher, Compressors, Vessels, Heat Exchanger, SCADA plus Controls.
- ENVIRONMENTAL: (A) Flare-Stack, Scrubber, Leak Detection; (L) Liners, Containment.