

### APPLICATION FOR TAX CREDIT ON QUALIFIED PROPERTY (Chapter 313, Subchapter D, Tax Code)

School district name <b>Beaumont Independent School District</b>	Phone (area code and number) <b>409-899-9972</b>
Address <b>3395 Harrison Ave., Beaumont, TX 77706</b>	Application filing date <b>8/28/2006</b>

This application is for credit for taxes paid on the portion of value in excess of the value limit under Chapter 313, Subchapter B or C, Tax Code, in the two-year qualifying period. You must file this completed application with the school district before September 1 of the year immediately following the second year of the qualifying time period under Subchapter B or C. The school board must determine eligibility of this application before the 90th day from the application filing date. Subject to certain limitations, the school's tax assessor will apply annually one-seventh of the credit to taxes imposed on the qualified property for a seven-year period beginning with the tax year after the date the school board approves the application.

<b>Step 1: Corporation or limited liability company name and address</b>	Only corporations and limited liability companies that received an appraised value limitation under Chapter 313, Subchapter B or C, Tax Code, are eligible for this tax credit.		
	Corporation or limited liability company's name: <b>Exxon Mobil Oil Corp.</b>		
	Mailing address: <b>P.O. Box 53</b>	City, State: <b>Houston, TX</b>	ZIP code + 4: <b>77001-0053</b>
	Taxpayer I.D. Number (11 digits): <b>138503850D</b>	Appraisal district account number: <b>511900 000 000301</b>	
	Name of person preparing this application: <b>Steve Morby</b>	Title: <b>Tax Agent</b>	
	Phone (area code and number): <b>713-656-4327</b>		

<b>Step 2: Show tax credit amount</b>	What is the full amount of tax credit for which you are applying? The credit will be applied over a seven year period, but please show the total cumulative amount. .... <b>\$ 1,178,168</b>
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<b>Step 3: Provide attachments and supplements</b>	Attach the following items to this application: 1. A copy of the agreement between the applicant and the school district under Section 313.027 or 313.051, Tax Code. 2. A copy of receipts for taxes paid on qualified property during the first two years of the qualifying time period.
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<b>Step 4: Sign and date application</b>	By signing this application, you certify that this information is true and correct and that you are in full compliance with the terms of the attached agreement to the best of your knowledge and belief.	
	print here → <u>Steven K. Morby</u> Authorized signature	
	sign here → <u>[Signature]</u> Authorized signature	<u>8/28/2006</u> Date
	On behalf of <u>Exxon Mobil Oil Corporation</u> Name of corporation/company	<u>Tax Agent</u> Title

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.

**EXXON MOBIL OIL CORPORATION**  
**Calculation of Tax Credit due from Beaumont ISD for Tax Year 2004 & 2005**  
**Per terms of Texas Economic Development Act Participation Agreement dated December 31, 2003**

	Assessed Value of Cogen Facility	Less Value Limitation	Value in Excess of \$30m	M&O Tax Rate	Tax Credit Due
2004	\$ 35,338,000	\$ 30,000,000	\$ 5,338,000	\$ 1.470	\$ 78,469
2005	\$ 104,555,900	\$ 30,000,000	\$ 74,555,900	\$ 1.475	\$ 1,099,700
			Total		\$ 1,178,168

TAX RECEIPT FOR TAXES PAID FOR ACCOUNT 511900-000/000301-00000

JEFFERSON COUNTY TAX OFFICE  
P.O. BOX 2112  
BEAUMONT, TX 77704

01/27/2005  
RECEIPT 83929-54012602  
MORT CD

PARCEL ADDRESS:

PAYOR

LEGAL

MOBIL OIL CORP  
% PROPERTY TAX DIVISION  
PO BOX 53  
HOUSTON TX 77001-0053

COGEN PROJECT SUBJECT TO  
ABATEMENT

0.0000 ACRES

YEAR	TAX UNIT	TAXABLE VALUE	TAX RATE	LEVY PAID	PENALTY INTEREST	ATTORNEY FEES	COURT COSTS	TOTAL PAYMENT
2004	01		.425000					
2004	04	35338000	1.540000	544,205.20				544205.20
2004	41		.085750					
2004	49	14310400	.200039	28,626.38				28626.38
2004	55		.031021					

TOTAL TAXES PAID: 572,831.58  
DATE PAID: 01/26/2005

OWNER: MOBIL OIL CORP  
% PROPERTY TAX DIVISION  
HOUSTON TX 77001-0053

OPERATOR: SJ

01 JEFFERSON COUNTY      04 BEAUMONT ISD      41 PORT OF BEAUMONT  
49 DRAINAGE DISTRICT #6      55 NAVIGATION DISTRICT



MIRIAM K. JOHNSON, RTA  
JEFFERSON COUNTY TAX ASSESSOR - COLLECTOR  
1149 PEARL ST  
BEAUMONT, TX 77701

**Certified Owner:**

**MOBIL OIL CORP**  
**% PROPERTY TAX DIVISION**  
**PO BOX 53**  
**HOUSTON, TX 77001-0053**

**Legal Description:**

COGEN PROJECT  
SUBJECT TO ABATEMENT

**Parcel Address:**

Legal Acres: 0.0000

Remit Seq No: 6456705  
Receipt Date: 01/30/2006  
Deposit Date: 01/30/2006  
Print Date: 02/09/2006

Deposit No: M5013001  
Validation No: 900000003263035  
Account No: 511900-000/000301-00000  
Operator Code: STACYS

Year	Tax Unit Name	Tax Value	Tax Rate	Levy Paid	P&I	Arty Paid	Total
2005	Beaumont Isd	104,555,900	1.540000	1,610,160.86	0.00	0.00	1,610,160.86
2005	Drainage District #6	8,597,410	0.200039	17,198.17	0.00	0.00	17,198.17
				\$1,627,359.03	\$0.00	\$0.00	\$1,627,359.03

**CHECK NUMBER(S):**

2500806514

**PAYMENT TYPE:**

Checks: \$1,627,359.03  
Cash: \$0.00  
Credit Cards: \$0.00  
E-Fund Trans: \$0.00  
Others: \$0.00  
Total Applied: \$1,627,359.03  
Total Tendered: \$19,861,209.23  
(for accounts paid on 01/30/2006)  
Change Paid: \$0.00

**ACCOUNT PAID IN FULL**

**PAYER:**

**MOBIL OIL CORP**  
**% PROPERTY TAX DIVISION**  
**PO BOX 53**  
**HOUSTON, TX 77001-0053**

(409) 835-8516

**TEXAS ECONOMIC DEVELOPMENT ACT PARTICIPATION AGREEMENT**

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By and Among

**BEAUMONT INDEPENDENT SCHOOL DISTRICT,**

and

**ATOFINA CHEMICALS, INC.**

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Dated as of

December 31, 2003

TEXAS ECONOMIC DEVELOPMENT ACT PARTICIPATION AGREEMENT

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by and among

BEAUMONT INDEPENDENT SCHOOL DISTRICT

and

EXXONMOBIL OIL CORPORATION

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Dated as of

December 31, 2003

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

STATE OF TEXAS §

COUNTY OF JEFFERSON §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as the "Agreement," is executed and delivered by and among Beaumont Independent School District, hereinafter referred to as the "District," a lawfully created independent school district of the State of Texas operating under and subject to the Texas Education Code, and ExxonMobil Oil Corporation, hereinafter referred to as the "Applicant."

reCITALS

WHEREAS, on October 7, 2002, the Superintendent of Schools of the Beaumont Independent School District, acting as agent of the Board of Trustees, received an Application from ExxonMobil Oil Corporation for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Property Tax Code; and,

WHEREAS, on October 7, 2002, the Superintendent of Schools of the Beaumont Independent School District, acting as the agent of the Board of Trustees caused to be conducted an economic impact evaluation pursuant to Chapter 313 of the Texas Property Tax Code; and,

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

WHEREAS, on November 26, 2002, the Superintendent of Schools of the Beaumont Independent School District, acting as the agent of the Board of Trustees, received an amendment from ExxonMobil Oil Corporation modifying the Application for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Property Tax Code; and,

WHEREAS, the Application, as amended, was delivered to the Texas Comptroller's Office for review pursuant to Texas Property Tax Code § 313.025(d); and,

WHEREAS, the Application, as amended, was reviewed by the Texas Comptroller's Office pursuant to Texas Property Tax Code § 313.025(d); and,

WHEREAS, the Board of Trustees has reviewed an economic impact evaluation pursuant to Texas Property Tax Code § 313.026 and has carefully considered such evaluation; and,

WHEREAS, the Application, as amended, was reviewed by the county appraisal district established in this County ("Jefferson County Appraisal District") pursuant to Texas Property Tax Code § 6.01; and,

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

WHEREAS, the Board of Trustees has made factual findings in accordance with the Texas Economic Development Act that this Agreement is in the best interest of the District;

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

## ARTICLE I

### Authority, Term, Definitions, and General Provisions

#### Section 1.1. Authority

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

#### Section 1.2. Term of the Agreement

This Agreement shall commence and first become effective for the ad valorem property valuations assessed against the Qualified Property and Qualified Investments made pursuant to this Agreement beginning with the tax appraisals to be made as of January 1, 2004, which shall be referred to as the "Commencement Date". The Parties to this Agreement acknowledge that the limitation on the local ad valorem property values shall not commence until the valuations are made as of the second anniversary (January 1, 2006) of the Commencement Date. These first two years shall be referred to as the Qualifying Time Period as that term is defined in Texas Tax Code § 313.021(4). The limitation on the local ad valorem property values shall terminate on December 31, 2013 and this Agreement will terminate in full on December 31, 2016.

The tax years for which this Agreement is effective are as follows:

Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions
1.	January 1, 2004	2004-05	2004	No limitation on value. Tax credit in future years.
2.	January 1, 2005	2005-06	2005	No limitation on value. Tax credit in future years.

Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions
3.	January 1, 2006	2006-07	2006	\$ 30 million property value limitation.
4.	January 1, 2007	2007-08	2007	\$ 30 million property value limitation. Possible tax credit payment due to Applicant.
5.	January 1, 2008	2008-09	2008	\$ 30 million property value limitation. Possible tax credit payment due to Applicant.
6.	January 1, 2009	2009-10	2009	\$ 30 million property value limitation. Possible tax credit payment due to Applicant.
7.	January 1, 2010	2010-11	2010	\$ 30 million property value limitation. Possible tax credit payment due to Applicant.
8.	January 1, 2011	2011-12	2011	\$ 30 million property value limitation. Possible tax credit payment due to Applicant.
9.	January 1, 2012	2012-13	2012	\$ 30 million property value limitation. Possible tax credit payment due to Applicant.
10.	January 1, 2013	2013-14	2013	\$ 30 million property value limitation. Possible tax credit payment due to Applicant.
11.	January 1, 2014	2014-15	2014	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
12.	January 1, 2015	2015-16	2015	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
13.	January 1, 2016	2016-17	2016	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence.

### Section 1.3. Definitions

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

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

"Affiliate" of any specified person or company means any other person or company which, (i) directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under direct or indirect common control with such specified person or company (ii) which beneficially owns, holds, or controls five percent (5%) or more of the interest of such specified \_\_\_\_\_ means any other person owned or controlled directly or indirectly by ExxonMobil Oil Corporation. For the purposes of this definition, “control” when used with respect to any person means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing ????

“Agreement” means this Agreement.

“Applicant” means ExxonMobil Oil Corporation, the company listed in the Preamble of this Agreement who, on October 7, 2002 filed an Application with the District for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Property Tax Code. The term shall also include Applicant’s assigns and successors-in-interest.

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

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the Property Tax Code) initially filed with the District by Applicant on October 7, 2002, and as amended on November 26, 2002.

“Comptroller” means the Texas Comptroller of Public Accounts.

“Comptroller’s Rules” means the applicable rules and regulations of the Comptroller set forth at 34 Texas Administrative Code §9.107, together with any court or administrative decisions interpreting same.

“County” means Jefferson County, Texas.

“District” or “School District” means the Beaumont Independent School District, being a duly incorporated and operating independent school district in the State, having the power to levy, assess, and collect ad valorem taxes within its boundaries.

“Maintain Viable Presence” means the operation over the life of this Agreement of the facility or facilities for which the tax limitation is granted and the retention over the entire term of this Agreement of substantially the number of jobs set forth in the Application, with the minimum salaries required by Texas Tax Code § 313.021(3)(E). Applicant shall be deemed to have maintained a viable presence in the event of a temporary interruption in operations due to strike, judicial decision, weather, or other act of God. In the event a fire or other catastrophic event shuts down plant operations, Applicant will be deemed to have maintained a viable presence so long as it commences repairs and/or reconstruction of the damage within ninety (90) days of the catastrophic event. In the event of a closure due to environmental reasons, Applicant will be deemed to have maintained a viable presence so long as it commences remediation or otherwise acts in accordance with the order of a court or environmental agency.

“Maintenance and Operations Revenue” or “M&O Revenue” means those revenues which the District receives from the levy of its annual ad valorem maintenance tax pursuant to Texas Education Code § 45.002 and Article VII § 3 of the Texas Constitution. The term also includes 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. The term shall also include 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.

“Net Tax Savings” means the difference between the amount of taxes which Applicant would have paid to the District on the Qualified Investment and/or Qualified Property had the project been completed but this Agreement was not in effect; plus any applicable tax credit which Applicant receives pursuant to Chapter 313, Subchapter D of the Texas Property Tax Code; less any amount paid by Applicant to the District pursuant to Article III and/or Section 4.2 of this Agreement.

“Qualified Investment” means an investment that an owner proposes to build or install and that will qualify the owner for a limitation in the appraised value of qualified property. The term does not include land, but means:

- (A) tangible personal property that is described as Section 1245 property by Internal Revenue Code of 1986, §1245(a), and that is first placed in service in Texas during the applicable qualifying time period that begins after December 31, 2001;
- (B) tangible personal property that is first placed in service in Texas during the applicable qualifying time period that begins after December 31, 2003, and that is used in connection with the manufacturing, processing, or fabrication in a cleanroom environment of a semiconductor product. For purposes of this subparagraph, tangible personal property is neither required to be affixed to or incorporated into real property, nor required to be actually located in the cleanroom environment. Examples include, but are not limited to, integrated systems, fixtures, and piping; property that is

necessary or adapted to reduce contamination or to control environmental conditions (e.g. airflow, temperature, humidity, or chemical purity) or to control manufacturing tolerances; and production equipment and machinery, moveable cleanroom partitions, and cleanroom lighting;

- (C) a building or a permanent, non-removable component of a building that is built or constructed during the applicable qualifying time period that begins after December 31, 2003, and that houses tangible personal property described by subparagraph (A) or (B) of this paragraph; or
- (D) any property that is described in subparagraphs (A)-(C) of this paragraph that is leased under a capitalized lease, but excludes any property that is leased under an operating lease.

“Qualified Property” means property that is used either as an integral part, or, as described in the Comptroller’s Rules set forth at 34 Texas Administrative Code § 9.107(b)(6), as a necessary auxiliary part, in manufacturing, research and development, or renewable energy generation and consists of:

- (A) a new building or other new improvement that does not exist before the date on which the owner applies for an appraised value limitation;
- (B) land that is not subject to a tax abatement agreement into which a school district has entered under Chapter 312 of the Texas Tax Code and is located in an area that is designated as a reinvestment zone under Chapter 311 or Chapter 312 of the Texas Tax Code, or as an enterprise zone under Chapter 2303 of the Texas Government Code, on which the owner:
  - (i) proposes to construct, erect, or affix a new building or new improvement that does not exist before the date on which the owner applies for an appraised value limitation; and,
  - (ii) in connection with that new building or new improvement, also proposes to make at least the minimum amount of qualified investment required by this Section; and,
  - (iii) proposes to create at least ten (10) new jobs if the land is in a rural school district as defined by the Comptroller pursuant to 34 Texas Administrative Code § 9.107(e)(1)(B), or at least twenty-five (25) new jobs if the land is in a school district that is not a rural school district.
- (C) tangible personal property that is either first placed in service in the new building or in or on the new improvement that did not exist before the date on which the owner applies for an appraised value limitation (unless the property is considered a semiconductor fabrication cleanroom or equipment

under Texas Tax Code §151.318(q)) or first placed in service on the land on which that new building or new improvement is located, if the personal property is ancillary and necessary to the business that is conducted in that new building or in or on that new improvement. To qualify, tangible personal property may not be subject to a tax abatement agreement into which a school district has entered under Chapter 312 of the Texas Tax Code.

“State” means the State of Texas.

“Tax Credit” means the credit to be paid by the District to Applicant computed under the provisions of Subchapter D of the Texas Economic Development Act and Comptroller’s Rule 9.107(o), provided that Applicant complies with the requirements under such provisions, including the filing of a completed application under Texas Tax Code § 313.103 and Comptroller’s Rule 9.107(o)(2) before September 1, 2007.

“Tax Limitation Amount” means the minimum amount which must be placed as a value on a Qualified Property/Qualified Investment for years three (3) through ten (10) of this Agreement pursuant to Texas Property Tax Code § 313.054. For purposes of this Agreement that amount has been determined to be Thirty Million Dollars (\$30,000,000.00).

## ARTICLE II

### PROPERTY DESCRIPTION

#### Section 2.1. Location Within a Qualified Reinvestment or Enterprise Zone

The Qualified Property upon which the Qualified Investment will be located is within an area designated as a reinvestment zone under Chapter 311 or 312 of the Texas Tax Code, or as an enterprise zone under Chapter 2303 of the Texas Government Code. The metes and bounds description of the reinvestment or enterprise zone in which the qualified property is located is attached to this Agreement as Exhibit 1, and is incorporated herein by reference for all purposes.

#### Section 2.2. Location of Qualified Property

The location of the Qualified Property upon which the Qualified Investment will be located is described in the metes and bounds description which is attached to this Agreement as Exhibit 2, and it is incorporated herein by reference for all purposes. The Parties to this Agreement expressly agree that the boundaries of the Qualified Property may not be materially changed from its current configuration without the express authorization of each of the Parties.

### Section 2.3. Description of Qualified Investment

The Qualified Investment for which Applicant is seeking this Agreement 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 Jefferson County Appraisal District to be a Qualified Investment for purposes of the Agreement. A Qualified Investment may not be added to Exhibit 3 except by an official determination of the Board of Trustees of the District made pursuant to Texas Property Tax Code § 313.027(e).

### Section 2.4. Qualifying Use

The Qualified Investment described above in Section 2.3 qualifies for a tax limitation agreement under Texas Property Tax Code § 313.024(b)(1) as a manufacturing facility.

## ARTICLE III

### PROTECTION AGAINST LOSS OF Future district revenues

#### Section 3.1. Intent of the Parties

It is the intent of the Parties executing this Agreement that the District shall, in addition to the receipt of revenue protection payments or other consideration as set forth below in Article IV of this Agreement, be compensated by Applicant for any loss that the District incurs in its Maintenance and Operations Revenue by virtue of its decision to participate in this Agreement under the Act. This Agreement is being executed to ensure that the risk of any negative financial consequence to the District in making the decision to participate in this Agreement is borne by Applicant and not by the District.

#### Section 3.2. Calculating the Amount of Loss of Revenues by the District

The amount to be paid by Applicant to compensate the District for loss of Maintenance and Operations Revenue for each year under this Agreement shall be determined according to the following formula:

The M&O amount owed by Applicant to District = Original M&O Revenue minus New M&O Revenue;

Where:

- i. Original M&O Revenue = the total State and local Maintenance & Operations Revenue that the District would have received for the school year had this Agreement not been entered into and the full taxable value of the Qualified Investment and/or Qualified Property

been subject to the ad valorem maintenance & operations tax. For purposes of this calculation the tax collection rate on the Qualified Property and/or Qualified Investment will be presumed to be one hundred percent (100%), as amended.

- ii. New M&O Revenue = the total State and local Maintenance & Operations Revenue that the District actually received for the school year.

In making the calculations required by this Section:

- iii. The taxable value of property for each school year will be determined under the Applicable School Finance Law.
- iv. If the difference between the Original M&O Revenue and the New M&O Revenue as calculated under this Section results in a negative number, the negative number will be used to offset future amounts owed to the District under this Section.
- v. All calculations made for years three (3) through ten (10) of this Agreement under Section 3.2, Subsection ii of this Agreement will be based upon the limitation of value on the Qualified Property of Thirty Million Dollars (\$30,000,000.00).
- vi. All calculations made under this Section shall be made by a methodology which isolates only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements or any other factors.

### Section 3.3. Compensation for Loss of Other Revenues

In addition to the amounts determined pursuant to Section 3.2, above, Applicant, on an annual basis shall also indemnify the District for all non-reimbursed costs it incurs in paying or otherwise crediting to the account of Applicant, any applicable tax credit to which Applicant may be entitled pursuant to Chapter 313, Subchapter D of the Texas Property Tax Code, for which the District does not receive reimbursement from the State pursuant to Texas Education Code § 42.2515.

### Section 3.4. Calculations to Be Made by Third Party

All calculations under this Agreement shall be verified annually by an independent third party ("Third Party") selected by the District.

### Section 3.5. Data Used for Calculations

The calculations for payments under this Agreement shall be initially based upon the valuations placed upon the Qualified Investment and/or Qualified Property by the Jefferson County Appraisal District in its annual certified tax roll submitted to the District pursuant to Texas Property Tax Code § 26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of this information by the District, it will be transmitted to the Third Party selected under Section 3.4 of this Agreement. 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 shall be based upon the best available current estimates and will be adjusted from time to time to reflect subsequent adjustments by the Jefferson County Appraisal District to the District's tax roll or any other changes in student or other data.

### Section 3.6. Delivery of Calculations

On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 3.4 of this Agreement shall forward to Applicant a certification containing the calculations required under Sections 3.2 and/or 3.3 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 or her invoice for services rendered to Applicant, if any fee is being claimed.

### Section 3.7. Payment by Applicant

On or before the January 31 next following the tax levy for each year for which this Agreement is effective, Applicant shall pay any amount determined to be due and owing to the District and any amount billed by the Third Party. In no year shall Applicant be responsible for the payment of a fee to the Third Party in excess of Two Thousand Five Hundred Dollars (\$2,500.00).

### Section 3.8 . Resolution of Disputes

Pursuant to Section 3.4 and Section 3.6 of this Agreement, should the Applicant disagree with the certification containing the calculations, the Applicant may appeal the findings, in writing, to the Third Party within fifteen (15) days of receipt of the certification. Within fifteen (15) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Any appeal of the final determination of the Third Party may be made, in writing, to the Beaumont Independent School District Board of Trustees within fifteen (15) days of the final determination.

### Section 3.9. Effect of Property Value Appeal or Other Adjustment

In the event that the taxable value of the Qualified Investment and/or Qualified Property is changed after an appeal of its valuation or is otherwise altered, once the determination of a new value becomes final, the calculations required by Sections 3.2 and 3.3 of this Agreement will be remade by the Third Party using the new valuations. Upon completion of the new calculations,

the Third Party shall transmit same to the Parties to this Agreement. The Party owing funds to the other signatories to this Agreement shall pay any amounts owed within thirty (30) days of receipt of the new calculations from the Third Party.

#### Section 3.10. Effect of Statutory Changes

Notwithstanding any other provision in this Agreement, in the event that, by virtue of Applicable School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, Applicant shall make payments to the District, up to the revenue protection amount limit set forth in Section 3.10 of this Agreement, that are necessary to offset any negative impact on the District as a result of its participation in the 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.

#### Section 3.11. Limitation of Revenue Protection Amount in Years Four Through Ten of this Agreement

In years four (tax year 2007) through ten (tax year 2013) of this Agreement Applicant shall not be responsible for payment of a revenue protection amount to the District in excess of the amount of taxes which Applicant would have paid to the District in ad valorem Maintenance and Operations taxes for the applicable year had this Agreement not been made. The comparison of these amounts shall be included in the calculations made pursuant to Section 3.4 of this Agreement. In making this calculation, the Third Party shall include credit for the amount of taxes actually paid by Applicant on the Qualified Property in his or her determination of the revenue protection limit.

#### Section 3.12. Option to Cancel Agreement

For years four (tax year 2007) through ten (tax year 2013) of this Agreement, in the event that payments by Applicant to the District become limited in accordance with the provisions of Section 3.10, above, Applicant shall have the option to terminate this Agreement. Applicant may exercise its option to cancel the Agreement by notifying the District of its election in writing not later than the July 31 of any year next following the tax year in which the annual limitation set forth in Section 3.10 has been reached. The cancellation of the Agreement under this Section shall be effective as of the second tax year next following the year in which the limitation giving rise to the option occurred.

## ARTICLE IV

### Other School District Revenue Protection Payments

#### Section 4.1. Amounts Exclusive of Indemnity Amounts

In addition to undertaking the responsibility for the payment of all of the amounts set forth under Article III of this Agreement, and as consideration for the execution of this Agreement by the District, Applicant shall also be responsible for the other revenue protection payments set forth in this Article. It is the express intent of the Parties that the obligation for these revenue protection payments is separate and independent of the obligation of Applicant to pay the amounts described in Article III.

#### Section 4.2. Calculation of Other Revenue Protection Amounts

- (a) For each year of this Agreement, the District shall be entitled to receive from Applicant, in the form of taxes, in the form of other revenue protection payments under Article IV of this Agreement, or in a combination thereof, an amount equal to its total tax rate for each applicable year of this Agreement times the sum of January 1, 2002 value of all of Applicant's property in the District, (See Exhibit 4) plus the taxable value of the property which is the subject of this Agreement as revenue protection payments. The sum of the January 1, 2002 value of all of Applicant's property in the District, (See Exhibit 4) plus the taxable value of the property which is the subject of this Agreement will hereinafter be referred to as the "Guaranteed Property Value".
- (b) Amounts due under this Article shall be calculated by the Third Party.
- (c) The calculations shall be made at the same time and on the same schedule as the calculations made pursuant to Section 3.6 of this Agreement.
- (d) Any appeal by Applicant of the Third Party's calculations under this Article shall be handled as set forth in Section 3.8 of this Agreement.
- (e) Payment of amounts due under this Section shall be made at the time set forth in Section 3.7 of this Agreement.

#### Section 4.3. ExxonMobil's Option to Buy-Down Guaranteed Property Value

The Parties expressly agree that Applicant will be allowed to reduce the Guaranteed Property Value calculated pursuant to Section 4.2(a) of this Agreement by a cumulative amount not to exceed Three Hundred Million Dollars (\$300,000,000.00) if the following conditions are met:

- (a) A request for a reduction in Guaranteed Property Value can only be made after the bona fide sale of real property listed on Exhibit 4, including improvements thereon to a third party purchaser which is not an Affiliate of Applicant. For purposes of this Section, sale/leaseback agreements where Applicant or an

Affiliate retains control over the operations on the property subject to sale will not be deemed to be a bona fide sale.

- (b) The amount of value which can be reduced from the Guaranteed Property Value shall be equal to the amount of taxable value of the property which is being sold as determined by the Jefferson County Appraisal District for the year in which the sale takes place.
- (c) Applicant has notified the District in writing of its intent to exercise this provision not later than sixty (60) days after the sale of the property.
- (d) The notification sent under Subsection (c) of this Section contains an acknowledgement of the Applicant's undertaking of the payment to the District of Buy-Down payments to be determined for each year remaining on the term of this Agreement according to the following formula:

The value of the sold property as determined under Subsection (b) of this Section;

Divided by,

Three Hundred Million Dollars (\$300,000,000.00);

Multiplied by,

Applicant's Net Tax Savings;

Multiplied by,

The number 0.1.

#### Section 4.4. Recalculation of Other Revenue Protection Payments

The Parties agree that the revenue protection payment amount set forth in Sections 4.2 and 4.3 of this Agreement is based upon the current estimate of tax savings to Applicant which is being made based upon assumptions of student counts, tax collections, and other applicable data. For each year of this Agreement the Parties shall adjust the "other revenue protection payments" based upon the following formula.

Total taxable value of all property owned by Applicant in the District on January 1, 2002;

Plus,

The taxable value of the Qualified Property under this Agreement for the applicable year;

Multiplied by,

The total District tax rate for the applicable year;

Minus,

All tax payments made by Applicant to the District for the applicable year;

Minus,

Any payments made during the applicable year by Applicant to the District under Article III of this Agreement.

Upon completion of the new calculations, the Third Party shall transmit same to the Parties to this Agreement. Within thirty (30) days of receipt of the new calculations from the Third Party, the Party owing funds to the other signatories to this Agreement shall pay any amounts owed.

#### Section 4.5. Due Date of Payments

All amounts owed by Applicant to the District under this Article shall be paid on the same date established by Section 3.7 of this Agreement.

## ARTICLE V

### ADDITIONAL OBLIGATIONS OF APPLICANT

#### Section 5.1. Data Requests

During the life of this Agreement, Applicant shall be obligated to provide the District and the Jefferson County Appraisal District with all data, necessary under the Texas Tax Code and including but not limited to employment data, and necessary to determine whether all obligations under this Agreement are being met. In the event that the District requests information which Applicant regards as technical or business information which is proprietary, a trade secret or confidential in nature, or that is subject to a confidentiality agreement with any third party, Applicant shall inform the District of its concerns and suitable arrangements shall be made for the District to have access to the information in a manner which does not compromise the proprietary or confidential nature of the information.

## Section 5.2. Applicant's Obligation to Maintain Viable Presence

By entering into this Agreement, Applicant warrants that it will abide by all of the terms of the Agreement and that it will Maintain a Viable Presence in the District through the termination date of this Agreement.

## Section 5.3. Consequences of Early Termination or Other Breach by Applicant

In the event that Applicant terminates this Agreement without the consent of the District, or in the event that Applicant or its successor-in-interest fails to comply with the terms of this Agreement or to meet any material obligation under this Agreement, then the District shall be entitled to the recapture of all ad valorem tax revenue lost as a result of this Agreement together with the payment of a penalty or interest, or both, on that recaptured ad valorem tax revenue. For purposes of this calculation, Applicant shall be entitled to a credit for any payments made to the District as protection against loss of revenue pursuant to Article III of this Agreement. Applicant shall also be entitled to a credit for any amounts paid to the District as revenue protection pursuant to Article IV of this Agreement.

## Section 5.4. Calculation of Penalty and Interest

In determining the amount of penalty and interest due under this Agreement in the event of a breach, the District shall determine the base amount of taxes owed less any credit under Section 5.3 of this Agreement for each year of the Agreement since its inception. The District shall calculate penalty and interest for each year of the Agreement since its inception, in accordance with the methodology set forth in Chapter 33 of the Texas Tax Code, as if the base amount calculated for each year of the Agreement under Section 5.3 had become due and payable on January 31 of each applicable year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code § 33.01(a), or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code § 33.01(c), or its successor statute.

## Section 5.5. Determination of Breach

Prior to making a determination that Applicant has failed to Maintain a Viable Presence in the District as required by Section 5.2 of this Agreement, or has otherwise committed a material breach of this Agreement, the 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 the District. After receipt of the notice, Applicant shall be given sixty (60) days to present any facts or arguments to the District's 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.

After providing an opportunity for response, the District's Board of Trustees shall conduct a hearing. At the hearing, the Board of Trustees shall make findings as to whether a material breach of this Agreement has occurred, and the date such material breach occurred, if any. In the

event that the Board of Trustees determines that a material breach has occurred, it shall also determine the amounts of recaptured taxes under Section 5.3 of this Agreement, and the amount of penalty and/or interest which is/are owed to the District under Section 5.4 of this Agreement.

After making its determination regarding any alleged material breach, the Board of Trustees shall cause Applicant to be notified of its determination.

#### Section 5.6. District's Remedies after Determination of Material Breach

After receipt of notice of the Board of Trustees' determination of a material breach under Section 5.5 of this Agreement, Applicant shall have thirty (30) days in which to tender payment. In the event that payment is not received before the expiration of thirty days, the District shall have the remedies for the collection of the amounts determined under Section 5.5 of this Agreement, as are set forth at Chapter 33, Subchapters B and C of the Texas Tax Code for the collection of delinquent taxes. In the event that the District is required to initiate proceedings under this Section for collection, Applicant shall also be responsible for the payment of reasonable attorneys' fees and a tax lien on the Qualified Property and Qualified Investment pursuant to Texas Tax Code § 33.07.

## ARTICLE VI

### Miscellaneous Provisions

#### Section 6.1. Information and Notices

All notices required to be sent to the Parties under this Agreement shall be given in writing via certified mail, return receipt requested hereto as follows:

To the District:

Dr. Carrol Thomas, Superintendent  
Beaumont Independent School District  
3395 Harrison Avenue  
Beaumont, Texas 77706-5009

To Applicant:

ExxonMobil Oil Corporation Attn: Refinery Plant Manager  
P. O. Box 3311  
Beaumont, Texas 77704-3311

Section 6.2. Effective Date, Termination of Agreement

(a) This Agreement shall be and become effective on and after January 1, 2004, the effective date upon which the Tax Limitation Agreement is first made effective by the District.

(b) The obligation to Maintain a Viable Presence under this Agreement shall remain in full force and effect through the termination date of this Agreement.

Section 6.3. Amendments to Agreement

No amendments to this Agreement shall be effective until the same are approved and accepted in writing by the Parties.

Section 6.4. Amendments and Modifications

This Agreement may be modified, amended, or terminated only by written mutual agreement of the Parties.

Section 6.5. Assignment

Applicant may assign this Agreement, or a portion of this Agreement, to a new owner or lessee of the Qualified Property upon the written approval of the District, and approval shall not be unreasonably withheld. It shall not be unreasonable for the District to withhold approval if Applicant is liable to the District for outstanding taxes or other obligations arising under this Agreement.

Section 6.6. 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 6.7. Maintenance of County Appraisal District Records

When appraising an Applicant's Qualified Property subject to a limitation on appraised value under this Agreement, the chief appraiser of the Jefferson County Appraisal District shall determine the market value of the property and include both the market value and the appropriate value under this Agreement in its appraisal records.

Section 6.8. 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.

Section 6.9. Authority to Execute Agreement

Each of the Parties listed below expressly warrants that he or she has been expressly authorized to execute this Agreement for and on behalf of the respective parties.

Section 6.10. Severability

If any term or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held to be invalid or unenforceable, then such invalidity or unenforceability shall not affect any other term or provision of this Agreement or the application thereof which can be given effect without the invalid or unenforceable provision, and the Parties agree that the provisions of this Agreement are and shall be severable.

Section 6.11. Execution of Counterparts

This Agreement may be executed in 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.

IN WITNESS WHEREOF, this Agreement has been executed by the District and Applicant in duplicate originals on this \_\_\_\_\_, 2003.

ExxonMobil Oil Corporation

Beaumont Independent School District

By: \_\_\_\_\_

By: \_\_\_\_\_  
President, Board of Trustees

Attest:

\_\_\_\_\_  
Secretary, Board of Trustees

Exhibit 1

Location Within a Qualified Reinvestment or Enterprise Zone

[description in metes and bounds]

Exhibit 2

Location of Qualified Property

[description in metes and bounds]

Exhibit 3

Location of Qualified Investment

STATE OF TEXAS §  
COUNTY OF JEFFERSON §  
BEAUMONT INDEPENDENT SCHOOL DISTRICT §

ORDER

At the duly noticed meeting of the Board of Trustees, Beaumont Independent School District, held in the Board Room of the school district Administration Building at 3395 Harrison Street, Beaumont, Jefferson County, Texas on Thursday, August 19, 2004, at which a quorum was present and voting, the Board of Trustees, by a majority vote of its membership, ORDERED, that the tax rate to be used by the Beaumont Independent School District in determining ad valorem taxes for 2004 shall be \$1.54 for each \$100.00 appraised valuation of property located within Beaumont Independent School District made taxable by law, of which \$1.47 shall be allocated to General Operation and Maintenance, and \$.07 to the Interest and Sinking Fund (Debt Service).



\_\_\_\_\_  
Mrs. Martha Hicks, President  
Board of Trustees  
Beaumont Independent School District

ATTEST:



\_\_\_\_\_  
Mr. Terry Williams, Secretary  
Board of Trustees  
Beaumont Independent School District

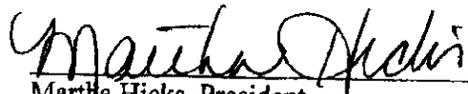
STATE OF TEXAS §  
COUNTY OF JEFFERSON §

BEAUMONT INDEPENDENT §  
SCHOOL DISTRICT §

ORDER

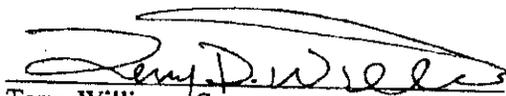
At the duly noticed meeting of the Board of Trustees, Beaumont Independent School District, held in the Board Room of the school district Administration Building at 3395 Harrison Street, Beaumont, Jefferson County, Texas on Thursday, August 18, 2005, at which a quorum was present and voting, the Board of Trustees, by a majority vote of its membership, ORDERED that the tax rate to be used by the Beaumont Independent School District in determining ad valorem taxes for 2005 shall be \$1.54 for each \$100.00 appraised value of property located within Beaumont Independent School District made taxable by law, of which \$1.475 shall be allocated to General Operation and Maintenance, and \$.065 to the Interest and Sinking Fund (Debt Service).

**THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S TAX RATE and THE TAX RATE WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A \$100,000 HOME BY APPROXIMATELY \$0.00.**



Martha Hicks, President  
Board of Trustees  
Beaumont Independent School District

ATTEST:



Terry Williams, Secretary  
Board of Trustees  
Beaumont Independent School District

ADP3IQNX-SCREEN2

2005 Master File Inquiry

CMD3-TAXES

4/14/09

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MOBIL OIL CORP  
% PROPERTY TAX DIVISION

Tnt Stat  
Ownr 1600

COGEN PROJECT  
SUBJECT TO ABATEMENT

PO BOX 53  
HOUSTON TX 77001-0053

TxRep  
770010053 539

PhyAdr:

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Land:  
Impr: 35,338,000 104,555,900

Pers:  
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Tot : 35,338,000 104,555,900