

O'HANLON, McCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE
AUSTIN, TEXAS 78701
TELEPHONE: (512) 494-9949
FACSIMILE: (512) 494-9919

KEVIN O'HANLON
CERTIFIED, CIVIL APPELLATE
CERTIFIED, CIVIL TRIAL

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

JUSTIN DEMERATH

June 4, 2014

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

RE: Final School District Data Response for Agreement between Brazosport Independent School District and The Alpha Olefin Chemical Company, LLC.

To the Local Government Assistance & Economic Analysis Division:

Please accept this letter, in lieu of the Comptroller's Forms 50-772 Annual Eligibility Report and 50-773 Biennial Progress Report. This letter will certify that the Qualifying Time Period set forth in the agreement between Brazosport ISD and The Alpha Olefin Chemical Company, LLC has expired, and prior to the expiration of the Qualifying Time Period, the Applicant failed to make the minimum Qualified Investment, as required both by Tex. Tax Code §313.021 and by the Agreement between the parties.

As a result of the lack of Qualified Investment, the Applicant failed to meet the condition precedent necessary to trigger the tax benefits contained in the value limitation agreement. Therefore, Applicant never became entitled to participate in the value limitation and the agreement between Brazosport ISD and The Alpha Olefin Chemical Company, LLC has been cancelled.

Please accept this letter as the official certification that the aforementioned project has been cancelled. As the project has been cancelled, please remove the project from the list of active 313 value limitation agreements.

Because the project has been cancelled, this will be the final report from Brazosport ISD. Also please accept this letter as a substantive document as defined by 34 Tex. Admin Code §9.1051(19) and post this correspondence on the Comptroller's website.

Letter to Local Government Assistance & Economic Development

June 4, 2014

Page 2 of 2

Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin O'Hanlon". The signature is stylized and somewhat cursive, with a prominent horizontal stroke at the end.

Kevin O'Hanlon

Special Counsel to Brazosport ISD

Cc: The Alpha Olefin Chemical Company, LLC

The Alpha Olefin Chemical Company LLC

3000 Town Center, Suite 2820
Southfield, Michigan 48075

April 29, 2014

Dr. Karin Holacka
Superintendent
Brazosport ISD
PO Drawer Z
Freeport, TX 77542

Re: The Alpha Olefins Chemical Company - Notice of Cancellation of Chapter 313 Value Limitation Agreement

Dear Dr. Holacka,

As you are aware, the Brazosport ISD Board of Trustees approved the reference agreement on December 10, 2013. Regretfully, we must inform you that the project, a joint venture between Mitsui & Co., Ltd. and Idemitsu Kosan Co., Ltd. has been jointly cancelled by the parties. As a result, the proposed project will not be built and will not require the Chapter 313 agreement going forward. As such, we formally request that the district, through your attorney O'Hanlon, McCollum, & Demerath, notify the Comptroller of the cancellation and request the 313 Value Limitation Agreement be inactivated.

We want to personally extend our sincere thanks and appreciation for your support and cooperation during your consideration and approval of the Chapter 313 Value Limitation Agreement. It was a pleasure to work with Brazosport ISD, and we commend the board of trustees, your administration and staff for their business-friendly environment and attitude.

Best regards,



Yoshiaki Izawa
Chief Financial Officer
The Alpha Olefins Chemical Company LLC