

**FINDINGS OF THE GOOSE CREEK
CONSOLIDATED INDEPENDENT SCHOOL
DISTRICT BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE
APPLICATION SUBMITTED
BY
THE EXXON MOBIL CORPORATION**



September 23, 2013

**FINDINGS
OF THE
GOOSE CREEK CONSOLIDATED INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
THE EXXON MOBIL CORPORATION**

SEPTEMBER 23, 2013

Board Findings of the Goose Creek Consolidated Independent School District

FINDINGS OF THE GOOSE CREEK CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT BOARD OF
TRUSTEES UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
THE EXXON MOBIL CORPORATION

STATE OF TEXAS §

COUNTY OF HARRIS §

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

On January 9, 2013, the Superintendent of Schools of the Goose Creek Consolidated Independent School District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts received an Application from Exxon Mobil for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is attached as **Attachment A**.

The Applicant, Exxon Mobil (Texas Taxpayer Id. 11354090059), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be in good standing with the Texas Comptroller of Public Accounts. See **Attachment B**.

Board Findings of the Goose Creek Consolidated Independent School District

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

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 Harris County Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054.

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code § 313.026, and a favorable recommendation was issued on May 17, 2013. A copy of the Comptroller's letter is attached to the findings as **Attachment C**.

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

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

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

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

Board Findings of the Goose Creek Consolidated Independent School District

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

Board Finding Number 1.

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

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

Board Finding Number 2.

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

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

September 2011 employment for Harris County was up 1.8 percent from September 2010, above the state's 0.9 percent increase in total employment during the same period. The unemployment rate in Harris County was 8.6 percent in September 2011, slightly higher than the state average of 8.5 percent.

Board Findings of the Goose Creek Consolidated Independent School District

Harris County continues to have a higher per capita personal income than the state as a whole. In terms of per capita income, Harris County's \$48,337 in 2009 ranked 7th among the 254 counties in Texas, while the Texas average was \$38,609 for the same period.

The local economy in Harris County and particularly the Baytown area will benefit from economic activity like that associated with the Exxon Mobil project. Major capital investments like this project are beneficial to the community on a number of fronts, including direct and indirect employment, expanded opportunities for existing businesses and increased local tax bases.

Board Finding Number 3.

The average salary level of qualifying jobs is expected to be at least \$59,076 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. Exxon Mobil indicates that total employment will be approximately 70 new jobs, of which all 70 will be qualifying jobs.

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

After construction, the project will create 70 new jobs when fully operational. All 70 jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the Houston-Galveston Area Council Region, where Harris County is located was \$53,711 in 2011. The annual average manufacturing wage for 2011-12 for Harris County is \$78,884. That same year, the county annual average wage for all industries was \$65,312. In addition to a salary of \$59,076, each qualifying position will receive benefits such as 401(k) savings plan, pension plan, group health benefit for which Exxon Mobil offers to pay at least 80% of the premiums or other charges for employee-only coverage, dental and vision plans, pre-tax spending plans for medical, dental and vision plans, disability plan, life insurance plan, vacation & holiday pay, educational refund program.

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 \$28.6 million on the basis of the goal of 70 new qualifying positions for the entire Exxon Mobil project.

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

The project's total investment is \$2 billion, resulting in a relative level of investment per qualifying job of \$28.6 million.

Board Finding Number 5.

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

Table 1 depicts Exxon's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 16 years of annual investment and employment levels using software from Regional Economic Models, Inc. (REMI). The impact includes the construction period and the operating period of the project. In years 2020 to 2022, the negative results are due to the sharp drop-off in construction following the end of the construction phase of the project.

Board Findings of the Goose Creek Consolidated Independent School District

Table 1: Estimated Statewide Economic Impact of Investment and Employment in Exxon

| Year | Employment | | | Personal Income | | |
|------|------------|--------------------|-------|-----------------|--------------------|---------------|
| | Direct | Indirect + Induced | Total | Direct | Indirect + Induced | Total |
| 2013 | 200 | 235 | 435 | \$12,000,000 | \$15,000,000 | \$27,000,000 |
| 2014 | 1017 | 1,217 | 2234 | \$62,226,545 | \$82,773,455 | \$145,000,000 |
| 2015 | 4030 | 4,727 | 8757 | \$251,512,620 | \$336,487,380 | \$588,000,000 |
| 2016 | 5070 | 6,203 | 11273 | \$322,873,610 | \$489,126,390 | \$812,000,000 |
| 2017 | 2070 | 2,931 | 5001 | \$134,978,320 | \$300,021,680 | \$435,000,000 |
| 2018 | 70 | 416 | 486 | \$5,249,720 | \$119,750,280 | \$125,000,000 |
| 2019 | 70 | 43 | 113 | \$5,249,720 | \$76,750,280 | \$82,000,000 |
| 2020 | 70 | (70) | 0 | \$5,249,720 | \$52,750,280 | \$58,000,000 |
| 2021 | 70 | (90) | -20 | \$5,249,720 | \$39,750,280 | \$45,000,000 |
| 2022 | 70 | (41) | 29 | \$5,249,720 | \$33,750,280 | \$39,000,000 |
| 2023 | 70 | 41 | 111 | \$5,249,720 | \$33,750,280 | \$39,000,000 |
| 2024 | 70 | 37 | 107 | \$5,249,720 | \$29,750,280 | \$35,000,000 |
| 2025 | 70 | 106 | 176 | \$5,249,720 | \$31,750,280 | \$37,000,000 |
| 2026 | 70 | 172 | 242 | \$5,249,720 | \$36,750,280 | \$42,000,000 |
| 2027 | 70 | 237 | 307 | \$5,249,720 | \$42,750,280 | \$48,000,000 |
| 2028 | 70 | 301 | 371 | \$5,249,720 | \$50,750,280 | \$56,000,000 |

Source: CPA, REMI, Exxon

The statewide average ad valorem tax base for school districts in Texas was \$1.74 billion in 2011. Goose Creek CISD's ad valorem tax base in 2011 was \$8.4 billion. The statewide average wealth per WADA was estimated at \$347,943 for fiscal 2011-2012. During that same year, Goose Creek CISD's estimated wealth per WADA was \$320,472. The impact on the facilities and finances of the district are presented in Attachment 2.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Harris County, Baytown Industrial District (ETJ), Harris County Hospital District, Harris County Flood Control District, Harris County Education Department, and Lee Jr. College District, with all property tax incentives sought being granted using estimated market value from Exxon's application. Exxon has applied for both a value limitation under Chapter 313, Tax Code, and a tax abatement with the county. Table 3 illustrates the estimated tax impact of the Exxon project on the region if all taxes are assessed.

Board Findings of the Goose Creek Consolidated Independent School District

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

| Year | Estimated Taxable Value for I&S | Estimated Taxable Value for M&O | Tax Rate ¹ | Goose Creek CISD I&S Levy | Goose Creek CISD M&O Levy | Goose Creek CISD M&O and I&S Tax Levies (Before Credit Credited) | Goose Creek CISD M&O and I&S Tax Levies (After Credit Credited) | Harris County Tax Levy | Baytown Industrial District (ETJ) Tax Levy | Harris County Flood Control District Tax Levy | Harris County Hospital District Tax Levy | Harris County Education Department Tax Levy | Lee Jr. College District Tax Levy | Estimated Total Property Taxes |
|------|---------------------------------|---------------------------------|-----------------------|---------------------------|---------------------------|--|---|------------------------|--|---|--|---|-----------------------------------|--------------------------------|
| | | | | 0.2921 | 1.0400 | | | 0.3912 | 0.8220 | 0.0281 | 0.1922 | 0.0066 | 0.2520 | |
| 2013 | \$38,500,000 | \$38,500,000 | | \$112,470 | \$400,400 | \$512,870 | \$512,870 | \$0 | \$316,482 | \$10,815 | \$73,982 | \$2,534 | \$97,020 | \$1,013,702 |
| 2014 | \$450,310,000 | \$450,310,000 | | \$1,315,491 | \$4,683,224 | \$5,998,715 | \$5,998,715 | \$0 | \$3,701,683 | \$126,492 | \$865,316 | \$29,635 | \$1,134,781 | \$11,856,622 |
| 2015 | \$729,515,000 | \$30,000,000 | | \$2,131,132 | \$312,000 | \$2,443,132 | \$2,443,132 | \$0 | \$5,996,832 | \$204,921 | \$1,401,836 | \$48,009 | \$1,838,378 | \$11,933,108 |
| 2016 | \$916,410,000 | \$30,000,000 | | \$2,677,109 | \$312,000 | \$2,989,109 | \$2,352,019 | \$0 | \$7,533,165 | \$257,420 | \$1,760,973 | \$60,309 | \$2,309,353 | \$14,273,240 |
| 2017 | \$830,200,000 | \$30,000,000 | | \$2,425,263 | \$312,000 | \$2,737,263 | \$2,100,174 | \$0 | \$6,824,493 | \$233,203 | \$1,595,312 | \$54,635 | \$2,092,104 | \$12,899,922 |
| 2018 | \$1,722,400,000 | \$30,000,000 | | \$5,031,647 | \$312,000 | \$5,343,647 | \$4,706,558 | \$0 | \$14,158,645 | \$483,822 | \$3,309,764 | \$113,351 | \$4,340,448 | \$27,112,588 |
| 2019 | \$1,683,400,000 | \$30,000,000 | | \$4,917,716 | \$312,000 | \$5,229,716 | \$4,592,627 | \$0 | \$13,838,053 | \$472,867 | \$3,234,821 | \$110,785 | \$4,242,168 | \$26,491,321 |
| 2020 | \$1,625,500,000 | \$30,000,000 | | \$4,748,573 | \$312,000 | \$5,060,573 | \$4,423,484 | \$0 | \$13,362,098 | \$456,603 | \$3,123,561 | \$106,974 | \$4,096,260 | \$25,568,980 |
| 2021 | \$1,587,500,000 | \$30,000,000 | | \$4,637,564 | \$312,000 | \$4,949,564 | \$4,312,475 | \$0 | \$13,049,726 | \$445,929 | \$3,050,540 | \$104,473 | \$4,000,500 | \$24,963,643 |
| 2022 | \$1,549,400,000 | \$30,000,000 | | \$4,526,262 | \$312,000 | \$4,838,262 | \$4,201,173 | \$0 | \$12,736,533 | \$435,226 | \$2,977,327 | \$101,966 | \$3,904,488 | \$24,356,713 |
| 2023 | \$1,491,500,000 | \$1,491,500,000 | | \$4,357,119 | \$15,511,600 | \$19,868,719 | \$19,868,719 | \$5,834,301 | \$12,260,577 | \$418,962 | \$2,866,066 | \$98,156 | \$3,758,580 | \$45,105,361 |
| 2024 | \$1,434,600,000 | \$1,434,600,000 | | \$4,190,897 | \$14,919,840 | \$19,110,737 | \$19,110,737 | \$5,611,725 | \$11,792,842 | \$402,979 | \$2,756,727 | \$94,411 | \$3,615,192 | \$43,384,614 |
| 2025 | \$1,396,500,000 | \$1,396,500,000 | | \$4,079,595 | \$14,523,600 | \$18,603,195 | \$18,603,195 | \$5,462,689 | \$11,479,649 | \$392,277 | \$2,683,514 | \$91,904 | \$3,519,180 | \$42,232,408 |
| 2026 | \$1,338,500,000 | \$1,338,500,000 | | \$3,910,160 | \$13,920,400 | \$17,830,560 | \$17,830,560 | \$5,235,810 | \$11,002,872 | \$375,985 | \$2,572,062 | \$88,087 | \$3,373,020 | \$40,478,395 |
| 2027 | \$1,281,300,000 | \$1,281,300,000 | | \$3,743,062 | \$13,325,520 | \$17,068,582 | \$17,068,582 | \$5,012,061 | \$10,532,670 | \$359,917 | \$2,462,146 | \$84,322 | \$3,228,876 | \$38,748,575 |
| | | | | | | Total | \$128,125,020 | \$27,156,586 | \$148,586,320 | \$5,077,418 | \$34,733,948 | \$1,189,551 | \$45,550,348 | \$390,419,192 |

Assumes School Value Limitation and Tax Abatement from Harris County.

Source: CPA, Exxon

¹Tax Rate per \$100 Valuation

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives

| Year | Estimated Taxable Value for I&S | Estimated Taxable Value for M&O | Tax Rate ¹ | Goose Creek CISD I&S Levy | Goose Creek CISD M&O Levy | Goose Creek CISD M&O and I&S Tax Levies | Harris County Tax Levy | Baytown Industrial District (ETJ) Tax Levy | Harris County Flood Control District Tax Levy | Harris County Hospital District Tax Levy | Harris County Education Department Tax Levy | Lee Jr. College District Tax Levy | Estimated Total Property Taxes | |
|------|---------------------------------|---------------------------------|-----------------------|---------------------------|---------------------------|---|------------------------|--|---|--|---|-----------------------------------|--------------------------------|----------------------|
| | | | | 0.2921 | 1.0400 | | 0.3912 | 0.8220 | 0.0281 | 0.1922 | 0.0066 | 0.2520 | | |
| 2013 | \$38,500,000 | \$38,500,000 | | \$112,470 | \$400,400 | \$512,870 | \$150,600 | \$316,482 | \$10,815 | \$73,982 | \$2,534 | \$97,020 | \$1,164,302 | |
| 2014 | \$450,310,000 | \$450,310,000 | | \$1,315,491 | \$4,683,224 | \$5,998,715 | \$1,761,478 | \$3,701,683 | \$126,492 | \$865,316 | \$29,635 | \$1,134,781 | \$13,618,099 | |
| 2015 | \$729,515,000 | \$729,515,000 | | \$2,131,132 | \$7,586,956 | \$9,718,088 | \$2,853,644 | \$5,996,832 | \$204,921 | \$1,401,836 | \$48,009 | \$1,838,378 | \$22,061,708 | |
| 2016 | \$916,410,000 | \$916,410,000 | | \$2,677,109 | \$9,530,664 | \$12,207,773 | \$3,584,721 | \$7,533,165 | \$257,420 | \$1,760,973 | \$60,309 | \$2,309,353 | \$27,713,714 | |
| 2017 | \$830,200,000 | \$830,200,000 | | \$2,425,263 | \$8,634,080 | \$11,059,343 | \$3,247,493 | \$6,824,493 | \$233,203 | \$1,595,312 | \$54,635 | \$2,092,104 | \$25,106,585 | |
| 2018 | \$1,722,400,000 | \$1,722,400,000 | | \$5,031,647 | \$17,912,960 | \$22,944,607 | \$6,737,512 | \$14,158,645 | \$483,822 | \$3,309,764 | \$113,351 | \$4,340,448 | \$52,088,149 | |
| 2019 | \$1,683,400,000 | \$1,683,400,000 | | \$4,917,716 | \$17,507,360 | \$22,425,076 | \$6,584,956 | \$13,838,053 | \$472,867 | \$3,234,821 | \$110,785 | \$4,242,168 | \$50,908,726 | |
| 2020 | \$1,625,500,000 | \$1,625,500,000 | | \$4,748,573 | \$16,905,200 | \$21,653,773 | \$6,358,468 | \$13,362,098 | \$456,603 | \$3,123,561 | \$106,974 | \$4,096,260 | \$49,157,737 | |
| 2021 | \$1,587,500,000 | \$1,587,500,000 | | \$4,637,564 | \$16,510,000 | \$21,147,564 | \$6,209,824 | \$13,049,726 | \$445,929 | \$3,050,540 | \$104,473 | \$4,000,500 | \$48,008,556 | |
| 2022 | \$1,549,400,000 | \$1,549,400,000 | | \$4,526,262 | \$16,113,760 | \$20,640,022 | \$6,060,788 | \$12,736,533 | \$435,226 | \$2,977,327 | \$101,966 | \$3,904,488 | \$46,856,351 | |
| 2023 | \$1,491,500,000 | \$1,491,500,000 | | \$4,357,119 | \$15,511,600 | \$19,868,719 | \$5,834,301 | \$12,260,577 | \$418,962 | \$2,866,066 | \$98,156 | \$3,758,580 | \$45,105,361 | |
| 2024 | \$1,434,600,000 | \$1,434,600,000 | | \$4,190,897 | \$14,919,840 | \$19,110,737 | \$5,611,725 | \$11,792,842 | \$402,979 | \$2,756,727 | \$94,411 | \$3,615,192 | \$43,384,614 | |
| 2025 | \$1,396,500,000 | \$1,396,500,000 | | \$4,079,595 | \$14,523,600 | \$18,603,195 | \$5,462,689 | \$11,479,649 | \$392,277 | \$2,683,514 | \$91,904 | \$3,519,180 | \$42,232,408 | |
| 2026 | \$1,338,500,000 | \$1,338,500,000 | | \$3,910,160 | \$13,920,400 | \$17,830,560 | \$5,235,810 | \$11,002,872 | \$375,985 | \$2,572,062 | \$88,087 | \$3,373,020 | \$40,478,395 | |
| 2027 | \$1,281,300,000 | \$1,281,300,000 | | \$3,743,062 | \$13,325,520 | \$17,068,582 | \$5,012,061 | \$10,532,670 | \$359,917 | \$2,462,146 | \$84,322 | \$3,228,876 | \$38,748,575 | |
| | | | | | | Total | \$240,789,624 | \$70,706,070 | \$148,586,320 | \$5,077,418 | \$34,733,948 | \$1,189,551 | \$45,550,348 | \$546,633,280 |

Source: CPA, Exxon

¹Tax Rate per \$100 Valuation

Board Finding Number 6.

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

In support of this finding, the analysis prepared by Moak, Casey & Associates projects that the project would initially add \$1.722 billion to the tax base for debt service purposes at the peak investment level for the 2019-20 school year. The Exxon Mobil project remains fully

Board Findings of the Goose Creek Consolidated Independent School District

taxable for debt services taxes, with Goose Creek CISD recently adopting a \$0.34679 per \$100 I&S rate. The value of the Exxon Mobil project is expected to depreciate over the life of the agreement and beyond, but full access to the additional value will add to the District's tax base.

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 Exxon Mobil project.

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

Board Finding Number 8.

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

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

According to Exxon's application, "ExxonMobil's unmatched integration of natural gas, refining and chemical operations uniquely positions the chemical company to benefit from ExxonMobil's significant investment in American natural gas production. The new facilities could be constructed at any of our fully integrated refining manufacturing locations in Sarnia (Canada), Baton Rouge (LA), Beaumont (TX) Baytown (TX) or non-integrated refining manufacturing locations in Joliet (IL), Torrance (CA), Billings (MT) and Chalmette (LA). Competitive abatement programs exist in alternate locations. The impact of tax burden on the economic return of any given project is one factor that influences the viability of projects and their ultimate location."

Board Finding Number 9.

During the past two years, 28 projects in the Houston-Galveston Area Council of Governments Region applied for value limitation agreements under Tax Code, Chapter 313.

Board Finding Number 10.

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

Board Finding Number 11.

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

According to the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2012 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year, Attachment F, the total 2012 industrial value for Goose Creek CISD is \$5.8 billion. Goose Creek CISD is categorized as Subchapter C, which applies only to a school district that has territory in a strategic investment area, as defined under Subchapter O, Chapter 171, Tax Code or in a county: (1) that has a population of less than 50,000 and (2) in which, from 1990 to 2000, according to the federal decennial census, the population: (A) remained the same; (B) decreased; or (C) increased, but at a rate of not more than three percent per annum. Goose Creek CISD is classified as a "rural" district due to its population characteristics. Given that the value of industrial property in Goose Creek CISD is more than \$200 million, it is classified as a Category I district which can offer a minimum value limitation of \$30 million.

Board Finding Number 12.

The Applicant (Taxpayer Id. 11354090059) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on its "good standing" certification as a franchise-tax paying entity.

Board Finding Number 13.

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

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

Board Finding Number 14.

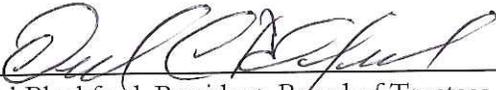
Considering the purpose and effect of the law and the terms of the Agreement, that it is in the best interest of the District and the State to enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

It is therefore ORDERED that the Agreement attached hereto as **Attachment G** is approved and hereby authorized to be executed and delivered by and on behalf of the Goose Creek Consolidated 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 Goose Creek Consolidated Independent School District.

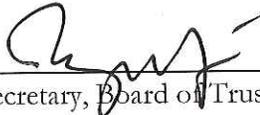
Board Findings of the Goose Creek Consolidated Independent School District

Dated the 23rd day of September 2013.

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

By: 
Daniel Blackford, President, Board of Trustees

ATTEST:

By: 
Agustín Loredó III, Secretary, Board of Trustees



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

September 23, 2013

President and Members
Board of Trustees
Goose Creek Consolidated Independent School District
P.O. Box 30
Baytown, Texas 77522

Re: Recommendations and Findings of the firm Concerning Application of Exxon Mobil Corporation for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President Blackford and Members of the Board of Trustees:

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

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

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

Sincerely,

A handwritten signature in blue ink that reads "Daniel T. Casey". The signature is written in a cursive style.

Daniel T. Casey

www.moakcasey.com

O'HANLON, McCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

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

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

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

JUSTIN DEMERATH

September 23, 2013

President and Members
Of the Board of Trustees
Goose Creek Consolidated Independent School District
P.O. Box 30
Baytown, TX 77522

Re: Recommendations and Findings of the Firm Concerning Application of Exxon Mobil Corporation for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, first qualifying year 2014

Dear President Beaty and Members of the Board of Trustees:

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

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

Letter to Goose Creek CISD
September 23, 2013
Page 2 of 2

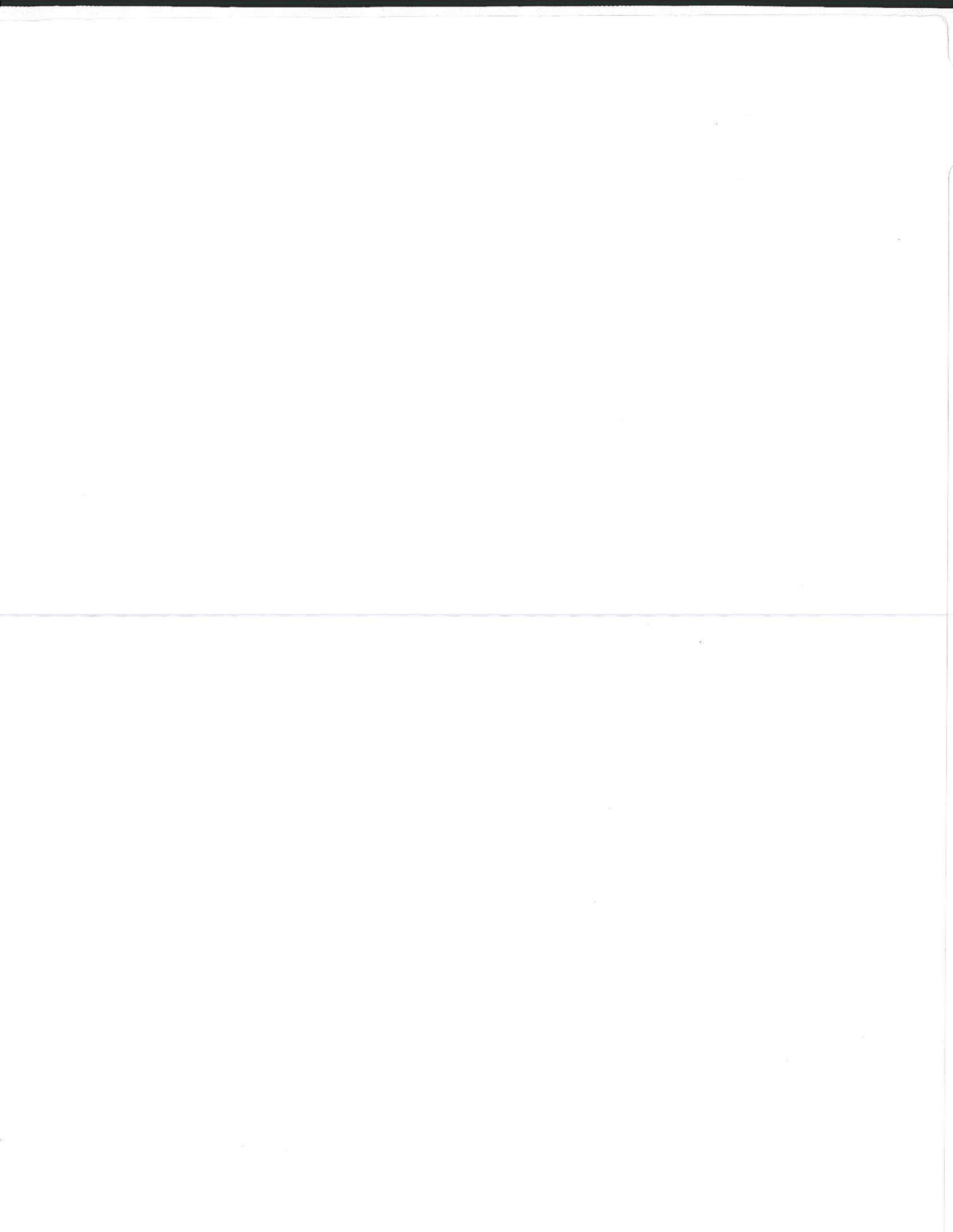
4. All applicable school finance implications arising from the contemplated Agreement have been explored.
5. The proposed Agreement contains adequate legal provisions so as to protect the interests of the District.

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

Sincerely,

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

Kevin O'Hanlon
For the Firm



Attachment A

Application



Application for Appraised Value Limitation on Qualified Property

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

Form 50-296
(Revised May 2010)

INSTRUCTIONS: This application must be completed and filed with the school district. In order for an application to be processed, the governing body (school board) must elect to consider an application, but — by Comptroller rule — the school board may elect to consider the application only after the school district has received a completed application. Texas Tax Code, Section 313.025 requires that any completed application and any supplemental materials received by the school district must be forwarded within seven days to the Comptroller of Public Accounts.

If the school board elects to consider the application, the school district must:

- notify the Comptroller that the school board has elected to consider the application.

This notice must include:

- the date on which the school district received the application;
- the date the school district determined that the application was complete;
- the date the school board decided to consider the application; and
- a request that the comptroller prepare an economic impact analysis of the application;
- provide a copy of the notice to the appraisal district;
- must complete the sections of the application reserved for the school district and provide information required in the Comptroller rules located at 34 Texas Administrative Code (TAC) Section 9.1054; and
- forward the original completed application to the Comptroller in a three-ring binder with tabs separating each section of the documents, in addition to an electronic copy on CD. See 34 TAC Chapter 9, Subchapter F.

The governing body may, at its discretion, allow the applicant to supplement or amend the application after the filing date, subject to the restrictions in 34 TAC Chapter 9, Subchapter F.

When the Comptroller receives the notice and required information from the school district, the Comptroller will publish all submitted application materials on its Web site. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules as explained in the Confidentiality Notice below.

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project, make a recommendation to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

The school board must approve or disapprove the application before the 151st day after the application review start date (the date the application is finally determined to be complete), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to complete the recommendation, economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's Web site to find out more about the program at <http://www.window.state.tx.us/taxinfo/proptax/hb1200/index.html>. There are links on this Web page to the Chapter 313 statute, rules and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION

| | | | |
|--|--|---|--|
| Authorized School District Representative | | Date Application received by district Amended 9/15/13 9/17/2012 | |
| First Name Dr. Salvador | Last Name Cavazos | | |
| Title Superintendent of Schools | | | |
| School District Name Goose Creek CISD | | | |
| Street Address | | | |
| Mailing Address P.O. Box 30 | | | |
| City Baytown | State TX | ZIP 77522 | |
| Phone Number 281-420-4808 | Fax Number 281-420-4842 | | |
| Mobile Number (optional) | E-mail Address salvador.cavazos@gccisd.net | | |

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

Will consultant be primary contact? Yes No



SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized School District Consultant (if Applicable)

First Name **Kevin**

Last Name **O'Hanlon**

Title **Attorney**

Firm Name **O'Hanlon, McCollom & Demerath, PC**

Street Address **808 West Avenue**

Mailing Address **808 West Avenue**

City **Austin**

State **TX**

ZIP **78701**

Phone Number **512-494-9949**

Fax Number **512-494-9919**

Mobile Number (Optional)

E-mail Address **kohanlon@808west.com**

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

Signature (Authorized School District Representative)

Date **9/24/12**

Has the district determined this application complete? Yes No

If yes, date determined complete. September 25, 2012 Amended 1.15.13

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

will supplement

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

| Checklist | Page X of 10 | Check Completed |
|---|--------------|-----------------|
| 1 Date application received by the ISD | 1 of 10 | X |
| 2 Certification page signed and dated by authorized school district representative | 2 of 10 | X |
| 3 Date application deemed complete by ISD | 2 of 10 | X |
| 4 Certification pages signed and dated by applicant or authorized business representative of applicant | 4 of 10 | X |
| 6 Completed company checklist | 12 of 10 | X |
| 6 School finance documents described in TAC 9.1054(c)(3) (Due within 20 days of district providing notice of completed application) | 2 of 10 | will supplement |



APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Business Representative (Applicant)

| | | | | | |
|--------------------------|---------------------------------|------------|-----------|--------|--|
| First Name | William | | Last Name | McCabe | |
| Title | Property Tax Divison Manager | | | | |
| Organization | Exxon Mobil Corporation | | | | |
| Street Address | 4500 Dacoma St | | | | |
| Mailing Address | P.O. Box 53 | | | | |
| City | State | ZIP | | | |
| Houston | TX | 77001-0053 | | | |
| Phone Number | Fax Number | | | | |
| 713-431-2823 | 713-431-2694 | | | | |
| Mobile Number (optional) | Business e-mail Address | | | | |
| | william.l.mccabe@exxonmobil.com | | | | |

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

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

| | | | | | |
|--------------------------|------------------------------|------------|-----------|--------|--|
| First Name | John | | Last Name | Graves | |
| Title | Property Tax Agent | | | | |
| Organization | Exxon Mobil Corporation | | | | |
| Street Address | 4500 Dacoma St. | | | | |
| Mailing Address | P.O. Box 53 | | | | |
| City | State | ZIP | | | |
| Houston | TX | 77001-0053 | | | |
| Phone Number | Fax Number | | | | |
| 713-431-2756 | 713-431-2694 | | | | |
| Mobile Number (optional) | E-mail Address | | | | |
| | john.p.graves@exxonmobil.com | | | | |

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

Will consultant be primary contact? Yes No

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

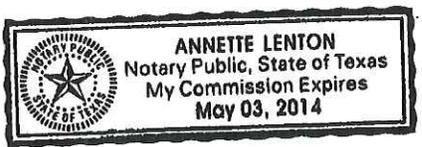
| | | |
|---|-----------------------------------|---------------------|
| First Name Tim | Last Name Young | |
| Title Attorney | | |
| Firm Name Ikard Wynne LLP | | |
| Street Address 2801 Via Fortuna, Suite 501 | | |
| Mailing Address 2801 Via Fortuna, Suite 501 | | |
| City Austin | State TX | ZIP 78746 |
| Phone Number 512-275-7880 | Fax Number 512-275-7333 | |
| Business email Address | | |

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

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

| | |
|--|------------------------|
| Signature (Authorized Business Representative (Applicant)) <i>William F. McCabe</i> | Date 9/13/12 |
|--|------------------------|

GIVEN under my hand and seal of office this 13th day of September, 2012



(Notary Seal)

Annette Lenton
 Notary Public, State of Texas

My commission expires 5-3-2014

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

[Handwritten signature]

FEES AND PAYMENTS

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

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

Please answer only either A OR B:

A. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code, 313.027(i)? Yes No

B. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? Yes No

BUSINESS APPLICANT INFORMATION

Legal Name under which application is made

Exxon Mobil Corporation

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

11354090059

NAICS code

325199

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

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

Beaumont ISD - 2004; Barbers Hill ISD -2014 (Pending); Goose Creek CISD - 2013 (Pending)

APPLICANT BUSINESS STRUCTURE

Registered to do business in Texas with the Texas Secretary of State? Yes No

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

1. Is the applicant a combined group, or comprised of members of a combined group, as defined by Texas Tax Code Chapter 171.0001(7)? Yes No
If so, please attach documentation of the combined group membership and contact information.

2. Is the applicant current on all tax payments due to the State of Texas? Yes No

3. Are all applicant members of the combined group current on all tax payments due to the State of Texas? NA Yes No

If the answer to either question is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (Use attachment if necessary.)

ELIGIBILITY UNDER TAX CODE CHAPTER 313.024

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

PROJECT DESCRIPTION

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

See Attached

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

See Attached

PROJECT CHARACTERISTICS (CHECK ALL THAT APPLY)

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

PROJECTED TIMELINE

Begin Construction 4th Qtr 2013 Begin Hiring New Employees 1st Half 2014
 Construction Complete 2nd Qtr 2016 Fully Operational 2nd Qtr 2016
 Purchase Machinery & Equipment 4th Qtr 2013

Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? Yes No
 Note: Improvements made before that time may not be considered qualified property.

When do you anticipate the new buildings or improvements will be placed in service? 2nd Qtr 2016



ECONOMIC INCENTIVES

Identify state programs the project will apply for:

| State Source | Amount |
|--------------|--------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| Total | _____ |

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

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

Applied for Chapter 312 abatement from Harris County.

THE PROPERTY

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

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

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

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

County: Harris 100% City: Baytown Industrial District (ETJ) 100%
(Name and percent of project) (Name and percent of project)

Hospital District: Harris County Hosp District 100% Water District: Harris County Flood Control 100%
(Name and percent of project) (Name and percent of project)

Other (describe): Harris County Education Dept 100% Other (describe): Lee Jr College District 100%
(Name and percent of project) (Name and percent of project)

Is the project located entirely within this ISD? Yes No

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

INVESTMENT

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

At the time of application, what is the estimated minimum qualified investment required for this school district? 30,000,000

What is the amount of appraised value limitation for which you are applying? 30,000,000

What is your total estimated *qualified* investment? 1,504,000,000

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

What is the anticipated date of application approval? May 2013

What is the anticipated date of the beginning of the qualifying time period? 1 May 2013

What is the total estimated investment for this project for the period from the time of application submission to the end of the limitation period? 2,000,000,000

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

Attach the following items to this application:

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

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

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

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

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

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

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

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

QUALIFIED PROPERTY

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

Attach the following items to this application:

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

Land

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

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

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

Will the project be on leased land? Yes No

QUALIFIED PROPERTY (CONTINUED)

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

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

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

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

Miscellaneous

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

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

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

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

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

WAGE AND EMPLOYMENT INFORMATION

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

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

First Quarter Second Quarter Third Quarter Fourth Quarter of 2012 (year)

What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the TWC?
11,558

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

Total number of new jobs that will have been created when fully operational 70*

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

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

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

What is the maximum number of qualifying jobs meeting all criteria of §313.021(3) you are committing to create? 70*

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

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

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

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

* An additional 50 permanent contract jobs will be created as well as numerous additional jobs related to maintenance and turn-around activities post construction; however, such jobs are not "qualifying jobs" as defined in TAC Section 9.1051 (14) in that the Applicant does not have a significant degree of control over the creation of the jobs, the job descriptions, or the job characteristics or performance.

WAGE AND EMPLOYMENT INFORMATION (CONTINUED)

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

110% of the county average weekly wage for all jobs (all industries) in the county is \$1,381.60
 110% of the county average weekly wage for manufacturing jobs in the county is \$1,607.38
 110% of the county average weekly wage for manufacturing jobs in the region is \$1,136

Please identify which Tax Code section you are using to estimate the wage standard required for this project:

§313.021(5)(A) or §313.021(5)(B) or §313.021(3)(E)(ii), or §313.051(b)?

What is the estimated minimum required annual wage for each qualifying job based on the qualified property? \$59,076

What is the estimated minimum required annual wage you are committing to pay for each of the qualifying jobs you create on the qualified property? \$59,076

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

If yes, what percent? N/A

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

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

See Attached

ECONOMIC IMPACT

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

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

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

CONFIDENTIALITY NOTICE

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

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

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

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

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

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

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

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

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

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

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

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

COMPANY CHECKLIST AND REQUESTED ATTACHMENTS

| | Checklist | Page X of 16 | Check Completed |
|----|--|--------------|-----------------|
| 1 | Certification pages signed and dated by Authorized Business Representative (applicant) | 4 of 16 | ✓ |
| 2 | Proof of Payment of Application Fee (Attachment) | 5 of 16 | ✓ |
| 3 | For applicant members, documentation of Combined Group membership under Texas Tax Code 171.0001(7) (if Applicable) (Attachment) | 5 of 16 | ✓ |
| 4 | Detailed description of the project | 6 of 16 | ✓ |
| 5 | If project is located in more than one district, name other districts and list percentage in each district (Attachment) | 7 of 16 | |
| 6 | Description of Qualified Investment (Attachment) | 8 of 16 | ✓ |
| 7 | Map of qualified investment showing location of new buildings or new improvements with vicinity map. | 8 of 16 | ✓ |
| 8 | Description of Qualified Property (Attachment) | 8 of 16 | ✓ |
| 9 | Map of qualified property showing location of new buildings or new improvements with vicinity map | 8 of 16 | ✓ |
| 10 | Description of Land (Attachment) | 9 of 16 | ✓ |
| 11 | A detailed map showing location of the land with vicinity map. | 9 of 16 | ✓ |
| 12 | A description of all existing (if any) improvements (Attachment) | 9 of 16 | ✓ |
| 13 | Request for Waiver of Job Creation Requirement (if applicable) (Attachment) | 9 of 16 | |
| 14 | Calculation of three possible wage requirements with TWC documentation. (Attachment) | 10 of 16 | ✓ |
| 15 | Description of Benefits | 10 of 16 | ✓ |
| 16 | Economic Impact (if applicable) | 10 of 16 | |
| 17 | Schedule A completed and signed | 13 of 16 | ✓ |
| 18 | Schedule B completed and signed | 14 of 16 | ✓ |
| 19 | Schedule C (Application) completed and signed | 15 of 16 | ✓ |
| 20 | Schedule D completed and signed | 16 of 16 | ✓ |
| 21 | Map of Reinvestment Zone (Attachment) (Showing the actual or proposed boundaries and size, Certified to be accurate by either the government entity creating the zone, the local appraisal district, or a licensed surveyor, with vicinity map)* | 9 of 16 | ✓ |
| 22 | Order, Resolution, or Ordinance Establishing the Zone (Attachment)* | 9 of 16 | ✓ |
| 23 | Legal Description of Reinvestment Zone (Attachment)* | 9 of 16 | ✓ |
| 24 | Guidelines and Criteria for Reinvestment Zone(Attachment)* | 9 of 16 | ✓ |

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

Attachment 2

Proof of Payment of Application Fee

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

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

Attachment 3

Documentation of Combined Group Membership

1W5285 3.000
TX2012
Ver. 3.0

05-164
(Rev. 9-11/8)

Texas Franchise Tax Extension Request

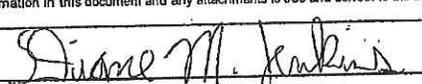
■ Tcode 13258 Annual

| | | |
|-------------------|---------------|------------|
| ■ Taxpayer number | ■ Report year | ■ Due date |
| 135409005 | 2012 | 05/15/2012 |

| | | | | | | |
|---|-------------|---------|-------------------|--------|--|--|
| Taxpayer name Exxon Mobil Corporation and Affiliated Companies | | | | | Secretary of State file number or Comptroller file number 0003362806 | |
| Mailing address 4500 Dacoma, Room 212, CORP-BH3-212 | | | | | | |
| City Houston | State TX | Country | ZIP Code 77092 | Plus 4 | Check box if the address has changed <input type="checkbox"/> | |
| Check box if this is a combined report <input type="checkbox"/> | | | | | | |

1. Check this box if you will be using your 2008 Temporary Credit for Business Loss Carryforward for the report year for which you are requesting this extension (see instructions) 1.
2. Check this box if you will begin using your 1992 Temporary Credit for the report year for which you are requesting this extension (see instructions) 2.
3. Extension payment (Dollars and cents) 3. 70000000.00

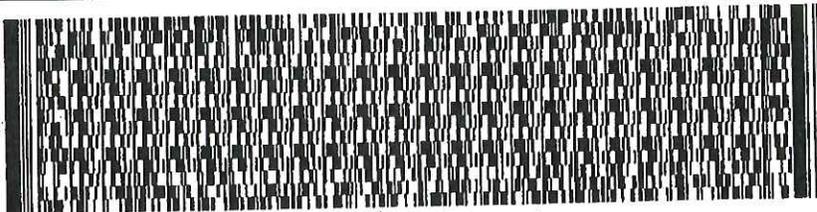
If this extension is for a combined group, you must also complete and submit Form 05-165. Note to mandatory Electronic Fund Transfer(EFT) payers: When requesting a second extension do not submit an Affiliate List Form 05-165.

| | |
|---|---|
| Print or type name Diane M. Jenkins, Assistant Secretary | Area code and phone number (713) 431 - 2770 |
| I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief. | Mall original to: Texas Comptroller of Public Accounts P.O. Box 149348 Austin, TX 78714-9348 |
| sign here  Date 5/11/2012 | |

If you have any questions regarding franchise tax, you may contact the Texas Comptroller's field office in your area or call (800) 252-1381 or (512) 463-4600. Instructions for each report year are online at www.window.state.tx.us/taxinfo/taxforms/05-forms.html.

Taxpayers who paid \$10,000 or more during the preceding fiscal year (Sept. 1 thru Aug. 31) are required to electronically pay their franchise tax. For more information visit www.window.state.tx.us/webfile/req_franchise.html.

Texas Comptroller Official Use Only



| | |
|---------|--------------------------|
| VE/DE | <input type="checkbox"/> |
| PM Date | |



1062

Texas Franchise Tax Extension Affiliate List

Reporting entity taxpayer number
135409005

Report year
2012

Reporting entity taxpayer name
EXXON MOBIL CORPORATION AND AFFILIATED COMP

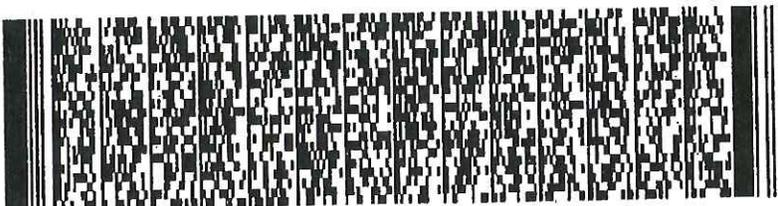
| LEGAL NAME OF AFFILIATE | AFFILIATE'S TEXAS TAXPAYER NUMBER (if none, enter FEI number) | CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS |
|---|--|---|
| 1. ExxonMobil Gas Pipeline Holding LLC | 16409498819 | <input type="checkbox"/> |
| 2. VEI LLC | 621678781 | <input checked="" type="checkbox"/> |
| 3. Collet Creek Unit # 1 RH-88-082-A | 17602789517 | <input checked="" type="checkbox"/> |
| 4. Kirby Exploration Co F-I Agreement | 17521581789 | <input type="checkbox"/> |
| 5. McElmo Creek Co. Supply Pipeline | 15419309388 | <input checked="" type="checkbox"/> |
| 6. Texaco Logsdon # 1 | 17603363494 | <input type="checkbox"/> |
| 7. Sunset Vahevala | 13837560542 | <input checked="" type="checkbox"/> |
| 8. Exxon Mobil Corporation | 11354090059 | <input type="checkbox"/> |
| 9. Mediterranean Standard Oil Co. | 11319598733 | <input type="checkbox"/> |
| 10. ExxonMobil Research and Engineering Company | 12214565942 | <input type="checkbox"/> |
| 11. Exxon Capital Ventures Inc. | 11326155493 | <input type="checkbox"/> |
| 12. ExxonMobil Chemical Patents Inc. | 760023754 | <input type="checkbox"/> |
| 13. ExxonMobil Chemical Europe Inc. | 980014011 | <input checked="" type="checkbox"/> |
| 14. Exxon Overseas Investment Corporation | 510120120 | <input type="checkbox"/> |
| 15. Esso Exploration Inc. | 11361736298 | <input checked="" type="checkbox"/> |
| 16. Ere Liaison, Inc. | 221813717 | <input checked="" type="checkbox"/> |
| 17. Exxon Chemical Services Middle East Inc. | 591226406 | <input checked="" type="checkbox"/> |
| 18. ExxonMobil Inter-America Inc. | 32039618569 | <input checked="" type="checkbox"/> |
| 19. ExxonMobil Biomedical Sciences, Inc. | 11329587346 | <input type="checkbox"/> |
| 20. Mobil Auto Club Inc. | 17517718502 | <input checked="" type="checkbox"/> |
| 21. Jersey Nuclear-Avco Isotopes, Inc. | 19108784000 | <input type="checkbox"/> |

Note: To file an extension request for a reporting entity and its affiliates, Form 05-164 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request.

Do not file this form when requesting a second extension.

Texas Comptroller Official Use Only

VE/DE FM



Texas Franchise Tax Extension Affiliate List

Tcode 13298
 Reporting entity taxpayer number

Report year

Reporting entity taxpayer name

135409005

2012

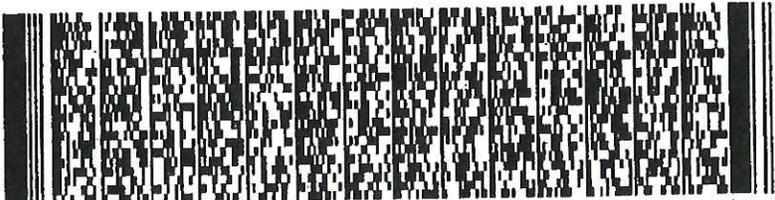
EXXON MOBIL CORPORATION AND AFFILIATED COMP

| LEGAL NAME OF AFFILIATE | AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number) | CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS |
|--|--|---|
| 1. Exxon Services Company, Inc. | 591640476 | <input type="checkbox"/> |
| 2. Esso Trading Company Of Iran | 131959872 | <input checked="" type="checkbox"/> |
| 3. ExxonMobil Risk Management Inc. | 17600060564 | <input type="checkbox"/> |
| 4. ExxonMobil Upstream Research Company | 17414978217 | <input type="checkbox"/> |
| 5. Exxon Land Development Inc. | 17414607337 | <input type="checkbox"/> |
| 6. ExxonMobil Pipeline Company | 17413945126 | <input type="checkbox"/> |
| 7. ExxonMobil Travel Club, Inc. | 741502305 | <input type="checkbox"/> |
| 8. Petroleum Casualty Company | 740832710 | <input type="checkbox"/> |
| 9. ExxonMobil Coal USA Inc. | 17420718359 | <input type="checkbox"/> |
| 10. Seariver Maritime Financial Holdings Inc. | 17417540923 | <input type="checkbox"/> |
| 11. Mobil Cortez Pipeline Inc. | 17518220995 | <input type="checkbox"/> |
| 12. Neches River Treatment Corporation | 11327612922 | <input type="checkbox"/> |
| 13. Mobil Alaska Pipeline Company | 751437831 | <input type="checkbox"/> |
| 14. Main Elk Corporation | 132575831 | <input checked="" type="checkbox"/> |
| 15. Mobil Midstream Natural Gas Investments Inc. | 10102876645 | <input type="checkbox"/> |
| 16. Mobil Oil Refining Corporation | 11327715626 | <input type="checkbox"/> |
| 17. Houston County Timber Company | 17511843801 | <input type="checkbox"/> |
| 18. ExxonMobil Technical Computing Company | 17706934233 | <input type="checkbox"/> |
| 19. ExxonMobil Global Services Company | 17605550569 | <input type="checkbox"/> |
| 20. ExxonMobil Development Company | 17605735400 | <input type="checkbox"/> |
| 21. Mobil Overseas Services Inc. | 132574692 | <input checked="" type="checkbox"/> |

Note: To file an extension request for a reporting entity and its affiliates, Form 05-164 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request.

Do not file this form when requesting a second extension.

Texas Comptroller Official Use Only



VE/DE FM



1023

Texas Franchise Tax Extension Affiliate List

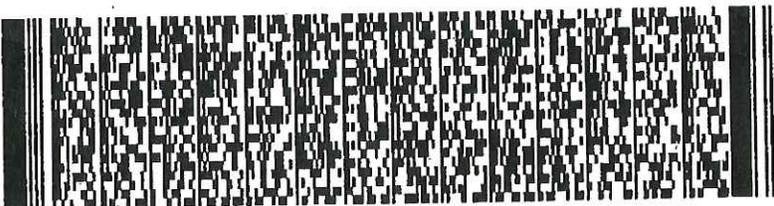
Reporting entity taxpayer number **135409005** Report year **2012** Reporting entity taxpayer name **EXXON MOBIL CORPORATION AND AFFILIATED COMP**

| LEGAL NAME OF AFFILIATE | AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number) | CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS |
|--|--|---|
| 1. Mobil Eugene Island Pipeline Company | 17515246118 | <input type="checkbox"/> |
| 2. Mobil Phosphate Minerals Inc. | 11361704577 | <input checked="" type="checkbox"/> |
| 3. Kordite Corporation | 11325764568 | <input type="checkbox"/> |
| 4. Exxon Services Venezuela, Inc. | 980031110 | <input checked="" type="checkbox"/> |
| 5. Middle East Services Inc. | 133287236 | <input checked="" type="checkbox"/> |
| 6. Mobil Oil Telcom Ltd. | 11327301443 | <input type="checkbox"/> |
| 7. Mobil Oil Credit Corporation | 11361947028 | <input type="checkbox"/> |
| 8. Exxon Chemical Indonesia Inc. | 222401819 | <input checked="" type="checkbox"/> |
| 9. Exxon Technology Holding Corp. | 133409463 | <input checked="" type="checkbox"/> |
| 10. Exxon Asset Management Company, LLC | 10612257872 | <input type="checkbox"/> |
| 11. Mobil Oil Abu Dhabi Inc. | 136147418 | <input checked="" type="checkbox"/> |
| 12. Mobil Exploration Somalia, Inc. | 541566976 | <input checked="" type="checkbox"/> |
| 13. Camelback Corporation | 30113376252 | <input type="checkbox"/> |
| 14. Exxon Equity Holding Company | 19801157785 | <input type="checkbox"/> |
| 15. Canada Imperial Oil Limited | 19801070269 | <input checked="" type="checkbox"/> |
| 16. Exxon Venezuela LNG Inc. | 742640063 | <input checked="" type="checkbox"/> |
| 17. Exxon Billings Cogeneration Inc. | 810477950 | <input checked="" type="checkbox"/> |
| 18. Humble Gas Pipeline Co. | 17603161708 | <input type="checkbox"/> |
| 19. Exxon Mobile Bay Limited Partnership | 17603738216 | <input type="checkbox"/> |
| 20. Seaviver Maritime Inc. | 17604485957 | <input type="checkbox"/> |
| 21. ExxonMobil Catalyst Services, Inc. | 17604730956 | <input type="checkbox"/> |

Note: To file an extension request for a reporting entity and its affiliates, Form 05-164 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request.

Do not file this form when requesting a second extension.

Texas Comptroller Official Use Only



VE/DE FM



Texas Franchise Tax Extension Affiliate List

Tcode 13298

Reporting entity taxpayer number

Report year

Reporting entity taxpayer name

135409005

2012

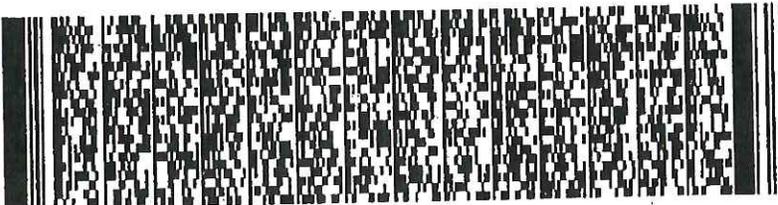
EXXON MOBIL CORPORATION AND AFFILIATED COMP

| LEGAL NAME OF AFFILIATE | AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number) | CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS |
|---|--|---|
| 1. Exxon Pipeline Holdings, Inc. | 17604861918 | <input type="checkbox"/> |
| 2. Exxon Chemical Licensing Co. | 17605343783 | <input type="checkbox"/> |
| 3. ExxonMobil Surety Corporation | 17605565351 | <input type="checkbox"/> |
| 4. ExxonMobil Power and Gas Services, Inc. | 17605525512 | <input type="checkbox"/> |
| 5. ExxonMobil Investment Management, Inc. | 17527582765 | <input type="checkbox"/> |
| 6. Pacific Offshore Pipeline Company | 952754429 | <input type="checkbox"/> |
| 7. ExxonMobil Capital Corporation | 17605906183 | <input type="checkbox"/> |
| 8. ExxonMobil Saudi Arabia Holding (Southern Ghawar) In | 760695233 | <input checked="" type="checkbox"/> |
| 9. ExxonMobil Saudi Arabia Holding (Red Sea) Inc. | 760695235 | <input checked="" type="checkbox"/> |
| 10. ExxonMobil Ventures Funding Limited | 980623987 | <input type="checkbox"/> |
| 11. ExxonMobil Catalyst Technologies LLC | 17606990046 | <input checked="" type="checkbox"/> |
| 12. Travel Guide Holdings Inc | 010623505 | <input type="checkbox"/> |
| 13. ExxonMobil Ras Laffan Holdings, Inc. | 752682692 | <input checked="" type="checkbox"/> |
| 14. ExxonMobil Oil & Gas Investments Limited | 980623989 | <input type="checkbox"/> |
| 15. Adrest, Inc. | 17519626364 | <input type="checkbox"/> |
| 16. ExxonMobil Chemical Technology Licensing LLC | 32010538174 | <input type="checkbox"/> |
| 17. Alkylation Licensing LLC | 32011048603 | <input type="checkbox"/> |
| 18. Golden Pass LNG LLC | 17603302088 | <input type="checkbox"/> |
| 19. ExxonMobil LNG Supply LLC | 32043020216 | <input checked="" type="checkbox"/> |
| 20. ExxonMobil Transportation Equipment Inc. | 32014072238 | <input type="checkbox"/> |
| 21. 6541 Canada, LLC | 270120377 | <input checked="" type="checkbox"/> |

Note: To file an extension request for a reporting entity and its affiliates, Form 05-164 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request.

Do not file this form when requesting a second extension.

Texas Comptroller Official Use Only



VE/DE FM



1023

Texas Franchise Tax Extension Affiliate List

Reporting entity taxpayer number
135409005

Report year
2012

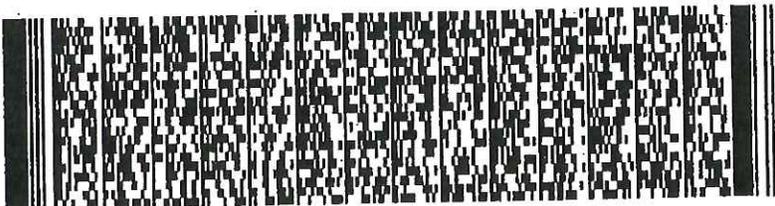
Reporting entity taxpayer name
EXXON MOBIL CORPORATION AND AFFILIATED COMP

| LEGAL NAME OF AFFILIATE | AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number) | CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS |
|---|--|---|
| 1. ExxonMobil Qatargas (II) Surety Corporation | 412163794 | <input checked="" type="checkbox"/> |
| 2. ExxonMobil Exploration Texas and New Mexico Inc. | 14216445941 | <input type="checkbox"/> |
| 3. ExxonMobil Southwest Holdings Inc. | 14216445842 | <input type="checkbox"/> |
| 4. ExxonMobil South Hook Surety Corporation | 14121637921 | <input type="checkbox"/> |
| 5. ExxonMobil Permian Basin Inc. | 432076148 | <input type="checkbox"/> |
| 6. ExxonMobil Texas LLC | 32020511575 | <input type="checkbox"/> |
| 7. ExxonMobil Affiliate Funding Limited | 980623985 | <input type="checkbox"/> |
| 8. ExxonMobil LNG Holdings USA Inc. | 13522679110 | <input type="checkbox"/> |
| 9. Mobil Venezolana de Petroleos Holdings Inc. | 13715216886 | <input type="checkbox"/> |
| 10. Mobil Pipe Line Company | 17504094503 | <input type="checkbox"/> |
| 11. Mobil Russia Ventures Inc. | 132643681 | <input checked="" type="checkbox"/> |
| 12. River Bridge Realty Corporation | 17519392413 | <input type="checkbox"/> |
| 13. ExxonMobil Environmental Services Comp | 17706934241 | <input type="checkbox"/> |
| 14. ExxonMobil Alaska Midstream Gas Investments LLC | 452695311 | <input checked="" type="checkbox"/> |
| 15. Palmetto Transoceanic LLC | 135409005 | <input type="checkbox"/> |
| 16. PTE Pipeline LLC | 32041325427 | <input type="checkbox"/> |
| 17. ExxonMobil Ventures Investment Corporation | 274825550 | <input type="checkbox"/> |
| 18. SV Texas, LLC | 000000001 | <input type="checkbox"/> |
| 19. Mobil Rocky Mountain Inc. | 17518323484 | <input type="checkbox"/> |
| 20. Mobil Services (Bahamas) Limited | 980486303 | <input type="checkbox"/> |
| 21. ExxonMobil Golden Pass Surety LLC | 000000002 | <input type="checkbox"/> |

Note: To file an extension request for a reporting entity and its affiliates, Form 05-164 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request.

Do not file this form when requesting a second extension.

Texas Comptroller, Official Use Only



VE/DE FM



1023

Texas Franchise Tax Extension Affiliate List

Reporting entity taxpayer number **Tcode 13298**

Report year

Reporting entity taxpayer name

135409005

2012

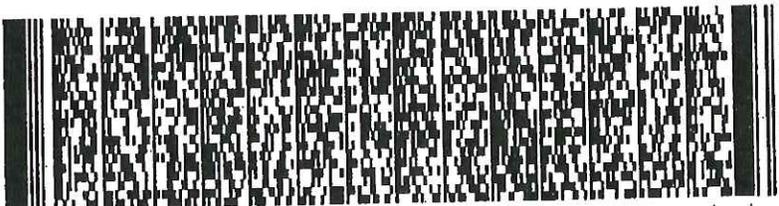
EXXON MOBIL CORPORATION AND AFFILIATED COMP

| LEGAL NAME OF AFFILIATE | AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number) | CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS |
|---|--|---|
| 1. Mobil Fairfax Inc. | 11328552390 | <input checked="" type="checkbox"/> |
| 2. Sailfish Point, Inc. | 132887634 | <input checked="" type="checkbox"/> |
| 3. Mobil Petrochemical Holdings Co. Inc. | 17519768935 | <input type="checkbox"/> |
| 4. Mobil Film Products Holdings, Inc. | 751957288 | <input checked="" type="checkbox"/> |
| 5. ExxonMobil U.S. Properties Inc. | 275444562 | <input checked="" type="checkbox"/> |
| 6. Mobil Chemical Company Inc. | 11325764576 | <input type="checkbox"/> |
| 7. Mobil Land Development Corporation | 11326689939 | <input type="checkbox"/> |
| 8. ExxonMobil Energy Finance Company | 17521810600 | <input type="checkbox"/> |
| 9. Mobil Natural Gas Inc. | 17521802680 | <input type="checkbox"/> |
| 10. Mobil Pacific Services Inc. | 752172921 | <input checked="" type="checkbox"/> |
| 11. ExxonMobil Barzan Surety Corporation | 454588099 | <input checked="" type="checkbox"/> |
| 12. DM Land Corporation | 752293868 | <input type="checkbox"/> |
| 13. Mobil International Finance Corporation | 132623668 | <input type="checkbox"/> |
| 14. ExxonMobil Development Finance Company | 454587998 | <input checked="" type="checkbox"/> |
| 15. Mobil Vanderbilt-Beaumont Pipeline Company | 17516733940 | <input type="checkbox"/> |
| 16. Station Operators Inc. | 11327290414 | <input checked="" type="checkbox"/> |
| 17. Mobil Exploration & Producing U.S. Inc. | 17521627665 | <input type="checkbox"/> |
| 18. ExxonMobil Chemical Films Asia Pacific, Inc. | 752396826 | <input checked="" type="checkbox"/> |
| 19. Mobil Qatar Management & Technical Services Inc | 742657785 | <input checked="" type="checkbox"/> |
| 20. Mobil Pacific Pipeline Company | 752464632 | <input checked="" type="checkbox"/> |
| 21. Mobil Gas Services Inc. | 17604585053 | <input type="checkbox"/> |

Note: To file an extension request for a reporting entity and its affiliates, Form 05-164 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request.

Do not file this form when requesting a second extension.

Texas Comptroller Official Use Only



VE/DE FM



Texas Franchise Tax Extension Affiliate List

 Tcode 13298
 Reporting entity taxpayer number

 Report year

 Reporting entity taxpayer name

135409005

2012

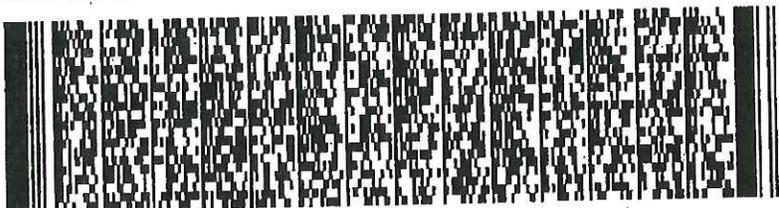
EXXON MOBIL CORPORATION AND AFFILIATED COMP

| LEGAL NAME OF AFFILIATE | AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number) | CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS |
|---|--|---|
| 1. ExxonMobil Kazakhstan Exploration and Production Inc | 752606778 | <input checked="" type="checkbox"/> |
| 2. Mobil U.K. Properties, Inc. | 752725818 | <input type="checkbox"/> |
| 3. Mobil Illinois Pipeline Company | 752662836 | <input checked="" type="checkbox"/> |
| 4. Mobil Exploration & Producing Tunisia, Inc. | 752673773 | <input checked="" type="checkbox"/> |
| 5. ExxonMobil Alaska Production Inc. | 752096316 | <input type="checkbox"/> |
| 6. Mobil California Exploration & Producing Asset Compa | 17527007730 | <input type="checkbox"/> |
| 7. Mobil E & P US Development Corporation | 17527053122 | <input type="checkbox"/> |
| 8. Mobil Sakhalin Neftegaz, Inc. | 752728388 | <input checked="" type="checkbox"/> |
| 9. River Bridge Corporation | 751754835 | <input checked="" type="checkbox"/> |
| 10. ExxonMobil Oil Corporation | 11354015700 | <input type="checkbox"/> |
| 11. Mobil Corporation | 11328503096 | <input type="checkbox"/> |
| 12. Enjay, Inc. | 11360442948 | <input type="checkbox"/> |
| 13. Exxon Communications Company | 11360952409 | <input type="checkbox"/> |
| 14. ExxonMobil Western Sales and Supply Company | 15101165601 | <input checked="" type="checkbox"/> |
| 15. Mobil Oil Company De Venezuela | 135581242 | <input checked="" type="checkbox"/> |
| 16. Mobil LNG Indonesia Inc. | 132773347 | <input checked="" type="checkbox"/> |
| 17. ExxonMobil Chemical Films Europe, Inc. | 751623502 | <input type="checkbox"/> |
| 18. Mobil Producing Texas & New Mexico Inc. | 11360963182 | <input type="checkbox"/> |
| 19. Mobil Exploration and Producing Services Inc. | 11325600911 | <input type="checkbox"/> |
| 20. Mobil Oil Expir & Produc Southeast Inc | 17516224932 | <input type="checkbox"/> |
| 21. ExxonMobil Sales and Supply LLC | 11319950215 | <input type="checkbox"/> |

Note: To file an extension request for a reporting entity and its affiliates, Form 05-164 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request.

Do not file this form when requesting a second extension.

Texas Comptroller Official Use Only



VE/DE FM



1023

Texas Franchise Tax Extension Affiliate List

Reporting entity taxpayer number
135409005

Report year
2012

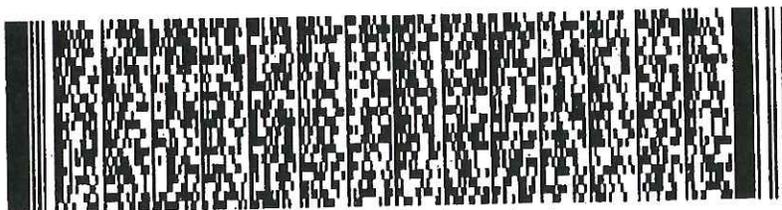
Reporting entity taxpayer name
EXXON MOBIL CORPORATION AND AFFILIATED COMP

| LEGAL NAME OF AFFILIATE | AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number) | CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS |
|---|--|---|
| 1. ExxonMobil LNG Market Development Inc. | 30118838850 | <input type="checkbox"/> |
| 2. Mobil Exploration and Producing North America Inc. | 19512788209 | <input type="checkbox"/> |
| 3. ExxonMobil Gas Ventures, Inc. | 17525977173 | <input type="checkbox"/> |
| 4. ExxonMobil Overseas Finance Company | 275444150 | <input checked="" type="checkbox"/> |
| 5. XTO Energy Inc. - Home Office | 752347769 | <input type="checkbox"/> |
| 6. HHE Energy Company | 17514604945 | <input type="checkbox"/> |
| 7. XH, LLC | 17518774249 | <input type="checkbox"/> |
| 8. XTO Offshore Inc. | 17416640153 | <input type="checkbox"/> |
| 9. Barnett Gathering, LP | 11136967715 | <input type="checkbox"/> |
| 10. Trend Gathering & Treating, LP | 12043189492 | <input type="checkbox"/> |
| 11. Mountain Gathering, LLC | 12629387478 | <input type="checkbox"/> |
| 12. Fayetteville Gathering Company | 262981361 | <input type="checkbox"/> |
| 13. Nesson Gathering System, LLC | 12088340018 | <input type="checkbox"/> |
| 14. Summit Gas Gathering, LLC | 32040256367 | <input type="checkbox"/> |
| 15. Ringwood Gathering Company | 17307388482 | <input type="checkbox"/> |
| 16. Timberland Gathering & Processing Company, Inc. | 17526041052 | <input type="checkbox"/> |
| 17. Cross Timbers Energy Services, Inc. | 17106380433 | <input type="checkbox"/> |
| 18. WTW Properties, Inc. | 17525795427 | <input type="checkbox"/> |
| 19. XTO Resources I GP, LLC | 32010845330 | <input type="checkbox"/> |
| 20. XTO Resources I LP, LLC | 752347769 | <input type="checkbox"/> |
| 21. HPT Land Company | 30001447025 | <input type="checkbox"/> |

Note: To file an extension request for a reporting entity and its affiliates, Form 05-164 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request.

Do not file this form when requesting a second extension.

Texas Comptroller Official Use Only



VE/DE FM



Texas Franchise Tax Extension Affiliate List

Reporting entity taxpayer number
135409005

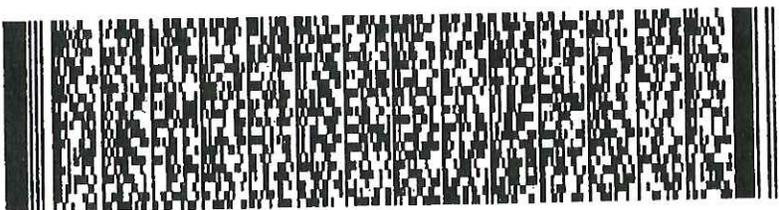
Report year
2012

Reporting entity taxpayer name
EXXON MOBIL CORPORATION AND AFFILIATED COMP

| LEGAL NAME OF AFFILIATE | AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number) | CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS |
|---------------------------------------|--|---|
| 1. HPC Acquisition Corporation | 32044494592 | <input type="checkbox"/> |
| 2. XTO Energy Inc. - Branch | 752347769 | <input type="checkbox"/> |
| 3. XTO Energy Inc. | 17523477697 | <input type="checkbox"/> |
| 4. Ellora Energy, Inc. | 10107171604 | <input type="checkbox"/> |
| 5. Ellora Royalties GP, Inc. | 263541433 | <input type="checkbox"/> |
| 6. English Bay Pipeline, LP | 17108924931 | <input checked="" type="checkbox"/> |
| 7. Ellora Land Holdings LP | 263541494 | <input type="checkbox"/> |
| 8. Mustang Pipe Line LLC | 17526727163 | <input checked="" type="checkbox"/> |
| 9. Mobil Maine Ventures, Inc. | 742916799 | <input checked="" type="checkbox"/> |
| 10. ExxonMobil Marine Limited | 32012551589 | <input type="checkbox"/> |
| 11. Phillips Resources, Inc. | 251290216 | <input checked="" type="checkbox"/> |
| 12. Phillips Exploration, Inc. | 241407593 | <input type="checkbox"/> |
| 13. Phillips Production Company | 251462113 | <input checked="" type="checkbox"/> |
| 14. Phillips Drilling Company | 205091683 | <input checked="" type="checkbox"/> |
| 15. DIRECO, INC. | 510267651 | <input checked="" type="checkbox"/> |
| 16. PHILLCOAL, INC | 251443612 | <input checked="" type="checkbox"/> |
| 17. Castle, Inc | 251120724 | <input type="checkbox"/> |
| 18. TWP, Inc | 250725360 | <input checked="" type="checkbox"/> |
| 19. T.W. Phillips Energy Corp. | 232937243 | <input checked="" type="checkbox"/> |
| 20. Near East Development Corporation | 11360846908 | <input type="checkbox"/> |
| 21. Enco, Incorporated | 15102562582 | <input checked="" type="checkbox"/> |

Note: To file an extension request for a reporting entity and its affiliates, Form 05-164 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request.

Do not file this form when requesting a second extension.



VE/DE FM



Texas Franchise Tax Extension Affiliate List

 Tcode 13298
 Reporting entity taxpayer number

 Report year
 Reporting entity taxpayer name

135409005

2012

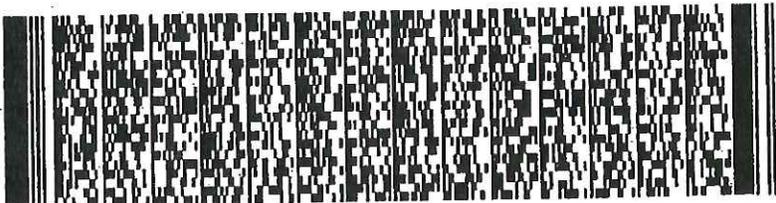
EXXON MOBIL CORPORATION AND AFFILIATED COMP

| LEGAL NAME OF AFFILIATE | AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number) | CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS |
|--|--|---|
| 1. Pegastar Neftegaz LLC | 541917090 | <input checked="" type="checkbox"/> |
| 2. | | <input checked="" type="checkbox"/> |
| 3. PC Exploration Ltd Partnership 1984 9 | 25-1467313 | <input checked="" type="checkbox"/> |
| 4. PC Exploration Ltd Partnership 1985 10 | 25-1498157 | <input checked="" type="checkbox"/> |
| 5. PC Exploration Ltd Partnership 1986 11 | 25-1532154 | <input checked="" type="checkbox"/> |
| 6. PC Exploration Ltd Partnership 1988 12 | 25-1583321 | <input checked="" type="checkbox"/> |
| 7. PC Exploration Ltd Partnership 1989 13 | 25-1611049 | <input checked="" type="checkbox"/> |
| 8. PC Exploration Ltd Partnership 1990 14 | 23-2614130 | <input checked="" type="checkbox"/> |
| 9. PC Exploration Ltd Partnership 1991 15 | 25-1663475 | <input checked="" type="checkbox"/> |
| 10. PC Exploration Ltd Partnership 1992 16 | 25-1691620 | <input checked="" type="checkbox"/> |
| 11. PC Exploration Ltd Partnership 1993 17 | 25-1715698 | <input checked="" type="checkbox"/> |
| 12. PC Exploration Ltd Partnership 1994 18 | 25-1739738 | <input checked="" type="checkbox"/> |
| 13. PC Exploration Ltd Partnership 1995 19 | 25-1771349 | <input checked="" type="checkbox"/> |
| 14. PC Exploration Ltd Partnership 1996 20 | 25-1797520 | <input checked="" type="checkbox"/> |
| 15. PC Exploration Ltd Partnership 1997 21 | 23-2921041 | <input checked="" type="checkbox"/> |
| 16. PC Exploration Ltd Partnership 1998 22 | 25-1816750 | <input checked="" type="checkbox"/> |
| 17. PC Exploration Ltd Partnership 1999 23 | 25-1843733 | <input checked="" type="checkbox"/> |
| 18. PC Exploration Ltd Partnership 2000 24 | 25-1864003 | <input checked="" type="checkbox"/> |
| 19. PC Exploration Ltd Partnership 2001 25 | 25-1888494 | <input checked="" type="checkbox"/> |
| 20. PC Exploration Ltd Partnership 2002 26 | 30-0080482 | <input checked="" type="checkbox"/> |
| 21. PC Exploration Ltd Partnership 2003 27 | 20-0021868 | <input checked="" type="checkbox"/> |

Note: To file an extension request for a reporting entity and its affiliates, Form 05-164 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request.

Do not file this form when requesting a second extension.

Texas Comptroller Official Use Only



VE/DE FM



1023

Texas Franchise Tax Extension Affiliate List

■ **Tcode** 13298
■ Reporting entity taxpayer number

■ Report year

Reporting entity taxpayer name

135409005

2012

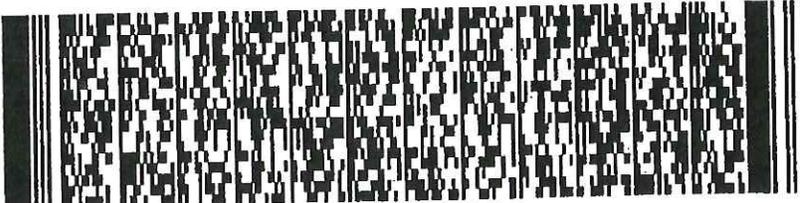
EXXON MOBIL CORPORATION AND AFFILIATED COMP

| LEGAL NAME OF AFFILIATE | AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number) | CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS |
|---|--|---|
| 1. PC Exploration Ltd Partnership 2004 28 | 56-2459948 | <input checked="" type="checkbox"/> |
| 2. PC Exploration Ltd Partnership 2005 29 | 20-2835796 | <input checked="" type="checkbox"/> |
| 3. PC Exploration Ltd Partnership 2006 30 | 20-4871514 | <input checked="" type="checkbox"/> |
| 4. PC Exploration Ltd Partnership 2007 31 | 20-8994952 | <input checked="" type="checkbox"/> |
| 5. PC Exploration Ltd Partnership 2008 32 | 26-2558358 | <input checked="" type="checkbox"/> |
| 6. PC Exploration Ltd Partnership 2009 33 | 26-4830379 | <input checked="" type="checkbox"/> |
| 7. Phillips Exploration Ltd Partnership 2010 34 | 27-2528594 | <input checked="" type="checkbox"/> |
| 8. Ellora Energy GP, LLC | 810558393 | <input checked="" type="checkbox"/> |
| 9. Rana Gas Gathering System LLC | | <input checked="" type="checkbox"/> |
| 10. YELLOWSTONE ENERGY LP | 810477950 | <input type="checkbox"/> |
| 11. | | <input type="checkbox"/> |
| 12. | | <input type="checkbox"/> |
| 13. | | <input type="checkbox"/> |
| 14. | | <input type="checkbox"/> |
| 15. | | <input type="checkbox"/> |
| 16. | | <input type="checkbox"/> |
| 17. | | <input type="checkbox"/> |
| 18. | | <input type="checkbox"/> |
| 19. | | <input type="checkbox"/> |
| 20. | | <input type="checkbox"/> |
| 21. | | <input type="checkbox"/> |

Note: To file an extension request for a reporting entity and its affiliates, Form 05-164 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request.

Do not file this form when requesting a second extension.

Texas Comptroller Official Use Only



VE/DE FM



Attachment 4

Detailed Description of Project

Project Description:

The proposed project includes construction of steam cracking furnaces and recovery equipment. The major pieces of recovery equipment include a quench tower, caustic wash facilities, a process gas compressor and interstage coolers, a chiller train, a refrigeration system, a deethanizer, a C₂ splitter, and a demethanizer. Feedstock and product streams will be loaded through new & existing pipelines. Bottoms product from the new deethanizer will serve as feed to the base plant depropanizer. In addition, a new cooling tower and a new flare system will be constructed. Pollution control equipment will include ultra-low NO_x burners and Selective Catalytic Reduction (SCR) units on the proposed furnaces, cyclonic separators on the proposed decoking drums, drift eliminators on the cooling tower, and staged flare system to control off gas streams.

Ability to locate or relocate:

ExxonMobil's unmatched integration of natural gas, refining and chemical operations uniquely positions the Chemical Company to benefit from ExxonMobil's significant investment in American natural gas production. The new facilities could be constructed at any of our fully integrated Refining manufacturing locations in Sarnia (Canada), Baton Rouge (LA), Beaumont (TX), Baytown (TX) or non-integrated Refining manufacturing locations in Joliet (IL), Torrance (CA), Billings (MT) and Chalmette (LA).

Competitive abatement programs exist in alternate locations. The impact of tax burden on the economic return of any given project is one factor that influences the viability of projects and their ultimate location.

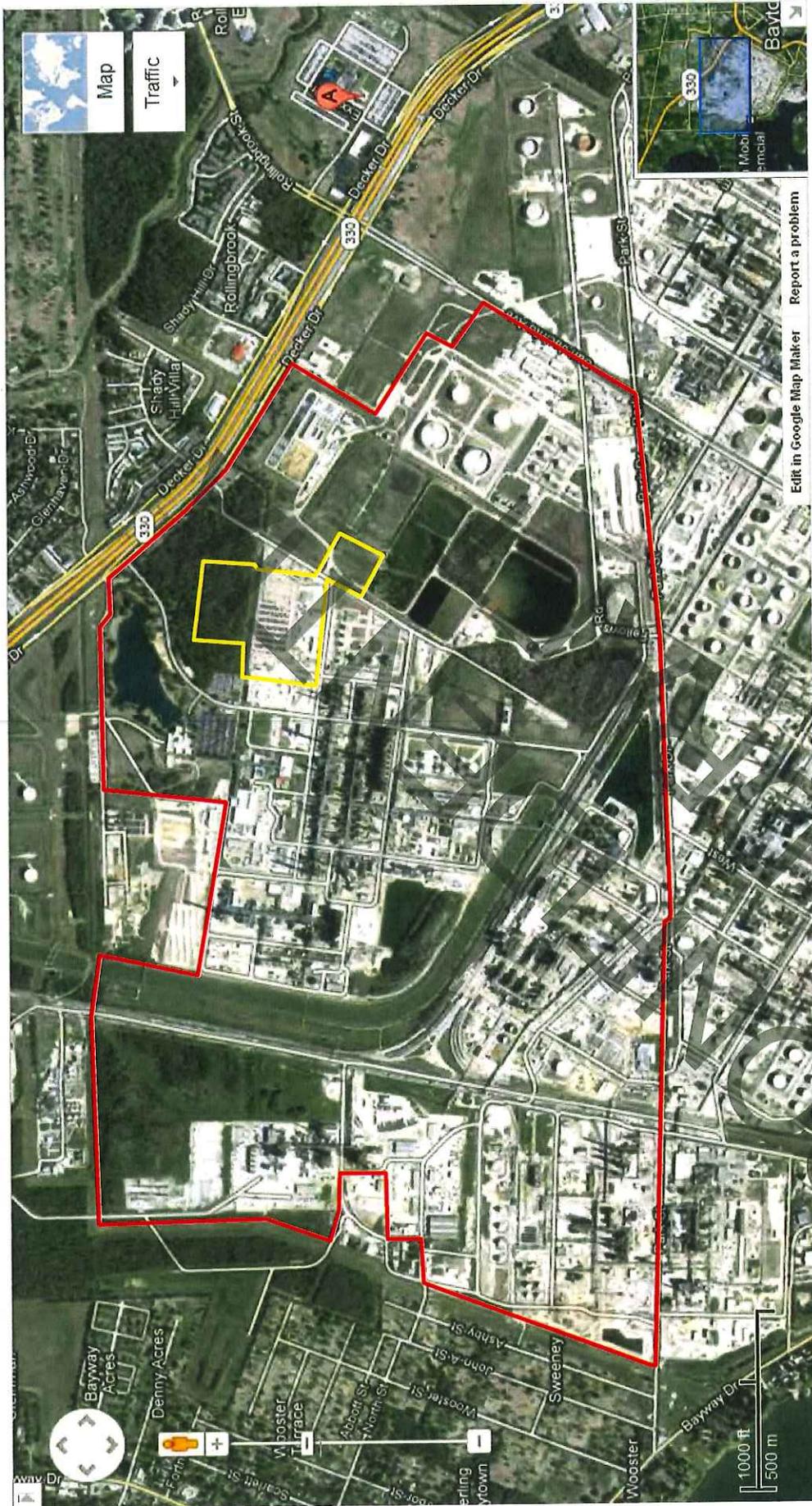
Attachment 6

Specific and Detailed Description of Qualified Investment

- Steam Cracking Furnaces with ultra-low NOx burners and SCR systems to control NOx emissions
- Decoke Drum
- Cyclonic Separators
- Quench Tower
- Caustic water wash towers
- Deethanizer and Acetylene Converter
- Demethanizer System
- Ethylene Recovery
- Cooling Tower
- Flare System
- Wastewater Collection and Treatment System with Biological Oxidation Unit
- Storage Tanks
- Backup Generators
- Firewater Booster Pump

Attachment 7

Map of Qualified Investment



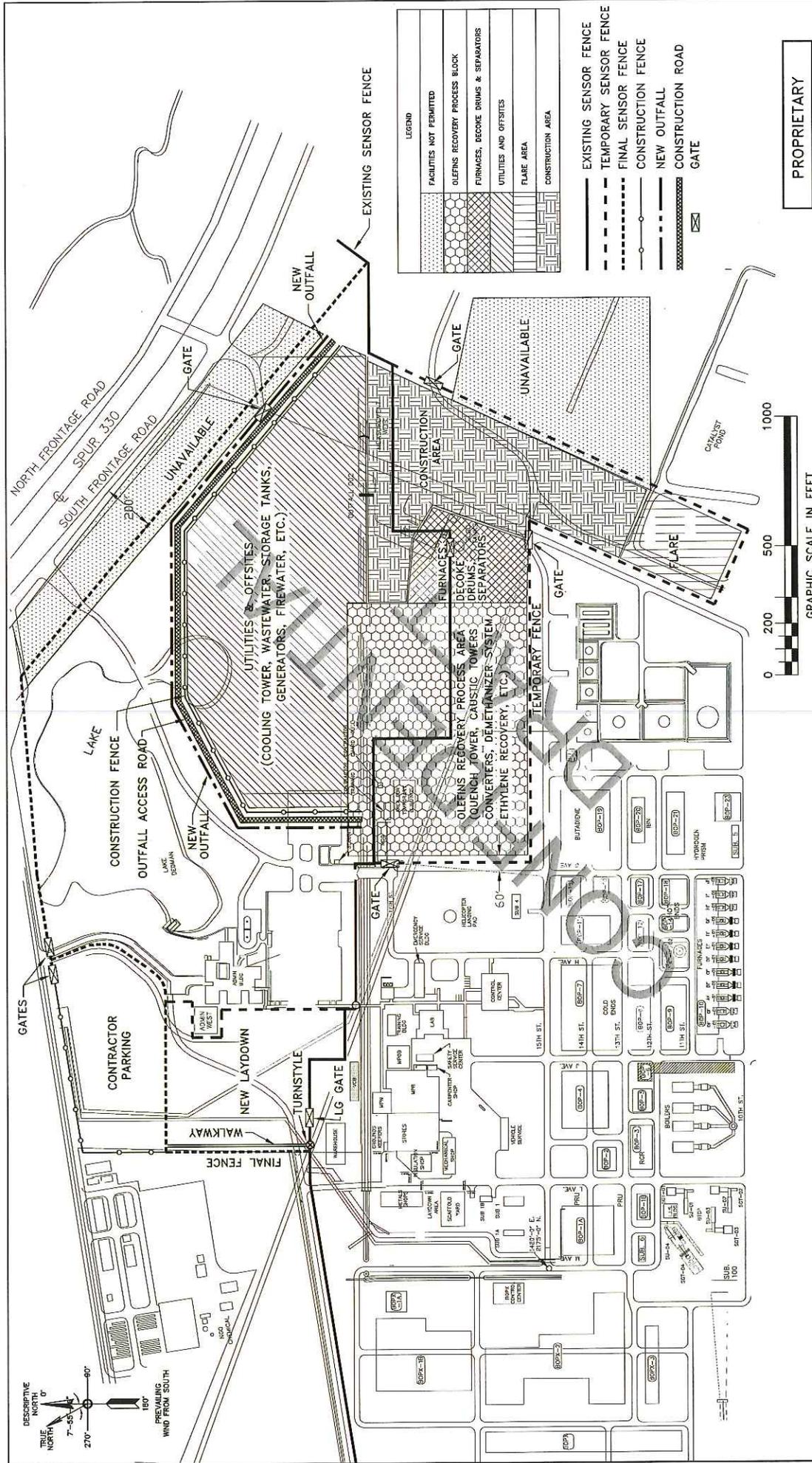
Project Elite – NA Growth Reinvestment Zone Outline

Project NA Growth (Olefins) Process Unit Area





Project NA Growth (Olefins) Process Unit Area



EXXON EXXON CHEMICAL COMPANY
 BAYTOWN OLEFINS PLANT

BAYTOWN OLEFINS PLANT
 NAG AVAILABLE AREA
 PLOT PLAN

NO. SK-NAG-PP-005A

DO NOT REVISE THIS DWG. WITHOUT CONTACTING CAD OFFICE PH. 6482/6561

ISC A 6/19/12

D.F. # OPER. PASS DATE

CAD SAVE NAME: FENCE PLOT

| REV. | DATE | APPR. | PCN | D.F. # | REV. | DATE | APPR. | PCN | D.F. # | REV. | DATE | APPR. | PCN | D.F. # |
|-------------------|------|-------|-----|--------|-------------------|------|-------|-----|--------|-------------------|------|-------|-----|--------|
| DESIGN | | | | | DRAWN | | | | | DRAWN | | | | |
| DITL. | | | | | DITL. CHD. | | | | | DITL. CHD. | | | | |
| PROC. | | | | | PROC. | | | | | PROC. | | | | |
| MECH. | | | | | MECH. | | | | | MECH. | | | | |
| CIVIL | | | | | CIVIL | | | | | CIVIL | | | | |
| ELECT. | | | | | ELECT. | | | | | ELECT. | | | | |
| INST. | | | | | INST. | | | | | INST. | | | | |
| PROJ. ENG. | | | | | PROJ. ENG. | | | | | PROJ. ENG. | | | | |
| APP'D - RELEASE 1 | DATE | | | | APP'D - RELEASE 1 | DATE | | | | APP'D - RELEASE 1 | DATE | | | |

PROPRIETARY

Attachment 8

Description of Qualified Property

Qualified Investment **describes qualified property exactly.** A specific and detailed description of the qualified property for which an appraised value limitation is requested, a description of new buildings, proposed improvements or personal property which we intend to include as part of our qualified property are attached.

Land is not part of the qualified property. The qualified property will be located on land currently owned by ExxonMobil. The qualified property will be adjacent to and integrated with ExxonMobil's existing Baytown Olefins Plant.

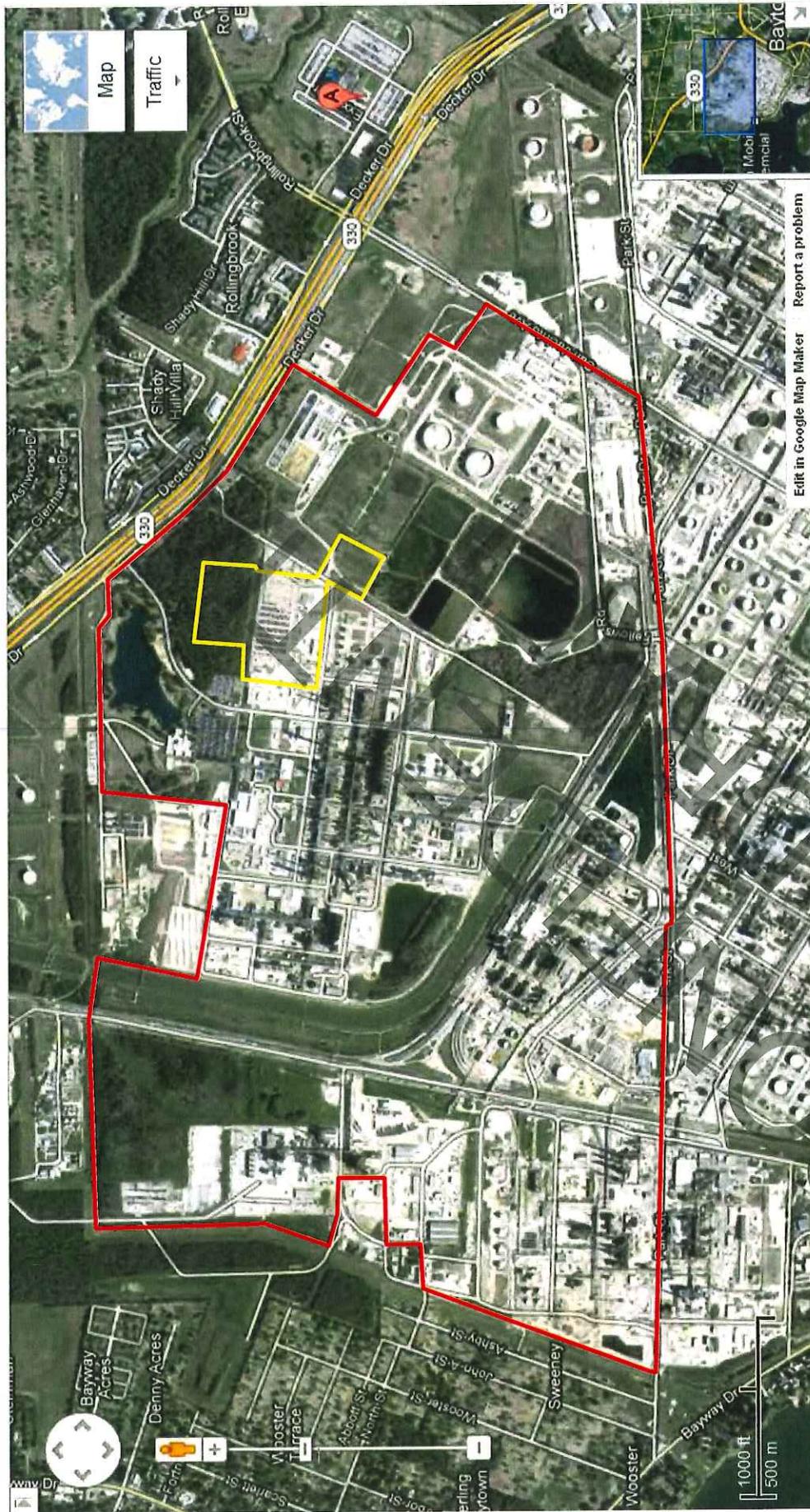
Qualified Property

NA Growth Project – Olefins

- Cracking Furnaces with ultra low NOx burners and SCR systems to control NOx emissions
- Decoke Drum
- Cyclonic Separators
- Quench Tower
- Caustic water wash towers
- Deethanizer and Acetylene Converter
- Demethanizer System
- Ethylene Recovery
- Cooling Tower
- Flare System
- Wastewater Collection and Treatment System with Biological Oxidation Unit
- Storage Tanks
- Backup Generators
- Firewater Booster Pump

Attachment 9

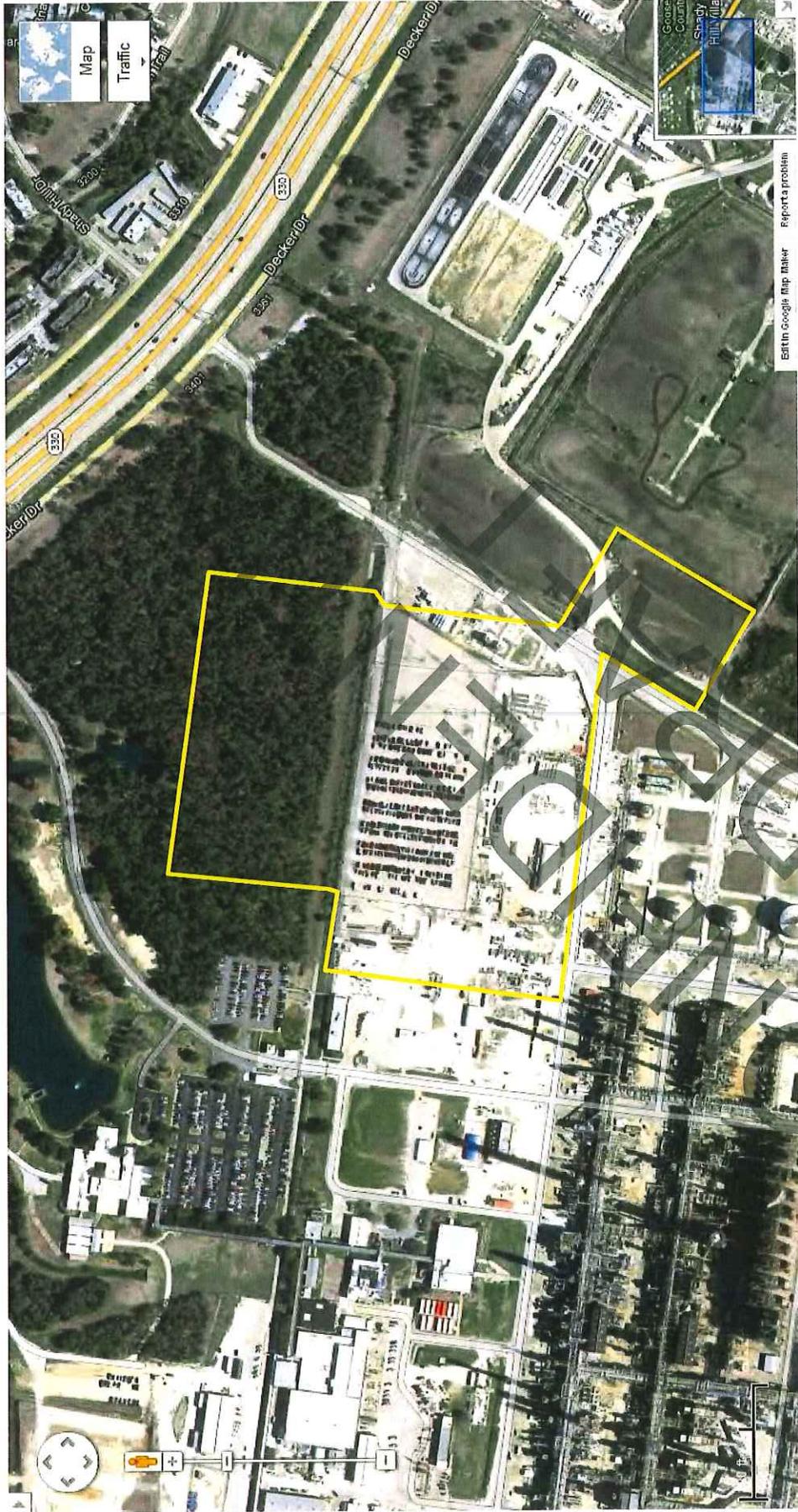
**Map of Qualified Property Showing Location of New Buildings or New
Improvements with Vicinity Map**



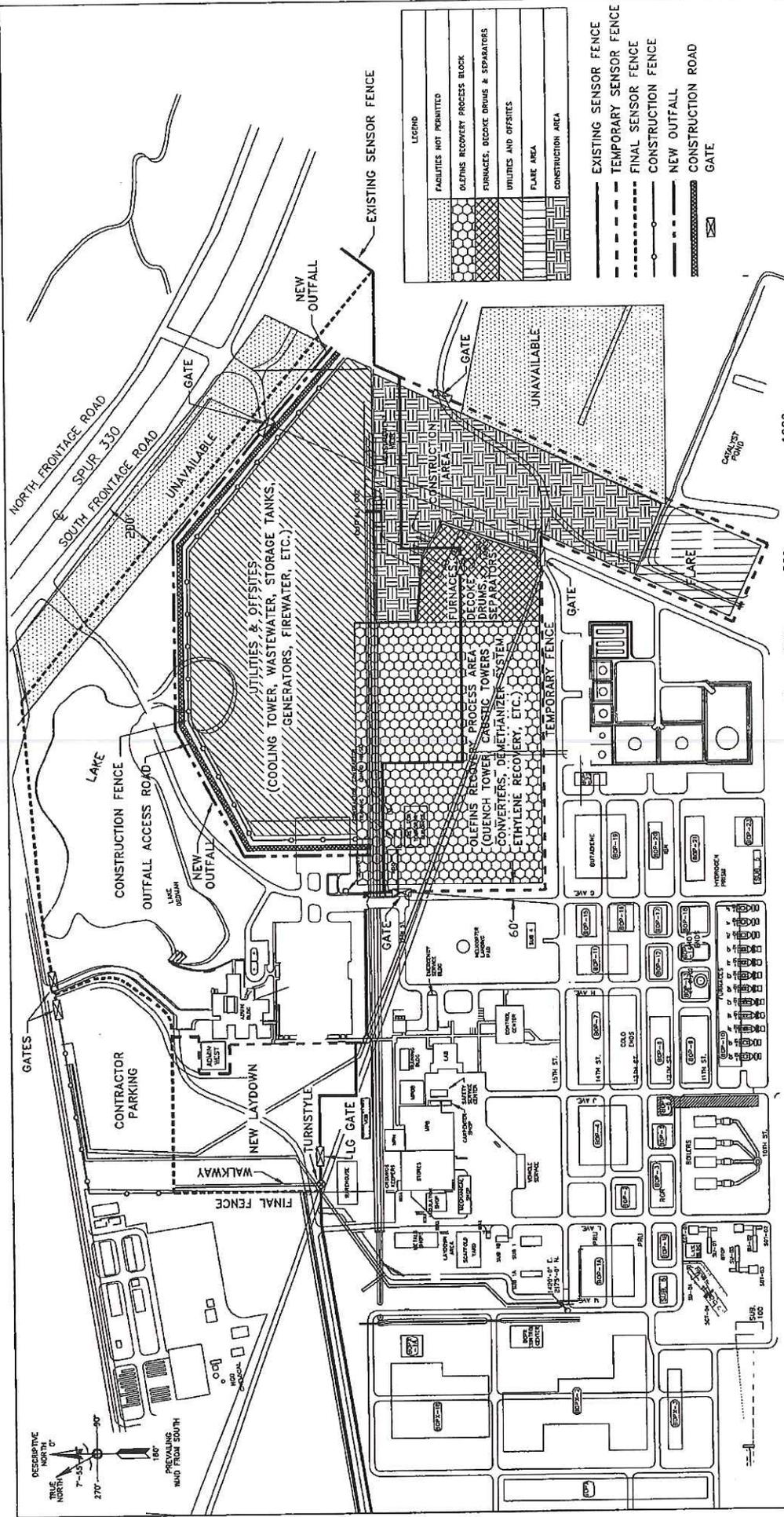
Project Elite - NA Growth Reinvestment Zone Outline

Project NA Growth (Olefins) Process Unit Area





Project NA Growth (Olefins) Process Unit Area



PROPRIETARY

GRAPHIC SCALE IN FEET

0 200 500 1000

EXXON CHEMICAL COMPANY
BAYTOWN OLEFINS PLANT

BAYTOWN OLEFINS PLANT
NAG AVAILABLE AREA
PLOT PLAN

NO. SK-NAG-PP-005A

DO NOT REVISE THIS
DWG. WITHOUT
CONTACTING CAD OFFICE
PH. 5482/5561

USC A 5/19/12
D.F. # OPER. PASS DATE

CAD SAVE NAME: _FENCE PLOT

| REV. | APPIN. | PCN | D.F. # | REV. | APPIN. | PCN | D.F. # | DATE | APP'D - RELEASE : |
|-------------------|-------------------|-----|--------|-------------------|-------------------|-----|--------|------|-------------------|
| DESIGN | DATE CHG. | | | DESIGN | DATE CHG. | | | | |
| PROJ. | PROJ. | | | PROJ. | PROJ. | | | | |
| MACH. | MACH. | | | MACH. | MACH. | | | | |
| PIPE | PIPE | | | PIPE | PIPE | | | | |
| ELECT. | ELECT. | | | ELECT. | ELECT. | | | | |
| INST. | INST. | | | INST. | INST. | | | | |
| PROJ. ENG. | PROJ. ENG. | | | PROJ. ENG. | PROJ. ENG. | | | | |
| APP'D - RELEASE : | APP'D - RELEASE : | | | APP'D - RELEASE : | APP'D - RELEASE : | | | | |

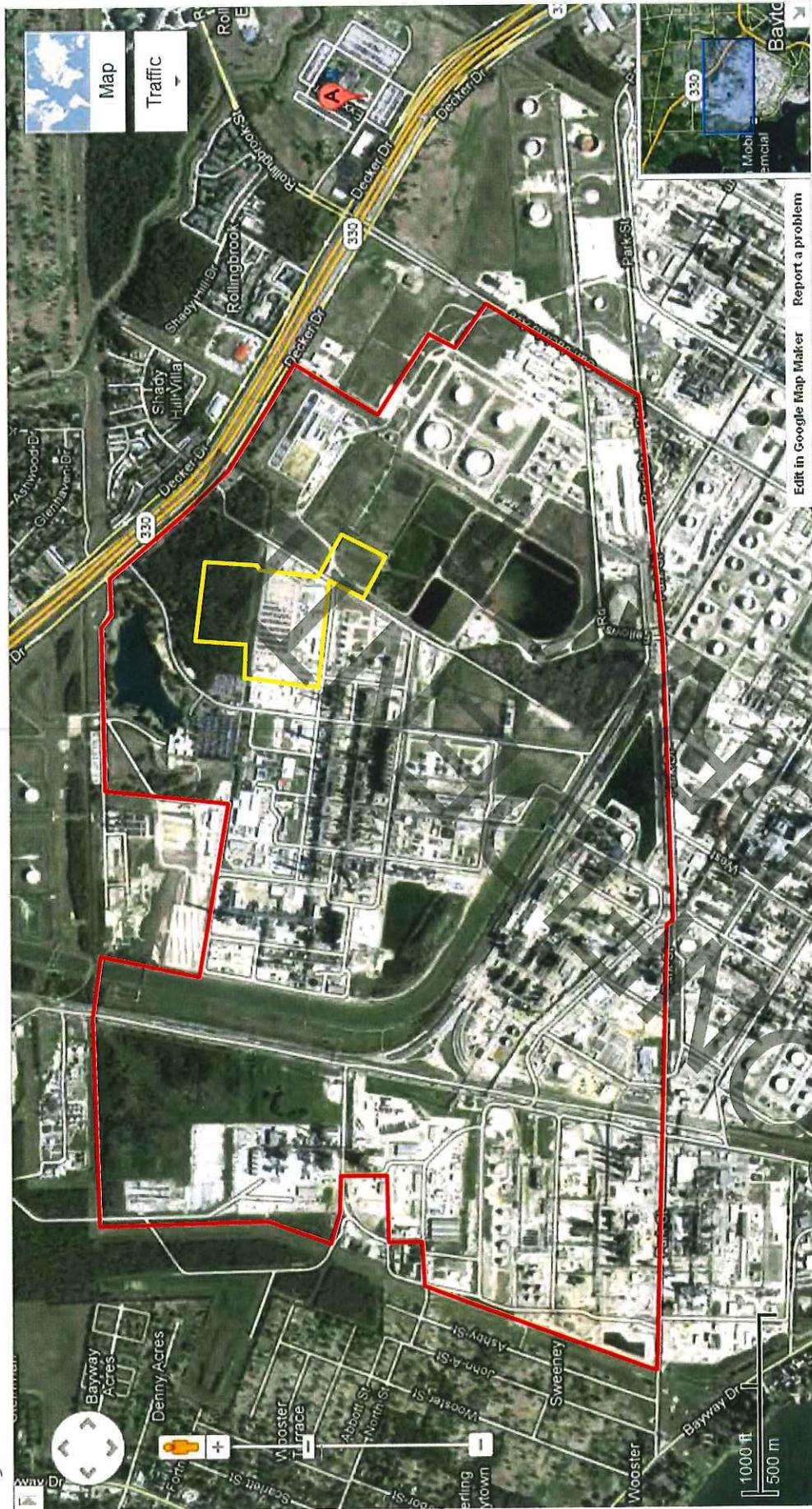
Attachment 10

Description of Land

Property described as Tract 8 North Baytown, Abstract 66, William Scott Survey, containing 857.66 acres more or less, Harris County, Texas. Said property is contained in its entirety by Harris County Central Appraisal District Account No. 041-022-002-0220.

Attachment 11

A Detailed Map Showing Location of the Land with Vicinity Map



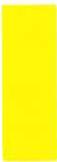
Project Elite - NA Growth Reinvestment Zone Outline

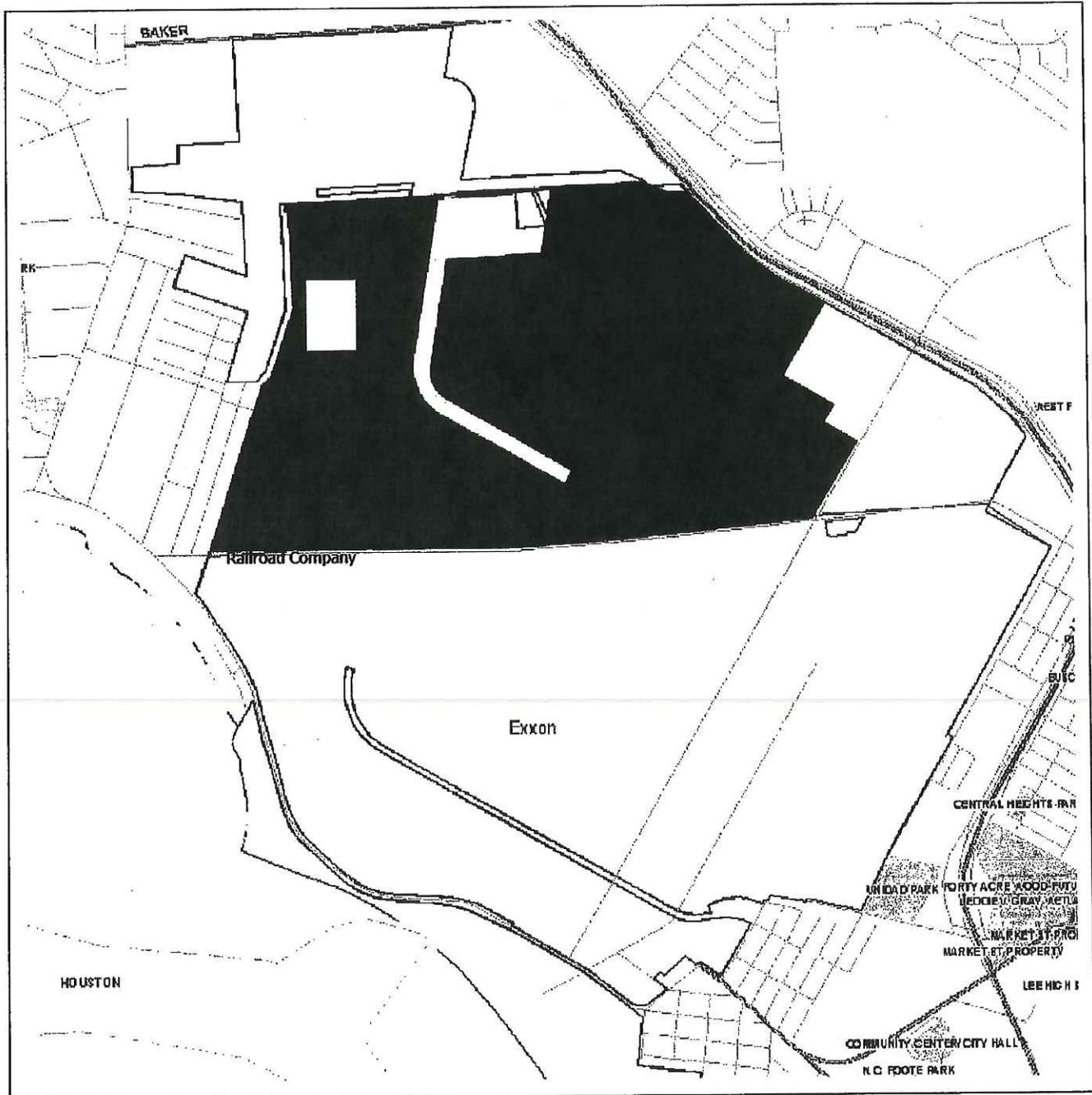
Project NA Growth (Olefins) Process Unit Area





Project NA Growth (Olefins) Process Unit Area





City of Baytown, TX

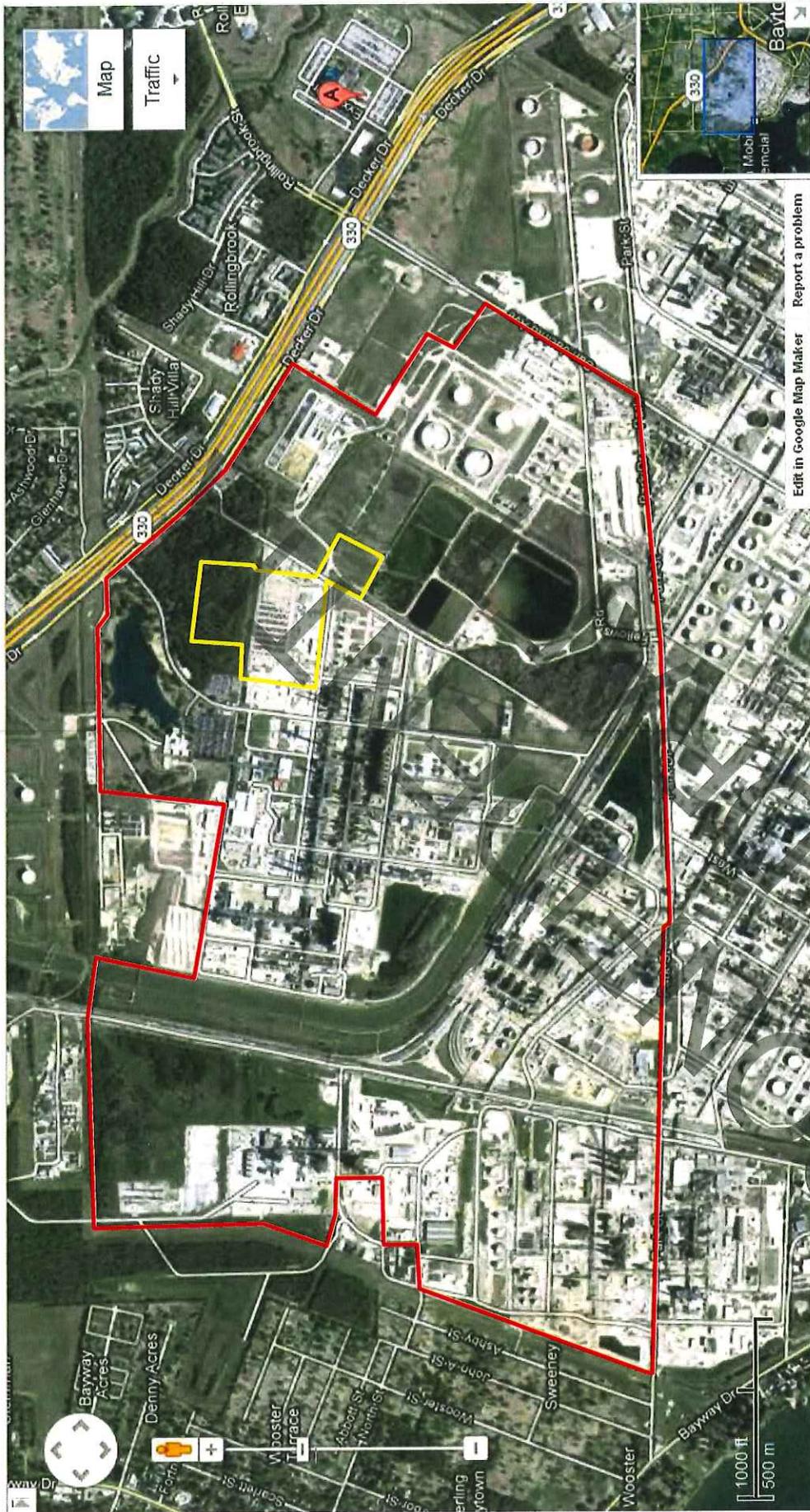


For Planning purposes only. Not Survey Grade

Attachment 12

A description of all existing (if any) improvements

This project is located on land currently owned by ExxonMobil and adjacent to its Baytown Olefins Plant. Currently existing improvements, including but not limited to a parking lot, will be demolished prior to construction of the new facility.



Project Elite – NA Growth Reinvestment Zone Outline

Project NA Growth (Olefins) Process Unit Area



Edit in Google Map Maker Report a problem



Project NA Growth (Olefins) Process Unit Area

Edith Google Map Filter Report a problem

Attachment 14

**Calculation of Three Possible Wage Requirements with TWC
Documentation**

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

110% of County Average Weekly Wage for all Jobs

| Year | Period | Wages |
|------|--------|-------|
| 2011 | 3Q | 1,173 |
| 2011 | 4Q | 1,274 |
| 2012 | 1Q | 1,386 |
| 2012 | 2Q | 1,191 |

Average= \$1256 average weekly salary
X 1.1 (110%)
\$1381.60 110% of County Average Weekly Wage for all Jobs

110% of County Average Weekly Wage for manufacturing Jobs

| Year | Period | Wages |
|------|--------|-------|
| 2011 | 3Q | 1,426 |
| 2011 | 4Q | 1,556 |
| 2012 | 1Q | 1,672 |
| 2012 | 2Q | 1,416 |

Average= \$1,517.50 average weekly salary
X 1.1 (110%)
\$1,669.25 110% of County Average Weekly Wage for all Jobs

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

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

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

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

Source: Texas Occupational Employment and Wages

Data published: July 2012

Data published annually, next update will be summer 2013

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

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

Data intended for TAC 313 purposes only.

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

| Year | Period | Area | Ownership | Division | Level | Ind Code | Industry | Avg Weekly Wages |
|------|---------|---------------|-----------|----------|-------|----------|-----------------------|------------------|
| 2011 | 1st Qtr | Harris County | Private | 00 | 0 | 10 | Total, All Industries | \$1,302 |
| 2011 | 2nd Qtr | Harris County | Private | 00 | 0 | 10 | Total, All Industries | \$1,140 |
| 2011 | 3rd Qtr | Harris County | Private | 00 | 0 | 10 | Total, All Industries | \$1,173 |
| 2011 | 4th Qtr | Harris County | Private | 00 | 0 | 10 | Total, All Industries | \$1,274 |
| 2012 | 1st Qtr | Harris County | Private | 00 | 0 | 10 | Total, All Industries | \$1,386 |
| 2012 | 2nd Qtr | Harris County | Private | 00 | 0 | 10 | Total, All Industries | \$1,191 |
| 2012 | 2nd Qtr | Harris County | Private | 31 | 2 | 31-33 | Manufacturing | \$1,416 |
| 2012 | 1st Qtr | Harris County | Private | 31 | 2 | 31-33 | Manufacturing | \$1,672 |
| 2011 | 4th Qtr | Harris County | Private | 31 | 2 | 31-33 | Manufacturing | \$1,556 |
| 2011 | 3rd Qtr | Harris County | Private | 31 | 2 | 31-33 | Manufacturing | \$1,426 |
| 2011 | 2nd Qtr | Harris County | Private | 31 | 2 | 31-33 | Manufacturing | \$1,380 |
| 2011 | 1st Qtr | Harris County | Private | 31 | 2 | 31-33 | Manufacturing | \$1,604 |

Attachment 15

Description of Benefits

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

ExxonMobil offers a number of employee benefits to qualifying jobholders, including the following:

- 401(k) Savings Plan
- Pension Plan
- Group Health Benefit for which ExxonMobil offers to pay at least 80% of the premiums or other charges for employee-only coverage
- Dental and Vision Plans
- Pre-Tax Spending Plans for Medical, Dental and Vision Plans
- Disability Plan
- Life Insurance Plan
- Vacation & Holiday Pay
- Educational Refund Program

Attachment 17

Schedule A

Schedule A (Rev. May 2010): Investment

Form 56-296

Applicant Name
Exxon Mobil Corporation
Goose Creek CISD

PROPERTY INVESTMENT AMOUNTS

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

| Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year below) | Column A: Tangible Personal Property Investment (original cost placed in service during this year) | Column B: Building or permanent nonremovable component of building (annual amount only) | Column C: Sum of A and B Qualifying investment (during the qualifying time period) | Column D: Other investment that is not qualified investment but investment affecting economic impact and total value | Column E: Total Investment (A+B+D) | |
|--|-------------------------|--|--|---|--|--|------------------------------------|--|
| The year preceding the first complete tax year of the qualifying time period (assuming no deferrals) | 2013-2014 | 2013 | 0 | 0 | | 0 | 0 | |
| | | | 0 | 0 | | 0 | 0 | |
| | | | 77,000,000 | 0 | 77,000,000 | 0 | 77,000,000 | |
| Complete tax years of qualifying time period | 1 | 2014-2015 | 842,000,000 | 0 | 842,000,000 | 0 | 842,000,000 | |
| | 2 | 2015-2016 | 580,000,000 | 5,000,000 | 585,000,000 | 0 | 585,000,000 | |
| | 3 | 2016-2017 | 421,000,000 | 4,000,000 | 425,000,000 | 0 | 425,000,000 | |
| | 4 | 2017-2018 | 70,000,000 | 1,000,000 | 71,000,000 | 0 | 71,000,000 | |
| | 5 | 2018-2019 | | | | 0 | 0 | |
| | 6 | 2019-2020 | | | | 0 | 0 | |
| | 7 | 2020-2021 | | | | 0 | 0 | |
| | 8 | 2021-2022 | | | | 0 | 0 | |
| | 9 | 2022-2023 | | | | 0 | 0 | |
| | 10 | 2023-2024 | | | | 0 | 0 | |
| | 11 | 2024-2025 | | | | 0 | 0 | |
| | 12 | 2025-2026 | | | | 0 | 0 | |
| | 13 | 2026-2027 | | | | 0 | 0 | |
| | 14 | 2027-2028 | | | | 0 | 0 | |
| | 15 | 2028-2029 | | | | 0 | 0 | |
| Tax Credit Period (with 50% cap on credit) | Value Limitation Period | | | | | | | |
| | Credit Settle-Up Period | Continue to Maintain Viable Presence | | | | | | |
| | | Post-Settle-Up Period | | | | | | |
| Post-Settle-Up Period | | | | | | | | |

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

Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment - as defined in Tax Code §13.02(1)(A)-(D). For the purposes of investment, please list amount invested each year, not cumulative totals.

Column B: Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value for planning, construction and operation of the facility. The most significant example for many projects would be land. Other examples may be items such as professional services, etc.

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

Column D: The total dollar amount of planned investment each year in buildings or nonremovable components of buildings that the applicant considers qualified investment under Tax Code §13.02(1)(E).

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

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

[Signature]
DATE 1/9/13

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

Attachment 18

Schedule B

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

Form 50-296

Applicant Name
ISD Name
Exxon Mobil Corporation
Goose Creek CISD

| Tax Credit Period (with 50% cap on credit) | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year) YYYY | Qualified Property | | | Reductions from Market Value | Estimated Taxable Value | |
|--|------------|-------------------------|---|--------------------------------|---|--|------------------------------|--|--|
| | | | | Estimated Market Value of Land | Estimated Total Market Value of new buildings or other new improvements | Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement" | | Final taxable value for I&S - after all reductions | Final taxable value for M&O - after all reductions |
| | pre-year 1 | 2013-2014 | 2013 | 0 | 0 | 0 | 0 | 0 | 0 |
| Complete tax years of qualifying time period | 1 | 2014-2015 | 2014 | 0 | 0 | 38,500,000 | 0 | 38,500,000 | 38,500,000 |
| | 2 | 2015-2016 | 2015 | 0 | 0 | 450,310,000 | 0 | 450,310,000 | 450,310,000 |
| | 3 | 2016-2017 | 2016 | 0 | 2,500,000 | 727,015,000 | 0 | 729,515,000 | 30,000,000 |
| | 4 | 2017-2018 | 2017 | 0 | 4,410,000 | 912,000,000 | 0 | 916,410,000 | 30,000,000 |
| | 5 | 2018-2019 | 2018 | 0 | 4,850,000 | 925,350,000 | \$100,000,000 | 830,200,000 | 30,000,000 |
| Value Limitation Period | 6 | 2019-2020 | 2019 | 0 | 9,500,000 | 1,810,900,000 | \$98,000,000 | 1,722,400,000 | 30,000,000 |
| | 7 | 2020-2021 | 2020 | 0 | 9,300,000 | 1,771,100,000 | \$97,000,000 | 1,683,400,000 | 30,000,000 |
| | 8 | 2021-2022 | 2021 | 0 | 9,100,000 | 1,711,400,000 | \$95,000,000 | 1,625,500,000 | 30,000,000 |
| | 9 | 2022-2023 | 2022 | 0 | 8,900,000 | 1,671,600,000 | \$93,000,000 | 1,587,500,000 | 30,000,000 |
| | 10 | 2023-2024 | 2023 | 0 | 8,600,000 | 1,631,800,000 | \$91,000,000 | 1,549,400,000 | 30,000,000 |
| Credit Settle-Up Period | 11 | 2024-2025 | 2024 | 0 | 8,400,000 | 1,572,100,000 | \$89,000,000 | 1,491,500,000 | 1,491,500,000 |
| | 12 | 2025-2026 | 2025 | 0 | 8,200,000 | 1,512,400,000 | \$86,000,000 | 1,434,600,000 | 1,434,600,000 |
| | 13 | 2026-2027 | 2026 | 0 | 7,900,000 | 1,472,600,000 | \$84,000,000 | 1,396,500,000 | 1,396,500,000 |
| Post-Settle-Up Period | 14 | 2027-2028 | 2027 | 0 | 7,600,000 | 1,412,900,000 | \$82,000,000 | 1,338,500,000 | 1,338,500,000 |
| | 15 | 2028-2029 | 2028 | 0 | 7,100,000 | 1,353,200,000 | \$79,000,000 | 1,281,300,000 | 1,281,300,000 |

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation. This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

[Signature]
DATE 1/9/13

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

Attachment 19

Schedule C

Schedule C- Application: Employment Information

Exxon Mobil Corporation
Goose Creek CISD

Applicant Name
ISD Name

Form 50-296

| | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year) YYYY | Construction | | New Jobs | | Qualifying Jobs | |
|---|------------|----------------------------|--|---|---|---|--|---|--|
| | | | | Column A: Number of Construction FTE's or man-hours (specify) | Column B: Average annual wage rates for construction workers | Column C: Number of new jobs applicant commits to create (cumulative) | Column D: Average annual wage rate for all new jobs. | Column E: Number of jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative) | Column F: Average annual wage of qualifying jobs |
| | pre-year 1 | 2013-2014 | 2013 | 200 FTE | 60,000 | 0 | \$0 | 0 | \$0 |
| Complete tax years of qualifying time period | 1 | 2014-2015 | 2014 | 1000 FTE | 61,200 | 17 | \$60,385 | 17 | \$60,385 |
| | 2 | 2015-2016 | 2015 | 4000 FTE | 62,400 | 30 | \$63,754 | 30 | \$63,754 |
| | 3 | 2016-2017 | 2016 | 5000 FTE | 63,600 | 70 | \$69,623 | 70 | \$69,623 |
| | 4 | 2017-2018 | 2017 | 2000 FTE | 64,900 | 70 | \$73,976 | 70 | \$73,976 |
| | 5 | 2018-2019 | 2018 | | | 70 | \$74,996 | 70 | \$74,996 |
| Tax Credit Period (with 50% cap on credit) | 6 | 2019-2020 | 2019 | | | 70 | \$74,996 | 70 | \$74,996 |
| | 7 | 2020-2021 | 2020 | | | 70 | \$74,996 | 70 | \$74,996 |
| | 8 | 2021-2022 | 2021 | | | 70 | \$74,996 | 70 | \$74,996 |
| | 9 | 2022-2023 | 2022 | | | 70 | \$74,996 | 70 | \$74,996 |
| | 10 | 2023-2024 | 2023 | | | 70 | \$74,996 | 70 | \$74,996 |
| Credit Settle-Up Period | 11 | 2024-2025 | 2024 | | | 70 | \$74,996 | 70 | \$74,996 |
| | 12 | 2025-2026 | 2025 | | | 70 | \$74,996 | 70 | \$74,996 |
| | 13 | 2026-2027 | 2026 | | | 70 | \$74,996 | 70 | \$74,996 |
| Post-Settle-Up Period | 14 | 2027-2028 | 2027 | | | 70 | \$74,996 | 70 | \$74,996 |
| | 15 | 2028-2029 | 2028 | | | 70 | \$74,996 | 70 | \$74,996 |

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

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


SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

1/19/13
DATE

Attachment 20

Schedule D

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

Applicant Name
Exxon Mobil Corporation

ISD Name
Goose Creek CISD

Form 50-296
Other Property Tax Abatements Sought

| | Year | School Year (YYYY-YYYY) | Tax/ Calendar Year YYYY | Sales Tax Information | | Franchise Tax | County | City | Hospital | Other |
|--|--------------------------------------|-------------------------|-------------------------|---|---|---------------|--------|------|----------|-------|
| | | | | Column F: Estimate of total annual expenditures* subject to state sales tax | Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax | | | | | |
| The year preceding the first complete tax year of the qualifying time period (assuming no deferrals) | | 2013-2014 | 2013 | 3,850,000 | 73,150,000 | 70,000,000 | 0% | 0% | 0% | 0% |
| Complete tax years of qualifying time period | 1 | 2014-2015 | 2014 | 42,100,000 | 799,900,000 | 70,000,000 | 100% | 0% | 0% | 0% |
| | 2 | 2015-2016 | 2015 | 29,250,000 | 555,750,000 | 70,000,000 | 100% | 0% | 0% | 0% |
| | 3 | 2016-2017 | 2016 | 21,250,000 | 403,750,000 | 70,000,000 | 100% | 0% | 0% | 0% |
| | 4 | 2017-2018 | 2017 | 3,550,000 | 67,450,000 | 70,000,000 | 100% | 0% | 0% | 0% |
| | 5 | 2018-2019 | 2018 | 18,800,000 | 18,800,000 | 70,000,000 | 100% | 0% | 0% | 0% |
| | 6 | 2019-2020 | 2019 | 18,800,000 | 18,800,000 | 70,000,000 | 100% | 0% | 0% | 0% |
| | 7 | 2020-2021 | 2020 | 18,800,000 | 18,800,000 | 70,000,000 | 100% | 0% | 0% | 0% |
| | 8 | 2021-2022 | 2021 | 18,800,000 | 18,800,000 | 70,000,000 | 100% | 0% | 0% | 0% |
| | 9 | 2022-2023 | 2022 | 18,800,000 | 18,800,000 | 70,000,000 | 100% | 0% | 0% | 0% |
| | 10 | 2023-2024 | 2023 | 18,800,000 | 18,800,000 | 70,000,000 | 100% | 0% | 0% | 0% |
| | 11 | 2024-2025 | 2024 | 18,800,000 | 18,800,000 | 70,000,000 | 100% | 0% | 0% | 0% |
| | 12 | 2025-2026 | 2025 | 18,800,000 | 18,800,000 | 70,000,000 | 100% | 0% | 0% | 0% |
| | 13 | 2026-2027 | 2026 | 18,800,000 | 18,800,000 | 70,000,000 | 100% | 0% | 0% | 0% |
| | 14 | 2027-2028 | 2027 | 18,800,000 | 18,800,000 | 70,000,000 | 100% | 0% | 0% | 0% |
| | 15 | 2028-2029 | 2028 | 18,800,000 | 18,800,000 | 70,000,000 | 100% | 0% | 0% | 0% |
| Tax Credit Period (with 50% cap on credit) | Value Limitation Period | | | | | | | | | |
| Credit Settle-Up Period | Continue to Maintain Viable Presence | | | | | | | | | |
| Post-Settle-Up Period | | | | | | | | | | |
| Post-Settle-Up Period | | | | | | | | | | |

*For planning, construction and operation of the facility.

[Signature]

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

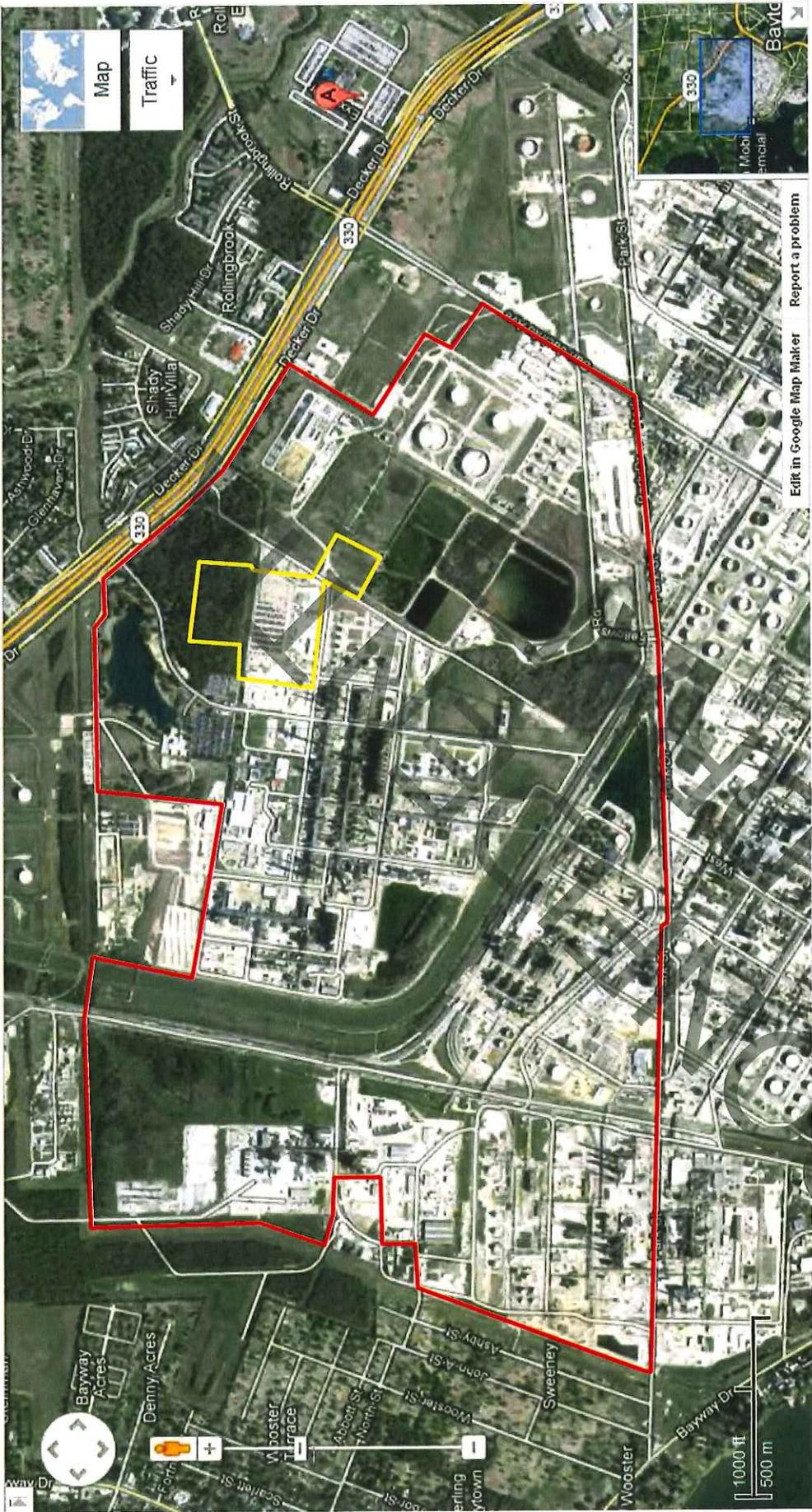
1/9/13

DATE

Attachment 21

Map of Reinvestment Zone

A map of the proposed reinvestment zone is attached. The reinvestment zone will be established by the Board of Trustees of the Goose Creek Consolidated Independent School District at a later date and will be certified by the ISD.



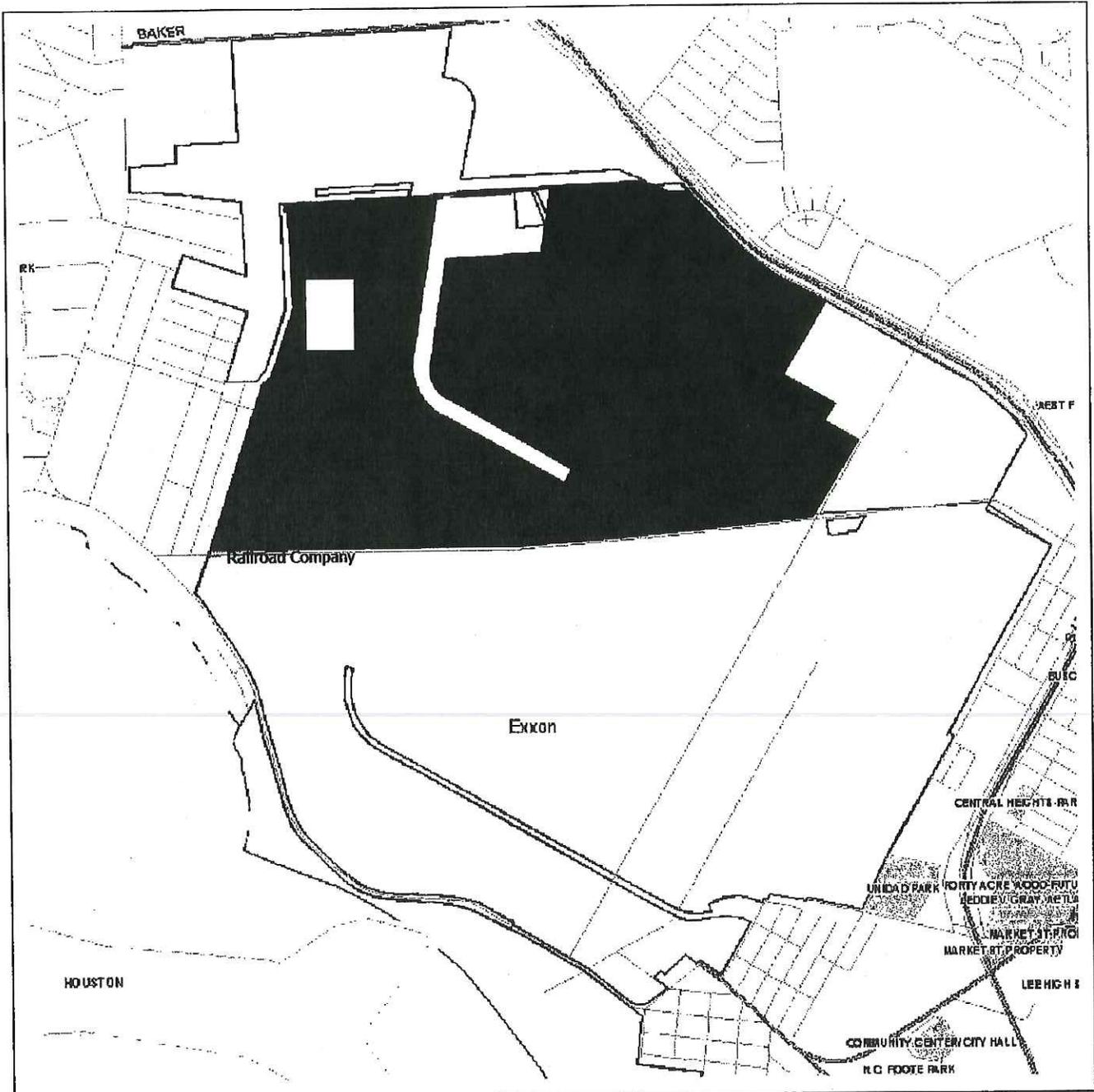
Project Elite - NA Growth Reinvestment Zone Outline

Project NA Growth (Olefins) Process Unit Area





Project NA Growth (Olefins) Process Unit Area



City of Baytown, TX



For Planning purposes only. Not Survey Grade

Attachments 22

Order, Resolution, or Ordinance Establishing the Zone

A resolution of the Board of Trustees of the Goose Creek Consolidated Independent School District establishing the reinvestment zone will be provided at a later date.

**Goose Creek Consolidated Independent School District
Resolution for Designation of Reinvestment Zone**

WHEREAS, the Board of Trustees of Goose Creek Consolidated Independent School District (the "District ") desires to encourage the development of primary employment and to attract major investment in the District in accordance with the Texas Economic Development Act (Chapter 313 of the Texas Tax Code); and,

WHEREAS, the District has received an Application for Appraised Value Limitation on Qualified Property by ExxonMobil Corporation (the "EM Application"); and,

WHEREAS, the District may designate an area entirely within the boundary of the school district as a reinvestment zone under Section 312.0025 of the Texas Tax Code; and

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

WHEREAS, the District published notice of a public hearing to be held on October 22, 2012, regarding the designation of the area on the map attached as Exhibit A, and more particularly described in the attached Exhibit B as a reinvestment zone as required by Chapter 312 of the Texas Tax Code;

WHEREAS, the improvements set forth in the EM Application are feasible and of benefit to the reinvestment zone after expiration of an agreement for Appraised Value Limitation on Qualified Property; and

WHEREAS, the designation of the reinvestment zone would contribute to the retention or expansion of primary employment or would attract major investment in the reinvestment zone that would be of benefit to the property described on Exhibits A and B and would contribute to the economic development of the District; and

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

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT:

SECTION 1. That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

SECTION 2. That the Board of Trustees of the Goose Creek Consolidated Independent School District, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

- (a) That the public hearing on the adoption of *EM. Reinvestment Zone* has been properly called, held and conducted, and that notices of such hearing have been published as required by law and mailed to the respective presiding officers of the governing bodies of all taxing units overlapping the territory inside the proposed reinvestment zone; and,
- (b) That the boundaries of *EM. Reinvestment Zone* be and, by the adoption of this Resolution, is declared and certified to be, the area as described in the description attached hereto as "Exhibit A"; and,
- (c) That the map attached hereto as "Exhibit B" is declared to be and, by the adoption of this Resolution is certified to accurately depict and show the boundaries of *EM. Reinvestment Zone* which is normatively described in Exhibit A; and further certifies that the property described in Exhibit A is inside the boundaries shown on Exhibit B; and,
- (d) That creation of *EM. Reinvestment Zone* with boundaries as described in Exhibit A and Exhibit B will result in benefits to the Goose Creek Consolidated Independent School District and to land included in the zone, and that the improvements sought are feasible and practical; and,
- (e) *EM. Reinvestment Zone* described in Exhibit A and Exhibit B meets the criteria set forth in Texas Tax Code §312.0025 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, in that it is reasonably likely that the designation will contribute to the retention or expansion of primary employment, and/or will attract investment in the zone that will be a benefit to the property, and would contribute to economic development within the Goose Creek Consolidated Independent School District.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, the Goose Creek Consolidated Independent School District, hereby creates a reinvestment zone under the provisions of Tex. Tax Code § 312.0025, encompassing the area described by the descriptions in Exhibit A and Exhibit B, and such reinvestment zone is hereby designated and shall hereafter be referred to as *EM. Reinvestment Zone*.

SECTION 4. That *EM. Reinvestment Zone* shall take effect upon adoption by the Board of Trustees and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of such designation.

SECTION 5. That if any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

SECTION 6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject of the meeting of the Goose Creek Consolidated Independent School District Board of Trustees, at which this Resolution was adopted, was posted at a place convenient and readily accessible at all times, as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended; and that a public hearing was held prior to the designation of such reinvestment zone, and that proper notice of the hearing was published in newspapers of general circulation in Harris County of the State of Texas, and furthermore, such notice was, in fact, delivered to the presiding officer of any effected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED AND ADOPTED on this 22 day of October, 2012.

**Goose Creek Consolidated
Independent School District**

By: 
Howard Sampson
President
Board of Trustees

ATTEST: 
Jimmy Smith
Secretary
Board of Trustees

Exhibit A

MAP OF EXXONMOBIL REINVESTMENT ZONE

The ExxonMobil Reinvestment Zone is depicted on the map below in blue.

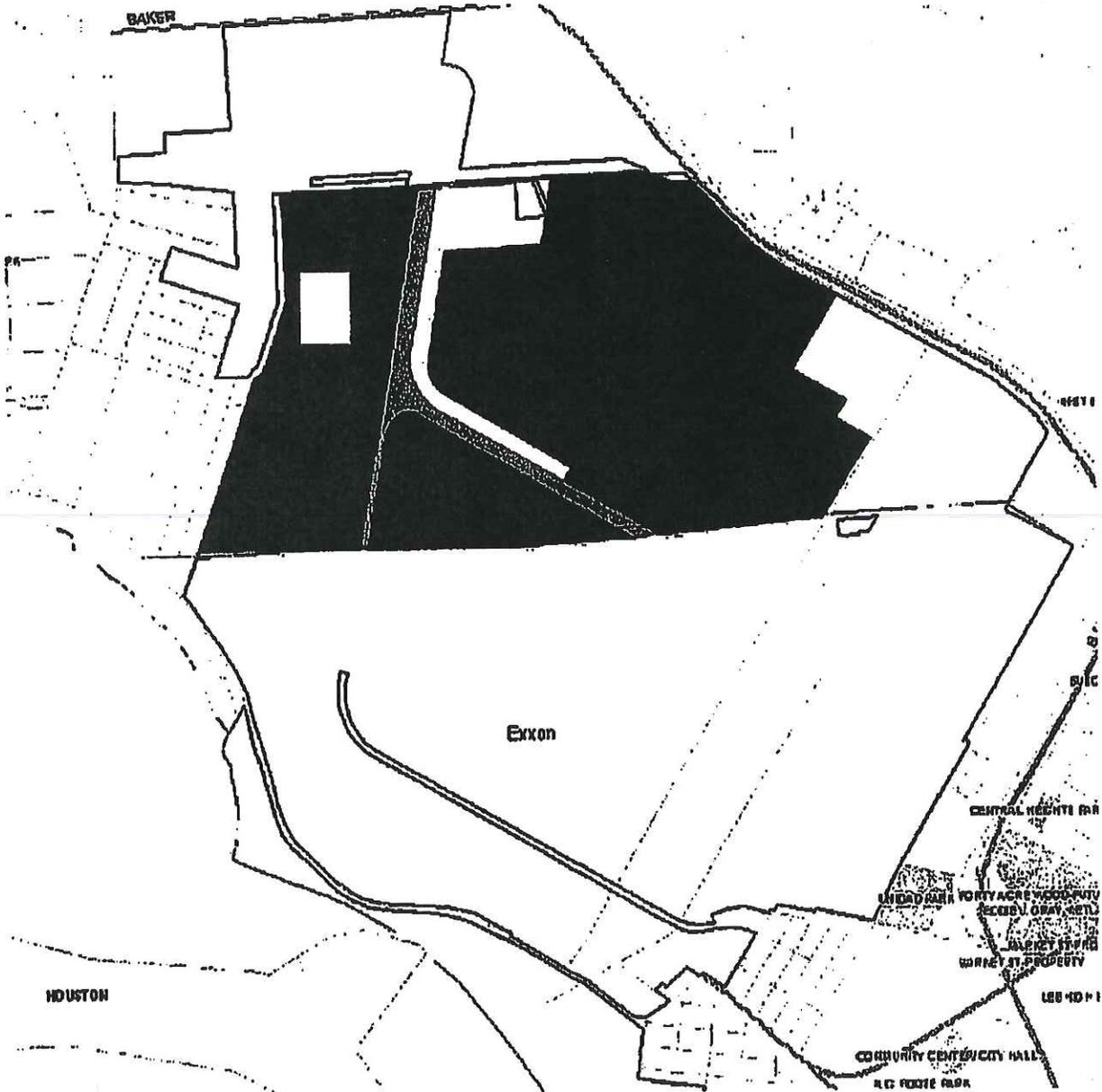


Exhibit B
EXXONMOBIL REINVESTMENT ZONE LEGAL DESCRIPTION

Tract 1: That certain 857.66 acre tract of land known as Tract 8, North Baytown, William Scott Upper League, Abstract 66, Harris County, Texas (HCAD Account No. 041-022-002-0220)

Tract 2: That certain 4.644 acre tract of land known as Tract R-40A, William Scott Upper League, Abstract 66, Harris County, Texas (HCAD Account No. 041-022-0382)

Tract 3: Part of Tract R40-BL (HNS) HOU to BAYTOWN, William Scott Upper League, Abstract 66, Harris County, Texas (HCAD Account No. 041-022-002-0250)

Attachment 23

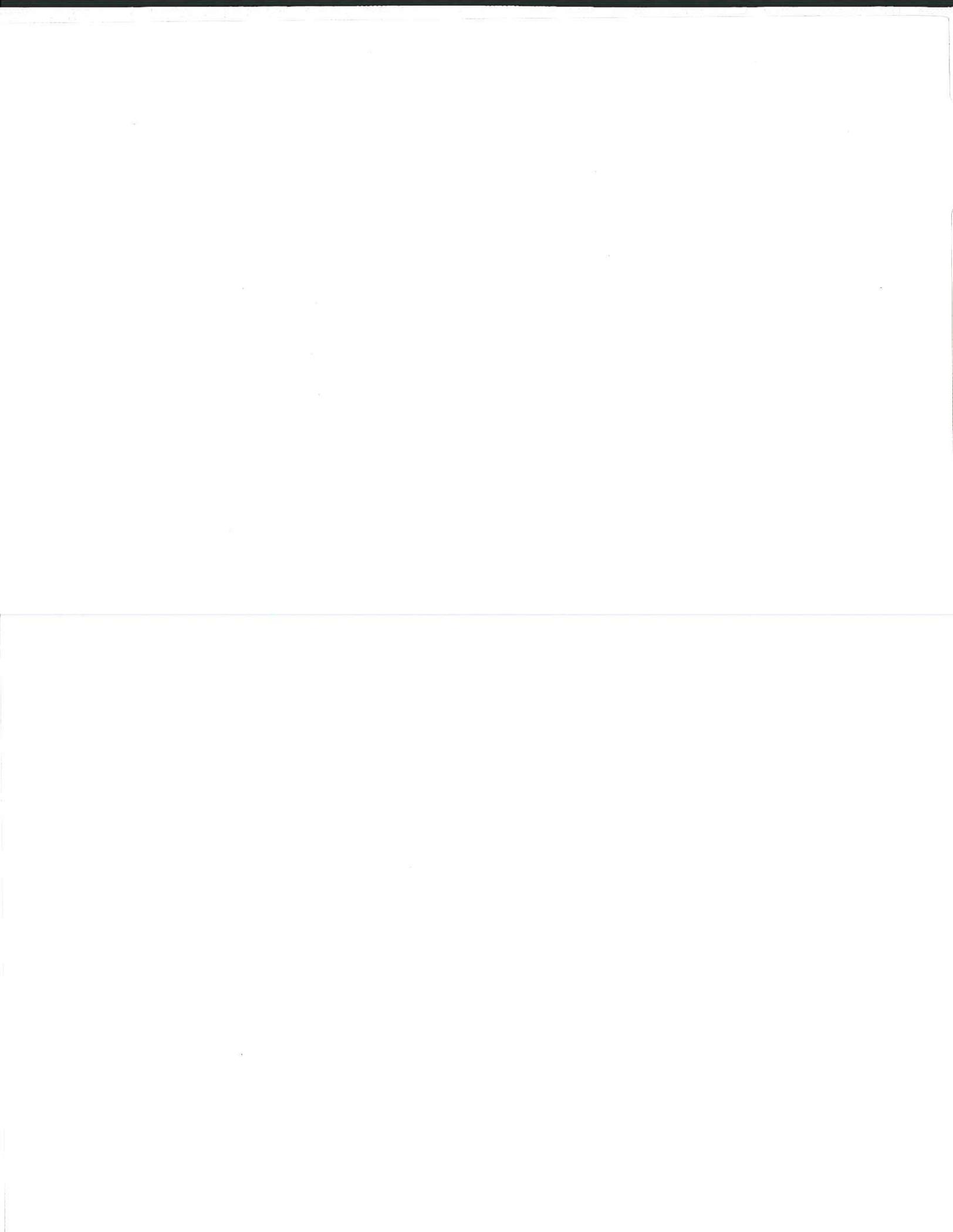
Legal Description of Reinvestment Zone

| HCAD Account No. | Owner | Legal Description | Address | Acreage |
|-------------------------|---------------------------|---|-------------------------------------|--|
| 041-022-002-0220 | Exxon Mobil Corp | Tr 8 North Baytown Abst 66 W Scott Survey | 2800 Decker Dr Baytown, TX 77520 | 857.66 Ac. |
| 041-022-002-0382 | Exxon Mobil Corp | Tr R40-A Abst 66 W Scott Survey | 0 Park St Baytown, TX 77520 | 4.644 Ac. |
| 041-022-002-0250 | Union Pacific Railroad Co | Pt Tr R40 BL (HNS) HOU to BAYTOWN Abst 66 W Scott Survey | 0 R R Property Baytown, TX 77520 | Portion of RR ROW within the defined Reinvestment Zone |

Attachment 24

Guidelines and Criteria for Reinvestment Zone

Not applicable. The proposed reinvestment zone will be created by the Board of Trustees of the Goose Creek Consolidated Independent School District. Creation of the reinvestment zone by the governing body of a school district does not require guidelines and criteria.



Attachment B

Certificate of Account Status

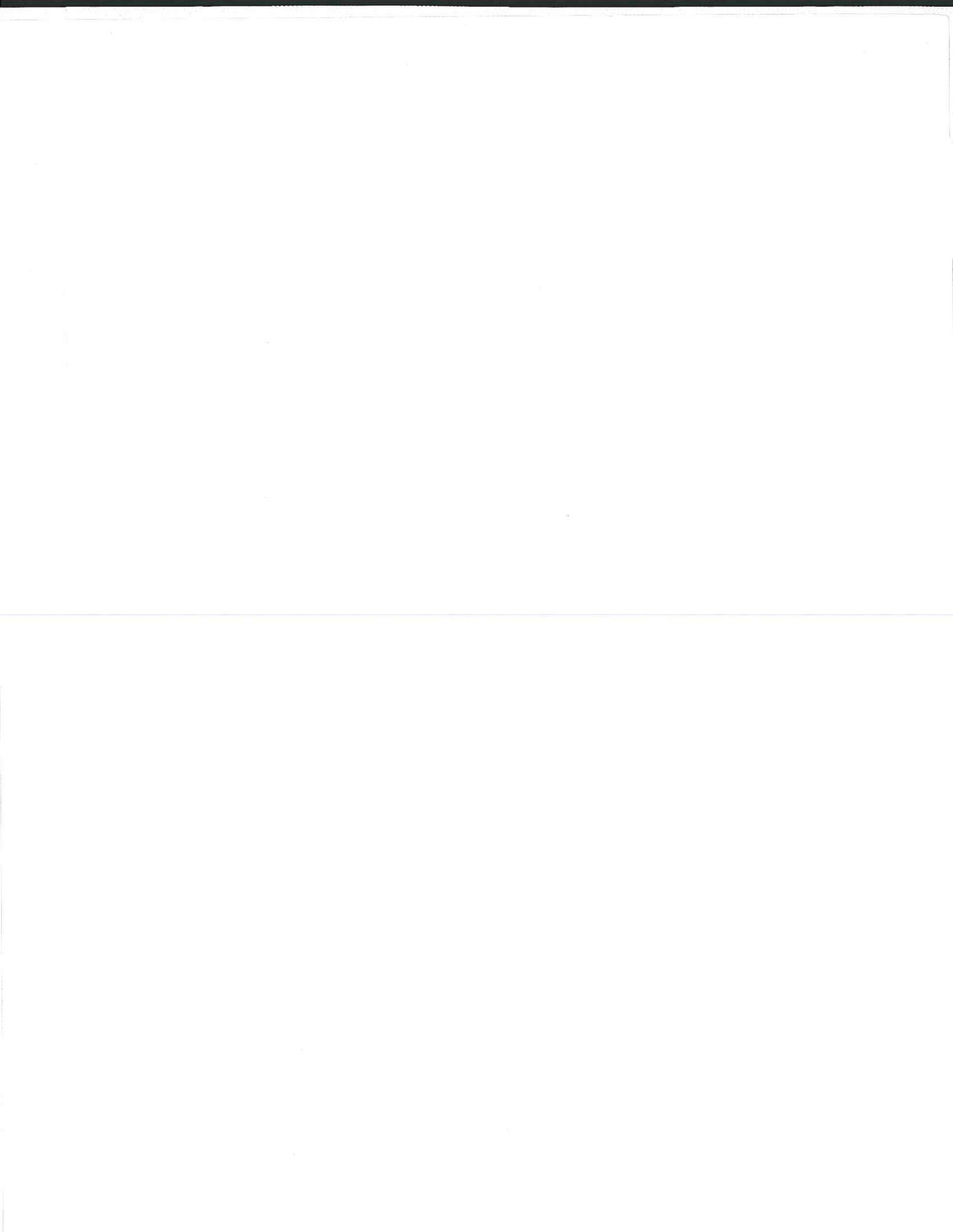


Franchise Tax Account Status

As of: 09/03/2013 12:27:25 PM

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

| EXXON MOBIL CORPORATION | |
|-------------------------------------|---|
| Texas Taxpayer Number | 11354090059 |
| Mailing Address | 4500 DACOMA ST C/O CORP-BH3-212 HOUSTON, TX 77092-8614 |
| Right to Transact Business in Texas | ACTIVE |
| State of Formation | NJ |
| Effective SOS Registration Date | 12/18/1972 |
| Texas SOS File Number | 0003362806 |
| Registered Agent Name | CORPORATION SERVICE COMPANY D/B/A CSC-LAWYERS INCO |
| Registered Office Street Address | 211 E. 7TH STREET SUITE 620 AUSTIN, TX 78701 |



Attachment C

State Comptroller's Recommendation

S U S A N
C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



May 17, 2013

Dr. Salvador Cavazos
Superintendent
Goose Creek Consolidated Independent School District
P. O. Box 30
Baytown, Texas 77522

Dear Superintendent Cavazos:

On Feb. 22, 2013, the Comptroller received the completed application (Application # 265) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted in January, 2013 to the Goose Creek Consolidated Independent School District (the school district) by Exxon Mobil Corporation (the applicant). This letter presents the results of the Comptroller's review of the application:

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

The school district is currently classified as a rural school district in Category 1 according to the provisions of Chapter 313. Therefore, the applicant properly applied under the provisions of Subchapter C, applicable to rural school districts. The amount of proposed qualified investment (\$1.5 billion) is consistent with the proposed appraised value limitation sought (\$30 million). The property value limitation amount noted in this recommendation is based on property values available at the time of application and may change prior to the execution of any final agreement.

The applicant is an active franchise taxpayer in good standing, as required by Section 313.024(a), and is proposing the construction of a manufacturing facility in Harris County, an eligible property use under Section 313.024(b). The Comptroller has determined that the property, as described in the application, meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

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

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

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

correct, finds that the applicant is eligible for a limitation and determines that granting the application is in the best interest of the school district and this state. As stated above, the Comptroller's recommendation is prepared by generally reviewing the application and supporting documentation in light of the Section 313.026 criteria.

Note that any new building or other improvement existing as of the application review start date of Feb. 22, 2013, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2).

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

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

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

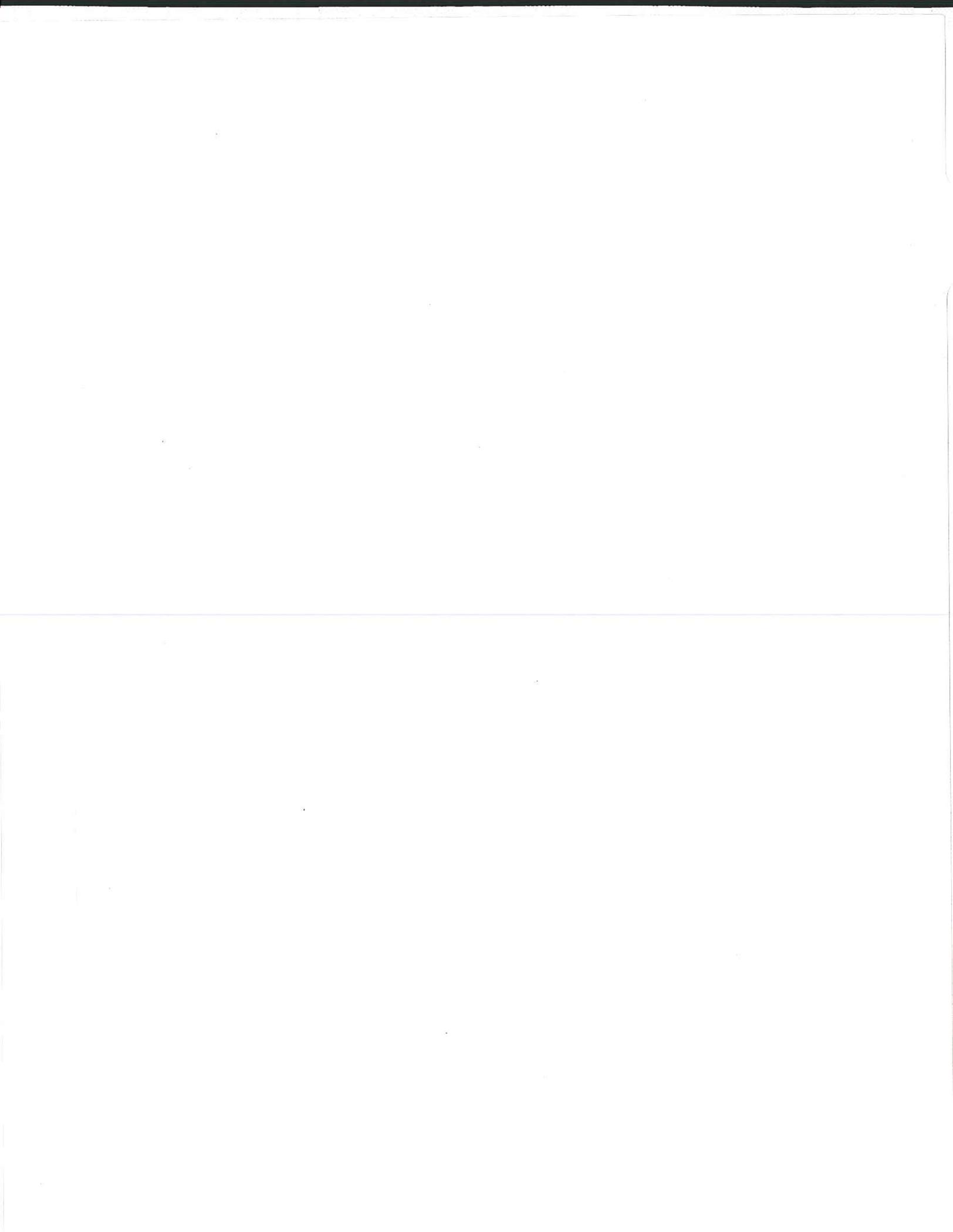
Sincerely,



Martin A. Hubert
Deputy Comptroller

Enclosure

cc: Robert Wood



Attachment D

Economic Analysis

Economic Impact for Chapter 313 Project

| | |
|---|-------------------------|
| Applicant | Exxon Mobil Corporation |
| Tax Code, 313.024 Eligibility Category | Manufacturing |
| School District | Goose Creek CISD |
| 2011-2012 Enrollment in School District | 21,511 |
| County | Harris |
| Total Investment in District | \$2,000,000,000 |
| Qualified Investment | \$1,504,000,000 |
| Limitation Amount | \$30,000,000 |
| Number of total jobs committed to by applicant | 70 |
| Number of qualifying jobs committed to by applicant | 70 |
| Average Weekly Wage of Qualifying Jobs committed to by applicant | \$1,136 |
| Minimum Weekly Wage Required Tax Code, 313.051(b) | \$1,136 |
| Minimum Annual Wage committed to by applicant for qualified jobs | \$59,076 |
| Investment per Qualifying Job | \$28,571,429 |
| Estimated 15 year M&O levy without any limit or credit: | \$187,985,564 |
| Estimated gross 15 year M&O tax benefit | \$112,664,604 |
| Estimated 15 year M&O tax benefit (<i>after</i> deductions for estimated school district revenue protection--but not including any deduction for supplemental payments or extraordinary educational expenses): | \$100,707,407 |
| Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program) | \$4,459,624 |
| Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection: | \$87,278,157 |
| Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted) | 53.6% |
| Percentage of tax benefit due to the limitation | 96.0% |
| Percentage of tax benefit due to the credit | 4.0% |

This presents the Comptroller's economic impact evaluation of Exxon (the project) applying to Goose Creek Consolidated Independent School District (the district), as required by Tax Code, 313.026. This evaluation is based on information provided by the applicant and examines the following criteria:

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

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

After construction, the project will create 70 new jobs when fully operational. All 70 jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the Houston-Galveston Area Council Region, where Harris County is located was \$53,711 in 2011. The annual average manufacturing wage for 2011-12 for Harris County is \$78,884. That same year, the county annual average wage for all industries was \$65,312. In addition to a salary of \$59,076, each qualifying position will receive benefits such as 401(k) savings plan, pension plan, group health benefit for which Exxon Mobil offers to pay at least 80% of the premiums or other charges for employee-only coverage, dental and vision plans, pre-tax spending plans for medical, dental and vision plans, disability plan, life insurance plan, vacation & holiday pay, educational refund program. The project's total investment is \$2 billion, resulting in a relative level of investment per qualifying job of \$28.6 million.

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

According to Exxon's application, "ExxonMobil's unmatched integration of natural gas, refining and chemical operations uniquely positions the chemical company to benefit from ExxonMobil's significant investment in American natural gas production. The new facilities could be constructed at any of our fully integrated refining manufacturing locations in Sarnia (Canada), Baton Rouge (LA), Beaumont (TX) Baytown (TX) or non-integrated refining manufacturing locations in Joliet (IL), Torrance (CA), Billings (MT) and Chalmette (LA). Competitive abatement programs exist in alternate locations. The impact of tax burden on the economic return of any given project is one factor that influences the viability of projects and their ultimate location."

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

During the past two years, 28 projects in the Houston-Galveston Area Council Region applied for value limitation agreements under Tax Code, Chapter 313.

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

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

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

Table 1 depicts Exxon's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 16 years of annual investment and employment levels using software from Regional Economic Models, Inc. (REMI). The impact includes the construction period and the operating period of the project. In years 2020 to 2022, the negative results are due to the sharp drop-off in construction following the end of the construction phase of the project.

Table 1: Estimated Statewide Economic Impact of Investment and Employment in Exxon

| Year | Employment | | | Personal Income | | |
|------|------------|--------------------|-------|-----------------|--------------------|---------------|
| | Direct | Indirect + Induced | Total | Direct | Indirect + Induced | Total |
| 2013 | 200 | 235 | 435 | \$12,000,000 | \$15,000,000 | \$27,000,000 |
| 2014 | 1017 | 1,217 | 2234 | \$62,226,545 | \$82,773,455 | \$145,000,000 |
| 2015 | 4030 | 4,727 | 8757 | \$251,512,620 | \$336,487,380 | \$588,000,000 |
| 2016 | 5070 | 6,203 | 11273 | \$322,873,610 | \$489,126,390 | \$812,000,000 |
| 2017 | 2070 | 2,931 | 5001 | \$134,978,320 | \$300,021,680 | \$435,000,000 |
| 2018 | 70 | 416 | 486 | \$5,249,720 | \$119,750,280 | \$125,000,000 |
| 2019 | 70 | 43 | 113 | \$5,249,720 | \$76,750,280 | \$82,000,000 |
| 2020 | 70 | (70) | 0 | \$5,249,720 | \$52,750,280 | \$58,000,000 |
| 2021 | 70 | (90) | -20 | \$5,249,720 | \$39,750,280 | \$45,000,000 |
| 2022 | 70 | (41) | 29 | \$5,249,720 | \$33,750,280 | \$39,000,000 |
| 2023 | 70 | 41 | 111 | \$5,249,720 | \$33,750,280 | \$39,000,000 |
| 2024 | 70 | 37 | 107 | \$5,249,720 | \$29,750,280 | \$35,000,000 |
| 2025 | 70 | 106 | 176 | \$5,249,720 | \$31,750,280 | \$37,000,000 |
| 2026 | 70 | 172 | 242 | \$5,249,720 | \$36,750,280 | \$42,000,000 |
| 2027 | 70 | 237 | 307 | \$5,249,720 | \$42,750,280 | \$48,000,000 |
| 2028 | 70 | 301 | 371 | \$5,249,720 | \$50,750,280 | \$56,000,000 |

Source: CPA, REMI, Exxon

The statewide average ad valorem tax base for school districts in Texas was \$1.74 billion in 2011. Goose Creek CISD's ad valorem tax base in 2011 was \$8.4 billion. The statewide average wealth per WADA was estimated at \$347,943 for fiscal 2011-2012. During that same year, Goose Creek CISD's estimated wealth per WADA was \$320,472. The impact on the facilities and finances of the district are presented in Attachment 2.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Harris County, Baytown Industrial District (ETJ), Harris County Hospital District, Harris County Flood Control District, Harris County Education Department, and Lee Jr. College District, with all property tax incentives sought being granted using estimated market value from Exxon's application. Exxon has applied for both a value limitation under Chapter 313, Tax Code, and a tax abatement with the county. Table 3 illustrates the estimated tax impact of the Exxon project on the region if all taxes are assessed.

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

Attachment 2, provided by the district and reviewed by the Texas Education Agency, contains information relating to the financial impact of the proposed project on the finances of the district as well as the tax benefit of the value limitation. "Table 5" in this attachment shows the estimated 15 year M&O tax levy without the value limitation agreement would be \$187,985,564. The estimated gross 15 year M&O tax benefit, or levy loss, is \$112,664,604.

Attachment 3 is an economic overview of Harris County.

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



TEXAS EDUCATION AGENCY

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

Michael L. Williams
Commissioner

May 13, 2013

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

Dear Mr. Wood:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Exxon Mobil project on the number and size of school facilities in Goose Creek Consolidated Independent School District (GCCISD). Based on the analysis prepared by Moak, Casey and Associates for the school district and a conversation with the GCCISD superintendent, Dr. Salvador Cavazos, the TEA has found that the Exxon Mobil project would not have a significant impact on the number or size of school facilities in GCCISD.

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

Sincerely,

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

Al McKenzie, Manager
State Funding Division

AM/bd



TEXAS EDUCATION AGENCY

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

Michael L. Williams
Commissioner

May 13, 2013

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

Dear Mr. Wood:

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

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

Sincerely,

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

Al McKenzie, Manager
State Funding Division

AM/bd

Harris County

Population

- Total county population in 2010 for Harris County: 4,147,218 , up 1.8 percent from 2009. State population increased 1.8 percent in the same time period.
- Harris County was the state's 11th largest county in population in 2010 and the 46th fastest growing county from 2009 to 2010.
- Harris County's population in 2009 was 35.3 percent Anglo (below the state average of 46.7 percent), 17.9 percent African-American (above the state average of 11.3 percent) and 39.8 percent Hispanic (above the state average of 36.9 percent).
- 2009 population of the largest cities and places in Harris County:

| | | | |
|----------------|-----------|------------------------|---------|
| Houston: | 2,257,926 | Pasadena: | 145,789 |
| Baytown: | 70,872 | La Porte: | 34,191 |
| Deer Park: | 30,938 | Bellaire: | 18,176 |
| South Houston: | 16,346 | West University Place: | 15,613 |
| Humble: | 14,865 | Katy: | 13,891 |

Economy and Income

Employment

- September 2011 total employment in Harris County: 1.9 million, up 1.8 percent from September 2010. State total employment increased 0.9 percent during the same period.
(October 2011 employment data will be available November 18, 2011).
- September 2011 Harris County unemployment rate: 8.6 percent, up from 8.3 percent in September 2010. The statewide unemployment rate for September 2011 was 8.5 percent, up from 8.2 percent in September 2010.
- September 2011 unemployment rate in the city of:

| | |
|------------|--|
| Houston: | 8.5 percent, up from 8.1 percent in September 2010. |
| Pasadena: | 10.0 percent, unchanged from 10.0 percent in September 2010. |
| Baytown: | 11.6 percent, up from 11.3 percent in September 2010. |
| La Porte: | 8.9 percent, down from 9.4 percent in September 2010. |
| Deer Park: | 8.4 percent, unchanged from 8.4 percent in September 2010. |

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

Income

- Harris County's ranking in per capita personal income in 2009: 7th with an average per capita income of \$48,337, down 6.1 percent from 2008. Statewide average per capita personal income was \$38,609 in 2009, down 3.1 percent from 2008.

Industry

- Agricultural cash values in Harris County averaged \$419.01 million annually from 2007 to 2010. County total agricultural values in 2010 were unchanged 0.0 percent from 2009. Major agriculture related commodities in Harris County during 2010 included:

| | | | | |
|----------|----------|-------|--------------|-----------|
| • Timber | • Horses | • Hay | • Other Beef | • Nursery |
|----------|----------|-------|--------------|-----------|
- 2011 oil and gas production in Harris County: 756,538.0 barrels of oil and 13.6 million Mcf of gas. In September 2011, there were 328 producing oil wells and 146 producing gas wells.

Taxes

Sales Tax - Taxable Sales

(County and city taxable sales data for 1st quarter 2011 is currently targeted for release in mid-September 2011).
Quarterly (September 2010 through December 2010)

- Taxable sales in Harris County during the fourth quarter 2010: \$16.08 billion, up 11.5 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

| | |
|------------------------|--|
| Houston: | \$12.97 billion, up 12.2 percent from the same quarter in 2009. |
| Pasadena: | \$352.50 million, up 3.3 percent from the same quarter in 2009. |
| Baytown: | \$193.94 million, up 3.5 percent from the same quarter in 2009. |
| La Porte: | \$71.70 million, up 25.1 percent from the same quarter in 2009. |
| Deer Park: | \$93.27 million, up 13.2 percent from the same quarter in 2009. |
| Bellaire: | \$38.04 million, down 9.7 percent from the same quarter in 2009. |
| South Houston: | \$27.61 million, up 0.7 percent from the same quarter in 2009. |
| West University Place: | \$14.26 million, up 5.1 percent from the same quarter in 2009. |
| Humble: | \$272.85 million, up 3.3 percent from the same quarter in 2009. |
| Katy: | \$161.63 million, up 6.3 percent from the same quarter in 2009. |

| | |
|-------------------------------|--|
| Seabrook: | \$26.48 million, up 3.7 percent from the same quarter in 2009. |
| Webster: | \$152.51 million, up 1.5 percent from the same quarter in 2009. |
| Tomball: | \$97.38 million, up 4.3 percent from the same quarter in 2009. |
| Galena Park: | \$9.24 million, up 8.2 percent from the same quarter in 2009. |
| Jacinto City: | \$11.37 million, down 1.1 percent from the same quarter in 2009. |
| Jersey Village: | \$37.18 million, up 4.2 percent from the same quarter in 2009. |
| Hunters Creek Village: | \$3.51 million, up 1.7 percent from the same quarter in 2009. |
| Nassau Bay: | \$8.79 million, up 43.1 percent from the same quarter in 2009. |
| Spring Valley Village: | \$20.66 million, up 26.7 percent from the same quarter in 2009. |
| Bunker Hill Village: | \$533,920.00, up 24.9 percent from the same quarter in 2009. |
| Taylor Lake Village: | \$490,161.00, down 18.9 percent from the same quarter in 2009. |
| Piney Point Village: | \$2.05 million, up 255.5 percent from the same quarter in 2009. |
| El Lago: | \$1.81 million, up 12.8 percent from the same quarter in 2009. |
| Hedwig Village: | \$46.87 million, up 6.5 percent from the same quarter in 2009. |
| Southside Place: | \$7.99 million, down 2.1 percent from the same quarter in 2009. |
| Shoreacres: | \$500,657.00, up 2.5 percent from the same quarter in 2009. |
| Hilshire Village: | \$139,643.00, down 3.3 percent from the same quarter in 2009. |
| Morgan's Point: | \$2.86 million, up 2.4 percent from the same quarter in 2009. |

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

- Taxable sales in Harris County through the fourth quarter of 2010: \$58.57 billion, up 0.6 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

| | |
|-------------------------------|--|
| Houston: | \$46.99 billion, up 0.6 percent from the same period in 2009. |
| Pasadena: | \$1.33 billion, down 4.8 percent from the same period in 2009. |
| Baytown: | \$709.79 million, down 3.8 percent from the same period in 2009. |
| La Porte: | \$254.55 million, up 7.9 percent from the same period in 2009. |
| Deer Park: | \$337.69 million, up 1.4 percent from the same period in 2009. |
| Bellaire: | \$164.62 million, down 1.4 percent from the same period in 2009. |
| South Houston: | \$111.12 million, down 4.3 percent from the same period in 2009. |
| West University Place: | \$51.05 million, down 2.2 percent from the same period in 2009. |
| Humble: | \$936.31 million, up 0.4 percent from the same period in 2009. |
| Katy: | \$528.44 million, up 6.1 percent from the same period in 2009. |
| Seabrook: | \$106.27 million, down 2.5 percent from the same period in 2009. |
| Webster: | \$544.62 million, down 4.9 percent from the same period in 2009. |
| Tomball: | \$364.93 million, up 1.7 percent from the same period in 2009. |
| Galena Park: | \$35.96 million, down 8.8 percent from the same period in 2009. |
| Jacinto City: | \$47.71 million, down 2.7 percent from the same period in 2009. |
| Jersey Village: | \$143.42 million, down 1.6 percent from the same period in 2009. |
| Hunters Creek Village: | \$12.44 million, down 7.4 percent from the same period in 2009. |
| Nassau Bay: | \$28.91 million, down 5.0 percent from the same period in 2009. |
| Spring Valley Village: | \$71.86 million, up 5.3 percent from the same period in 2009. |
| Bunker Hill Village: | \$2.18 million, down 15.3 percent from the same period in 2009. |
| Taylor Lake Village: | \$1.60 million, up 1.4 percent from the same period in 2009. |
| Piney Point Village: | \$5.91 million, up 129.5 percent from the same period in 2009. |
| El Lago: | \$7.15 million, up 6.2 percent from the same period in 2009. |
| Hedwig Village: | \$157.84 million, up 8.4 percent from the same period in 2009. |
| Southside Place: | \$26.60 million, down 0.3 percent from the same period in 2009. |
| Shoreacres: | \$1.98 million, up 9.3 percent from the same period in 2009. |
| Hilshire Village: | \$551,837.00, down 51.7 percent from the same period in 2009. |
| Morgan's Point: | \$12.83 million, down 3.4 percent from the same period in 2009. |

Annual (2010)

- Taxable sales in Harris County during 2010: \$58.57 billion, up 0.6 percent from 2009.
- Harris County sent an estimated \$3.66 billion (or 21.40 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:

| | |
|------------------------|---|
| Houston: | \$46.99 billion, up 0.6 percent from 2009. |
| Pasadena: | \$1.33 billion, down 4.8 percent from 2009. |
| Baytown: | \$709.79 million, down 3.8 percent from 2009. |
| La Porte: | \$254.55 million, up 7.9 percent from 2009. |
| Deer Park: | \$337.69 million, up 1.4 percent from 2009. |
| Bellaire: | \$164.62 million, down 1.4 percent from 2009. |
| South Houston: | \$111.12 million, down 4.3 percent from 2009. |
| West University Place: | \$51.05 million, down 2.2 percent from 2009. |
| Humble: | \$936.31 million, up 0.4 percent from 2009. |
| Katy: | \$528.44 million, up 6.1 percent from 2009. |
| Seabrook: | \$106.27 million, down 2.5 percent from 2009. |
| Webster: | \$544.62 million, down 4.9 percent from 2009. |
| Tomball: | \$364.93 million, up 1.7 percent from 2009. |
| Galena Park: | \$35.96 million, down 8.8 percent from 2009. |
| Jacinto City: | \$47.71 million, down 2.7 percent from 2009. |
| Jersey Village: | \$143.42 million, down 1.6 percent from 2009. |
| Hunters Creek Village: | \$12.44 million, down 7.4 percent from 2009. |
| Nassau Bay: | \$28.91 million, down 5.0 percent from 2009. |
| Spring Valley Village: | \$71.86 million, up 5.3 percent from 2009. |
| Bunker Hill Village: | \$2.18 million, down 15.3 percent from 2009. |
| Taylor Lake Village: | \$1.60 million, up 1.4 percent from 2009. |
| Piney Point Village: | \$5.91 million, up 129.5 percent from 2009. |
| El Lago: | \$7.15 million, up 6.2 percent from 2009. |
| Hedwig Village: | \$157.84 million, up 8.4 percent from 2009. |
| Southside Place: | \$26.60 million, down 0.3 percent from 2009. |
| Shoreacres: | \$1.98 million, up 9.3 percent from 2009. |
| Hilshire Village: | \$551,837.00, down 51.7 percent from 2009. |
| Morgan's Point: | \$12.83 million, down 3.4 percent from 2009. |

Sales Tax – Local Sales Tax Allocations

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

Monthly

- Statewide payments based on the sales activity month of August 2011: \$505.22 million, up 13.9 percent from August 2010.
- Payments to all cities in Harris County based on the sales activity month of August 2011: \$50.26 million, up 11.6 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:

| | |
|------------------------|---|
| Houston: | \$41.60 million, up 12.2 percent from August 2010. |
| Pasadena: | \$1.88 million, up 0.6 percent from August 2010. |
| Baytown: | \$1.12 million, up 27.9 percent from August 2010. |
| La Porte: | \$496,096.00, down 1.1 percent from August 2010. |
| Deer Park: | \$337,908.46, down 12.2 percent from August 2010. |
| Bellaire: | \$151,464.38, up 1.9 percent from August 2010. |
| South Houston: | \$217,348.75, up 17.8 percent from August 2010. |
| West University Place: | \$83,229.63, down 9.1 percent from August 2010. |
| Humble: | \$884,514.03, up 5.0 percent from August 2010. |
| Katy: | \$712,343.61, up 9.7 percent from August 2010. |
| Seabrook: | \$156,900.34, unchanged 0.0 percent from August 2010. |
| Webster: | \$1.13 million, up 25.1 percent from August 2010. |
| Tomball: | \$782,963.98, up 9.6 percent from August 2010. |
| Galena Park: | \$81,533.61, up 31.3 percent from August 2010. |
| Jacinto City: | \$43,105.63, up 6.7 percent from August 2010. |
| Jersey Village: | \$209,463.65, up 4.2 percent from August 2010. |
| Hunters Creek Village: | \$23,962.64, up 2.7 percent from August 2010. |
| Nassau Bay*: | \$68,510.08, up 22.1 percent from August 2010. |
| Spring Valley Village: | \$81,322.11, up 21.1 percent from August 2010. |
| Bunker Hill Village: | \$3,742.40, down 6.9 percent from August 2010. |

| | |
|-----------------------------|---|
| Taylor Lake Village: | \$3,504.55, down 8.0 percent from August 2010. |
| Piney Point Village: | \$20,019.31, up 91.3 percent from August 2010. |
| El Lago: | \$10,406.16, up 2.7 percent from August 2010. |
| Hedwig Village: | \$110,761.01, up 4.8 percent from August 2010. |
| Southside Place: | \$24,973.30, up 0.1 percent from August 2010. |
| Shoreacres*: | \$5,381.38, up 16.4 percent from August 2010. |
| Hilshire Village: | \$3,000.30, up 13.7 percent from August 2010. |
| Morgan's Point: | \$22,653.71, down 3.0 percent from August 2010. |

Fiscal Year

- Statewide payments based on sales activity months from September 2010 through August 2011: \$6.08 billion, up 8.0 percent from the same period in 2010.
- Payments to all cities in Harris County based on sales activity months from September 2010 through August 2011: \$604.18 million, up 5.8 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:

| | |
|-------------------------------|--|
| Houston: | \$499.83 million, up 6.1 percent from fiscal 2010. |
| Pasadena: | \$23.73 million, up 4.0 percent from fiscal 2010. |
| Baytown: | \$12.14 million, up 2.9 percent from fiscal 2010. |
| La Porte: | \$5.62 million, up 4.4 percent from fiscal 2010. |
| Deer Park: | \$4.21 million, up 1.0 percent from fiscal 2010. |
| Bellaire: | \$2.04 million, down 9.6 percent from fiscal 2010. |
| South Houston: | \$2.32 million, up 3.6 percent from fiscal 2010. |
| West University Place: | \$971,835.68, down 7.3 percent from fiscal 2010. |
| Humble: | \$11.13 million, up 5.1 percent from fiscal 2010. |
| Katy: | \$8.88 million, up 12.3 percent from fiscal 2010. |
| Seabrook: | \$2.12 million, up 1.2 percent from fiscal 2010. |
| Webster: | \$13.59 million, up 4.8 percent from fiscal 2010. |
| Tomball: | \$9.16 million, up 5.0 percent from fiscal 2010. |
| Galena Park: | \$835,705.85, up 15.4 percent from fiscal 2010. |
| Jacinto City: | \$586,319.01, up 2.4 percent from fiscal 2010. |
| Jersey Village: | \$2.50 million, up 5.9 percent from fiscal 2010. |
| Hunters Creek Village: | \$280,913.52, up 1.4 percent from fiscal 2010. |
| Nassau Bay*: | \$697,089.68, up 0.9 percent from fiscal 2010. |
| Spring Valley Village: | \$909,058.37, up 15.4 percent from fiscal 2010. |
| Bunker Hill Village: | \$70,751.11, up 2.6 percent from fiscal 2010. |
| Taylor Lake Village: | \$54,619.56, up 9.9 percent from fiscal 2010. |
| Piney Point Village: | \$117,523.19, up 2.1 percent from fiscal 2010. |
| El Lago: | \$127,088.67, down 4.6 percent from fiscal 2010. |
| Hedwig Village: | \$1.55 million, up 8.0 percent from fiscal 2010. |
| Southside Place: | \$295,068.35, up 0.1 percent from fiscal 2010. |
| Shoreacres*: | \$65,389.62, up 7.7 percent from fiscal 2010. |
| Hilshire Village: | \$33,321.98, up 0.3 percent from fiscal 2010. |
| Morgan's Point: | \$318,555.46, up 20.7 percent from fiscal 2010. |

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

- Statewide payments based on sales activity months through August 2011: \$3.99 billion, up 8.3 percent from the same period in 2010.
 - Payments to all cities in Harris County based on sales activity months through August 2011: \$397.02 million, up 6.5 percent from the same period in 2010.
 - Payments based on sales activity months through August 2011 to the city of:
- | | |
|-------------------------------|---|
| Houston: | \$329.28 million, up 7.1 percent from the same period in 2010. |
| Pasadena: | \$15.53 million, up 3.3 percent from the same period in 2010. |
| Baytown: | \$8.03 million, up 3.4 percent from the same period in 2010. |
| La Porte: | \$3.63 million, up 0.9 percent from the same period in 2010. |
| Deer Park: | \$2.71 million, up 1.6 percent from the same period in 2010. |
| Bellaire: | \$1.30 million, down 13.9 percent from the same period in 2010. |
| South Houston: | \$1.53 million, up 3.0 percent from the same period in 2010. |
| West University Place: | \$637,456.21, down 10.9 percent from the same period in 2010. |

| | |
|-------------------------------|--|
| Humble: | \$7.12 million, up 5.0 percent from the same period in 2010. |
| Katy: | \$5.55 million, up 6.6 percent from the same period in 2010. |
| Seabrook: | \$1.38 million, down 0.1 percent from the same period in 2010. |
| Webster: | \$8.77 million, up 6.6 percent from the same period in 2010. |
| Tomball: | \$5.98 million, up 4.1 percent from the same period in 2010. |
| Galena Park: | \$575,774.79, up 17.3 percent from the same period in 2010. |
| Jacinto City: | \$388,281.03, up 1.2 percent from the same period in 2010. |
| Jersey Village: | \$1.70 million, up 6.4 percent from the same period in 2010. |
| Hunters Creek Village: | \$190,726.12, up 4.9 percent from the same period in 2010. |
| Nassau Bay*: | \$455,909.40, up 3.9 percent from the same period in 2010. |
| Spring Valley Village: | \$640,187.56, up 18.7 percent from the same period in 2010. |
| Bunker Hill Village: | \$47,170.87, down 2.8 percent from the same period in 2010. |
| Taylor Lake Village: | \$35,502.33, up 9.6 percent from the same period in 2010. |
| Piney Point Village: | \$72,779.00, down 9.4 percent from the same period in 2010. |
| El Lago: | \$79,540.23, down 9.2 percent from the same period in 2010. |
| Hedwig Village: | \$976,432.35, up 7.9 percent from the same period in 2010. |
| Southside Place: | \$182,173.91, up 1.1 percent from the same period in 2010. |
| Shoreacres*: | \$44,169.76, up 7.7 percent from the same period in 2010. |
| Hilshire Village: | \$19,496.08, up 3.1 percent from the same period in 2010. |
| Morgan's Point: | \$185,767.94, down 7.8 percent from the same period in 2010. |

12 months ending in August 2011

- Statewide payments based on sales activity in the 12 months ending in August 2011: \$6.08 billion, up 8.0 percent from the previous 12-month period.
- Payments to all cities in Harris County based on sales activity in the 12 months ending in August 2011: \$604.18 million, up 5.8 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:

| | |
|-------------------------------|---|
| Houston: | \$499.83 million, up 6.1 percent from the previous 12-month period. |
| Pasadena: | \$23.73 million, up 4.0 percent from the previous 12-month period. |
| Baytown: | \$12.14 million, up 2.9 percent from the previous 12-month period. |
| La Porte: | \$5.62 million, up 4.4 percent from the previous 12-month period. |
| Deer Park: | \$4.21 million, up 1.0 percent from the previous 12-month period. |
| Bellaire: | \$2.04 million, down 9.6 percent from the previous 12-month period. |
| South Houston: | \$2.32 million, up 3.6 percent from the previous 12-month period. |
| West University Place: | \$971,835.68, down 7.3 percent from the previous 12-month period. |
| Humble: | \$11.13 million, up 5.1 percent from the previous 12-month period. |
| Katy: | \$8.88 million, up 12.3 percent from the previous 12-month period. |
| Seabrook: | \$2.12 million, up 1.2 percent from the previous 12-month period. |
| Webster: | \$13.59 million, up 4.8 percent from the previous 12-month period. |
| Tomball: | \$9.16 million, up 5.0 percent from the previous 12-month period. |
| Galena Park: | \$835,705.85, up 15.4 percent from the previous 12-month period. |
| Jacinto City: | \$586,319.01, up 2.4 percent from the previous 12-month period. |
| Jersey Village: | \$2.50 million, up 5.9 percent from the previous 12-month period. |
| Hunters Creek Village: | \$280,913.52, up 1.4 percent from the previous 12-month period. |
| Nassau Bay*: | \$697,089.68, up 0.9 percent from the previous 12-month period. |
| Spring Valley Village: | \$909,058.37, up 15.4 percent from the previous 12-month period. |
| Bunker Hill Village: | \$70,751.11, up 2.6 percent from the previous 12-month period. |
| Taylor Lake Village: | \$54,619.56, up 9.9 percent from the previous 12-month period. |
| Piney Point Village: | \$117,523.19, up 2.1 percent from the previous 12-month period. |
| El Lago: | \$127,088.67, down 4.6 percent from the previous 12-month period. |
| Hedwig Village: | \$1.55 million, up 8.0 percent from the previous 12-month period. |
| Southside Place: | \$295,068.35, up 0.1 percent from the previous 12-month period. |
| Shoreacres*: | \$65,389.62, up 7.7 percent from the previous 12-month period. |
| Hilshire Village: | \$33,321.98, up 0.3 percent from the previous 12-month period. |
| Morgan's Point: | \$318,555.46, up 20.7 percent from the previous 12-month period. |

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

| | |
|------------------------|---|
| Houston: | \$419.51 million, up 6.8 percent from the same period in 2010. |
| Pasadena: | \$19.86 million, up 3.6 percent from the same period in 2010. |
| Baytown: | \$10.23 million, up 2.9 percent from the same period in 2010. |
| La Porte: | \$4.63 million, up 2.5 percent from the same period in 2010. |
| Deer Park: | \$3.47 million, up 3.9 percent from the same period in 2010. |
| Bellaire: | \$1.69 million, down 10.0 percent from the same period in 2010. |
| South Houston: | \$1.92 million, up 3.2 percent from the same period in 2010. |
| West University Place: | \$798,014.35, down 10.3 percent from the same period in 2010. |
| Humble: | \$9.41 million, up 4.2 percent from the same period in 2010. |
| Katy: | \$7.51 million, up 12.2 percent from the same period in 2010. |
| Seabrook: | \$1.74 million, up 0.5 percent from the same period in 2010. |
| Webster: | \$11.53 million, up 8.2 percent from the same period in 2010. |
| Tomball: | \$7.71 million, up 5.3 percent from the same period in 2010. |
| Galena Park: | \$704,147.86, up 16.0 percent from the same period in 2010. |
| Jacinto City: | \$482,029.54, up 0.5 percent from the same period in 2010. |
| Jersey Village: | \$2.12 million, up 6.5 percent from the same period in 2010. |
| Hunters Creek Village: | \$234,813.77, up 2.1 percent from the same period in 2010. |
| Nassau Bay*: | \$599,365.98, up 9.7 percent from the same period in 2010. |
| Spring Valley Village: | \$781,620.50, up 17.6 percent from the same period in 2010. |
| Bunker Hill Village: | \$59,987.49, down 0.3 percent from the same period in 2010. |
| Taylor Lake Village: | \$45,492.06, up 6.6 percent from the same period in 2010. |
| Pinay Point Village: | \$103,038.24, up 5.6 percent from the same period in 2010. |
| El Lago: | \$104,396.51, down 3.5 percent from the same period in 2010. |
| Hedwig Village: | \$1.30 million, up 8.0 percent from the same period in 2010. |
| Southside Place: | \$250,112.33, up 2.1 percent from the same period in 2010. |
| Shoreacres*: | \$54,222.77, up 6.2 percent from the same period in 2010. |
| Hilshire Village: | \$26,900.10, up 9.3 percent from the same period in 2010. |
| Morgan's Point: | \$250,864.49, up 10.1 percent from the same period in 2010. |

Annual (2010)

- Statewide payments based on sales activity months in 2010: \$5.77 billion, up 3.3 percent from 2009.
- Payments to all cities in Harris County based on sales activity months in 2010: \$579.94 million, up 0.7 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:

| | |
|------------------------|--|
| Houston: | \$478.01 million, up 0.8 percent from 2009. |
| Pasadena: | \$23.23 million, down 3.5 percent from 2009. |
| Baytown: | \$11.87 million, down 2.7 percent from 2009. |
| La Porte: | \$5.59 million, up 11.1 percent from 2009. |
| Deer Park: | \$4.16 million, down 1.9 percent from 2009. |
| Bellaire: | \$2.25 million, up 3.1 percent from 2009. |
| South Houston: | \$2.28 million, down 3.4 percent from 2009. |
| West University Place: | \$1.05 million, up 10.9 percent from 2009. |
| Humble: | \$10.78 million, down 1.2 percent from 2009. |
| Katy: | \$8.54 million, up 14.1 percent from 2009. |
| Seabrook: | \$2.12 million, down 2.9 percent from 2009. |
| Webster: | \$13.05 million, down 3.2 percent from 2009. |
| Tomball: | \$8.93 million, up 0.4 percent from 2009. |
| Galena Park: | \$750,580.78, up 6.6 percent from 2009. |
| Jacinto City: | \$581,584.28, up 3.1 percent from 2009. |
| Jersey Village: | \$2.40 million, up 1.2 percent from 2009. |
| Hunters Creek Village: | \$271,978.08, down 5.2 percent from 2009. |
| Nassau Bay*: | \$679,854.28, down 6.5 percent from 2009. |
| Spring Valley Village: | \$807,981.43, up 2.0 percent from 2009. |
| Bunker Hill Village: | \$72,086.00, up 17.7 percent from 2009. |
| Taylor Lake Village: | \$51,516.47, up 16.2 percent from 2009. |

| | |
|-----------------------------|---|
| Piney Point Village: | \$125,031.28, up 26.0 percent from 2009. |
| El Lago: | \$135,168.06, up 4.4 percent from 2009. |
| Hedwig Village: | \$1.48 million, up 8.0 percent from 2009. |
| Southside Place: | \$293,163.92, down 0.3 percent from 2009. |
| Shoreacres*: | \$62,215.94, up 23.4 percent from 2009. |
| Hilshire Village: | \$32,733.90, down 16.1 percent from 2009. |
| Morgan's Point: | \$334,244.58, up 71.7 percent from 2009. |

*On 1/1/2009, the city of Nassau Bay's local sales tax rate increased by 0.00 from 1.750 percent to 1.750 percent.

*On 10/1/2009, the city of Shoreacres's local sales tax rate increased by 0.00 from 1.250 percent to 1.250 percent.

Property Tax

- As of January 2009, property values in Harris County: \$337.95 billion, up 1.3 percent from January 2008 values. The property tax base per person in Harris County is \$83,014, below the statewide average of \$85,809. About 0.1 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- Harris County's ranking in state expenditures by county in fiscal year 2010: 1st. State expenditures in the county for FY2010: \$14.82 billion, up 0.2 percent from FY2009.
- In Harris County, 50 state agencies provide a total of 46,388 jobs and \$690.59 million in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):
 - University of Texas (MD Anderson)
 - University of Houston
 - University of Texas Health Science Center
 - Department of Family and Protective Services

Higher Education

- Community colleges in Harris County fall 2010 enrollment:
 - Tomball College, a Public Community College (part of Lone Star College System), had 10,791 students.
 - South Campus (San Jacinto Community College), a Public Community College (part of San Jacinto Community College), had 10,497 students.
 - North Harris College, a Public Community College (part of Lone Star College System), had 15,213 students.
 - North Campus (San Jacinto Community College), a Public Community College (part of San Jacinto Community College), had 6,573 students.
 - Lee College, a Public Community College, had 6,719 students.
 - Kingwood College, a Public Community College (part of Lone Star College System), had 9,807 students.
 - Houston Community College, a Public Community College, had 49,717 students.
 - Cy-Fair College, a Public Community College (part of Lone Star College System), had 16,861 students.
 - Central Campus (San Jacinto Community College), a Public Community College (part of San Jacinto Community College), had 15,035 students.
- Harris County is in the service area of the following:
 - Houston Community College with a fall 2010 enrollment of 49,717 . Counties in the service area include:
 - Fort Bend County
 - Harris County
 - Waller County
 - Lee College with a fall 2010 enrollment of 6,719 . Counties in the service area include:
 - Chambers County
 - Hardin County
 - Harris County
 - Liberty County
 - Lone Star College System with a fall 2010 enrollment of 63,826 . Counties in the service area include:
 - Harris County
 - Liberty County
 - Montgomery County
 - San Jacinto County
 - Walker County
 - San Jacinto Community College with a fall 2010 enrollment of 32,105 . Counties in the service area include:
 - Chambers County
 - Harris County

■ Institutions of higher education in Harris County fall 2010 enrollment:

- University of St. Thomas, an Independent University, had 3,437 students.
- University of Houston-Downtown, a Public University (part of University of Houston System), had 12,900 students.
- University of Houston-Clear Lake, a Public University (part of University of Houston System), had 8,099 students.
- University of Houston, a Public University (part of University of Houston System), had 38,752 students.
- The University of Texas M.D. Anderson Cancer Center, a Public Health-Related Institution (part of The University of Texas System), had 248 students.
- The University of Texas Health Science Center at Houston, a Public Health-Related Institution (part of The University of Texas System), had 4,485 students.
- Texas Southern University, a Public University, had 9,557 students.
- Texas Chiropractic College, an Independent Senior College/University, had 292 students.
- South Texas College of Law, an Independent Senior College/University, had 1,295 students.
- Rice University, an Independent University, had 5,879 students.
- Houston Baptist University, an Independent University, had 2,597 students.
- Baylor College of Medicine, an Independent Health-Related Institution, had 1,485 students.

School Districts

■ Harris County had 20 school districts with 897 schools and 773,881 students in the 2009-10 school year.

(Statewide, the average teacher salary in school year 2009-10 was \$48,263. The percentage of students, statewide, meeting the 2010 TAKS passing standard for all 2009-10 TAKS tests was 77 percent.)

- Aldine ISD had 62,532 students in the 2009-10 school year. The average teacher salary was \$51,698. The percentage of students meeting the 2010 TAKS passing standard for all tests was 78 percent.
- Alief ISD had 45,410 students in the 2009-10 school year. The average teacher salary was \$51,983. The percentage of students meeting the 2010 TAKS passing standard for all tests was 72 percent.
- Channelview ISD had 8,628 students in the 2009-10 school year. The average teacher salary was \$51,435. The percentage of students meeting the 2010 TAKS passing standard for all tests was 72 percent.
- Crosby ISD had 4,997 students in the 2009-10 school year. The average teacher salary was \$47,973. The percentage of students meeting the 2010 TAKS passing standard for all tests was 74 percent.
- Cypress-Fairbanks ISD had 103,897 students in the 2009-10 school year. The average teacher salary was \$48,160. The percentage of students meeting the 2010 TAKS passing standard for all tests was 83 percent.
- Deer Park ISD had 12,436 students in the 2009-10 school year. The average teacher salary was \$54,620. The percentage of students meeting the 2010 TAKS passing standard for all tests was 86 percent.
- Galena Park ISD had 21,409 students in the 2009-10 school year. The average teacher salary was \$49,054. The percentage of students meeting the 2010 TAKS passing standard for all tests was 81 percent.
- Goose Creek ISD had 20,819 students in the 2009-10 school year. The average teacher salary was \$50,503. The percentage of students meeting the 2010 TAKS passing standard for all tests was 76 percent.
- Houston ISD had 200,944 students in the 2009-10 school year. The average teacher salary was \$52,535. The percentage of students meeting the 2010 TAKS passing standard for all tests was 72 percent.
- Huffman ISD had 3,150 students in the 2009-10 school year. The average teacher salary was \$46,579. The percentage of students meeting the 2010 TAKS passing standard for all tests was 80 percent.
- Humble ISD had 34,689 students in the 2009-10 school year. The average teacher salary was \$46,844. The percentage of students meeting the 2010 TAKS passing standard for all tests was 81 percent.
- Katy ISD had 58,444 students in the 2009-10 school year. The average teacher salary was \$50,374. The percentage of students meeting the 2010 TAKS passing standard for all tests was 88 percent.
- Klein ISD had 44,695 students in the 2009-10 school year. The average teacher salary was \$51,719. The percentage of students meeting the 2010 TAKS passing standard for all tests was 82 percent.
- La Porte ISD had 7,818 students in the 2009-10 school year. The average teacher salary was \$50,976. The percentage of students meeting the 2010 TAKS passing standard for all tests was 80 percent.
- North Forest ISD had 7,662 students in the 2009-10 school year. The average teacher salary was \$47,706. The percentage of students meeting the 2010 TAKS passing standard for all tests was 61 percent.
- Pasadena ISD had 51,923 students in the 2009-10 school year. The average teacher salary was \$48,436. The percentage of students meeting the 2010 TAKS passing standard for all tests was 72 percent.
- Sheldon ISD had 6,525 students in the 2009-10 school year. The average teacher salary was \$48,991. The percentage of students meeting the 2010 TAKS passing standard for all tests was 68 percent.
- Spring ISD had 35,276 students in the 2009-10 school year. The average teacher salary was \$48,690. The percentage of students meeting the 2010 TAKS passing standard for all tests was 69 percent.
- Spring Branch ISD had 32,415 students in the 2009-10 school year. The average teacher salary was \$50,971. The percentage of students meeting the 2010 TAKS passing standard for all tests was 78 percent.
- Tomball ISD had 10,212 students in the 2009-10 school year. The average teacher salary was \$51,337. The percentage of students meeting the 2010 TAKS passing standard for all tests was 85 percent.

Attachment E

Summary of Financial Impact

**SUMMARY OF FINANCIAL IMPACT OF THE PROPOSED
EXXONMOBIL PROJECT ON THE FINANCES OF THE GOOSE
CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
UNDER A REQUESTED CHAPTER 313 PROPERTY VALUE
LIMITATION**

February 4, 2013

Final Report

PREPARED BY



Estimated Impact of the Proposed ExxonMobil Project on the Finances of the Goose Creek Consolidated Independent School District under a Requested Chapter 313 Property Value Limitation

Introduction

ExxonMobil (ExxonMobil) has requested that the Goose Creek Consolidated Independent School District (GCCISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to GCCISD on January 9, 2013, ExxonMobil proposes to invest \$1.7 billion to construct new steam-cracking furnaces and recovery equipment for a manufacturing plant to be located in GCCISD.

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

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

The full taxable value of the project could be assessed for debt service taxes on voter-approved bond issues throughout the limitation period, with GCCISD currently levying a \$0.2921 I&S tax rate. The full value of the investment is expected to reach \$1.722 billion in the 2016-17 school year, which should provide significance assistance in meeting the District's debt service needs.

In the case of the ExxonMobil project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. GCCISD would experience a revenue loss as a result of the implementation of the value limitation in the 2016-17 school year (-\$494,225). Over the course of the limitation agreement, revenue losses are expected to total \$12 million.

Under the assumptions outlined below, the potential tax benefits under a Chapter 313 agreement could reach an estimated \$100.7 million over the course of the agreement. This amount is net of any anticipated revenue losses for the District.

School Finance Mechanics

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

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

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

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

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

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

If this is the case, no ASATR funding would be available in the out-years to offset the reduction in M&O tax revenue as a result of the implementation of the value limitation. In the estimates presented below, these estimates assume that GCCISD would receive \$12.4 million in ASATR funding for the 2016-17 school year, the last year these funds are expected under what is now legislative intent.

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

Underlying Assumptions

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

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

Student enrollment counts are held constant at 19,920 students in average daily attendance (ADA) in analyzing the effects of the ExxonMobil project on the finances of GCCISD. The District's local tax base reached \$8.5 billion for the 2012 tax year and is maintained for the forecast period in order to isolate the effects of the property value limitation. An M&O tax rate of \$1.04 is used throughout this analysis. GCCISD has estimated state property wealth per weighted ADA or WADA of approximately \$321,412 for the 2012-13 school year. The enrollment and property value assumptions for the 15 years that are the subject of this analysis are summarized in Table 1.

School Finance Impact

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

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

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

Under these assumptions, GCCISD would experience a revenue loss as a result of the implementation of the value limitation in the 2016-17 school year (-\$494,225). The revenue reduction results from the mechanics of the up to six cents beyond the compressed M&O tax rate equalized to the Austin yield or not subject to recapture, which reflect the one-year lag in value associated with the property value study. In addition, the 2016-17 school year revenue loss amount assumes substantial offset from ASATR funds.

Overall, the revenue losses are expected to total \$12 million over the course of the agreement. The most significant loss is in the 2019-20 school year, when the project value more than doubles and there is no formula offset under current law, resulting in a \$9.5 million revenue loss.

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

One risk factor under the estimates presented here relates to the implementation of the value limitation in the 2016-17 school year. The formula loss of \$494,225 cited above between the base and the limitation models is based on an assumption that ExxonMobil receives about \$7.3 million in M&O tax relief. Under the estimates presented here and as highlighted in Table 4, an increase in ASATR funding offsets nearly \$7 million of this amount, with some other state aid losses accounting for a small portion of the revenue-loss calculation.

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

The Comptroller’s state property value study influences these calculations, as noted previously. At the school-district level, a taxpayer benefiting from a property value limitation has two property values assigned by the local appraisal district for their property covered by the limitation: (1) a reduced value for M&O taxes, and (2) the full taxable value for I&S taxes. The Comptroller’s Property Tax Assistance Division makes two value determinations for school districts granting Chapter 313 agreements, consistent with local practice. A consolidated single state property value had been provided previously.

Impact on the Taxpayer

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

Under the assumptions used here, the potential tax savings from the value limitation total \$108.2 million over the life of the agreement. In addition, ExxonMobil would be eligible for a tax credit for M&O taxes paid on value in excess of the value limitation in each of the first two qualifying years. The credit amount is paid out slowly through years 4-10 due to statutory limits on the scale of these payments over these seven years, with catch-up payments permitted in years 11-13. The tax credits are expected to total approximately \$4.5 million over the life of the agreement, with no unpaid tax credits anticipated. The school district is to be reimbursed by the Texas Education Agency for the cost of these credits.

The key GCCISD revenue losses are expected to total approximately \$12 million over the course of the agreement. The potential total net tax benefits (inclusive of tax credits but after hold-harmless payments are made) are estimated to reach \$100.7 million over the life of the agreement. While legislative changes to ASATR funding could increase the hold-harmless amount owed in the initial year of the agreement, there would still be a substantial tax benefit to ExxonMobil under the value limitation agreement for the remaining years that the limitation is in effect.

Facilities Funding Impact

The ExxonMobil project remains fully taxable for debt services taxes, with GCCISD currently levying a \$0.2921 I&S rate. While the value of the ExxonMobil project is expected to depreciate over the life of the agreement and beyond, in its peak year it would add value equal to approximately 20 percent of the District's current tax base, which should help the District meet its debt service needs.

The ExxonMobil project is not expected to affect GCCISD in terms of enrollment. While 70 full-time employees are expected when the plant is in operation, this increase is not expected to have a significant impact on a district that currently enrolls approximately 20,000 students.

Conclusion

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

Under the assumptions outlined above, the potential tax savings for the applicant under a Chapter 313 agreement could reach an estimated \$100.7 million. (This amount is net of any anticipated revenue losses for the District.) The additional taxable value also enhances the tax base of GCCISD in meeting its future debt service obligations.

Table 1 – Base District Information with ExxonMobil Project Value and Limitation Values

| Year of Agreement | School Year | ADA | WADA | M&O Tax Rate | I&S Tax Rate | CAD Value with Project | CAD Value with Limitation | CPTD with Project | CPTD With Limitation | CPTD Value with Project per WADA | CPTD Value with Limitation per WADA |
|-------------------|-------------|-----------|-----------|--------------|--------------|------------------------|---------------------------|-------------------|----------------------|----------------------------------|-------------------------------------|
| Pre-Year 1 | 2013-14 | 19,920.49 | 26,231.72 | \$1.0400 | \$0.2921 | \$8,311,200,939 | \$8,311,200,939 | \$8,405,377,131 | \$8,405,377,131 | \$320,428 | \$320,428 |
| 1 | 2014-15 | 19,920.49 | 26,231.72 | \$1.0400 | \$0.2921 | \$8,561,093,887 | \$8,561,093,887 | \$8,478,952,039 | \$8,478,952,039 | \$323,233 | \$323,233 |
| 2 | 2015-16 | 19,920.49 | 26,621.38 | \$1.0400 | \$0.2921 | \$8,859,470,831 | \$8,859,470,831 | \$8,728,844,987 | \$8,728,844,987 | \$327,889 | \$327,889 |
| 3 | 2016-17 | 19,920.49 | 26,621.38 | \$1.0400 | \$0.2921 | \$9,027,141,031 | \$8,327,626,031 | \$9,027,221,931 | \$9,027,221,931 | \$339,097 | \$339,097 |
| 4 | 2017-18 | 19,920.49 | 26,621.38 | \$1.0400 | \$0.2921 | \$10,268,671,031 | \$9,382,261,031 | \$9,194,892,131 | \$8,495,377,131 | \$345,395 | \$319,119 |
| 5 | 2018-19 | 19,920.49 | 26,621.38 | \$1.0400 | \$0.2921 | \$11,338,461,031 | \$10,538,261,031 | \$10,436,422,131 | \$9,550,012,131 | \$392,032 | \$358,735 |
| 6 | 2019-20 | 19,920.49 | 26,621.38 | \$1.0400 | \$0.2921 | \$10,050,026,031 | \$8,357,626,031 | \$11,506,212,131 | \$10,706,012,131 | \$432,217 | \$402,158 |
| 7 | 2020-21 | 19,920.49 | 26,621.38 | \$1.0400 | \$0.2921 | \$10,011,026,031 | \$8,357,626,031 | \$10,217,777,131 | \$8,525,377,131 | \$383,818 | \$320,245 |
| 8 | 2021-22 | 19,920.49 | 26,621.38 | \$1.0400 | \$0.2921 | \$9,953,126,031 | \$8,357,626,031 | \$10,178,777,131 | \$8,525,377,131 | \$382,353 | \$320,245 |
| 9 | 2022-23 | 19,920.49 | 26,621.38 | \$1.0400 | \$0.2921 | \$9,915,126,031 | \$8,357,626,031 | \$10,120,877,131 | \$8,525,377,131 | \$380,179 | \$320,245 |
| 10 | 2023-24 | 19,920.49 | 26,621.38 | \$1.0400 | \$0.2921 | \$9,954,920,846 | \$8,435,520,846 | \$10,082,877,131 | \$8,525,377,131 | \$378,751 | \$320,245 |
| 11 | 2024-25 | 19,920.49 | 26,621.38 | \$1.0400 | \$0.2921 | \$9,954,808,569 | \$9,954,808,569 | \$10,122,671,946 | \$8,603,271,946 | \$380,246 | \$323,172 |
| 12 | 2025-26 | 19,920.49 | 26,621.38 | \$1.0400 | \$0.2921 | \$9,893,057,022 | \$9,893,057,022 | \$10,122,559,669 | \$10,122,559,669 | \$380,242 | \$380,242 |
| 13 | 2026-27 | 19,920.49 | 26,621.38 | \$1.0400 | \$0.2921 | \$9,850,117,325 | \$9,850,117,325 | \$10,060,808,122 | \$10,060,808,122 | \$377,922 | \$377,922 |
| 14 | 2027-28 | 19,920.49 | 26,621.38 | \$1.0400 | \$0.2921 | \$11,288,424,374 | \$11,288,424,374 | \$10,017,868,425 | \$10,017,868,425 | \$376,309 | \$376,309 |
| 15 | 2028-29 | 19,920.49 | 26,621.38 | \$1.0400 | \$0.2921 | \$11,165,375,565 | \$11,165,375,565 | \$11,456,175,474 | \$11,456,175,474 | \$430,337 | \$430,337 |

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

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

| Year of Agreement | School Year | M&O Taxes @ Compressed Rate | State Aid | Additional State Aid-Hold Harmless | Excess Formula Reduction | Recapture Costs | Additional Local M&O Collections | State Aid From Additional M&O Tax Collections | Recapture from the Additional Local Tax Effort | Total General Fund |
|-------------------|-------------|-----------------------------|--------------|------------------------------------|--------------------------|-----------------|----------------------------------|---|--|--------------------|
| Pre-Year 1 | 2013-14 | \$83,178,008 | \$51,143,255 | \$6,194,817 | \$0 | \$0 | \$3,322,795 | \$2,896,012 | \$0 | \$146,734,887 |
| 1 | 2014-15 | \$85,627,081 | \$50,407,469 | \$4,481,529 | \$0 | \$0 | \$3,420,631 | \$2,925,730 | \$0 | \$146,862,440 |
| 2 | 2015-16 | \$88,551,322 | \$49,864,908 | \$4,182,737 | \$0 | \$0 | \$3,537,448 | \$2,932,457 | \$0 | \$149,068,872 |
| 3 | 2016-17 | \$90,334,482 | \$46,880,989 | \$5,383,496 | \$0 | \$0 | \$3,608,682 | \$2,773,352 | \$0 | \$148,981,000 |
| 4 | 2017-18 | \$102,539,466 | \$45,204,203 | \$0 | \$0 | \$0 | \$4,096,247 | \$3,015,955 | \$0 | \$154,855,871 |
| 5 | 2018-19 | \$113,006,689 | \$32,788,282 | \$0 | \$0 | \$0 | \$4,514,391 | \$2,391,380 | \$0 | \$152,700,742 |
| 6 | 2019-20 | \$100,557,843 | \$22,089,848 | \$0 | \$0 | \$0 | \$4,017,085 | \$1,556,611 | \$0 | \$128,221,386 |
| 7 | 2020-21 | \$100,167,823 | \$34,974,842 | \$0 | \$0 | \$0 | \$4,001,504 | \$2,250,676 | \$0 | \$141,394,846 |
| 8 | 2021-22 | \$99,588,794 | \$35,364,861 | \$0 | \$0 | \$0 | \$3,978,373 | \$2,261,482 | \$0 | \$141,193,511 |
| 9 | 2022-23 | \$99,208,775 | \$35,943,890 | \$0 | \$0 | \$0 | \$3,963,192 | \$2,288,414 | \$0 | \$141,404,272 |
| 10 | 2023-24 | \$99,591,164 | \$36,323,909 | \$0 | \$0 | \$0 | \$3,978,468 | \$2,320,886 | \$0 | \$142,214,427 |
| 11 | 2024-25 | \$99,286,168 | \$35,925,941 | \$0 | \$0 | \$0 | \$3,966,284 | \$2,289,090 | \$0 | \$141,467,483 |
| 12 | 2025-26 | \$98,680,973 | \$35,927,064 | \$0 | \$0 | \$0 | \$3,942,108 | \$2,275,206 | \$0 | \$140,825,350 |
| 13 | 2026-27 | \$98,260,143 | \$36,544,610 | \$0 | \$0 | \$0 | \$3,925,296 | \$2,303,501 | \$0 | \$141,033,550 |
| 14 | 2027-28 | \$112,356,257 | \$36,974,029 | \$0 | \$0 | \$0 | \$4,488,408 | \$2,664,483 | \$0 | \$156,483,177 |
| 15 | 2028-29 | \$111,150,318 | \$22,590,239 | \$0 | \$0 | \$0 | \$4,440,233 | \$1,747,488 | \$0 | \$139,928,278 |

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

| Year of Agreement | School Year | M&O Taxes @ Compressed Rate | State Aid | Additional State Aid-Hold Harmless | Excess Formula Reduction | Recapture Costs | Additional Local M&O Collections | State Aid From Additional M&O Tax Collections | Recapture from the Additional Local Tax Effort | Total General Fund |
|-------------------|-------------|-----------------------------|--------------|------------------------------------|--------------------------|-----------------|----------------------------------|---|--|--------------------|
| Pre-Year 1 | 2013-14 | \$83,178,008 | \$51,143,255 | \$6,194,817 | \$0 | \$0 | \$3,322,795 | \$2,896,012 | \$0 | \$146,734,887 |
| 1 | 2014-15 | \$85,627,081 | \$50,407,469 | \$4,481,529 | \$0 | \$0 | \$3,420,631 | \$2,925,730 | \$0 | \$146,862,440 |
| 2 | 2015-16 | \$88,551,322 | \$49,864,908 | \$4,182,737 | \$0 | \$0 | \$3,537,448 | \$2,932,457 | \$0 | \$149,068,872 |
| 3 | 2016-17 | \$83,338,982 | \$46,880,989 | \$12,378,995 | \$0 | \$0 | \$3,329,226 | \$2,558,584 | \$0 | \$148,486,776 |
| 4 | 2017-18 | \$93,674,922 | \$52,199,703 | \$0 | \$0 | \$0 | \$3,742,126 | \$3,290,222 | \$0 | \$152,906,973 |
| 5 | 2018-19 | \$105,004,288 | \$41,652,826 | \$0 | \$0 | \$0 | \$4,194,712 | \$2,817,626 | \$0 | \$153,669,451 |
| 6 | 2019-20 | \$83,632,997 | \$30,092,248 | \$0 | \$0 | \$0 | \$3,340,971 | \$1,641,096 | \$0 | \$118,707,312 |
| 7 | 2020-21 | \$83,632,997 | \$51,899,688 | \$0 | \$0 | \$0 | \$3,340,971 | \$2,915,418 | \$0 | \$141,789,074 |
| 8 | 2021-22 | \$83,632,997 | \$51,899,688 | \$0 | \$0 | \$0 | \$3,340,971 | \$2,915,418 | \$0 | \$141,789,074 |
| 9 | 2022-23 | \$83,632,997 | \$51,899,688 | \$0 | \$0 | \$0 | \$3,340,971 | \$2,915,418 | \$0 | \$141,789,074 |
| 10 | 2023-24 | \$84,396,404 | \$51,899,688 | \$0 | \$0 | \$0 | \$3,371,468 | \$2,942,030 | \$0 | \$142,609,590 |
| 11 | 2024-25 | \$99,286,168 | \$51,120,701 | \$0 | \$0 | \$0 | \$3,966,284 | \$3,393,834 | \$0 | \$157,766,987 |
| 12 | 2025-26 | \$98,680,973 | \$35,927,064 | \$0 | \$0 | \$0 | \$3,942,108 | \$2,275,206 | \$0 | \$140,825,350 |
| 13 | 2026-27 | \$98,260,143 | \$36,544,610 | \$0 | \$0 | \$0 | \$3,925,296 | \$2,303,501 | \$0 | \$141,033,550 |
| 14 | 2027-28 | \$112,356,257 | \$36,974,029 | \$0 | \$0 | \$0 | \$4,488,408 | \$2,664,483 | \$0 | \$156,483,177 |
| 15 | 2028-29 | \$111,150,318 | \$22,590,239 | \$0 | \$0 | \$0 | \$4,440,233 | \$1,747,488 | \$0 | \$139,928,278 |

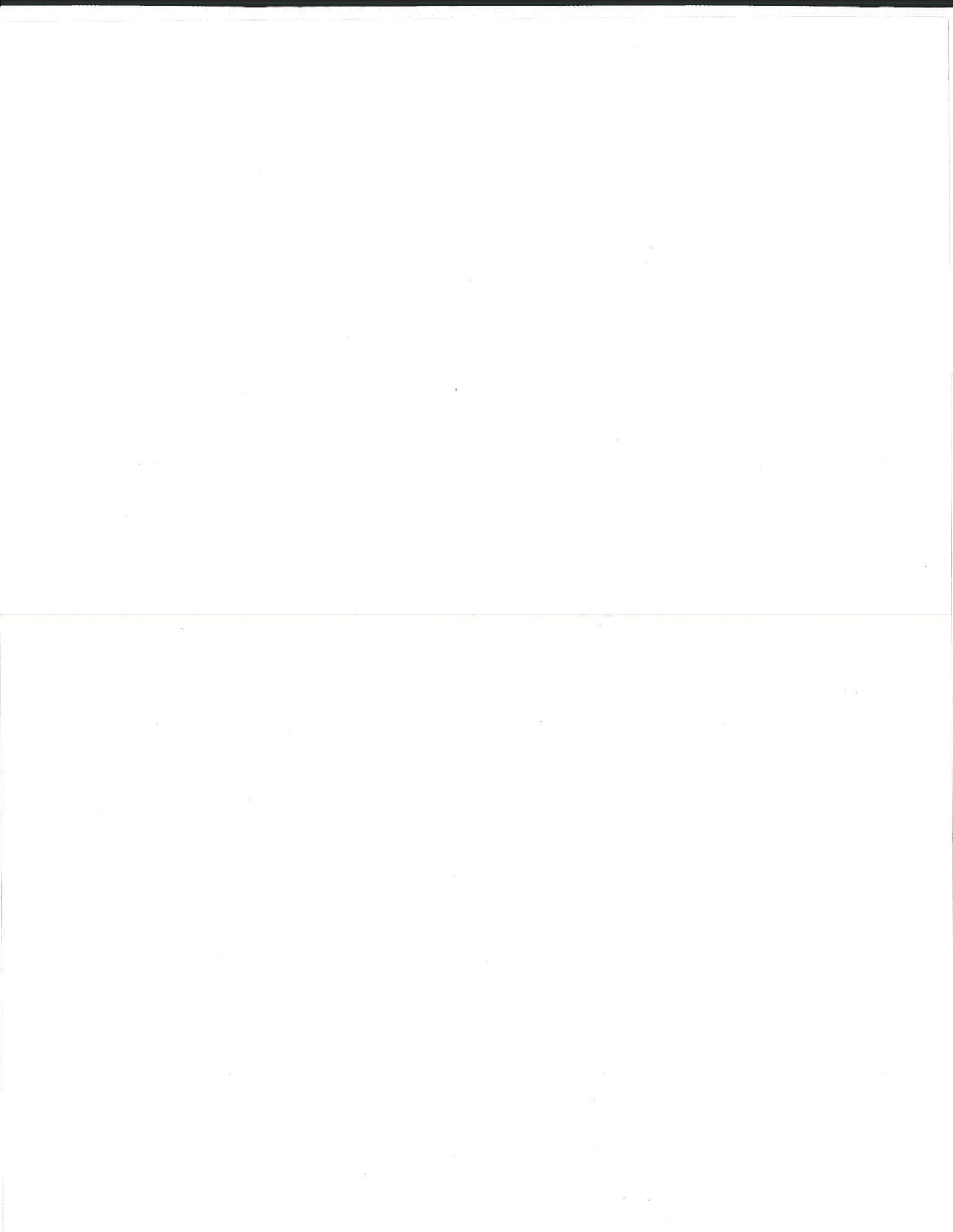
Table 4 – Value Limit less Project Value with No Limit

| Year of Agreement | School Year | M&O Taxes @ Compressed Rate | State Aid | Additional State Aid-Hold Harmless | Excess Formula Reduction | Recapture Costs | Additional Local M&O Collections | State Aid From Additional M&O Tax Collections | Recapture from the Additional Local Tax Effort | Total General Fund |
|-------------------|-------------|-----------------------------|--------------|------------------------------------|--------------------------|-----------------|----------------------------------|---|--|--------------------|
| Pre-Year 1 | 2013-14 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1 | 2014-15 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2 | 2015-16 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 3 | 2016-17 | -\$6,995,500 | \$0 | \$6,995,500 | \$0 | \$0 | -\$279,456 | -\$214,768 | \$0 | -\$494,225 |
| 4 | 2017-18 | -\$8,864,544 | \$6,995,500 | \$0 | \$0 | \$0 | -\$354,121 | \$274,267 | \$0 | -\$1,948,898 |
| 5 | 2018-19 | -\$8,002,400 | \$8,864,544 | \$0 | \$0 | \$0 | -\$319,680 | \$426,246 | \$0 | \$968,709 |
| 6 | 2019-20 | -\$16,924,846 | \$8,002,400 | \$0 | \$0 | \$0 | -\$676,114 | \$84,486 | \$0 | -\$9,514,074 |
| 7 | 2020-21 | -\$16,534,827 | \$16,924,846 | \$0 | \$0 | \$0 | -\$660,533 | \$664,742 | \$0 | \$394,228 |
| 8 | 2021-22 | -\$15,955,798 | \$16,534,827 | \$0 | \$0 | \$0 | -\$637,402 | \$653,935 | \$0 | \$595,562 |
| 9 | 2022-23 | -\$15,575,779 | \$15,955,798 | \$0 | \$0 | \$0 | -\$622,221 | \$627,004 | \$0 | \$384,802 |
| 10 | 2023-24 | -\$15,194,760 | \$15,575,779 | \$0 | \$0 | \$0 | -\$607,000 | \$621,144 | \$0 | \$395,163 |
| 11 | 2024-25 | \$0 | \$15,194,760 | \$0 | \$0 | \$0 | \$0 | \$1,104,744 | \$0 | \$16,299,504 |
| 12 | 2025-26 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 13 | 2026-27 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 14 | 2027-28 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 15 | 2028-29 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Table 5 - Estimated Financial impact of the ExxonMobil Project Property Value Limitation Request Submitted to GCCISD at \$1.04 M&O Tax Rate

| Year of Agreement | School Year | Project Value | Estimated Taxable Value | Value Savings | Assumed M&O Tax Rate | Taxes Before Value Limit | Taxes after Value Limit | Tax Savings @ Projected M&O Rate | Tax Credits for First Two Years Above Limit | Tax Benefit to Company Before Revenue Protection | School District Revenue Losses | Estimated Net Tax Benefits |
|--|-------------|-----------------|-------------------------|-----------------|----------------------|--------------------------|-------------------------|----------------------------------|---|--|--------------------------------|----------------------------|
| Pre-Year 1 | 2013-14 | \$0 | \$0 | \$0 | \$1.040 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1 | 2014-15 | \$38,500,000 | \$38,500,000 | \$0 | \$1.040 | \$400,400 | \$400,400 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2 | 2015-16 | \$450,310,000 | \$450,310,000 | \$0 | \$1.040 | \$4,683,224 | \$4,683,224 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 3 | 2016-17 | \$729,515,000 | \$30,000,000 | \$699,515,000 | \$1.040 | \$7,586,956 | \$312,000 | \$7,274,956 | \$0 | \$7,274,956 | -\$494,225 | \$6,780,731 |
| 4 | 2017-18 | \$916,410,000 | \$30,000,000 | \$886,410,000 | \$1.040 | \$9,530,664 | \$312,000 | \$9,218,664 | \$637,089 | \$9,855,753 | -\$1,948,898 | \$7,906,855 |
| 5 | 2018-19 | \$830,200,000 | \$30,000,000 | \$800,200,000 | \$1.040 | \$8,634,080 | \$312,000 | \$8,322,080 | \$637,089 | \$8,959,169 | \$0 | \$8,959,169 |
| 6 | 2019-20 | \$1,722,400,000 | \$30,000,000 | \$1,692,400,000 | \$1.040 | \$17,912,960 | \$312,000 | \$17,600,960 | \$637,089 | \$18,238,049 | -\$9,514,074 | \$8,723,975 |
| 7 | 2020-21 | \$1,683,400,000 | \$30,000,000 | \$1,653,400,000 | \$1.040 | \$17,507,360 | \$312,000 | \$17,195,360 | \$637,089 | \$17,832,449 | \$0 | \$17,832,449 |
| 8 | 2021-22 | \$1,625,500,000 | \$30,000,000 | \$1,595,500,000 | \$1.040 | \$16,905,200 | \$312,000 | \$16,593,200 | \$637,089 | \$17,230,289 | \$0 | \$17,230,289 |
| 9 | 2022-23 | \$1,587,500,000 | \$30,000,000 | \$1,557,500,000 | \$1.040 | \$16,510,000 | \$312,000 | \$16,198,000 | \$637,089 | \$16,835,089 | \$0 | \$16,835,089 |
| 10 | 2023-24 | \$1,549,400,000 | \$30,000,000 | \$1,519,400,000 | \$1.040 | \$16,113,760 | \$312,000 | \$15,801,760 | \$637,089 | \$16,438,849 | \$0 | \$16,438,849 |
| 11 | 2024-25 | \$1,491,500,000 | \$1,491,500,000 | \$0 | \$1.040 | \$15,511,600 | \$15,511,600 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 12 | 2025-26 | \$1,434,600,000 | \$1,434,600,000 | \$0 | \$1.040 | \$14,919,840 | \$14,919,840 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 13 | 2026-27 | \$1,396,500,000 | \$1,396,500,000 | \$0 | \$1.040 | \$14,523,600 | \$14,523,600 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 14 | 2027-28 | \$1,338,500,000 | \$1,338,500,000 | \$0 | \$1.040 | \$13,920,400 | \$13,920,400 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 15 | 2028-29 | \$1,281,300,000 | \$1,281,300,000 | \$0 | \$1.040 | \$13,325,520 | \$13,325,520 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Totals | | | | | | \$187,985,564 | \$79,780,584 | \$108,204,980 | \$4,459,624 | \$112,664,604 | -\$11,957,197 | \$100,707,407 |
| Tax Credit for Value Over Limit in First 2 Years | | | | | | | | | Year 1 | Year 2 | Max Credits | |
| | | | | | | | | | \$88,400 | \$4,371,224 | \$4,459,624 | |
| | | | | | | | | | Credits Earned | | \$4,459,624 | |
| | | | | | | | | | Credits Paid | | <u>\$4,459,624</u> | |
| | | | | | | | | | Excess Credits Unpaid | | \$0 | |

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



Attachment F

Taxable Value of Property



Window on State Government

Susan Combs Texas Comptroller of Public Accounts

2012 ISD Summary Worksheet

036/Chambers

101-911/Goose Creek CISD

| Category | Local Tax Roll Value | 2012 WTD Mean Ratio | 2012 PTAD Value Estimate | 2012 Value Assigned |
|-----------------------------|----------------------|---------------------|--------------------------|---------------------|
| A. Single-Family Residences | 275,016,470 | N/A | 275,016,470 | 275,016,470 |
| B. Multi-Family Residences | 377,730 | N/A | 377,730 | 377,730 |
| C. Vacant Lots | 5,455,620 | N/A | 5,455,620 | 5,455,620 |
| D. Rural Real(Taxable) | 15,185,370 | N/A | 15,185,370 | 15,185,370 |
| F1. Commercial Real | 10,948,040 | N/A | 10,948,040 | 10,948,040 |
| F2. Industrial Real | 1,889,398,664 | N/A | 1,889,398,664 | 1,889,398,664 |
| G. Oil, Gas, Minerals | 17,591,211 | N/A | 17,591,211 | 17,591,211 |
| J. Utilities | 36,032,284 | N/A | 36,032,284 | 36,032,284 |
| L1. Commercial Personal | 4,368,570 | N/A | 4,368,570 | 4,368,570 |
| L2. Industrial Personal | 700,476,845 | N/A | 700,476,845 | 700,476,845 |
| M. Other Personal | 1,202,850 | N/A | 1,202,850 | 1,202,850 |
| N. Intangible Pers/Uncert | 0 | N/A | 0 | 0 |
| O. Residential Inventory | 1,540,150 | N/A | 1,540,150 | 1,540,150 |

| | | | | |
|-----------------------|---------------|-----|---------------|---------------------|
| S. Special Inventory | 788,770 | N/A | 788,770 | 788,770 |
| Subtotal | 2,958,382,574 | | 2,958,382,574 | 2,958,382,574 |
| Less Total Deductions | 236,827,294 | | 236,827,294 | 236,827,294 |
| Total Taxable Value | 2,721,555,280 | | 2,721,555,280 | 2,721,555,280 T2 |

| Category D Detail | Local Tax Roll | Ratio | PTAD Value |
|---|----------------|-------|------------|
| Market Value Non-Qualified Acres And Farm/Ranch Imp | 14,778,490 | N/A | 14,778,490 |
| Prod Value Qualified Acres | 406,880 | N/A | 406,880 |
| Taxable Value | 15,185,370 | | 15,185,370 |

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 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 2,740,091,080 | 2,721,555,280 | 2,728,763,890 | 2,710,228,090 | 2,721,555,280 | 2,710,228,090 |

| Loss To the Additional \$10,000 Homestead Exemption | 50% of the loss to the Local Optional Percentage Homestead Exemption |
|---|--|
| 18,535,800 | 11,327,190 |

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 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 2,740,091,080 | 2,721,555,280 | 2,728,763,890 | 2,710,228,090 | 2,721,555,280 | 2,710,228,090 |

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

101/Harris

101-911/Goose Creek CISD

| Category | Local Tax Roll Value | 2012 WTD Mean Ratio | 2012 PTAD Value Estimate | 2012 Value Assigned |
|-----------------------------|----------------------|---------------------|--------------------------|---------------------|
| A. Single-Family Residences | 2,145,529,800 | N/A | 2,145,529,800 | 2,145,529,800 |
| B. Multi-Family | | | | |

| | | | | |
|---------------------------|---------------|-----|---------------|---------------------|
| Residences | 217,599,519 | N/A | 217,599,519 | 217,599,519 |
| C. Vacant Lots | 105,735,895 | N/A | 105,735,895 | 105,735,895 |
| D. Rural Real(Taxable) | 38,216,094 | N/A | 38,216,094 | 38,216,094 |
| F1. Commercial Real | 664,310,432 | N/A | 664,310,432 | 664,310,432 |
| F2. Industrial Real | 2,842,295,436 | N/A | 2,842,295,436 | 2,842,295,436 |
| G. Oil, Gas, Minerals | 71,009,120 | N/A | 71,009,120 | 71,009,120 |
| J. Utilities | 143,582,305 | N/A | 143,582,305 | 143,582,305 |
| L1. Commercial Personal | 269,018,421 | N/A | 269,018,421 | 269,018,421 |
| L2. Industrial Personal | 402,256,647 | N/A | 402,256,647 | 402,256,647 |
| M. Other Personal | 28,897,499 | N/A | 28,897,499 | 28,897,499 |
| N. Intangible Pers/Uncert | 0 | N/A | 0 | 0 |
| O. Residential Inventory | 3,842,788 | N/A | 3,842,788 | 3,842,788 |
| S. Special Inventory | 28,467,584 | N/A | 28,467,584 | 28,467,584 |
| Subtotal | 6,960,761,540 | | 6,960,761,540 | 6,960,761,540 |
| Less Total Deductions | 942,507,382 | | 942,507,382 | 942,507,382 |
| Total Taxable Value | 6,018,254,158 | | 6,018,254,158 | 6,018,254,158 T2 |

| Category D Detail | Local Tax Roll | Ratio | PTAD Value |
|---|----------------|-------|------------|
| Market Value Non-Qualified Acres And Farm/Ranch Imp | 37,093,138 | N/A | 37,093,138 |
| Prod Value Qualified Acres | 1,122,956 | N/A | 1,122,956 |
| Taxable Value | 38,216,094 | | 38,216,094 |

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 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 6,191,924,362 | 6,018,254,158 | 6,107,707,568 | 5,934,037,364 | 6,044,520,739 | 5,960,303,945 |

| Loss To the Additional \$10,000 Homestead Exemption | 50% of the loss to the Local Optional Percentage Homestead Exemption |
|---|--|
| 173,670,204 | 84,216,794 |

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 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 6,191,924,362 | 6,018,254,158 | 6,107,707,568 | 5,934,037,364 | 6,044,520,739 | 5,960,303,945 |

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

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

101-911/Goose Creek CISD

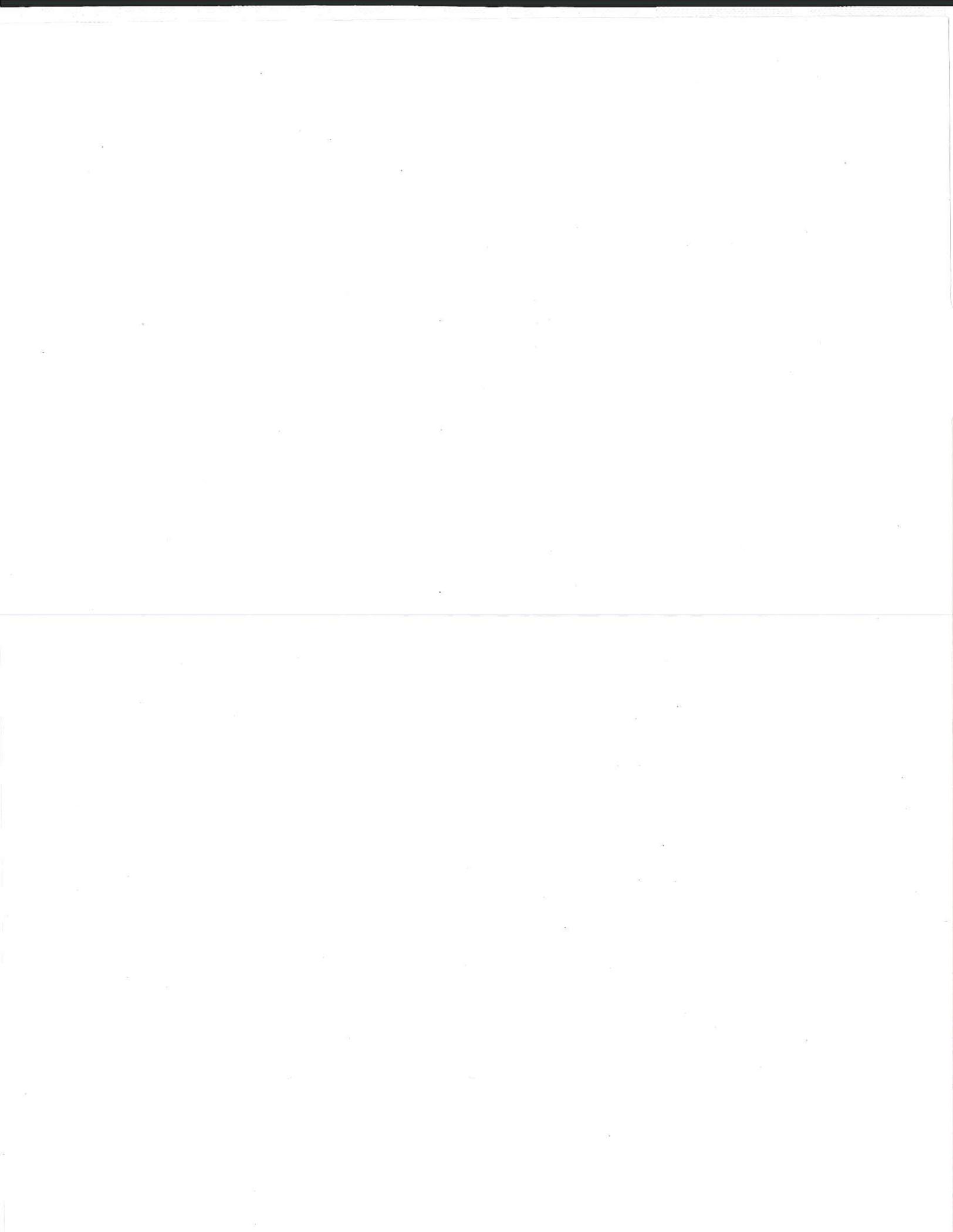
| Category | Local Tax Roll Value | 2012 WTD Mean Ratio | 2012 PTAD Value Estimate | 2012 Value Assigned |
|-----------------------------|----------------------|---------------------|--------------------------|---------------------|
| A. Single-Family Residences | 2,420,546,270 | N/A | 2,420,546,270 | 2,420,546,270 |
| B. Multi-Family Residences | 217,977,249 | N/A | 217,977,249 | 217,977,249 |
| C. Vacant Lots | 111,191,515 | N/A | 111,191,515 | 111,191,515 |
| D. Rural Real(Taxable) | 53,401,464 | N/A | 53,401,464 | 53,401,464 |
| F1. Commercial Real | 675,258,472 | N/A | 675,258,472 | 675,258,472 |
| F2. Industrial Real | 4,731,694,100 | N/A | 4,731,694,100 | 4,731,694,100 |
| G. Oil, Gas, Minerals | 88,600,331 | N/A | 88,600,331 | 88,600,331 |
| J. Utilities | 179,614,589 | N/A | 179,614,589 | 179,614,589 |
| L1. Commercial Personal | 273,386,991 | N/A | 273,386,991 | 273,386,991 |
| L2. Industrial Personal | 1,102,733,492 | N/A | 1,102,733,492 | 1,102,733,492 |
| M. Other Personal | 30,100,349 | N/A | 30,100,349 | 30,100,349 |
| | | | | |

| | | | | |
|------------------------------|---------------|-----|---------------|---------------------|
| N. Intangible Pers/Uncert | 0 | N/A | 0 | 0 |
| O. Residential Inventory | 5,382,938 | N/A | 5,382,938 | 5,382,938 |
| S. Special Inventory | 29,256,354 | N/A | 29,256,354 | 29,256,354 |
| Subtotal | 9,919,144,114 | | 9,919,144,114 | 9,919,144,114 |
| Less Total Deductions | 1,179,334,676 | | 1,179,334,676 | 1,179,334,676 |
| Total Taxable Value | 8,739,809,438 | | 8,739,809,438 | 8,739,809,438 T2 |

| Category D Detail | Local Tax Roll | Ratio | PTAD Value |
|--|-------------------|-------|---------------|
| Market Value Non-Qualified Acres And Farm/Ranch Imp | 51,871,628 | N/A | 51,871,628 |
| Prod Value Qualified Acres | 1,529,836 | N/A | 1,529,836 |
| Taxable Value | 53,401,464 | | 53,401,464 |

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

See the ISD DEDUCTION Report for a breakdown of deduction values



Attachment G

Participation Agreement

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

by and between

GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

and

EXXON MOBIL CORPORATION

(Texas Taxpayer ID # 11354090059)

COMPTROLLER APPLICATION NUMBER 265

Dated

September 23, 2013

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

STATE OF TEXAS §

COUNTY OF HARRIS §

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 **GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as the "District," a lawfully created independent school district within the State of Texas operating under and subject to the Texas Education Code, and **EXXON MOBIL CORPORATION**, a New Jersey Corporation (Texas Taxpayer Identification Number 11354090059), hereinafter referred to as the "Applicant." The Applicant and the District are each hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties." Certain capitalized and other terms used in this Agreement shall have the meanings ascribed to them in Section 1.3.

RECITALS

WHEREAS, on September 17, 2012, the Superintendent of Schools of the Goose Creek Consolidated Independent School District, acting as agent of the Board of Trustees of the District (the "Board of Trustees"), received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code; and,

WHEREAS, on September 24, 2012, the Board of Trustees authorized the Superintendent to accept, on behalf of the District, the Application from Exxon Mobil Corporation, and on September 25, 2012, the Superintendent acknowledged receipt of the Application and the requisite application fee as established pursuant to Texas Tax Code §313.025(a)(1) and Local District Policy CCG (Local), and determined the Application to be complete; and,

WHEREAS, the Comptroller via letter in Comptroller's Application File Number 248 has established October 10, 2012 as the completed Application date; and,

WHEREAS, on January 15, 2013, the Superintendent of Schools of the Goose Creek Consolidated Independent School District, acting as agent of the Board of Trustees of the District (the "Board of Trustees"), received from the Applicant an Amended Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, and on January 15, 2013 determined the Amended Application to be complete; and,

WHEREAS, the Amended Application was delivered to the office of the Texas Comptroller of Public Accounts (hereinafter referred to as the "Comptroller") for review

pursuant to Texas Tax Code §313.025(d) where it was assigned a new Comptroller's Application File Number 265; and,

WHEREAS, the Comptroller via letter has established February 22, 2013 as the completed Application date for Comptroller's Application File Number 265; and,

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

WHEREAS, the Comptroller reviewed the Application pursuant to Texas Tax Code §313.025(d), and on May 17, 2013, the Comptroller's Office, via letter, recommended that the Application be approved; and,

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

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

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

WHEREAS, on September 23, 2013, the Board of Trustees made factual findings pursuant to Texas Tax Code §313.025(f), including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) this Agreement is in the best interest of the District and the State of Texas; (iii) the Applicant is eligible for the Limitation on Appraised Value of the Applicant's Qualified Property; and, (iv) each criterion listed in Texas Tax Code §313.025(e) has been met; and,

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

WHEREAS, the District received written notification, pursuant to 34 Texas Administrative Code §9.1055(e)(2)(A), that the Comptroller reviewed this Agreement, and reaffirmed the recommendation previously made on May 17, 2013 that the Application be approved; and,

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

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

ARTICLE I

AUTHORITY, TERM, DEFINITIONS, AND GENERAL PROVISIONS

Section 1.1. AUTHORITY

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

Section 1.2. TERM OF THE AGREEMENT

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

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

Unless sooner terminated as provided herein, the limitation on the local ad valorem property values shall terminate on December 31, 2023. Except as otherwise provided herein, this Agreement will terminate, in full, on the Final Termination Date. The termination of this Agreement shall not (i) release any obligations, liabilities, rights and remedies arising out of any breach of, or failure to comply with, this Agreement occurring prior to such termination, or (ii) affect the right of a Party to enforce the payment of any amount to which such Party was entitled before such termination or to which such Party became entitled as a result of an event that occurred before such termination, so long as the right to such payment survives said termination.

Except as otherwise provided herein, the Tax Years for which this Agreement is effective are as set forth below and set forth opposite each such Tax Year are the corresponding year in the

term of this Agreement, the date of the Appraised Value determination for such Tax Year, and a summary description of certain provisions of this Agreement corresponding to such Tax Year (it being understood and agreed that such summary descriptions are for reference purposes only, and shall not affect in any way the meaning or interpretation of this Agreement):

| Full Tax Year of Agreement | Date of Appraisal | School Year | Tax Year | Summary Description of Provisions |
|---|--------------------------|--------------------|-----------------|---|
| Partial Year Commencing on date of Board approval (9/23/13) | January 1, 2013 | 2013-14 | 2013 | Start of Qualifying Time Period beginning with Commencement Date (9/23/13). No limitation on value. First year for computation of Annual Limit. |
| 1 | January 1, 2014 | 2014-15 | 2014 | Qualifying Time Period. No limitation on value. Possible Tax Credit in future years. |
| 2 | January 1, 2015 | 2015-16 | 2015 | Qualifying Time Period. No limitation on value. Possible Tax Credit in future years. |
| 3 | January 1, 2016 | 2016-17 | 2016 | \$ 30 million property value limitation. |
| 4 | January 1, 2017 | 2017-18 | 2017 | \$ 30 million property value limitation. Possible Tax Credit due to Applicant. |
| 5 | January 1, 2018 | 2018-19 | 2018 | \$ 30 million property value limitation. Possible Tax Credit due to Applicant. |
| 6 | January 1, 2019 | 2019-20 | 2019 | \$ 30 million property value limitation. Possible Tax Credit due to Applicant. |
| 7 | January 1, 2020 | 2020-21 | 2020 | \$30 million property value limitation. Possible Tax Credit due to Applicant. |
| 8 | January 1, 2021 | 2021-22 | 2021 | \$ 30 million property value limitation. Possible Tax Credit due to Applicant. |

| Full Tax Year of Agreement | Date of Appraisal | School Year | Tax Year | Summary Description of Provisions |
|----------------------------|-------------------|-------------|----------|---|
| 9 | January 1, 2022 | 2022-23 | 2022 | \$30 million property value limitation. Possible Tax Credit due to Applicant. |
| 10 | January 1, 2023 | 2023-24 | 2023 | \$30 million property value limitation. Possible Tax Credit due to Applicant. |
| 11 | January 1, 2024 | 2024-25 | 2024 | No tax limitation. Possible Tax Credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination. |
| 12 | January 1, 2025 | 2025-26 | 2025 | No tax limitation. Possible Tax Credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination. |
| 13 | January 1, 2026 | 2026-27 | 2026 | No tax limitation. Possible Tax Credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination. |

Section 1.3. DEFINITIONS

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

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

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

management or operations of such person or entity, directly or indirectly, whether through the ownership (directly or indirectly) of securities, by contract or otherwise.

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

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

"Agreement" means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented from time to time in accordance with Section 8.3.

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

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

"Applicant" means Exxon Mobil Corporation, *Texas Taxpayer Identification Number 11354090059*, the company listed in the Preamble of this Agreement who, on September 17, 2012, filed the Original Application with the District for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, and on January 15, 2013 submitted an Amended Application. The term "Applicant" shall also include the Applicants' assigns and successors-in-interest and their direct and indirect subsidiaries

"Application" means the Amended Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C, of the Texas Tax Code) filed with the District by the Applicant on January 15, 2013 which has been certified by the Comptroller's

office to collectively constitute a complete final Application as of the date of February 22, 2013. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by Applicant for the purpose of obtaining this Agreement with the District. The term also includes all amendments and supplements thereto submitted by Applicant.

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

"Appraisal District" means the Harris County Appraisal District.

"Board of Trustees" means the Board of Trustees of the Goose Creek Consolidated Independent School District.

"Commencement Date" means September 23, 2013, the date upon which this Agreement was approved by the District's Board of Trustees.

"Completed Application Date" means February 22, 2013, the date upon which the Comptroller determined to be the date of its receipt of a completed Application for Appraised Value Limitation on Qualified Property (Tax Code, Chapter 313, Subchapter B or C), Comptroller Form 50-296, from the Applicant.

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

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

"County" means Harris County, Texas.

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

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

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

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

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

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

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

"Maintenance and Operations Revenue" or *"M&O Revenue"* means (i) those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Texas Education Code §45.002 and Article VII §3 of the Texas Constitution, plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 of the Texas Education Code or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other

agreements similar to this Agreement to the extent that such payments are designed to replace District M&O Revenue lost as a result of such similar agreements, less (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the Texas Education Code.

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

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

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

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

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

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

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

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

"State" means the State of Texas.

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

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

"Tax Limitation Amount" means the maximum amount which may be placed as the Appraised Value on Qualified Property/Qualified Investment for years three (3) through ten (10) of this Agreement pursuant to Texas Tax Code §313.054. That is, for each of the eight (8) Tax Years 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023, the Appraised Value of the Applicant's Qualified Investment for the District's maintenance and operations ad valorem tax purposes shall not exceed, and the Tax Limitation Amount shall be, the lesser of:

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

The Tax Limitation Amount 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 Tax Code, §313.022(b) or §313.052, as applicable.

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

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

"Texas Education Agency Rules" means the applicable rules and regulations adopted by the Texas Commissioner of Education in relation to the administration of Chapter 313, Texas Tax Code, which are set forth at Title 19 – Part 2, Texas Administrative Code (including, but not limited to, §61.1019), together with any court or administrative decisions interpreting same.

ARTICLE II

PROPERTY DESCRIPTION

Section 2.1. LOCATION WITHIN A QUALIFIED REINVESTMENT OR ENTERPRISE ZONE

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

Section 2.2. LOCATION OF QUALIFIED PROPERTY

The location of the Applicant's Qualified Property upon which the Applicant's Qualified Investment will be located is described in the legal description which is attached to this Agreement as **EXHIBIT 2** and is incorporated herein by reference for all purposes. The Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in **EXHIBIT 2** without the express authorization of each of the Parties.

Section 2.3. DESCRIPTION OF QUALIFIED INVESTMENT AND QUALIFIED PROPERTY

The Qualified Investment and/or Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 3**, which is attached hereto and incorporated herein by reference for all purposes (the "Applicant's Qualified Investment"). The Applicant's Qualified Investment shall be that property, described in **EXHIBIT 3** which is placed in service under the terms of the Application, during the Qualifying Time Period described in both Section 1.2, above and the definition of Qualifying Time Period set forth in Section 1.3, above. The Applicant's Qualified Property shall be all property, described in **EXHIBIT 3**, including, but not limited to Applicant's Qualified Investment, together with the land described in **EXHIBIT 2** which: 1) is owned by Applicant; 2) was first placed in service after February 22, 2013, the completed Application date established by the Comptroller; and 3) is used in connection with the activities described in the Application. Property which is not specifically described in **EXHIBIT 3** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Investment or the Applicant's Qualified Property for purposes of this Agreement, unless pursuant to Texas Tax Code §313.027(e) and Section 8.3 of this Agreement, the Board of Trustees, by official action, provides that such other property is a part of the Applicant's Qualified Investment for purposes of this Agreement.

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

- (a) submits to the District and the Comptroller a written request to add such property to this Agreement, which request shall include a specific description of the

additional property to which the Applicant requests that the Tax Limitation Amount apply;

- (b) notifies the District and the Comptroller of any other changes to the information that was provided in the Application approved by the District; and,
- (c) provides any additional information reasonably requested by the District or the Comptroller that is necessary to re-evaluate the economic impact analysis for the new or changed conditions.

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

At the end of the Qualifying Time Period, or at any other time when there is a material change in the Applicant's Qualified Property located on the land described in **EXHIBIT 2**; upon a reasonable request by the District, the Comptroller, or the Appraisal District, Applicant shall provide to the District, the Comptroller, and the Appraisal District a specific and detailed description of the tangible personal property, buildings, or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Applicant's Qualified Property to which the Tax Limitation Amount applies including maps or surveys of sufficient detail and description to locate all such described property within the boundaries of the real property which is subject to this Agreement.

Section 2.5. QUALIFYING USE

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

Section 2.6. LIMITATION ON APPRAISED VALUE

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

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

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

ARTICLE III

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 3.1. INTENT OF THE PARTIES

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

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

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

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

Where:

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

In making the calculations required by this Section 3.2:

- i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.
- ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property and/or the Applicant's Qualified Investment will be presumed to be one hundred percent (100%)
- iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue as calculated under this Section 3.2 results in a negative number, the negative number will be considered to be zero.
- iv. All calculations made for years three (3) through ten (10) of this Agreement under Section 3.2, Subsection *ii* of this Agreement will reflect the Tax Limitation Amount for such year.
- v. All calculations made under this Section 3.2 shall be made by a methodology which isolates the full M & O revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements, or any other factors not contained in this Agreement.

Section 3.3. COMPENSATION FOR LOSS OF OTHER REVENUES

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

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

Section 3.4. CALCULATIONS TO BE MADE BY THIRD PARTY

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

Section 3.5. DATA USED FOR CALCULATIONS

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

Section 3.6. DELIVERY OF CALCULATIONS

On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 3.4 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 3.2 and/or 3.3 and Article IV, and/or under Section 5.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's offices, personnel, books, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation and fee for a period of five (5) years after payment. The Applicant shall not be liable for any of 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 3.7, if such fee is timely paid.

Section 3.7. PAYMENT BY APPLICANT

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

Section 3.8. RESOLUTION OF DISPUTES

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

Section 3.9. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT

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

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

ARTICLE IV

SUPPLEMENTAL PAYMENTS

Section 4.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS

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

(a) Amounts Exclusive of Indemnity Amounts

In addition to undertaking the responsibility for the payment of all of the amounts set forth under Article III, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the Supplemental Payments set forth in this Article IV (the "Supplemental Payments"). The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313, Texas Tax Code, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the Applicant's obligation to make Supplemental Payments under this Article IV are separate and independent of the obligation of the Applicant to pay the amounts described in Article III; provided, however, that all payments under Articles III and IV are subject to the limitations contained in Section 5.1, and that all payments under this Article IV are subject to the separate limitations contained in Section 4.4.

(b) Adherence to Statutory Limits on Supplemental Payments

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

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

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

(a) the Applicant's "Stipulated Supplemental Payment Amount", which is hereby defined as Forty Percent (40%) of the Net Tax Benefit; or,

(b) the Aggregate Limit.

Section 4.3. ANNUAL CALCULATION OF STIPULATED SUPPLEMENTAL PAYMENT AMOUNT

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

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

Minus,

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

Multiplied by,

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

Plus,

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

Minus,

Any amounts previously paid to the District under Article III;

Multiplied by,

The number 0.4;

Minus,

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

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

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

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

If, for any Tax Year during the term of this Agreement the payment of the Applicant's Stipulated Supplemental Payment Amount, calculated under sections 4.2 and 4.3, above for such Tax Year, exceeds the Aggregate Limit for that Tax Year, the difference between the Applicant's Stipulated Supplemental Payment Amount so calculated and the Aggregate Limit for such Tax Year, shall be carried forward from year-to-year into subsequent Tax Years during the term of this Agreement, and to the extent not limited by the Aggregate Limit in any subsequent Tax Year during the term of this Agreement, shall be paid to the District.

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

Section 4.5. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS

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

Section 4.6. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY

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

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

ARTICLE V

ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

SECTION 5.1. ANNUAL LIMITATION AFTER FIRST THREE YEARS

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

Section 5.2. OPTION TO CANCEL AGREEMENT

In the event that any payment otherwise due from the Applicant to the District under Article III and/or Article IV with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 5.1 above, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to cancel this Agreement by notifying the

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

ARTICLE VI

TAX CREDITS

Section 6.1. APPLICANT'S ENTITLEMENT TO TAX CREDITS

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

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

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

Section 6.3. COMPENSATION FOR LOSS OF TAX CREDIT PROTECTION REVENUES

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

provisions for late payment as are set forth in Section 7.4 and 7.5. If the District receives aid from the State for all or any portion of a Tax Credit with respect to which the Applicant has made a payment to the District under this Section 6.3, then the District shall pay to the Applicant the amount of such aid within thirty (30) calendar days after the District's receipt thereof.

ARTICLE VII

ADDITIONAL OBLIGATIONS OF APPLICANT

Section 7.1. DATA REQUESTS

During the term of this Agreement, and upon the written request of one Party or by the Comptroller (the "Requesting Party"), the other Party shall provide the Requesting Party with all information reasonably necessary for the Requesting Party to determine whether the other Party is in compliance with its obligations, including any employment obligations which may arise under this Agreement. The Applicant shall allow authorized employees of the District, the Comptroller, and/or the Harris County Appraisal District to have access to the Applicant's Qualified Property and/or business records, in accordance with Texas Tax Code §22.07, during the term of this Agreement, in order to inspect the project to determine compliance with the terms hereof. All inspections will be made at a mutually agreeable time after the giving of not less than forty-eight (48) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property. All inspections may be accompanied by one or more representatives of the Applicant, and shall be conducted in accordance with the Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District, the Comptroller, or the Harris County Appraisal District with any technical or business information that is private personnel data, proprietary, a trade secret or confidential in nature or is subject to a confidentiality agreement with any third party.

Section 7.2. REPORTS TO OTHER GOVERNMENTAL AGENCIES

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

Section 7.3. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE

By entering into this Agreement, the Applicant warrants that:

- (a) it will abide by all of the terms of this Agreement;

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

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

(a) In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 5.2, or in the event that the Applicant or its successor-in-interest fails to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, after the notice and cure period provided by Section 7.8, then the District shall be entitled to the recapture of all ad valorem tax revenue lost as a result of this Agreement together with the payment of penalty and interest, as calculated in accordance with Section 7.5, on that recaptured ad valorem tax revenue. For purposes of this recapture calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Article III. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV.

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

Section 7.5. CALCULATION OF PENALTY AND INTEREST

In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes owed less all credits under Section 7.4 for each Tax Year during the term of this Agreement since the

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

Section 7.6 MATERIAL BREACH OF AGREEMENT

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

- (a) Applicant is determined to have failed to meet its obligations to have made accurate material representations of fact in the submission of its Application as is required by Section 8.13, below.
- (b) Applicant fails to Maintain Viable Presence in the District, as required by Section 7.3 of this Agreement, through the Final Termination Date of this Agreement.
- (c) Applicant fails to make any payment required under Articles III or IV of this Agreement on or before its due date.
- (d) Applicant fails to create and maintain at least the number of New Jobs set forth it committed to create and maintain as set forth on Schedule C, Column C of its Application.
- (e) Applicant fails to create and maintain at least the number of New Jobs set forth it committed to create and maintain as set forth on Schedule C, Column E of its Application.
- (f) Applicant fails to create and maintain at least Eighty Percent (80%) of all New Jobs as Qualifying Jobs.
- (g) Applicant makes any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement, in excess of the amounts set forth in Articles III and IV, above. Voluntary donations made by Applicant to the District after the date of execution of this Agreement, and not mandated by this Agreement or made in recognition of, or in consideration for this Agreement are not barred by this provision.

- (h) Applicant fails to comply in any material respect with any other term of this Agreement, or the Applicant fails to meet its obligations under the applicable Comptroller's Rules, and under the Act.

Section 7.7 LIMITED STATUTORY CURE OF MATERIAL BREACH

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

Section 7.8. DETERMINATION OF MATERIAL BREACH AND TERMINATION OF AGREEMENT

Prior to making a determination under Section 7.4 or Section 7.6 that the Applicant is in Material Breach of this Agreement, such as making a material misrepresentation in the Application, failing to Maintain Viable Presence in the District as required by Section 7.3 of this Agreement, failing to make any payment required under this Agreement when due, or that the Applicant has otherwise committed a Material Breach of this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the Material Breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, the Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that a Material Breach of this Agreement has not occurred and/or that it has cured or undertaken to cure any such Material Breach.

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

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

Section 7.9. DISPUTE RESOLUTION

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

In the event that any mediation is not successful in resolving the dispute or that payment is not received before the expiration of such ninety (90) days, the District shall have the remedies for the collection of the amounts determined under Section 7.8 as are set forth in Texas Tax Code Chapter 33, Subchapters B and C, for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees and a tax lien on the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Texas Tax Code §33.07 to the attorneys representing the District pursuant to Texas Tax Code §6.30.

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

Section 7.10. LIMITATION OF OTHER DAMAGES

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

District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement.

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

Section 7.11. BINDING ON SUCCESSORS

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

ARTICLE VIII MISCELLANEOUS PROVISIONS

Section 8.1. INFORMATION AND NOTICES

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

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

Dr. Salvador Cavazos Superintendent
GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
P.O. Box 30
Baytown, Texas 77522
Fax: (281) 420-4815

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

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

Notices to the Applicant shall be addressed to:

Steve R. Cope
Baytown Refinery Manager
EXXON MOBIL CORPORATION
4500 Dacoma Street
P.O. Box 53
Houston, Texas 77001-0053
Fax: (713) 431-2694

with a copy to:

Timothy E. Young
IKARD WYNNE LLP
2801 Via Fortuna, Suite 501
Austin, Texas 78746
Fax: (512) 275-7333

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

Section 8.2. EFFECTIVE DATE, TERMINATION OF AGREEMENT

- (a) This Agreement shall be and become effective on the date of final approval of this Agreement by the Board of Trustees,
- (b) The obligation to Maintain Viable Presence under this Agreement shall remain in full force and effect through the Final Termination Date.
- (c) In the event that the Applicant fails to make a Qualified Investment in the amount of Thirty Million Dollars (\$30,000,000.00), or greater, during the Qualifying Time Period, this Agreement shall become null and void on December 31, 2014.

Section 8.3. AMENDMENTS TO AGREEMENT; WAIVERS

This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties. Waiver of any term, condition or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition or provision, or a waiver of any other term, condition or provision of this Agreement. By official action of the Board of Trustees, this Agreement may be amended to include, in the Applicant's Qualified Investment, additional or replacement the Applicant's Qualified Property not specified in **EXHIBIT 3**, provided that the Applicant reports to the District, the Comptroller, and the Appraisal District, in the same format, style, and presentation as the Application, all relevant

investment, value, and employment information that is related to the additional or replacement property. Any amendment of this Agreement adding additional or replacement Qualified Property pursuant to this Section 8.3 shall, (1) require that all property added by amendment be eligible property as defined by Tax Code, §313.024; (2) clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and (3) define minimum eligibility requirements for the recipient of limited value. This Agreement may not be amended to extend the value limitation time period beyond its eight year statutory term.

Section 8.4. ASSIGNMENT

The Applicant may assign this Agreement, or a portion of this Agreement, to an Affiliate or a new owner or lessee of all or a portion of the Applicant's Qualified Property and/or the Applicant's Qualified Investment, provided that the Applicant shall provide written notice of such assignment to the District. Upon such assignment, the Applicant's assignee will be liable to the District for outstanding taxes or other obligations arising under this Agreement. A recipient of limited value under Tax Code, Chapter 313 shall notify immediately the District, the Comptroller, and the Appraisal District in writing of any change in address or other contract information for the owner of the property subject to the limitation agreement for the purposes of Tax Code §313.032. The assignee's or its reporting entity's Texas Taxpayer Identification Number shall be included in the notification.

Section 8.5. MERGER

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

Section 8.6. MAINTENANCE OF COUNTY APPRAISAL DISTRICT RECORDS

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

Section 8.7. GOVERNING LAW

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

Section 8.8. AUTHORITY TO EXECUTE AGREEMENT

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

Section 8.9. SEVERABILITY

If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision or condition cannot be so reformed, then such term, provision or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality and enforceability of the remaining terms, provisions and conditions contained herein (and any other application such term, provision or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in a mutually acceptable manner so as to effect the original intent of the Parties as closely as possible to the end that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 8.9, the term "Law" shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

Section 8.10. PAYMENT OF EXPENSES

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

Section 8.11. INTERPRETATION

When a reference is made in this Agreement to a Section, Article or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The words "include," "includes" and "including" when used in this Agreement shall be deemed in such case to be

followed by the phrase "but not limited to" words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require. This Agreement is the joint product of the Parties and each provision of this Agreement has been subject to the mutual consultation, negotiation and agreement of each Party and shall not be construed for or against any Party.

Section 8.12. EXECUTION OF COUNTERPARTS

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

Section 8.13. ACCURACY OF REPRESENTATIONS CONTAINED IN APPLICATION

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

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

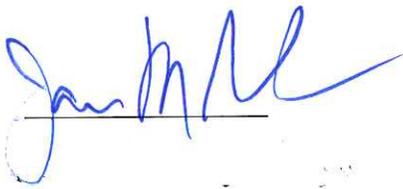
Section 8.14. PUBLICATION OF DOCUMENTS

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

- a. Within seven days of such document, the District shall submit a copy to the Comptroller for publication on the Comptroller's Internet website.
- b. The District shall provide on its website a link to the location of those documents posted on the Comptroller's website.
- c. This Section 8.14 does not require the publication of information that is confidential under Texas Tax Code §313.028.

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

EXXON MOBIL CORPORATION

By: 

James M. Roach
Assistant Secretary &
Chemical General Top Counsel

**GOOSE CREEK CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT**

By: 
DANIEL BLACKFORD
President
Board of Trustees

Attest:

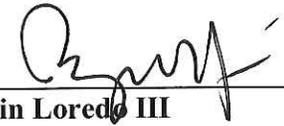
By: 
Agustin Loredo III
Secretary
Board of Trustees

EXHIBIT 1

DESCRIPTION OF QUALIFIED REINVESTMENT ZONE

The *EM Reinvestment Zone* was originally created on October 22, 2012 by action of the Board of Trustees of the Goose Creek Consolidated Independent School District. A map of the *EM Reinvestment Zone* is attached, below to this **EXHIBIT 1**.

As a result of the action of the of the Board of Trustees of the Goose Creek Consolidated Independent School District, the *EM Reinvestment Zone* includes real property within Harris County, Texas, more specifically described by the metes and bounds description chart also attached to this **EXHIBIT 1**.

EXXONMOBIL REINVESTMENT ZONE LEGAL DESCRIPTION

Tract 1: That certain 857.66 acre tract of land known as Tract 8, North Baytown, William Scott Upper League, Abstract 66, Harris County, Texas (HCAD Account No. 041-022-002-0220)

Tract 2: That certain 4.644 acre tract of land known as Tract R-40A, William Scott Upper League, Abstract 66, Harris County, Texas (HCAD Account No. 041-022-0382)

Tract 3: Part of Tract R40-BL (HNS) HOU to BAYTOWN, William Scott Upper League, Abstract 66, Harris County, Texas (HCAD Account No. 041-022-002-0250)

MAP OF EXXONMOBIL REINVESTMENT ZONE

The ExxonMobil Reinvestment Zone is depicted on the map below in blue.

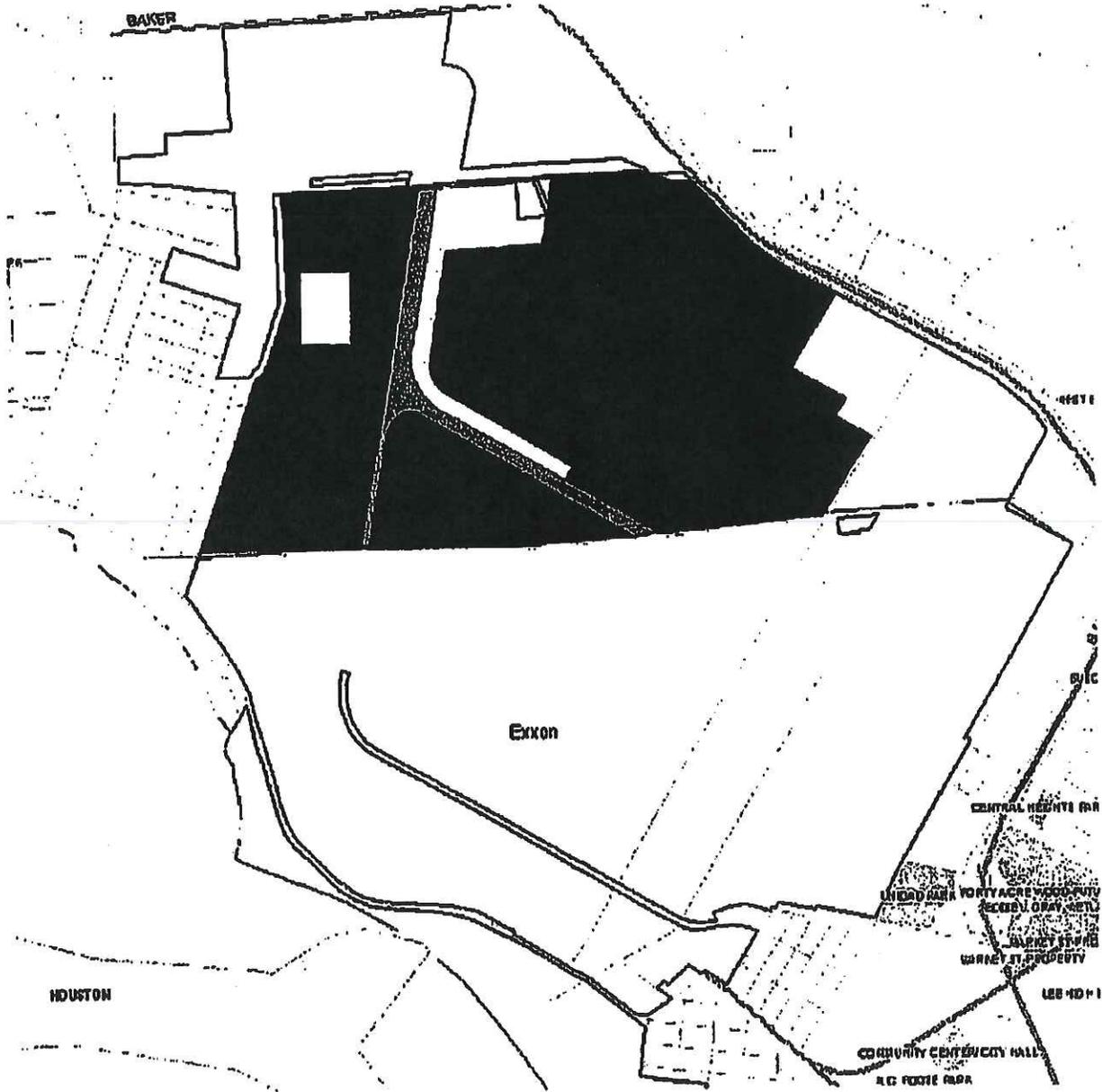


EXHIBIT 2

LOCATION OF QUALIFIED INVESTMENT/QUALIFIED PROPERTY

All Qualified Property owned by Applicant and located within the boundaries of both the Goose Creek Consolidated Independent School District and the *EM Reinvestment Zone* will be included in and subject to this Agreement save and except for that property described in **EXHIBITS 2 and 3** of the *Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes*, between Goose Creek Consolidated Independent School District and the Exxon Mobil Corporation approved by the District's Board of Trustees on December 10, 2012, filed in Comptroller's File Number 242.

EXHIBIT 3

DESCRIPTION OF THE APPLICANT'S QUALIFIED INVESTMENT/QUALIFIED PROPERTY

The proposed project includes the construction of steam cracking furnaces and recovery equipment. The major pieces of recovery equipment include a quench tower, caustic wash facilities, a process gas compressor and interstage coolers, a chiller train, a refrigeration system, a deethanizer, a C2 splitter and demethanizer. Feedstock and product streams will be loaded through new and existing pipelines. Bottoms product from the new deethanizer will serve as feed to the base plant depropanizer. In addition, a new cooling tower and a new flare system will be constructed. Pollution control equipment will include ultra-low NOx burners and Selective Catalytic Reduction (SCR) units on the proposed furnaces, cyclonic separators on the proposed decoking drums, drift eliminators on the cooling tower and staged flare system control of off gas streams.

Excluded from this Agreement shall be all property described in **EXHIBIT 3** of the *Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes*, between Goose Creek Consolidated Independent School District and the Exxon Mobil Corporation approved by the District's Board of Trustees on December 10, 2012, filed in Comptroller's File Number 242. Specifically, the following listed improvements are excluded from this Agreement:

A. New Improvements covered by the *Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes*, between Goose Creek Consolidated Independent School District and the Exxon Mobil Corporation approved by the District's Board of Trustees on December 10, 2012, filed in Comptroller's File Number 242.

Applicant's Qualified Property and/or Qualified Investment subject to the above referenced Agreement consisting of a new synthetic lubricant base stock unit within the Baytown Chemical Plant (BTCP). Which unit will use linear alpha olefin feedstock in a reactive process to form a poly alpha olefin product (PAO). The Project includes a new process unit and associated pipe rack, product tankage and pumping system equipment, power control room, tie-ins to adjacent utilities, installation of a firewater loop, installation of a unit warehouse, rerouting of a street and conversion of existing tanks for use other than which they were originally designed to manufacture.

Including the following Project Components of Application Number 242:

- Compressors & Motors

- Pre-lube Pumps & Motors
- Vent Filter Fans & Motors
- Knockout Drum
- Feed Drum
- Catalyst Drum
- Filter Drum
- Flash Drum
- Accumulator
- Vent Drum
- Residue Pot
- Barometric Leg Drum
- Separators
- Slop Drum
- Expansion Drum
- Surge Drum
- Driers
- After-Cooler
- Coolers
- Heaters
- Condensers
- Evaporators
- Exchangers
- Preheaters
- Ejectors
- Filters
- Filter Drum
- Flash Drum
- Accumulator
- Vent Drum
- Residue Pot
- Barometric Leg Drum
- Separators
- Slop Drum
- Expansion Drum
- Surge Drum
- Driers
- After-Cooler
- Coolers
- Heaters
- Condensers
- Evaporators
- Exchangers
- Preheaters

Agreement for Limitation on Appraised Value

Between Goose Creek Consolidated Independent School District and Exxon Mobil Corporation

COMPTROLLER APPLICATION NUMBER 265

September 23, 2013

- Ejectors
- Filters
- Hoppers
- Drum Agitators & Motors
- Material Lift
- Pumps & Motors
- Bottoms Pump & Motor
- Accumulator Pump & Motor
- Vacuum System
- Reactors
- Mixers
- Strainer
- Tower
- Tanks
- Weigh Stations
- Storage Facility
- Waste Container
- Anti-Oxidant System
- Power Control Room
- Transformer

B. Pre-Existing Improvements excluded from the *Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes*, between Goose Creek Consolidated Independent School District and the Exxon Mobil Corporation approved by the District's Board of Trustees on December 10, 2012, filed in Comptroller's File Number 242.

Including the following to wit:

Improvements located in the *EM Reinvestment Zone* on August 19, 2012 (the day immediately prior to the day upon which Comptroller's determined there to be a completed Application) consisting of pre-existing foundations, warehouse, existing tanks, pipe racks, a remote instrument enclosure also identified, and a road located just South of 7th Street; which owing to the date of their construction were made before filing the complete application with the District and which existed prior to the Completed Application Date in Comptroller's Application File Number 242 and, therefore, are not eligible to be considered to be a part of said Application. The Parties have previously agreed that the Fair Market Value of the Pre-Existing Improvements on August 19, 2012 was Six Million Two Hundred Eleven Thousand Five Hundred Sixty-Eight and No/100's Dollars (\$6,211,568.00), immediately prior to the Completed Application Date, prior to any abatements and/or exemptions made available to the Applicant by any individual taxing unit. These assets are or will be listed on the assessment roll of Harris County under Account 041-022-002-0220. All improvements which were expressly, identified and excluded by the provision contained in **EXHIBIT 3** the *Agreement for Limitation on Appraised Value of Property for School*

District Maintenance and Operations Taxes, between Goose Creek Consolidated Independent School District and the Exxon Mobil Corporation approved by the District's Board of Trustees on December 10, 2012, filed in Comptroller's File Number 242 are also expressly excluded from this Agreement.