

FINDINGS OF THE INDUSTRIAL
INDEPENDENT SCHOOL DISTRICT BOARD
OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE
APPLICATION SUBMITTED
BY
INTEPLAST GROUP LTD.



December 13, 2010

**FINDINGS
OF THE
INDUSTRIAL INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES
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ON THE APPLICATION SUBMITTED BY
INTEPLAST GROUP, LTD.**

DECEMBER 13, 2010

Board Findings of the Industrial Independent School District

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SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
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INTEPLAST GROUP, LTD.

STATE OF TEXAS §

COUNTY OF JACKSON §

On the 13th day of December, 2010, a public meeting of the Board of Trustees of the Industrial 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 Inteplast Group, Ltd (Inteplast Group) 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 Industrial Independent School District makes the following findings with respect to the application of Inteplast Group, and the economic impact of that application:

On December 3, 2010, the Superintendent of Schools of the Industrial Independent School District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts received a completed Application from Inteplast Group 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, Inteplast Group, LLC (Texas Taxpayer Id. 15220772246) is an entity subject to Chapter 171, Texas Tax Code and is certified to be in good standing with the Texas Comptroller of Public Accounts. See **Attachment B**.

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

Board Findings of the Industrial Independent School District

The Application was delivered to the Texas Comptroller's Office for review pursuant to Texas Tax Code § 313.025(d).

A copy of the Application was delivered to the Jackson 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 December 6, 2010. 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 Industrial 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 Industrial 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 Inteplast Group 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. This form of the Agreement has been submitted to the Comptroller's Office pursuant to 34 Tex. Admin. Code § 9.1055 (e)(1). The proposed Agreement is attached to these findings as **Attachment G**.

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

Board Finding Number 1.

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

In support of Finding 1, the economic impact evaluation states:

The Texas Economic Development Plan focuses on attracting and developing industries using technology. It also identifies opportunities for existing Texas industries. The plan centers on promoting economic prosperity throughout Texas and the skilled workers that the Inteplast Group 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 Jackson County, Texas, is in need of long-term improvement.

Based on information provided by the Comptroller's Office, Jackson County is the 140th largest county in the state in terms of population. Population growth in Jackson County was below the state average. The state population grew by 2.0 percent between 2008 and 2009, while the population of Jackson County increased by 1.2 percent over the same period.

September 2010 employment growth for Jackson County increased by 2.2 percent from September 2009, while the state total employment increased by 1.2 percent during the same period. The unemployment rate in Jackson County was 7.1 percent in September 2010, lower than the current state average of 8.1 percent.

Board Findings of the Industrial Independent School District

Jackson County continues to have a lower per capita personal income than the state as a whole. In terms of per capita income, Jackson County's \$29,875 in 2008 ranked 155th among the 254 counties in Texas, while the Texas average was \$37,809 for the same period. These data are more than two years old and the recession that has occurred during that period would be expected to slow the growth in personal income in Jackson County and throughout the state.

In the first quarter 2010, taxable sales totaled \$23.74 million in Jackson County. This figure reflects a 6.4 percent decrease from the same year-earlier quarter and is consistent with the general trend in taxable sales across the state.

Jackson County will benefit from economic activity like that associated with the Inteplast Group 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 \$45,931 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 manufacturing wage. Inteplast Group indicates that total employment will be approximately eighty-two (82) new qualifying jobs.

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

After construction, the project will create 103 new jobs when fully operational. 82 of these 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 Golden Crescent Regional Planning Commission Region, where Jackson County is located was \$41,273 in 2009. The annual average manufacturing wage for 2009 for Jackson County was \$37,947. That same year, the county annual average wage for all industries was \$33,241. In addition to a salary of \$45,931, each qualifying position will receive benefits such as medical and dental

Board Findings of the Industrial Independent School District

plans, basic life insurance, accidental death & dismemberment insurance, optional supplementary employee and dependent life insurance, optional supplementary accidental death & dismemberment insurance, flexible spending accounts, employee shuttle service, a defined contribution pension plan, and a 401(k) with employer matching contributions. The project's total investment is \$131 million, resulting in a relative level of investment per qualifying job of \$1.6 million.

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 \$130.82 million on the basis of the goal of eighty-two (82) new qualifying positions for the entire Inteplast Group project located in Industrial ISD.

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

The project's total investment is \$130.82 million, resulting in a relative level of investment per qualifying job of \$1.59 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 the Inteplast Group BOPP Plant's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 16 years of annual investment and employment levels using software from Regional Economic Models, Inc. (REMI). The impact includes the construction period and the operating period of the project.

Board Findings of the Industrial Independent School District

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

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2010	2	5	7	\$120,000	\$310,000	\$430,000
2011	440	661	1101	\$26,132,910	\$48,207,090	\$74,340,000
2012	139	235	374	\$7,146,998	\$22,763,002	\$29,910,000
2013	294	445	739	\$16,179,908	\$41,930,092	\$58,110,000
2014	160	256	416	\$7,801,594	\$30,158,406	\$37,960,000
2015	107	170	277	\$4,585,982	\$23,974,018	\$28,560,000
2016	107	157	264	\$4,585,982	\$23,854,018	\$28,440,000
2017	107	150	257	\$4,585,982	\$23,734,018	\$28,320,000
2018	107	152	259	\$4,585,982	\$24,584,018	\$29,170,000
2019	103	146	249	\$4,345,982	\$25,194,018	\$29,540,000
2020	103	148	251	\$4,345,982	\$25,924,018	\$30,270,000
2021	103	152	255	\$4,345,982	\$27,634,018	\$31,980,000
2022	103	156	259	\$4,345,982	\$29,344,018	\$33,690,000
2023	103	162	265	\$4,345,982	\$30,934,018	\$35,280,000
2024	103	162	265	\$4,345,982	\$33,004,018	\$37,350,000
2025	103	169	272	\$4,345,982	\$35,444,018	\$39,790,000

Source: CPA, REMI, Inteplast Group LLC

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Jackson County, the Jackson County Hospital District, the Jackson County Flood Control District, and the Jackson County Emergency Services District, with all property tax incentives sought being granted using estimated market value from Inteplast Group's application. Inteplast Group has applied for both a value limitation under Chapter 313, Tax Code and tax abatements with the county, hospital district, flood district, and emergency services district. Table 3 illustrates the estimated tax impact of the Inteplast Group project on the region if all taxes are assessed.

Board Findings of the Industrial 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	Industrial ISD I&S Levy	Industrial ISD M&O Levy	Industrial ISD M&O and I&S Tax Levies (Before Credit Credited)	Industrial ISD M&O and I&S Tax Levies (After Credit Credited)	Jackson County Tax Levy	Jackson County Hospital District Tax Levy	Jackson County Flood District Tax Levy	Jackson County Emergency Services District Tax Levy	Estimated Total Property Taxes
			0.3370	1.0400				0.5402	0.1835	0.0896	0.0300	
2010	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2011	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2012	\$75,487,880	\$75,487,880		\$254,394	\$785,074	\$1,039,468	\$1,039,468	\$0	\$0	\$0	\$0	\$1,039,468
2013	\$86,086,169	\$30,000,000		\$290,110	\$312,000	\$602,110	\$602,110	\$93,007	\$31,594	\$15,427	\$5,165	\$742,138
2014	\$83,420,190	\$30,000,000		\$281,126	\$312,000	\$593,126	\$525,544	\$112,659	\$38,269	\$18,686	\$6,257	\$695,158
2015	\$78,245,398	\$30,000,000		\$263,687	\$312,000	\$575,687	\$508,105	\$169,073	\$57,432	\$28,043	\$9,389	\$762,653
2016	\$72,424,655	\$30,000,000		\$244,071	\$312,000	\$556,071	\$488,489	\$156,495	\$53,160	\$25,957	\$8,691	\$724,101
2017	\$70,996,402	\$30,000,000		\$239,258	\$312,000	\$551,258	\$483,676	\$191,761	\$65,139	\$31,806	\$10,649	\$772,383
2018	\$69,289,435	\$30,000,000		\$233,505	\$312,000	\$545,505	\$477,923	\$374,302	\$127,146	\$62,083	\$20,787	\$1,041,454
2019	\$64,898,031	\$30,000,000		\$218,706	\$312,000	\$530,706	\$463,124	\$350,579	\$119,088	\$58,149	\$19,469	\$990,940
2020	\$59,856,299	\$30,000,000		\$201,716	\$312,000	\$513,716	\$446,134	\$323,344	\$109,836	\$53,631	\$17,957	\$932,945
2021	\$54,416,095	\$54,416,095		\$183,382	\$565,927	\$749,310	\$749,310	\$293,956	\$99,854	\$48,757	\$16,325	\$1,191,876
2022	\$49,827,074	\$49,827,074		\$167,917	\$518,202	\$686,119	\$686,119	\$269,166	\$91,433	\$44,645	\$14,948	\$1,091,362
2023	\$44,590,347	\$44,590,347		\$150,269	\$463,740	\$614,009	\$614,009	\$240,877	\$81,823	\$39,953	\$13,377	\$976,662
2024	\$39,533,013	\$39,533,013		\$133,226	\$411,143	\$544,370	\$544,370	\$213,557	\$72,543	\$35,422	\$11,860	\$865,892
2025	\$35,660,373	\$35,660,373		\$120,175	\$370,868	\$491,043	\$491,043	\$192,637	\$65,437	\$31,952	\$10,698	\$781,069
						Total	\$8,119,424	\$2,981,413	\$1,012,753	\$494,511	\$165,573	\$12,608,102

Assumes School Value Limitation and Tax Abatements

Source: CPA, Inteplast Group, Ltd.

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	Industrial ISD I&S Levy	Industrial ISD M&O Levy	Industrial ISD M&O and I&S Tax Levies	Jackson County Tax Levy	Jackson County Hospital District Tax Levy	Jackson County Flood District Tax Levy	Jackson County Emergency Services District Tax Levy	Estimated Total Property Taxes	
			0.3370	1.0400			0.5402	0.1835	0.0896	0.0300		
2010	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
2011	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
2012	\$75,487,880	\$75,487,880		\$254,394	\$785,074	\$1,039,468	\$407,786	\$138,520	\$67,637	\$22,646	\$1,653,411	
2013	\$86,086,169	\$86,086,169		\$290,110	\$895,296	\$1,185,407	\$465,037	\$157,968	\$77,133	\$25,826	\$1,885,545	
2014	\$83,420,190	\$83,420,190		\$281,126	\$867,570	\$1,148,696	\$450,636	\$153,076	\$74,744	\$25,026	\$1,827,152	
2015	\$78,245,398	\$78,245,398		\$263,687	\$813,752	\$1,077,439	\$422,682	\$143,580	\$70,108	\$23,474	\$1,713,809	
2016	\$72,424,655	\$72,424,655		\$244,071	\$753,216	\$997,287	\$391,238	\$132,899	\$64,892	\$21,727	\$1,586,317	
2017	\$70,996,402	\$70,996,402		\$239,258	\$738,363	\$977,620	\$383,523	\$130,278	\$63,613	\$21,299	\$1,555,034	
2018	\$69,289,435	\$69,289,435		\$233,505	\$720,610	\$954,116	\$374,302	\$127,146	\$62,083	\$20,787	\$1,517,646	
2019	\$64,898,031	\$64,898,031		\$218,706	\$674,940	\$893,646	\$350,579	\$119,088	\$58,149	\$19,469	\$1,421,462	
2020	\$59,856,299	\$59,856,299		\$201,716	\$622,506	\$824,221	\$323,344	\$109,836	\$53,631	\$17,957	\$1,311,033	
2021	\$54,416,095	\$54,416,095		\$183,382	\$565,927	\$749,310	\$293,956	\$99,854	\$48,757	\$16,325	\$1,191,876	
2022	\$49,827,074	\$49,827,074		\$167,917	\$518,202	\$686,119	\$269,166	\$91,433	\$44,645	\$14,948	\$1,091,362	
2023	\$44,590,347	\$44,590,347		\$150,269	\$463,740	\$614,009	\$240,877	\$81,823	\$39,953	\$13,377	\$976,662	
2024	\$39,533,013	\$39,533,013		\$133,226	\$411,143	\$544,370	\$213,557	\$72,543	\$35,422	\$11,860	\$865,892	
2025	\$35,660,373	\$35,660,373		\$120,175	\$370,868	\$491,043	\$192,637	\$65,437	\$31,952	\$10,698	\$781,069	
						Total	\$12,182,751	\$4,779,319	\$1,623,482	\$792,719	\$265,419	\$19,378,271

Source: CPA, Inteplast Group, Ltd.

¹Tax Rate per \$100 Valuation

Board Findings of the Industrial Independent School District

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 \$130.8 million to the tax base for debt service purposes at the peak investment level for the 2010-11 school year. The Inteplast Group project remains fully taxable for debt services taxes, with IISD currently levying a \$0.3325 I&S rate, although the districts existing debt is expected to be retired by the 2016-17 school year. The project adds approximately 15 percent to the district's tax base for I&S purposes.

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 Inteplast Group 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 Inteplast Group project. This finding is confirmed by the TEA evaluation of this project's impact on the number and size of school facilities in Industrial ISD as stated in **Attachment D**.

Board Finding Number 8.

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

Board Findings of the Industrial Independent School District

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

According to Inteplast Group's application, "Fortunately, because of the wide range of our customer locations, we are in a position to search for the most business savvy site for our new BOPP plant. To date we have received incentive offerings from Virginia and Pennsylvania at \$8.9 million and \$10 million respectively, should we commit to building our new BOPP plant there. We currently have one of our largest existing facilities in Lolita, Texas, and the ease of creating an expansion over building a new facility helps keep Lolita in the running as a favorable location."

Board Finding Number 9.

During the past two years, no projects in the Golden Crescent Regional Planning Commission Region have 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 Inteplast Group. Based upon the consultants' review, the Board has determined that the information provided by the Applicant is true and correct.

Formal notification letters of the completion of due diligence research from the firms of O'Hanlon, McCollom & Demerath and Moak, Casey & Associates have been attached to these Findings.

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, §§ 313.022(b).

According to the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2009 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year, Attachment F, the total 2009 industrial value for Industrial ISD is \$294,185,630. Industrial ISD is categorized as a Subchapter C school district, 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

Board Findings of the Industrial Independent School District

at a rate of not more than three percent per annum. Given that the value of industrial property in Industrial ISD exceeds \$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. 15220772246) 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 initial 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. Additional revenue protection measures are also 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 Industrial 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 Industrial Independent School District.

Board Findings of the Industrial Independent School District

Dated the 13th day of December 2010.

INDUSTRIAL INDEPENDENT SCHOOL DISTRICT

By: Carl Allen
Carl Allen, President Board of Trustees

ATTEST:

By: Delano Kinsfather
Delano Kinsfather, Secretary Board of Trustees



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

December 10, 2010

President and Members
Board of Trustees
Industrial Independent School District
P. O. Box 369
Vanderbilt, Texas 77991-0369

Re: Recommendations and Findings of the firm Concerning Application of Inteplast Group, Ltd. for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President Allen 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 Industrial Independent School District, with respect to the pending Application of Inteplast Group, Ltd. 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 Inteplast Group, Ltd. 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".

Dan Casey

O'HANLON, McCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE
AUSTIN, TEXAS 78701
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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

December 9, 2010

President and Members
Board of Trustees
Industrial Independent School District
P. O. Box 369
Vanderbilt, Texas 77991-0369

Re: Recommendations and Findings of the firm Concerning Application of Inteplast Group, Ltd. for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President Allen 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 Industrial Independent School District, with respect to the pending Application of Inteplast Group, Ltd. 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.

Letter to Industrial ISD
December 9, 2010
Page 2 of 2

5. The proposed Agreement contains adequate legal provisions so as 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 Inteplast Group, Ltd. 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', written in a cursive style.

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 9-3-10
First Name Tony	Last Name Williams	
Title Superintendent		
School District Name Industrial Independent School District		
Street Address 167 Fifth Street		
Mailing Address P.O. Box 369		
City Vanderbilt	State Texas	ZIP 77991
Phone Number 361-284-3226 Ext. 1175	Fax Number 361-284-3349	
Mobile Number (optional) 361-935-8811	E-mail Address twilliams@iisd1.org	

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
Title: Attorney
Firm Name: O'Hanlon, McLollon & Demerath
Street Address: 808 West Avenue
Mailing Address: 808 West Avenue
City: Austin
Phone Number: (512) 494-9949
Mobile Number (Optional):

Last Name: O'Hanlon
State: TX
ZIP: 78701
Fax Number: (512) 494-9919
E-mail Address:

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): [Handwritten Signature]

Date: 9-3-10

Has the district determined this application complete? [X] Yes [] No

If yes, date determined complete. 9-15-10

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

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

Table with 3 columns: Checklist, Page X of 16, Check Completed. Row 1: Date application received by the ISD, 1 of 16, [X]. Row 2: Certification page signed and dated by authorized school district representative, 2 of 16, [X]. Row 3: Date application deemed complete by ISD, 2 of 16, X. Row 4: Certification pages signed and dated by applicant or authorized business representative of applicant, 4 of 16, [X]. Row 5: Completed company checklist, 12 of 16, X. Row 6: School finance documents described in TAC 9.1054(c)(3) (Due within 20 days of district providing notice of completed application), 2 of 16, Not yet.

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Business Representative (Applicant)

First Name

Robert

Last Name

Wang

Title

AVP & Treasurer, President's Office

Organization

Inteplast Group, LTD

Street Address

101 Inteplast Blvd.

Mailing Address

9 Peach Tree Hill Road, Livingston, NJ 07039

City

Lolita

State

TX

ZIP

77971

Phone Number

973-994-8057

Fax Number

973-740-8293

Mobile Number (optional)

Business e-mail Address

rwang@inteplast.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

Robert

Last Name

Coen

Title

Site Manager

Organization

Inteplast Group, LTD

Street Address

101 Inteplast Blvd.

Mailing Address

PO Box 405

City

Lolita

State

TX

ZIP

77971

Phone Number

361-874-3105

Fax Number

361-874-3106

Mobile Number (optional)

E-mail Address

robertcoen@amjk.inteplast.com

I authorize the consultant to provide and obtain information related to this application.....

Yes

No

Will consultant be primary contact?

Yes

No



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 properly tax value limitation agreement result in payments that are not in compliance with Tax Code, 313.027(l)? 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(l)? Yes No

BUSINESS APPLICANT INFORMATION

Legal Name under which application is made

Inteplast Group, Ltd.

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

1-52-2077224-6

NAICS code

326113, 326199

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.

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.)

Privately Held Limited Partnership

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 12/1/2010 Begin Hiring New Employees 1/1/2011
 Construction Complete 12/31/2018 Fully Operational 12/31/2018
 Purchase Machinery & Equipment 12/1/2010

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? 1/1/2013

ECONOMIC INCENTIVES

Identify state programs the project will apply for:

State Source	Amount
Enterprise Zone (2 phases)	\$3.75 Million
Enterprise Fund	\$2 Million
Infrastructure assistance	\$2 Million
Total	\$7.75 Million

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.)

Verbal agreement from Jackson County to offer a 7 year property tax abatement offering an estimated incentive amount of \$2.1 Million.

THE PROPERTY

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

Central Appraisal District (CAD) that will be responsible for appraising the property Jackson 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: Jackson County (100%) City: _____
(Name and percent of project) (Name and percent of project)

Hospital District: Jackson County Hospital (100%) Water District: Jackson County Flood (100%)
(Name and percent of project) (Name and percent of project)

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

Is the project located entirely within this ISD? Yes No

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

INVESTMENT

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

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

What is the amount of appraised value limitation for which you are applying? \$30 million

What is your total estimated qualified investment? \$79,714,000

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? 12/1/2010

What is the anticipated date of the beginning of the qualifying time period? 1/1/2011

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? \$130,820,000

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? [X] Yes [] No

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

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

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

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

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

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

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

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

QUALIFIED PROPERTY

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

Attach the following items to this application:

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

Land

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

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

QUALIFIED PROPERTY (CONTINUED)

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

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

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

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

Miscellaneous

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

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

List current market value of existing property at site as of most recent tax year. 177,381,440 2009
(Market Value) (Tax Year)

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

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

WAGE AND EMPLOYMENT INFORMATION

What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 1,710

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

First Quarter Second Quarter Third Quarter Fourth Quarter of 2010
(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?
1,210

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 103

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? 82

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/proplax/hb1200/values.html>)

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

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

WAGE AND EMPLOYMENT INFORMATION (CONTINUED)

For the following three wage calculations please include on an attachment the four most recent quarters of data for each wage calculation. Show the average and the 110% calculation. Include documentation from 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 703.18
 110% of the county average weekly wage for manufacturing jobs in the county is 872.03
 110% of the county average weekly wage for manufacturing jobs in the region is 873.08

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? 45,400.30

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? 45,931

- 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? _____

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	N/A
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	N/A
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	N/A
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	X
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.

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (if Applicable)

First Name _____ Last Name _____

Title _____

Firm Name _____

Street Address _____

Mailing Address _____

City _____ State _____ ZIP _____

Phone Number _____ Fax Number _____

Business email Address _____

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

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

Signature (Authorized Business Representative (Applicant)) _____ Date _____

Robt Wang *9/1/2010*

GIVEN under my hand and seal of office this 1st day of September 2010

Norberto J. Torres

Notary Public, State of New Jersey

(Notary Seal)

NORBERTO J. TORRES
 NOTARY PUBLIC OF NEW JERSEY
 My Commission Expires March 14, 2014

My commission expires _____

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.

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)*

TX187P01 F8.00.02
 TX2009 05-167
 Ver. 1.1 (1-08)
 Teodo 13107

**TEXAS FRANCHISE TAX
 OWNERSHIP INFORMATION REPORT**
 (To be filed by Entities other than Corporations or Limited Liability Companies)
 This report MUST be filed to satisfy franchise tax requirements

☐ Taxpayer number
 15220772246

☐ Report year
 2009

You have certain rights under Chapter 552 and 559, Government Code, to review, request, and correct information we have on file about you. Contact us at: (512) 463-4600, or (800) 252-1381, toll free nationwide.

Taxpayer name INTEPLAST GROUP LTD		Secretary of State file number or Comptroller file number	
Mailing address 9 PEACH TREE HILL ROAD			
City LIVINGSTON	State NJ	Country US	ZIP Code 07039
			Plus 4 5702

SECTION A. Enter the information required for each general partner and each person or entity that owns an interest of ten percent (10%) or more in this entity.

Name AMTOPP CORPORATION	What type of owner? (Check only one)	MEMBER <input type="checkbox"/>	LIMITED PARTNER <input type="checkbox"/>	GENERAL PARTNER <input checked="" type="checkbox"/>
Mailing address 9 PEACH TREE HILL ROAD		FEI number 223103903	Percentage of ownership 37.84 %	
City LIVINGSTON	State NJ	ZIP Code 07039	Plus 4 5702	

Name WORLD-PAK CORPORATION	What type of owner? (Check only one)	MEMBER <input type="checkbox"/>	LIMITED PARTNER <input checked="" type="checkbox"/>	GENERAL PARTNER <input type="checkbox"/>
Mailing address 9 PEACH TREE HILL ROAD		FEI number 223103900	Percentage of ownership 31.08 %	
City LIVINGSTON	State NJ	ZIP Code 07039	Plus 4 5702	

Name INTEGRATED BAGGING SYSTEMS CORP.	What type of owner? (Check only one)	MEMBER <input type="checkbox"/>	LIMITED PARTNER <input checked="" type="checkbox"/>	GENERAL PARTNER <input type="checkbox"/>
Mailing address 9 PEACH TREE HILL ROAD		FEI number 223103896	Percentage of ownership 31.08 %	
City LIVINGSTON	State NJ	ZIP Code 07039	Plus 4 5702	

Name	What type of owner? (Check only one)	MEMBER <input type="checkbox"/>	LIMITED PARTNER <input type="checkbox"/>	GENERAL PARTNER <input type="checkbox"/>
Mailing address		FEI number	Percentage of ownership 0.00 %	
City	State	ZIP Code	Plus 4	

SECTION B. Enter the information required for each entity, if any, in which this partnership, association, trust or other entity owns an interest of ten percent (10%) or more.

Name of owned (subsidiary) corporation or entity	State of formation	FEI number	Percentage of Ownership 0.000
Name of owned (subsidiary) corporation or entity	State of formation	FEI number	Percentage of Ownership 0.000

Registered agent and registered office currently on file. (See instructions if you need to make changes)

Agent: CT Corporation System	City Houston	State TX	ZIP Code 77971	Plus 4
Office: 811 Dallas Avenue				

The above information is authorized by Section 171.201(a)(2), Section 171.201(a)(3) and 171.202(a)(4) for each entity.
 Use additional forms (05-167) for Sections A and B as necessary.

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the date below, and that a copy of this report has been mailed to each person named in this report who is a member or partner and who is not currently employed by this, or a related entity.

Sign here	<i>Robert Wang</i>	ROBERT WANG	Title TREASURER	Date 10/6/09	Area code and phone number 973-994-8000
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Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>	PIR IND	<input type="checkbox"/>
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Supplement to Form 50-296, "Application for Appraised Value Limitation on Qualified Property"

Page 6; Project Description

Inteplast Group, LTD. ("Inteplast") is considering a third BOPP plant at their existing Lolita, TX facility. The new plant would be approximately 275,000 square feet and would be capable of housing two production lines and a warehouse. Phase 1 of the project would include one state of the art production line with a 75 million pound annual nameplate capacity, increasing total capacity to 315 million pounds. It would also include a warehouse with a storage capacity for two production lines. This new equipment features high speed operations that can run 520 meters of film per minute. In addition, the equipment would allow Inteplast to produce film rolls with a larger outside diameter (OD), which is becoming a popular feature with the consumer market, and thinner-gauge film in order to satisfy market demand. The cost of investment for Phase 1 of the project is estimated to be US\$90,000,000, of which ~\$27,000,000 represents a new building.

Phase 2 of the potential project would include either the addition of a second production line in our third BOPP plant that would yield an additional annual nameplate capacity of 75 million pounds or the implementation of other projects, such as the upgrade or addition of equipment in other plants. The Phase 2 project is estimated to cost an additional US\$40,000,000.

Page 6; Ability to locate in another state

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Page 10; Benefits offered to qualified job holders

Inteplast Group, LTD. Employee Benefits Program includes:

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- Flexible Spending Accounts
- Employee Shuttle Service
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ATTACHMENT 5

N/A

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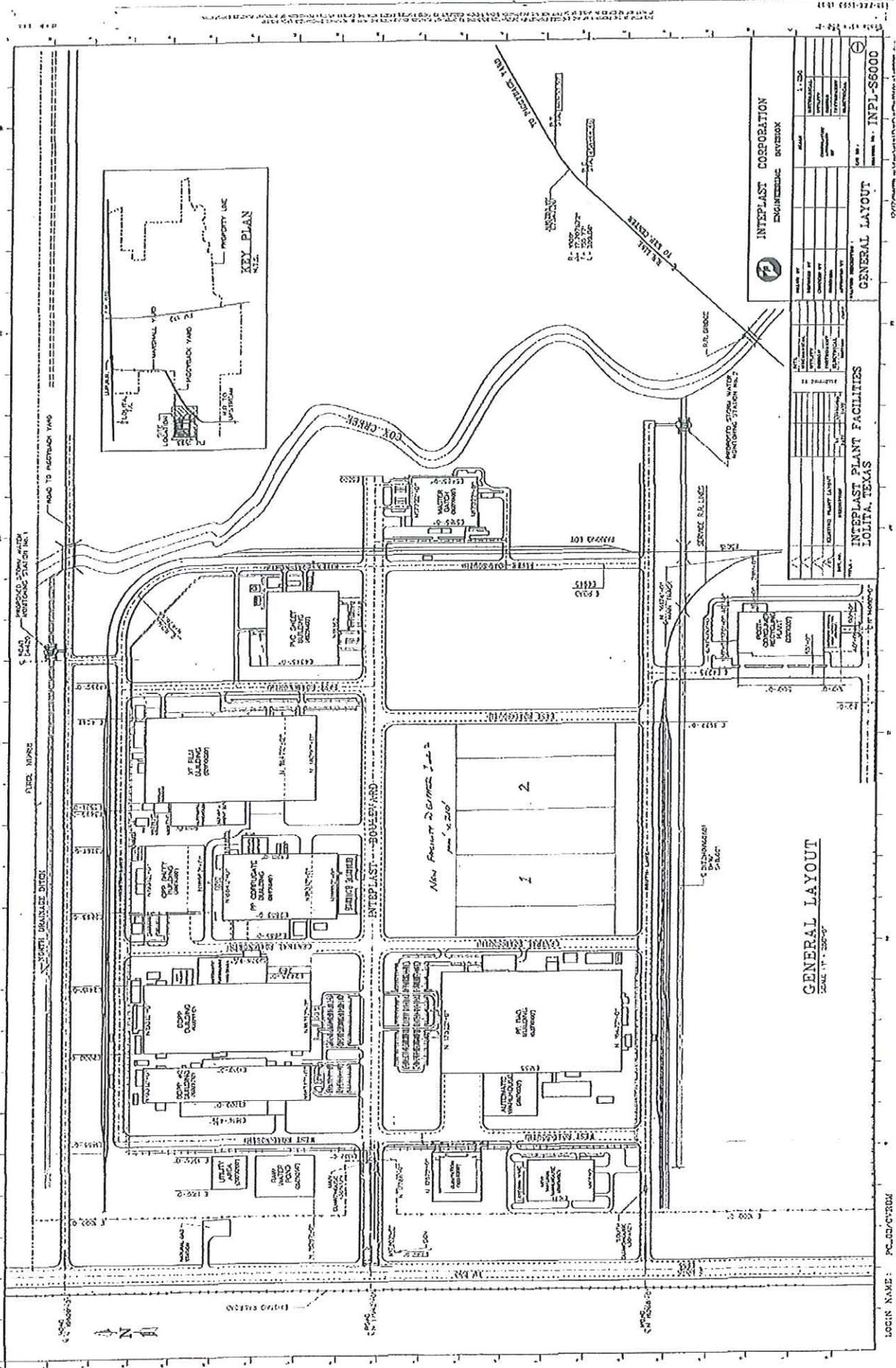
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INTEPLAST CORPORATION
ENGINEERING DEPARTMENT

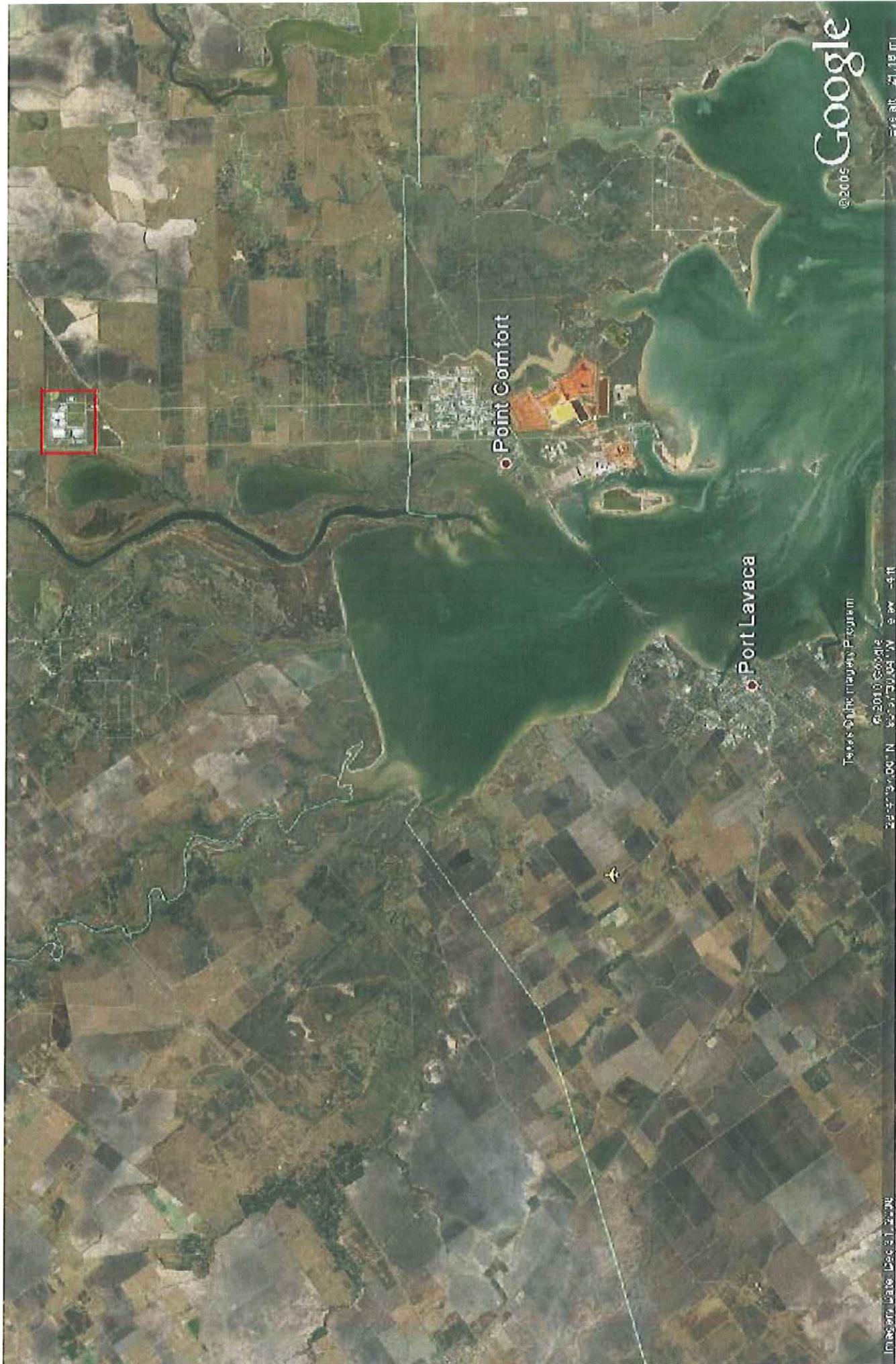
DATE	1. 28
BY	INTEPLAST
CHECKED BY	INTEPLAST
APPROVED BY	INTEPLAST
PROJECT NO.	INPL-S6000
DESCRIPTION	GENERAL LAYOUT

INTEPLAST PLANT FACILITIES
LOLITA, TEXAS

NO.	1	2
DESCRIPTION	NEW PLANT 200000 LBS	NEW PLANT 200000 LBS
DATE	1. 28	1. 28
BY	INTEPLAST	INTEPLAST
CHECKED BY	INTEPLAST	INTEPLAST
APPROVED BY	INTEPLAST	INTEPLAST

GENERAL LAYOUT
SCALE 1/4" = 200'-0"

LOGIN NAME: PC-00/CTSDM



©2005 Google

Eye alt: 21.16 m

Point Comfort

Port Lavaca

Texas State Imagery Program

© 2010 Google

28°57'00"N 95°57'00"W 9 av -8ft

Imagery Date: Dec 31, 2009

Supplement to Form 50-296, "Application for Appraised Value Limitation on Qualified Property"

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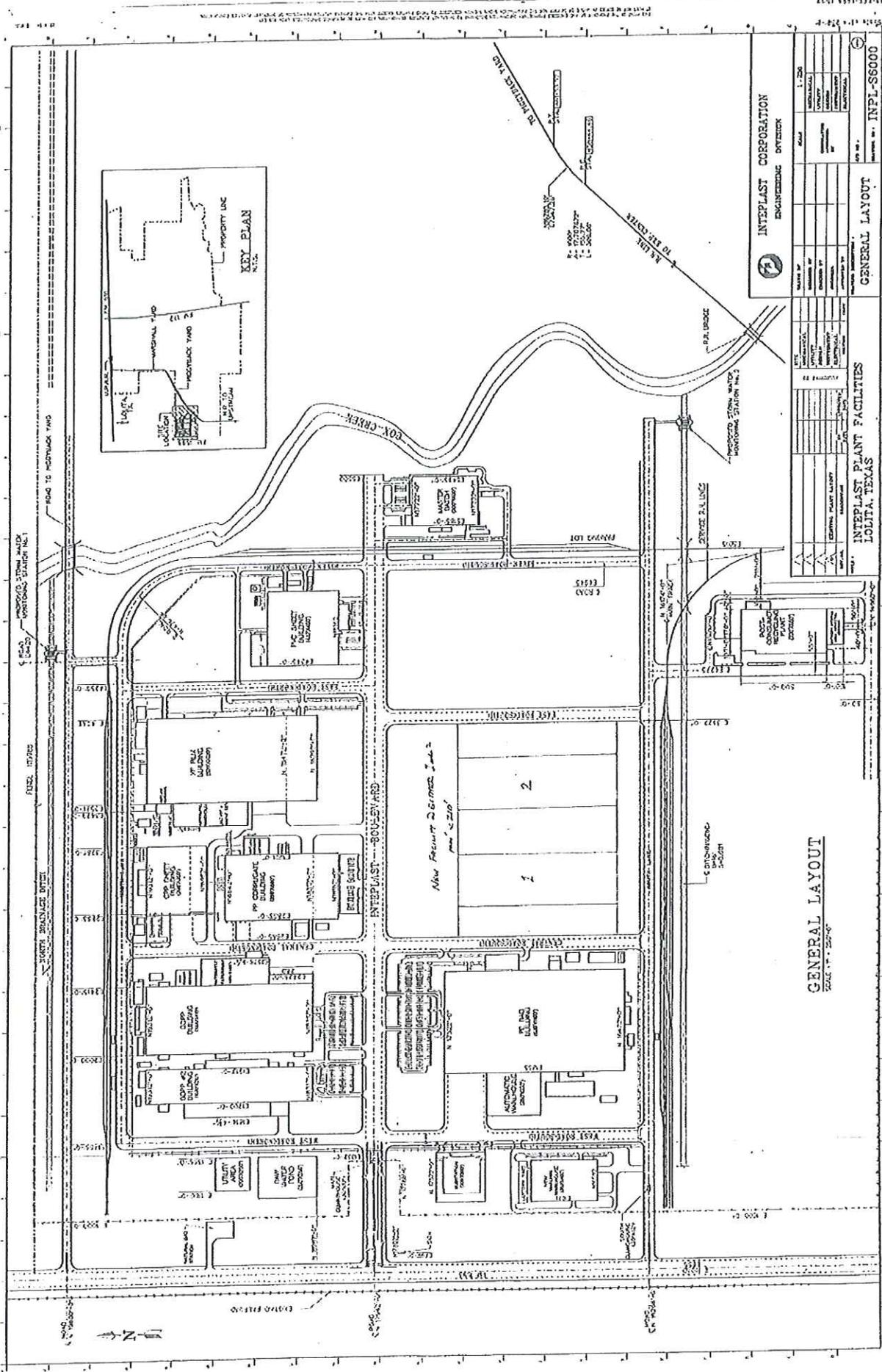
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INTEPLAST CORPORATION
ENGINEERING DIVISION

GENERAL LAYOUT
SCALE: 1" = 200'-0"

DATE: 11-15-60
BY: [Signature]
CHECKED BY: [Signature]
APPROVED BY: [Signature]

PROJECT NO.: INPL-58000

GENERAL LAYOUT
SCALE: 1" = 200'-0"

LOGIN NAME: PL-00-CYTRM

FIELDNOTE DESCRIPTION
2705.147 ACRE TRACT

STATE OF TEXAS)
COUNTY OF JACKSON)

BEING a 2705.147 acre tract of land situated in the David Hoffman Survey, Abstract No. 33, the James Morgan Survey, Abstract No. 56, the George Byring Survey, Abstract No. 20, and the I & G N R R Survey, Abstract No's 142, 143, 150, 153, & 167, in Jackson County, Texas and being a portion of that 18074.391 acre tract conveyed by YC Company, Inc. to Pamosa Plastics Corporation, Texas by deed dated October 1, 1990 and recorded in Volume 740, Pages 1046-1048 of the Deed Records of Jackson County, Texas, said 2705.147 acre tract being more particularly described by metes and bounds as follows:

BEGINNING, at an existing 3/4 inch iron rod found for a northwest corner of the herein described tract and the southwest corner of an adjacent 77.936 acre tract in the east Right-of-Way line of P.M. 1593, said iron rod being further located S 60°02'02" E; 4200.00 feet from a concrete corner post found in the east Right-of-Way line of P.M. 1593 marking a northwest corner of the aforementioned 18074.391 acre tract;

THENCE, S 89°54'32" E, along the south line of said 77.936 acre tract, for a distance of 1997.00 feet to an existing 3/4 inch iron rod found for the southeast corner of said 77.936 acre tract and an interior corner of the herein described tract;

THENCE, N 00°02'02" W, along the east line of said 77.936 acre tract for a distance of 1700.00 feet to an existing 3/4 inch iron rod found for the northeast corner of said 77.936 acre tract and a northwest corner of the herein described tract;

THENCE, S 89°54'32" E, along the north line of this tract at 2876.20 feet pass a set 5/8 inch iron rod on line and continuing for a total distance of 2926.20 feet to the point of intersection of this line and the west bank of Hulscho Creek;

THENCE, with the meanders of the west bank of Hulscho Creek as follows:

N 48°29'38" W	13.37'
N 34°10'48" W	98.58'
N 11°47'16" E	80.02'
N 42°44'29" E	154.62'
N 40°26'15" E	133.99'
N 16°14'27" E	112.63'
N 09°59'39" E	106.88'
N 11°05'18" E	145.38'
N 16°54'32" E	78.01'
N 69°02'11" W	66.20'
N 66°24'27" W	103.00'
N 58°18'42" W	236.22'
N 62°28'40" W	132.95'
N 57°28'56" W	85.88'
N 42°58'11" W	160.13'
N 40°05'05" W	79.81'
N 17°19'14" W	101.60'
N 13°45'17" W	169.69'
N 10°05'27" W	91.40'
N 14°10'15" W	151.78'
N 20°23'18" W	108.15'
N 16°56'08" W	84.12'
N 12°29'30" W	90.99'
N 09°57'52" E	68.64'
N 16°03'34" E	76.75'
N 20°34'46" E	51.37'
N 16°07'34" W	112.17', and

N 33°42'01" W, for a distance of 152.55 feet to a northwest corner of the herein described tract in a north line of said 18074.391 acre tract;

Exhibit

1-1

Supplement to Form 50-296, "Application for Appraised Value Limitation on Qualified Property"

Page 9; Existing Improvements and Appraisal district account numbers

Jackson CAD account #	Jackson CAD Description	2009 Appraised Value	2009 Taxable Value
N52082	PERSONAL PROPERTY @ PLANT (EXCLUDING INVENTORY & SUPPLIES)	\$1,724,120	\$1,724,120
N20408466	PLANT IMPROVEMENTS ABATEMENT 1 - 6/10/91-EXPIRE 12/31/99	\$48,498,400	\$48,498,400
N20408467	PLANT IMPROVEMENTS ABATEMENT 2 - 4/11/94-EXPIRE 12/31/02	\$53,678,000	\$53,678,000
N20408468	PLANT IMPROVEMENTS ABATEMENT 3 - 4/10/95-EXPIRE 12/31/03	\$67,997,900	\$67,997,900
N20408469	ADDITIONAL EQUIPMENT , 100%	\$825,600	\$825,600
N47729	CONSTRUCTION WORK IN PROGRESS	\$661,400	\$661,400
R26430	A5033 HOFFMAN, DAVID A., ACRES 308.86	\$379,330	\$379,330
R26431	A5033 HOFFMAN, DAVID A., ACRES 126.78	\$223,640	\$223,640
R26432	A5033 HOFFMAN, DAVID A., ACRES 101.26	\$193,640	\$193,640
R26433	A5033 HOFFMAN, DAVID A., ACRES 38.75	\$74,110	\$74,110
N20408470	POLLUTION CONTROL PROJECTS ABATEMENT 2 TNRCC 01-5920	\$1,268,500	\$0
N20408471	POLLUTION CONTROL PROJECTS ABATEMENT 3 TNRCC 01-5920	\$1,856,800	\$0
		\$177,381,440	

ATTACHMENT 13

N/A

**2009 Manufacturing Wages by Council of Government Region
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
Texas	\$21.43	\$44,583
<u>1. Panhandle Regional Planning Commission</u>	\$18.38	\$38,227
<u>2. South Plains Association of Governments</u>	\$15.67	\$32,596
<u>3. NORTEX Regional Planning Commission</u>	\$19.60	\$40,768
<u>4. North Central Texas Council of Governments</u>	\$23.44	\$48,754
<u>5. Ark-Tex Council of Governments</u>	\$15.14	\$31,489
<u>6. East Texas Council of Governments</u>	\$16.87	\$35,091
<u>7. West Central Texas Council of Governments</u>	\$17.27	\$35,916
<u>8. Rio Grande Council of Governments</u>	\$15.26	\$31,732
<u>9. Permian Basin Regional Planning Commission</u>	\$19.11	\$39,757
<u>10. Concho Valley Council of Governments</u>	\$14.80	\$30,784
<u>11. Heart of Texas Council of Governments</u>	\$17.41	\$36,206
<u>12. Capital Area Council of Governments</u>	\$25.60	\$53,244
<u>13. Brazos Valley Council of Governments</u>	\$15.33	\$31,893
<u>14. Deep East Texas Council of Governments</u>	\$15.46	\$32,151
<u>15. South East Texas Regional Planning Commission</u>	\$25.53	\$53,095
<u>16. Houston-Galveston Area Council</u>	\$22.90	\$47,629
<u>17. Golden Crescent Regional Planning Commission</u>	\$19.84	\$41,273
<u>18. Alamo Area Council of Governments</u>	\$16.82	\$34,984
<u>19. South Texas Development Council</u>	\$13.68	\$28,445
<u>20. Coastal Bend Council of Governments</u>	\$22.10	\$45,967
<u>21. Lower Rio Grande Valley Development Council</u>	\$13.52	\$28,114
<u>22. Texoma Council of Governments</u>	\$18.42	\$38,305
<u>23. Central Texas Council of Governments</u>	\$16.58	\$34,484
<u>24. Middle Rio Grande Development Council</u>	\$13.66	\$28,416

Source: Texas Occupational Employment and Wages

Data published: July 2010

Data published annually, next update will be June 2011.

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.

$$\begin{array}{r}
 41,273 \\
 \times 1.1 \\
 \hline
 45,400.30 \\
 \hline
 52 \text{ weeks} = 873.08
 \end{array}$$

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

<input type="text" value="Year"/>	<input type="text" value="Period"/>	<input type="text" value="Area"/>	<input type="text" value="Ownership"/>	<input type="text" value="Division"/>	<input type="text" value="Level"/>	<input type="text" value="Ind Code"/>	<input type="text" value="Industry"/>	<input type="text" value="Avg Weekly Wages"/>
2010	1st Qtr	Jackson County	Private	00	0	10	Total, All Industries	\$605
2009	2nd Qtr	Jackson County	Private	00	0	10	Total, All Industries	\$643
2009	3rd Qtr	Jackson County	Private	00	0	10	Total, All Industries	\$624
2009	4th Qtr	Jackson County	Private	00	0	10	Total, All Industries	\$685

$2557/4 = 639.25$
 $\times 1.1$

 703.18

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

<input type="text" value="2009"/>	<input type="text" value="1st Qtr"/>	<input type="text" value="Jackson County"/>	<input type="text" value="Private"/>	<input type="text" value="31"/>	<input type="text" value="2"/>	<input type="text" value="31-33"/>	<input type="text" value="Manufacturing"/>	<input type="text" value="\$747"/>
Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2009	1st Qtr	Jackson County	Private	31	2	31-33	Manufacturing	\$747
2009	2nd Qtr	Jackson County	Private	31	2	31-33	Manufacturing	\$829
2009	3rd Qtr	Jackson County	Private	31	2	31-33	Manufacturing	\$746
2009	4th Qtr	Jackson County	Private	31	2	31-33	Manufacturing	\$849

$$\begin{array}{r}
 3171 / 4 = 729.75 \\
 \times 1.1 \\
 \hline
 872.03
 \end{array}$$

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ATTACHMENT 16

N/A

Schedule A (Rev. May 2010): Investment

Form 50-296

Applicant Name: Implast Group, Ltd.
 ISD Name: Industrial ISD

PROPERTY INVESTMENT AMOUNTS

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

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: Tangible Personal Property The amount of new investment (original cost) placed in service during this year	Column B: Building or Permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B Qualifying investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals) Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment) Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property) Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property) Complete tax years of qualifying time period Value Limitation Period Continue to Maintain Viable Presence Post-Settle-Up Period Post-Settle-Up Period	2010 - 2011	2010	428,000		428,000		428,000
	1	2011 - 2012	2011	39,459,000	27,034,000	66,493,000	66,493,000
	2	2012 - 2013	2012	12,793,000		12,793,000	12,793,000
	3	2013 - 2014	2013	37,634,000		37,634,000	37,634,000
	4	2014 - 2015	2014	10,522,000		10,522,000	10,522,000
	5	2015 - 2016	2015	705,000		705,000	705,000
	6	2016 - 2017	2016	726,000		726,000	726,000
	7	2017 - 2018	2017	748,000		748,000	748,000
	8	2018 - 2019	2018	771,000		771,000	771,000
	9	2019 - 2020	2019				0
	10	2020 - 2021	2020				0
	11	2021 - 2022	2021				0
	12	2022 - 2023	2022				0
	13	2023 - 2024	2023				0
	14	2024 - 2025	2024				0
15	2025 - 2026	2025				0	

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

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

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

Column D: For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings. Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value-for planning, construction and operation of the facility. The most significant example for many projects would be land. Other examples may be items such as professional services, etc. Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

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

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

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

Form 50-296

Applicant Name
ISD Name

Industrial ISD

Year	School Year (YYYY-YYYY)	Tax Year (fill in actual tax year) YYYY	Estimated Market Value of Land	Qualified Property		Reductions from Market Value	Estimated Taxable Value	
				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 ISD - after all reductions	Final taxable value for M&O - after all reductions
pre-year 1	2010 - 2011	2010						
1	2011 - 2012	2011		0	0	0	0	0
2	2012 - 2013	2012		20,267,390	55,220,490	0	75,487,880	75,487,880
3	2013 - 2014	2013		18,543,032	67,543,137	0	86,086,169	30,000,000
4	2014 - 2015	2014		17,503,470	65,916,720	0	83,420,190	30,000,000
5	2015 - 2016	2015		16,907,091	61,338,308	0	78,245,398	30,000,000
6	2016 - 2017	2016		15,807,663	56,616,993	0	72,424,655	30,000,000
7	2017 - 2018	2017		16,262,894	54,733,508	0	70,996,402	30,000,000
8	2018 - 2019	2018		16,887,503	52,401,932	0	69,289,435	30,000,000
9	2019 - 2020	2019		16,555,628	48,342,403	0	64,898,031	30,000,000
10	2020 - 2021	2020		16,214,216	43,642,083	0	59,856,299	30,000,000
11	2021 - 2022	2021		15,428,058	38,988,037	0	54,416,095	54,416,095
12	2022 - 2023	2022		15,374,097	34,452,976	0	49,827,074	49,827,074
13	2023 - 2024	2023		14,822,980	29,747,367	0	44,570,347	44,570,347
14	2024 - 2025	2024		14,277,999	25,321,014	0	39,599,013	39,599,013
15	2025 - 2026	2025		13,618,316	22,042,056	0	35,660,373	35,660,373

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.

Robert B. Schen

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

9/16/10

DATE

Schedule C- Application: Employment Information

Inteplast Group, Ltd.
Industrial ISD

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 FTEs or man-hours (specify (1))	Column B: Average annual wage rates for construction workers (1)	Column C: Number of new jobs applicant commits to create (cumulative)	Column D: Average annual wage rate for all new jobs.	Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs	
	pre-year 1	2010 - 2011	2010	2	60,000					
Complete tax years of qualifying time period	1	2011 - 2012	2011	425	60,000	15	42,194	12	45,931	45,931
	2	2012 - 2013	2012	72	60,000	67	42,194	54	45,931	45,931
	3	2013 - 2014	2013	212	60,000	82	42,194	66	45,931	45,931
	4	2014 - 2015	2014	59	60,000	101	42,194	81	45,931	45,931
	5	2015 - 2016	2015	4	60,000	103	42,194	82	45,931	45,931
Tax Credit Period (with 50% cap on credit)	6	2016 - 2017	2016	4	60,000	103	42,194	82	45,931	45,931
	7	2017 - 2018	2017	4	60,000	103	42,194	82	45,931	45,931
	8	2018 - 2019	2018	4	60,000	103	42,194	82	45,931	45,931
	9	2019 - 2020	2019	4	60,000	103	42,194	82	45,931	45,931
	10	2020 - 2021	2020			103	42,194	82	45,931	45,931
Credit Settle-Up Period	11	2021 - 2022	2021			103	42,194	82	45,931	45,931
	12	2022 - 2023	2022			103	42,194	82	45,931	45,931
	13	2023 - 2024	2023			103	42,194	82	45,931	45,931
Post-Settle-Up Period	14	2024 - 2025	2024			103	42,194	82	45,931	45,931
	15	2025 - 2026	2025			103	42,194	82	45,931	45,931
				TOTAL			103	82	82	45,931

(1) Construction FTE and annual wage data from an Economic Impact Study dated 07/26/2010, prepared by ImpactDataSource

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

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

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

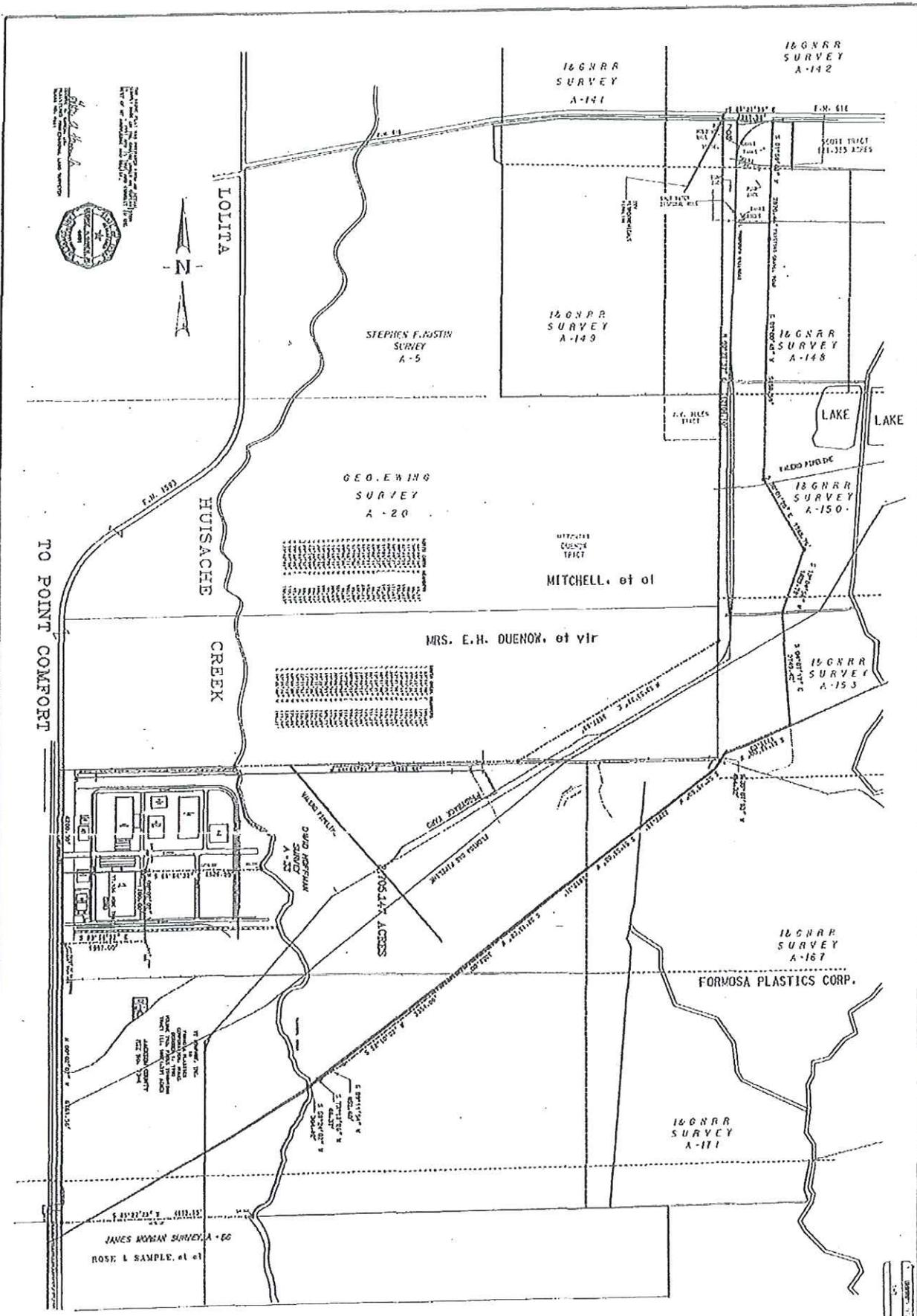
Schedule D: (Rev. May 2010): Other Tax Information

Applicant Name	Inteplast Group, Ltd.		Sales Tax Information		Franchise Tax		Industrial ISD				
	Year	School Year (YYYY-YYYY)	Tax Calendar Year YYYY	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	County	City	Hospital	Other	
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)		2010 - 2011	2010	107,000	321,000						
	Complete tax years of qualifying time period	1	2011 - 2012	2011	16,623,250	49,869,750		100%	n/a	100%	100%
		2	2012 - 2013	2012	3,198,250	9,594,750		100%	n/a	100%	100%
		3	2013 - 2014	2013	10,408,500	42,225,500	6,868	80%	n/a	80%	80%
		4	2014 - 2015	2014	3,660,500	22,311,500	6,868	75%	n/a	75%	75%
		5	2015 - 2016	2015	1,237,150	15,381,350	6,868	60%	n/a	60%	50%
	Tax Credit Period (with 50% cap on credit)	6	2016 - 2017	2016	1,274,227	15,842,678	6,868	60%	n/a	60%	60%
		7	2017 - 2018	2017	1,312,509	16,318,123	6,868	50%	n/a	50%	50%
		8	2018 - 2019	2018	1,352,024	16,808,087	6,868	0%	n/a	0%	0%
		9	2019 - 2020	2019	1,194,052	16,716,732	6,868	0%	n/a	0%	0%
		10	2020 - 2021	2020	1,229,674	17,218,234	6,868	0%	n/a	0%	0%
	Credit Settle-Up Period	11	2021 - 2022	2021	1,266,770	17,734,781	6,868	0%	n/a	0%	0%
		12	2022 - 2023	2022	1,304,773	18,266,825	6,868	0%	n/a	0%	0%
		13	2023 - 2024	2023	1,343,916	18,814,829	6,868	0%	n/a	0%	0%
	Post-Settle-Up Period	14	2024 - 2025	2024	1,384,234	19,379,274	6,868	0%	n/a	0%	0%
15		2025 - 2025	2025	1,425,761	19,960,652	6,868	0%	n/a	0%	0%	

*For planning, construction and operation of the facility.

Robert Wang
 SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

9/1/20
 DATE



This plat was prepared from the original survey records of the following surveys:
 18GNRR SURVEY A-141
 18GNRR SURVEY A-149
 18GNRR SURVEY A-148
 18GNRR SURVEY A-150
 18GNRR SURVEY A-153
 18GNRR SURVEY A-167
 18GNRR SURVEY A-171
 STEPHEN F. JUSTIN SURVEY A-5
 GEO. EWING SURVEY A-20
 JAMES MORGAN SURVEY A-60
 ROSE & SAMPLE, et al

TO POINT COMFORT

LOLITA

HUISACHE CREEK

18GNRR SURVEY A-142

18GNRR SURVEY A-141

18GNRR SURVEY A-149

18GNRR SURVEY A-148

STEPHEN F. JUSTIN SURVEY A-5

GEO. EWING SURVEY A-20

MITCHELL, et al

MRS. E. H. DUENOW, et al

18GNRR SURVEY A-150

18GNRR SURVEY A-153

18GNRR SURVEY A-167

FORMOSA PLASTICS CORP.

18GNRR SURVEY A-171

JAMES MORGAN SURVEY A-60
ROSE & SAMPLE, et al



GANEM & KELLY SURVEYING, INC.

THIS PLAT IS THE FIRST PLAT OF THE 18GNRR SURVEY A-141, A-149, A-148, A-150, A-153, A-167, A-171, STEPHEN F. JUSTIN SURVEY A-5, GEO. EWING SURVEY A-20, JAMES MORGAN SURVEY A-60, ROSE & SAMPLE, et al.		
DATE OF SURVEY	DATE OF PLAT	DATE OF SALE
1958-12-15	1959-01-15	1959-01-15

SURVEY PLAT
 FORMOSA PLASTICS CORP.

1
 1

Public Hearing on Application for Designation of Reinvestment Zone 94-1A (9:00 a.m.)

Judge Stafford noted this is the same area as in 94 and that is why they named it 94-1A. He noted that advertisements had been made concerning the public hearing and letters to the taxing entities involved in the property.

Motion was made by Judge Stafford, seconded by Comm. Bubela to approve application of Reinvestment Zone 94-1A.

Motion carried.

**RESOLUTION OF THE
COMMISSIONERS COURT OF JACKSON COUNTY, TEXAS
DESIGNATING REINVESTMENT ZONE NO. 94-1A**

WHEREAS, INTEPLAST GROUP, LTD. filed an application with the Commissioners Court of Jackson County, Texas for designation of a reinvestment zone on September 3, 2008; and

WHEREAS, pursuant to the Property Redevelopment and Tax Abatement Act (Texas Tax Code, Chapter 312) and the Guidelines and Criteria of the Commissioners Court of Jackson County for Granting Tax Abatement in Reinvestment Zones created in Jackson County, (The Guidelines), the Commissioners Court published a Notice of Public Hearing on the Application of Inteplast Group, LTD, Texas for designation of a reinvestment zone in the Edna Herald on September 10, 2008; and

WHEREAS, pursuant to the Texas Tax Code, Chapter 312 and the Guidelines, written notice of this Public Hearing was mailed on September 18, 2008 to the presiding officer of the governing body of each taxing unit that includes in its boundaries real property that is included in the proposed reinvestment zone; and

WHEREAS, the Commissioners Court convened in open meeting on Monday September 22, 2008 at 9:00 o'clock a.m. pursuant to said Notices for the purpose of conducting a Public Hearing on the Application of Inteplast Group, Ltd. for designation of a reinvestment zone, during which hearing representatives of Inteplast Group, Ltd. presented statements and evidence in support of its Application, and whereupon all interested persons in attendance who requested to do so, were given the opportunity to speak and present evidence for or against the designation; and

WHEREAS, upon conclusion of the Public Hearing, the members of the Commissioners Court considered the evidence and upon motion and second, adopted the following resolution:

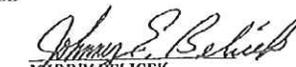
BE IT RESOLVED BY THE COMMISSIONERS COURT OF JACKSON COUNTY, TEXAS:

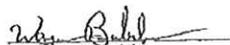
1. The Commissioners Court of Jackson County, Texas makes the following findings:
 - (a) That the improvements sought are feasible and practical;
 - (b) The designation and improvements would be a benefit to the land to be included in the zone, and to the County after the expiration of the tax abatement agreement;
 - (c) The area will be reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract major investment in the zone that would be a benefit to the property and that would contribute to the economic development of the County;
 - (d) The Commissioners Court further finds that the entire 2,705.147 acre tract of land is located entirely in an unincorporated area of Jackson County, Texas;
2. Based upon its finding, the Commissioners Court of Jackson County, Texas concludes that Intoplast Group, Ltd. Application for Designation of Reinvestment Zone dated September 3, 2008 should be and is hereby approved.
3. A metes and bounds description of the Reinvestment Zone is contained in Exhibit 1-1, is attached hereto, incorporated by reference and made a part hereof for any and all purposes. Also attached to this Resolution is a plat indicating the boundaries and location of the Reinvestment Zone. The plat is marked Exhibit 1-2, incorporated by reference and made a part hereof for any and all purposes.
4. The Reinvestment Zone is hereby designated as eligible for commercial-industrial tax abatement, subject to approval of any application for tax abatement by the Commissioners Court.
5. The 2,705.147 acre tract of land is hereby designated as Jackson County Reinvestment Zone 94-1A and is eligible for commercial-industrial tax abatement.
6. This designation of a reinvestment zone shall expire five years from the date of this resolution.

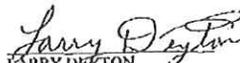
PASSED, ADOPTED AND APPROVED, on this the 22nd day of SEPTEMBER, 2008.

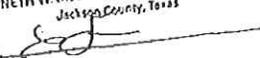

HARRISON STAFFORD II
JACKSON COUNTY JUDGE


WAYNE HUNT
Commissioner Prec. 1


JOHNNY BELICEK
Commissioner Prec. 3


WAYNE BUBELA
Commissioner Prec. 1


LARRY DAYTON
Commissioner Prec. 3

FILED 8-22-08
KENNETH W. McELVEEN-Clerk of County Court
Jackson County, Texas
BY: 

FIELDNOTE DESCRIPTION
2705.147 ACRE TRACT

STATE OF TEXAS)
COUNTY OF JACKSON)

BEING a 2705.147 acre tract of land situated in the David Hoffman Survey, Abstract No. 33, the James Morgan Survey, Abstract No. 56, the George Living Survey, Abstract No. 20, and the I & C N R R. Survey, Abstract No. 142, 148, 150, 153, & 167, in Jackson County, Texas and being a portion of that 18074.391 acre tract conveyed by YC Company, Inc. to Panmosa Plastics Corporation, Texas by deed dated October 1, 1990 and recorded in Volume 740, Pages 1046-1048 of the Deed Records of Jackson County, Texas, said 2705.147 acre tract being more particularly described by metes and bounds as follows:

BEGINNING, at an existing 3/4 inch iron rod found for a northwest corner of the herein described tract and the southwest corner of an adjacent 77.936 acre tract in the east Right-of-Way line of P.M. 1593, said iron rod being further located S 00°02'02" E; 4200.00 feet from a concrete corner post found in the east Right-of-Way line of P.M. 1593 marking a northwest corner of the aforementioned 18074.391 acre tract;

THENCE, S 89°54'32" E, along the south line of said 77.936 acre tract, for a distance of 1997.00 feet to an existing 3/4 inch iron rod found for the southeast corner of said 77.936 acre tract and an interior corner of the herein described tract;

THENCE, N 00°02'02" W, along the east line of said 77.936 acre tract for a distance of 1700.00 feet to an existing 3/4 inch iron rod found for the northeast corner of said 77.936 acre tract and a northwest corner of the herein described tract;

THENCE, S 89°54'32" E, along the north line of this tract at 2876.20 feet pass a set 5/8 inch iron rod on line and continuing for a total distance of 2926.20 feet to the point of intersection of this line and the west bank of Hulseaho Creek;

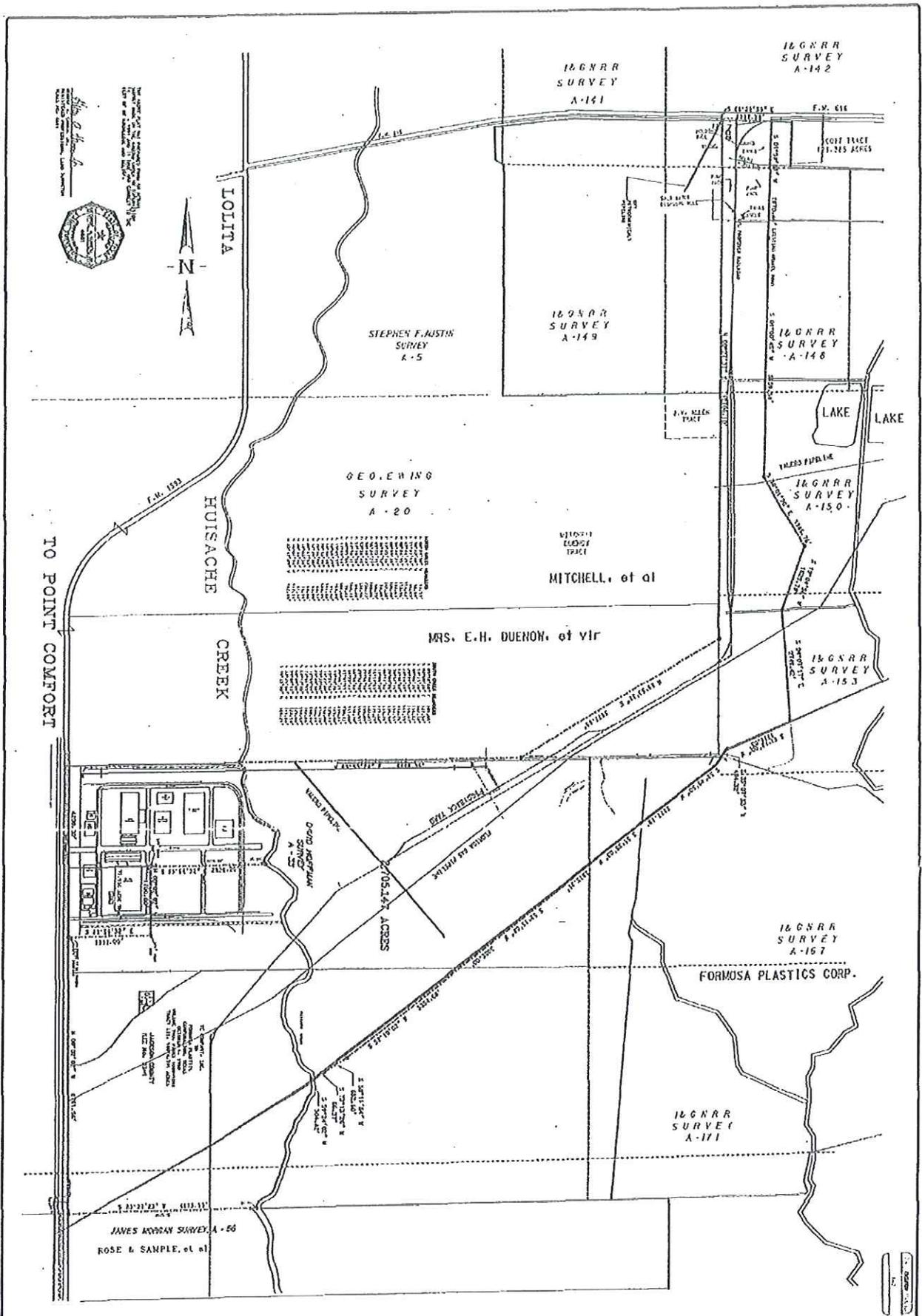
THENCE, with the meanders of the west bank of Hulseaho Creek as follows:

N 45°29'38" W	13.37'
N 34°10'48" W	96.58'
N 11°47'18" E	80.00'
N 42°44'29" E	154.62'
N 40°26'15" E	133.99'
N 16°14'27" E	112.63'
N 05°59'39" E	105.88'
N 11°03'18" E	145.38'
N 16°54'32" E	78.01'
N 69°02'11" W	66.20'
N 56°24'27" W	103.06'
N 58°18'42" W	236.22'
N 62°28'40" W	132.98'
N 57°28'56" W	85.88'
N 42°58'11" W	160.13'
N 40°05'03" W	79.81'
N 17°19'14" W	101.60'
N 13°45'17" W	169.69'
N 10°05'27" W	91.40'
N 14°10'15" W	151.78'
N 20°33'18" W	108.15'
N 16°56'08" W	84.12'
N 12°29'30" W	90.99'
N 09°37'52" E	68.64'
N 18°03'34" E	76.75'
N 20°34'46" E	51.37'
N 16°07'34" W	112.17', and

N 33°42'01" W, for a distance of 152.35 feet to a northwest corner of the herein described tract in a north line of said 18074.391 acre tract;

Exhibit

1-1



This plat was prepared by the
 Surveyors of the State of Texas
 under the authority of the
 Board of Surveyors, and is
 subject to the provisions of
 the Act of the 19th day of
 March, 1897, and the Act of
 the 19th day of March, 1909,
 and the Act of the 19th day
 of March, 1911, and the Act
 of the 19th day of March, 1913,
 and the Act of the 19th day
 of March, 1915, and the Act
 of the 19th day of March, 1917,
 and the Act of the 19th day
 of March, 1919, and the Act
 of the 19th day of March, 1921,
 and the Act of the 19th day
 of March, 1923, and the Act
 of the 19th day of March, 1925,
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 of the 19th day of March, 2013,
 and the Act of the 19th day
 of March, 2015, and the Act
 of the 19th day of March, 2017,
 and the Act of the 19th day
 of March, 2019, and the Act
 of the 19th day of March, 2021,
 and the Act of the 19th day
 of March, 2023, and the Act
 of the 19th day of March, 2025.

CANEM & KELLY SURVEYING, INC.
 10000 N. Loop West, Suite 100
 Houston, Texas 77040
 Telephone: (713) 865-1111
 Fax: (713) 865-1112
 Email: info@canemkelly.com
 Website: www.canemkelly.com

This plat was prepared by the Surveyors of the State of Texas under the authority of the Board of Surveyors, and is subject to the provisions of the Act of the 19th day of March, 1897, and the Act of the 19th day of March, 1909, and the Act of the 19th day of March, 1911, and the Act of the 19th day of March, 1913, and the Act of the 19th day of March, 1915, and the Act of the 19th day of March, 1917, and the Act of the 19th day of March, 1919, and the Act of the 19th day of March, 1921, and the Act of the 19th day of March, 1923, and the Act of the 19th day of March, 1925, and the Act of the 19th day of March, 1927, and the Act of the 19th day of March, 1929, and the Act of the 19th day of March, 1931, and the Act of the 19th day of March, 1933, and the Act of the 19th day of March, 1935, and the Act of the 19th day of March, 1937, and the Act of the 19th day of March, 1939, and the Act of the 19th day of March, 1941, and the Act of the 19th day of March, 1943, and the Act of the 19th day of March, 1945, and the Act of the 19th day of March, 1947, and the Act of the 19th day of March, 1949, and the Act of the 19th day of March, 1951, and the Act of the 19th day of March, 1953, and the Act of the 19th day of March, 1955, and the Act of the 19th day of March, 1957, and the Act of the 19th day of March, 1959, and the Act of the 19th day of March, 1961, and the Act of the 19th day of March, 1963, and the Act of the 19th day of March, 1965, and the Act of the 19th day of March, 1967, and the Act of the 19th day of March, 1969, and the Act of the 19th day of March, 1971, and the Act of the 19th day of March, 1973, and the Act of the 19th day of March, 1975, and the Act of the 19th day of March, 1977, and the Act of the 19th day of March, 1979, and the Act of the 19th day of March, 1981, and the Act of the 19th day of March, 1983, and the Act of the 19th day of March, 1985, and the Act of the 19th day of March, 1987, and the Act of the 19th day of March, 1989, and the Act of the 19th day of March, 1991, and the Act of the 19th day of March, 1993, and the Act of the 19th day of March, 1995, and the Act of the 19th day of March, 1997, and the Act of the 19th day of March, 1999, and the Act of the 19th day of March, 2001, and the Act of the 19th day of March, 2003, and the Act of the 19th day of March, 2005, and the Act of the 19th day of March, 2007, and the Act of the 19th day of March, 2009, and the Act of the 19th day of March, 2011, and the Act of the 19th day of March, 2013, and the Act of the 19th day of March, 2015, and the Act of the 19th day of March, 2017, and the Act of the 19th day of March, 2019, and the Act of the 19th day of March, 2021, and the Act of the 19th day of March, 2023, and the Act of the 19th day of March, 2025.			
DATE: 11/15/23	BY: J. Kelly	CHECKED: J. Kelly	APPROVED: J. Kelly
DATE: 11/15/23	BY: J. Kelly	CHECKED: J. Kelly	APPROVED: J. Kelly
DATE: 11/15/23	BY: J. Kelly	CHECKED: J. Kelly	APPROVED: J. Kelly

SURVEY PLAT
FORMOSA PLASTICS CORP.

SHEET
 1
 OF
 1

FIELDNOTE DESCRIPTION
2705.147 ACRE TRACT

STATE OF TEXAS)
COUNTY OF JACKSON)

BEING a 2705.147 acre tract of land situated in the David Hoffman Survey, Abstract No. 33, the James Morgan Survey, Abstract No. 56, the George Bwing Survey, Abstract No. 20, and the I & G N R R Surveys, Abstract No.'s 142, 148, 150, 153, & 167, in Jackson County, Texas and being a portion of that 18074.391 acre tract conveyed by YC Company, Inc. to Pomona Plastics Corporation, Texas by deed dated October 1, 1990 and recorded in Volume 740, Pages 1046-1048 of the Deed Records of Jackson County, Texas, said 2705.147 acre tract being more particularly described by notes and bounds as follows:

BEGINNING, at an existing 3/4 inch iron rod found for a northwest corner of the herein described tract and the southwest corner of an adjacent 77.936 acre tract in the east Right-of-Way line of P.M. 1593, said iron rod being further located S 00°02'02" E, 4200.00 feet from a concrete corner post found in the east Right-of-Way line of P.M. 1593 marking the northwest corner of the aforementioned 18074.391 acre tract;

THENCE, S 89°34'32" E, along the south line of said 77.926 acre tract, for a distance of 1997.00 feet to an existing 3/4 inch iron rod found for the southeast corner of said 77.936 acre tract and an interior corner of the herein described tract;

THENCE, N 09°02'01" W, along the east line of said 77.936 acre tract for a distance of 1700.00 feet to an existing 3/4 inch iron rod found for the northeast corner of said 77.926 acre tract and a northwest corner of the herein described tract;

THENCE, S 89°54'32" E, along the north line of this tract at 2876.20 feet pass a set 5/8 inch iron rod on line and continuing for a total distance of 2926.20 feet to the point of intersection of this line and the west bank of Huisache Creek;

THENCE, with the meanders of the west bank of Huisache Creek as follows:

N 48°29'38" W	13.37'
N 34°10'48" W	96.58'
N 11°47'18" E	80.02'
N 42°44'29" E	154.61'
N 40°28'15" E	133.99'
N 16°14'27" E	112.63'
N 06°59'39" E	106.88'
N 11°09'18" E	145.28'
N 16°54'32" E	78.01'
N 69°02'11" W	66.20'
N 56°24'27" W	103.06'
N 39°18'42" W	236.22'
N 62°28'40" W	132.98'
N 57°28'56" W	85.88'
N 42°58'11" W	160.13'
N 40°05'05" W	79.81'
N 17°10'14" W	101.60'
N 13°45'17" W	169.69'
N 10°05'27" W	91.40'
N 14°10'15" W	151.78'
N 20°33'18" W	108.15'
N 16°56'08" W	84.12'
N 12°29'30" W	90.99'
N 09°57'52" E	68.64'
N 18°03'34" E	76.75'
N 20°34'46" E	51.37'
N 16°07'34" W	112.17', and

N 33°42'01" W, for a distance of 152.55 feet to a northwest corner of the herein described tract in a north line of said 18074.391 acre tract;

Exhibit

1-1

GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENT IN A
REINVESTMENT ZONE CREATED IN JACKSON COUNTY, TEXAS

SECTION I

BACKGROUND

- (A) Pursuant to the Texas Tax Code (hereinafter the "Code"), Jackson County, Texas (hereinafter "the County"), is authorized to designate Reinvestment Zones in areas of the County that do not include areas in the taxing jurisdiction of a municipality, to enter into tax abatement agreements with regard to properties located in Reinvestment Zones, and to enter into tax abatement agreements with regard to properties for which a municipality has given tax abatement incentives by agreement.
- (B) The Code requires that the County establish guidelines and criteria governing tax abatement agreements. These guidelines and criteria are for the purpose of promoting the efficient and reasonably consistent administration of tax abatement incentives. These guidelines are effective for two (2) years from date adopted by the Jackson County Commissioners Court (the "Commissioners Court"). A three-quarter (3/4) vote by the Commissioners Court is required to amend or repeal these guidelines.
- (C) These guidelines and criteria, and the procedures established herein, are in compliance with the requirements of the Code.
- (D) NOTHING HEREBIN SHALL IMPLY OR SUGGEST THAT THE COUNTY IS UNDER ANY OBLIGATION TO PROVIDE ANY TAX ABATEMENT, OR PROVIDE ANY LENGTH, LEVEL OR VALUE OF TAX ABATEMENT, TO ANY APPLICANT.

SECTION II

DEFINITIONS

- (A) "*Abatement*" means the full or partial exemption from County ad valorem taxation of the increased values of eligible properties in a Reinvestment Zone designated as such in accordance with state law, or the full or partial exemption from County ad valorem taxation of the increased values of eligible properties located within a municipality's taxing jurisdiction where

the municipality has granted full or partial exemption to those properties from municipal ad valorem taxation.

- (B) "*Agreement*" means a contractual agreement between a property owner and a taxing jurisdiction for the purpose of tax abatement.
- (C) "*Base Year Value*" means the market value of any property eligible for abatement under these guidelines and criteria on January 1 of the year of the execution of the agreement. In addition, Base Year Value may include a guaranteed minimum agreed upon value of any property improvements or additions eligible for abatement under these guidelines and criteria made after such January 1 but before execution of such agreement.
- (D) "*Economic Life*" means the number of the years a property improvement is expected to be in service in a facility
- (E) "*Expansion*" means the addition of buildings, structures, machinery, or equipment for the purpose of increasing production capacity.
- (F) "*Facility*" means property improvements completed or in the process of construction which together comprise an integral whole.
- (G) "*Lease*" means a relationship whereby the person applying for a tax abatement has a contract for exclusive possession of the real property on which improvements are to be made and/or personal property to be used for the operation of the business for a defined period of time.
- (H) "*Modernization*" means the replacement and upgrading of existing facilities which increase the productive input or output, updates the technology, or substantially lowers the unit cost of operation, and extends the economic life of the facility. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery, or equipment. Modernization shall not include reconditioning, refurbishing, repairing, or completion of deferred maintenance.
- (I) "*New facility*" means a Facility on property previously undeveloped and which is placed into service by means other than expansion or a modernization.
- (J) "*Personal Property*" means machinery, equipment and/or tools used, or bought or leased for use, in the operations of the person applying for tax abatement, other than that which was located on the real property at any time before execution of the tax abatement agreement. "Personal Property" shall not include inventory, supplies, office furniture, office equipment, motor vehicles, vessels, aircraft, housing, hotel accommodations, or deferred maintenance investments.

- (K) "Real Property" means the area of land defined by legal description as being owned or leased by the person applying for a tax abatement, including any improvements thereto, which is to be improved and valued for property tax purposes, and which is to be included in the Reinvestment Zone.
- (L) "Reinvestment Zone" is an area designated as such for the purpose of a tax abatement as authorized by the County in accordance with the Code.

SECTION III

REINVESTMENT ZONE DESIGNATION

- (A) A Reinvestment Zone may only be designated in accordance with the Code.
- (B) A Reinvestment Zone may only be designated by the Commissioners Court in an area of the County that does not include an area within the taxing jurisdiction of a municipality.
- (C) An area may be designated as a Reinvestment Zone if the Commissioners Court, after a public hearing on the proposed designation, finds that the designation would attract major investment into the Reinvestment Zone that would be a benefit to the property to be included in the Reinvestment Zone and would contribute to the economic development of the County.
- (D) A public hearing on a proposed Reinvestment Zone designation must be held prior to the findings and action of the Commissioners Court on the proposal. The public hearing shall be conducted in accordance with all applicable provisions of the Code. Notice of the hearing shall be given in accordance with the Code. The public hearing must also be posted as an agenda item in accordance with Chapter 551 of the Texas Government Code (the "Texas Open Meetings Act").
- (E) Property may be located both in a Reinvestment Zone designated by the County and in a Reinvestment Zone designated by a municipality.
- (F) If the Commissioners Court finds that designation of an area as a Reinvestment Zone is proper, such proposed designation shall be put to a vote of the Commissioners Court, and will pass if a majority of the members of the Commissioners Court in attendance vote to approve the designation. The order of the Commissioners Court designating the area as a Reinvestment Zone shall contain a sufficient description of the boundaries of the Reinvestment Zone.

- (G) The designation of a Reinvestment Zone shall be for a period of five (5) years. No designation of a Reinvestment Zone shall exceed five (5) years, and a designation of a Reinvestment Zone shall automatically expire five (5) years after the date of designation unless renewed by the Commissioners Court for one or more subsequent periods not to exceed five (5) years each. The expiration of a designation of a Reinvestment Zone does not affect any existing tax abatement agreement relating to property in such Reinvestment Zone.
- (H) Tax abatement agreements entered into by the County shall be in compliance with all applicable requirements set forth in the Code.

SECTION IV

ABATEMENT AUTHORIZED

- (A) Abatement is authorized, subject to approval of the Commissioners Court and execution of a tax abatement agreement, for properties located within a Reinvestment Zone designated by the Commissioners Court.
- (B) Abatement is also authorized for properties located within a municipal Reinvestment Zone when the municipality has entered into a tax abatement agreement with regard to property located within the Reinvestment Zone if the County enters into a tax abatement agreement with regard to that property. Such an agreement must be in compliance with all applicable requirements set forth in the Code.
- (C) Authorized Facilities: Tax abatement may be granted for New Facilities or for the Expansion or Modernization of existing Facilities. The economic life of a Facility or improvements thereto must exceed the life of the tax abatement agreement.
- (D) Eligible Property: Tax abatement may be granted for improvements to owned real property or real property subject to a Lease and for Personal Property located on such real property to the extent allowed by state law.
- (E) Value of Abatement: Authorized Facilities may be granted abatement on all or a portion of the increased taxable value of eligible property over the base year value for a period not to exceed ten (10) years. Such abatement, if granted as to real property, is not with regard to the entire value of the real property, but only to the extent that the value of the real property exceeds the value for the year in which the abatement is granted (i.e., the Base Year Value). Ad valorem taxes on

tangible Personal Property may be abated to the extent of additions, but cannot be abated as to personal property located on the real property at any time before the tax abatement agreement is executed, and cannot be abated for inventory, supplies, office furniture, office equipment, motor vehicles, vessels, aircraft, housing, hotel accommodations, or deferred maintenance investments.

SECTION V

PROJECT IMPACT DATA

(A) Introduction

The information required in this Section V will be used by the Commissioners Court to determine whether or not it is in the best interest of the County to offer tax abatement to a particular applicant. The County may request that the applicant describe the methodologies used to respond to the questions below and to supply supporting documentation.

(B) Proposed Investment

The applicant must submit information providing answers to the following inquiries:

- (1) Identify and describe the type and location of the proposed real property improvements and/or personal property additions to the property and describe the planned development schedule for the proposed improvements and/or additions.
- (2) To what extent, if any, will material, additional public improvements be needed? Describe the plans, if any, in existence for the provision of such improvements.
- (3) What material governmental approvals or permits will be required for the improvements?
- (4) Is the financial capital required to complete the project already available (financing commitments, reserved funds, etc.)? Explain in reasonable detail.

(C) Fiscal Impact

The applicant must submit information providing answers to the following inquiries:

- (1) What is the estimated cost of the proposed real property improvements and/or personal property additions?
- (2) What is the proposed depreciation schedule for the real and personal property to be abated?

(D) Community Impact

The applicant must submit information providing answers to the following inquiries:

- (1) Provide a copy of an economic impact study prepared with respect to the proposed project. An economic impact evaluation prepared in connection with an application for appraised value limitation under Chapter 313 of the Code will satisfy this requirement.
- (2) What support services or products, if any, does the applicant anticipate will be procured from the local community in the construction of improvements or additions of personal property, and with regard to its operations?

(E) A legal description of the subject real property must be supplied to the County by the applicant.

(F) Pursuant to the Code, information submitted in the application process is confidential, and is not subject to public disclosure, unless and until a tax abatement agreement is executed. If an application for abatement is granted, the information submitted in the application process will be considered public once the abatement agreement has been signed by representatives for both parties.

SECTION VI

GUIDELINES

(A) Economic Qualification

To be eligible for designation of a Reinvestment Zone and to receive tax abatement, the proposed project must be reasonably shown to have an estimated cost upon completion of at least \$5,000,000.00

(B) Eligibility

The Commissioners Court shall determine eligibility for abatement on a case-by-case basis.

(C) Rate and Duration of Tax Abatement

When a determination has been made to offer tax abatement, the County will determine the percent of value abated and the length of abatement on a case-by-case basis.

SECTION VII

PROCEDURE

(A) Any person or entity desiring that the County consider tax abatement for a proposed project must comply with the following procedural guidelines.

(B) Application Process

The applicant shall submit a letter of application for tax abatement to the County Judge for submission to the Commissioners Court. The application must:

- (1) give a reasonably detailed explanation of the proposed project (improvements to owned or leased real property, and/or addition of owned or leased Personal Property);
- (2) address all criteria questions and inquiries outlined in Section V above;
- (3) provide a current survey of the real property and information showing the proposed location of the proposed improvements and additions on such real property, together with a legal description of such real property;
- (4) identify the name, address, telephone number, fax number, and e-mail address of the applicant's contact person for purposes of the application;
- (5) identify the form of organization of the applicant (e.g., sole proprietorship, partnership, corporation, limited liability company, etc.) and any assumed or trade names under which the applicant operates; and
- (6) identify how the project will comply with or fit within the criteria and guidelines set forth in the preceding sections.

All applications will be reviewed by the Commissioners Court's designee or designees for accuracy and completeness. If requested by the Commissioners Court or its designee, the applicant shall verify any information submitted to the Commissioners Court. In addition, the applicant shall provide any additional information requested by the Commissioners Court or its designee. Upon completion of the application process, the

application will be placed on the agenda for a meeting of the Commissioners Court for consideration.

- (C) The application shall be considered at a meeting of the Commissioners Court held in compliance with the Texas Open Meetings Act. If the abatement would involve the designation of a Reinvestment Zone, a public hearing regarding such designation must first be held in accordance with the procedures and notice requirements in the Code. No applicant has a legal right or expectation to a favorable determination by the Commissioners Court with respect to its application.
- (D) The abatement, if granted, must be made pursuant to a tax abatement agreement which meets all of the requirements of law and is acceptable to the Commissioners Court. Any such tax abatement agreement shall provide that in filling any new employment positions created as a result of the project, the applicant will use commercially reasonable efforts to hire qualified applicants located in the County and willing to perform the work required by such position. A tax abatement agreement must be approved by the Commissioners Court for execution by the County Judge before it can be effective.
- (E) Any abatement is for County ad valorem taxes only, and does not provide abatement from taxation by other taxing jurisdictions in which the property may be located unless otherwise provided by state law. Property owned or leased by a member of the Commissioners Court is not eligible for tax abatement.

SECTION VIII

ADMINISTRATION

- (A) The tax abatement agreement shall stipulate that employees of the County and/or designated representatives of the County will have access to the Reinvestment Zone during the term of the abatement to inspect the Facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after giving forty-eight (48) hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the Facility. All inspections will be made with one or more representatives of the company and in accordance with the safety standards for the Facility.
- (B) The employees and/or designated representatives of the County who conduct an inspection of the Facility shall within ten days of the inspection submit a written report to the Jackson County Commissioners Court regarding the property owner's compliance with the terms and conditions of the agreement.

- (C) Violations of the terms of the tax abatement agreement by the tax abatement recipient may result in the full or partial loss of the abatement and give rise to a right of the County to recoup taxes abated and terminate the agreement, all as may be more fully provided for in the agreement.

SECTION IX

ASSIGNMENT

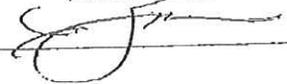
A tax abatement agreement may be assigned to a new owner or lessee of the Facility with the prior written consent of the Commissioners Court, which consent shall not be unreasonably withheld, delayed or conditioned. Any assignment shall provide that the assignee shall irrevocably and unconditionally assume all the duties and obligations of the assignor upon the same terms and conditions as set out in the agreement. Any assignment of a tax abatement agreement shall be to an entity that contemplates the same improvements or repairs to the property, except to the extent such improvements or repairs have been completed. No assignment shall be approved if the assignor or the assignee are indebted to the County for delinquent ad valorem taxes or other obligations.

SECTION X

SUNSET PROVISION

These Guidelines and Criteria are effective June 9, 2008, and will remain in force until June 8, 2010, at which time all tax abatement agreements created pursuant to these provisions will be reviewed by the County to determine whether the goals have been achieved. Based on that review, the Guidelines and Criteria will be modified, renewed, or eliminated.

FILED 9-22-08
KENNETH W. McELVEEN, Clerk of County Court
Jackson County, Texas

BY _____


Attachment B

Certificate of Account Status



TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

SUSAN COMBS • COMPTROLLER • AUSTIN, TEXAS 78774

December 9, 2010

CERTIFICATE OF ACCOUNT STATUS

THE STATE OF TEXAS
COUNTY OF TRAVIS

I, Susan Combs, Comptroller of Public Accounts of the State of Texas, DO HEREBY CERTIFY that according to the records of this office

INTEPLAST GROUP, LTD.

is, as of this date, in good standing with this office having no franchise tax reports or payments due at this time. This certificate is valid through the date that the next franchise tax report will be due May 16, 2011.

This certificate does not make a representation as to the status of the entity's registration, if any, with the Texas Secretary of State.

This certificate is valid for the purpose of conversion when the converted entity is subject to franchise tax as required by law. This certificate is not valid for any other filing with the Texas Secretary of State.

GIVEN UNDER MY HAND AND
SEAL OF OFFICE in the City of
Austin, this 9th day of
December 2010 A.D.

Susan Combs
Texas Comptroller

Taxpayer number: 15220772246
File number: 0010545910

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



December 6, 2010

Mr. Tony Williams
Superintendent
Industrial Independent School District
P. O. Box 369
Vanderbilt, Texas 77991

Dear Superintendent Williams:

On December 3, 2010, the agency received the completed application for a limitation on appraised value originally submitted to the Industrial Independent School District (Industrial ISD) by Inteplast Group, Ltd. (Inteplast Group) in September, 2010, under the provisions of Tax Code Chapter 313. This letter presents the Comptroller's recommendation regarding Inteplast Group's application as required by Section 313.025(d), using the criteria set out by Section 313.026. Our review 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. Filing an application containing false information is a criminal offense under Texas Penal Code Chapter 37.

According to the provisions of Chapter 313, Industrial ISD is currently classified as a rural school district in Category 1. The applicant properly applied under the provisions of Subchapter C, as applicable to rural school districts, and the amount of proposed qualified investment (\$130,000,000) 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.

Inteplast Group is proposing the construction of a manufacturing facility in Jackson County. Inteplast Group is an active franchise taxpayer, as required by Tax Code Section 313.024(a), and is in good standing. After reviewing the application using the criteria listed in Section 313.026, and the information provided by Inteplast Group, the Comptroller's recommendation is that Inteplast Group's application under Tax Code Chapter 313 be approved.

Our recommendation does not address whether the applicant has complied with all Chapter 313 requirements. Chapter 313 places the responsibility to verify that all requirements of the statute have been fulfilled on the school district. Section 313.025 requires the school district to determine if the evidence supports making specific findings that the information in the application is true and correct, the applicant is eligible for a limitation and that granting the application is in the best interest of the school district and state. As stated above, we prepared the recommendation by generally reviewing the application and supporting documentation in light of the Section 313.026 criteria.

Mr. Tony Williams
December 6, 2010
Page Two

The Comptroller's recommendation is based on the final, completed application that has been submitted to this office, and may not be used to support an approval if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application.

This recommendation is contingent on the following:

1. No later than 10 days prior to the meeting scheduled by the district to consider approving the agreement, applicant submitting to this office a draft limitation agreement that complies with the statutes, the Comptroller's rules, and is consistent with the application;
2. The Comptroller providing written confirmation that it received and reviewed the draft agreement and affirming the recommendation made in this letter;
3. The district approving and executing a limitation agreement that has been reviewed by this office within a year from the date of this letter. As required by Comptroller Rule 9.1055 (34 T.A.C. 9.1055), the signed limitation agreement must be forwarded to our office as soon as possible after execution.

During the 81st Legislative Session, House Bill 3676 made a number of changes to the chapter. Please visit our Web site at www.window.state.tx.us/taxinfo/proptax/hb1200 to find an outline of the program and links to applicable rules and forms.

Should you have any questions, please contact Robert Wood, director of Local Government Assistance and Economic Development, by e-mail at robert.wood@cpa.state.tx.us or by phone at (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	Inteplast Group, Ltd.
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Industrial ISD
2008-09 Enrollment in School District	1,096
County	Jackson
Total Investment in District	\$130,820,000
Qualified Investment	\$79,714,000
Limitation Amount	\$30,000,000
Number of total jobs committed to by applicant	103
Number of qualifying jobs committed to by applicant	82
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$883
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$873
Minimum Annual Wage committed to by applicant for qualified jobs	\$45,931
Investment per Qualifying Job	\$1,595,366
Estimated 15 year M&O levy without any limit or credit:	\$9,201,685
Estimated gross 15 year M&O tax benefit	\$4,063,326
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):	\$4,020,605
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$473,074
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$5,181,080
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	43.7%
Percentage of tax benefit due to the limitation	88.4%
Percentage of tax benefit due to the credit.	11.6%

This presents the Comptroller's economic impact evaluation of the Inteplast Group BOPP Plant (the project) applying to Industrial 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 103 new jobs when fully operational. 82 of these 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 Golden Crescent Regional Planning Commission Region, where Jackson County is located was \$41,273 in 2009. The annual average manufacturing wage for 2009 for Jackson County was \$37,947. That same year, the county annual average wage for all industries was \$33,241. In addition to a salary of \$45,931, each qualifying position will receive benefits such as medical and dental plans, basic life insurance, accidental death & dismemberment insurance, optional supplementary employee and dependent life insurance, optional supplementary accidental death & dismemberment insurance, flexible spending accounts, employee shuttle service, a defined contribution pension plan, and a 401(k) with employer matching contributions. The project's total investment is \$131 million, resulting in a relative level of investment per qualifying job of \$1.6 million.

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

According to Inteplast Group's application, "Fortunately, because of the wide range of our customer locations, we are in a position to search for the most business savvy site for our new BOPP plant. To date we have received incentive offerings from Virginia and Pennsylvania at \$8.9 million and \$10 million respectively, should we commit to building our new BOPP plant there. We currently have one of our largest existing facilities in Lolita, Texas, and the ease of creating an expansion over building a new facility helps keep Lolita in the running as a favorable location."

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

During the past two years, no projects in the Golden Crescent Regional Planning Commission Region have 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 Inteplast Group 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 the Inteplast Group BOPP Plant's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 16 years of annual investment and employment levels using software from Regional Economic Models, Inc. (REMI). The impact includes the construction period and the operating period of the project.

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

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2010	2	5	7	\$120,000	\$310,000	\$430,000
2011	440	661	1101	\$26,132,910	\$48,207,090	\$74,340,000
2012	139	235	374	\$7,146,998	\$22,763,002	\$29,910,000
2013	294	445	739	\$16,179,908	\$41,930,092	\$58,110,000
2014	160	256	416	\$7,801,594	\$30,158,406	\$37,960,000
2015	107	170	277	\$4,585,982	\$23,974,018	\$28,560,000
2016	107	157	264	\$4,585,982	\$23,854,018	\$28,440,000
2017	107	150	257	\$4,585,982	\$23,734,018	\$28,320,000
2018	107	152	259	\$4,585,982	\$24,584,018	\$29,170,000
2019	103	146	249	\$4,345,982	\$25,194,018	\$29,540,000
2020	103	148	251	\$4,345,982	\$25,924,018	\$30,270,000
2021	103	152	255	\$4,345,982	\$27,634,018	\$31,980,000
2022	103	156	259	\$4,345,982	\$29,344,018	\$33,690,000
2023	103	162	265	\$4,345,982	\$30,934,018	\$35,280,000
2024	103	162	265	\$4,345,982	\$33,004,018	\$37,350,000
2025	103	169	272	\$4,345,982	\$35,444,018	\$39,790,000

Source: CPA, REMI, Inteplast Group, Ltd.

The statewide average ad valorem tax base for school districts in Texas was \$1.6 billion in 2009. Industrial ISD's ad valorem tax base in 2009 was \$0.52 billion. The statewide average wealth per WADA was estimated at \$352,755 for fiscal 2009-2010. During that same year, Industrial ISD's estimated wealth per WADA was \$408,720. 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, Jackson County, the Jackson County Hospital District, the Jackson County Flood Control District, and the Jackson County Emergency Services District, with all property tax incentives sought being granted using estimated market value from Inteplast Group's application. Inteplast Group has applied for both a value limitation under Chapter 313, Tax Code and tax abatements with the county, hospital district, flood district, and emergency services district. Table 3 illustrates the estimated tax impact of the Inteplast Group project on the region if all taxes are assessed.

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate ¹	Industrial ISD I&S Levy	Industrial ISD M&O Levy	Industrial ISD M&O and I&S Tax Levies (Before Credit Credited)	Industrial ISD M&O and I&S Tax Levies (After Credit Credited)	Jackson County Tax Levy	Jackson County Hospital District Tax Levy	Jackson County Flood District Tax Levy	Jackson County Emergency Services District Tax Levy	Estimated Total Property Taxes
2010	\$0	\$0		0.3370	1.0400	\$0	\$0	0.5402	0.1835	0.0896	0.0300	\$0
2011	\$0	\$0				\$0	\$0	\$0	\$0	\$0	\$0	\$0
2012	\$75,487,880	\$75,487,880		\$254,394	\$785,074	\$1,039,468	\$1,039,468	\$0	\$0	\$0	\$0	\$1,039,468
2013	\$86,086,169	\$30,000,000		\$290,110	\$312,000	\$602,110	\$602,110	\$93,007	\$31,594	\$15,427	\$5,165	\$742,138
2014	\$83,420,190	\$30,000,000		\$281,126	\$312,000	\$593,126	\$525,544	\$112,659	\$38,269	\$18,686	\$6,257	\$695,158
2015	\$78,245,398	\$30,000,000		\$263,687	\$312,000	\$575,687	\$508,105	\$169,073	\$57,432	\$28,043	\$9,389	\$762,653
2016	\$72,424,635	\$30,000,000		\$244,071	\$312,000	\$556,071	\$488,489	\$156,495	\$53,160	\$25,957	\$8,691	\$724,101
2017	\$70,996,402	\$30,000,000		\$239,258	\$312,000	\$551,258	\$483,676	\$191,761	\$65,139	\$31,806	\$10,649	\$772,383
2018	\$69,289,435	\$30,000,000		\$233,505	\$312,000	\$545,505	\$477,923	\$374,302	\$127,146	\$62,083	\$20,787	\$1,041,454
2019	\$64,898,031	\$30,000,000		\$218,706	\$312,000	\$530,706	\$463,124	\$350,579	\$119,088	\$58,149	\$19,469	\$990,940
2020	\$59,856,299	\$30,000,000		\$201,716	\$312,000	\$513,716	\$446,134	\$323,344	\$109,836	\$53,631	\$17,957	\$932,945
2021	\$54,416,095	\$54,416,095		\$183,382	\$565,927	\$749,310	\$749,310	\$293,956	\$99,854	\$48,757	\$16,325	\$1,191,876
2022	\$49,827,074	\$49,827,074		\$167,917	\$518,202	\$686,119	\$686,119	\$269,166	\$91,433	\$44,645	\$14,948	\$1,091,362
2023	\$44,590,347	\$44,590,347		\$150,269	\$463,740	\$614,009	\$614,009	\$240,877	\$81,823	\$39,953	\$13,377	\$976,662
2024	\$39,533,013	\$39,533,013		\$133,226	\$411,143	\$544,370	\$544,370	\$213,557	\$72,543	\$35,422	\$11,860	\$865,892
2025	\$35,660,373	\$35,660,373		\$120,175	\$370,868	\$491,043	\$491,043	\$192,637	\$65,437	\$31,952	\$10,698	\$781,069
						Total	\$8,119,424	\$2,981,413	\$1,012,753	\$494,511	\$165,573	\$12,608,102

Source: CPA, Inteplast Group, Ltd.

¹Tax Rate per \$100 Valuation

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate ¹	Industrial ISD I&S Levy	Industrial ISD M&O Levy	Industrial ISD M&O and I&S Tax Levies	Jackson County Tax Levy	Jackson County Hospital District Tax Levy	Jackson County Flood District Tax Levy	Jackson County Emergency Services District Tax Levy	Estimated Total Property Taxes	
2010	\$0	\$0		0.3370	1.0400	\$0	0.5402	0.1835	0.0896	0.0300	\$0	
2011	\$0	\$0				\$0	\$0	\$0	\$0	\$0	\$0	
2012	\$75,487,880	\$75,487,880		\$254,394	\$785,074	\$1,039,468	\$407,786	\$138,520	\$67,637	\$22,646	\$1,653,411	
2013	\$86,086,169	\$86,086,169		\$290,110	\$895,296	\$1,185,407	\$465,037	\$157,968	\$77,133	\$25,826	\$1,885,545	
2014	\$83,420,190	\$83,420,190		\$281,126	\$867,570	\$1,148,696	\$450,636	\$153,076	\$74,744	\$25,026	\$1,827,152	
2015	\$78,245,398	\$78,245,398		\$263,687	\$813,752	\$1,077,439	\$422,682	\$143,580	\$70,108	\$23,474	\$1,713,809	
2016	\$72,424,635	\$72,424,635		\$244,071	\$753,216	\$997,287	\$391,238	\$132,899	\$64,892	\$21,727	\$1,586,317	
2017	\$70,996,402	\$70,996,402		\$239,258	\$738,363	\$977,620	\$383,523	\$130,278	\$63,613	\$21,299	\$1,555,034	
2018	\$69,289,435	\$69,289,435		\$233,505	\$720,610	\$954,116	\$374,302	\$127,146	\$62,083	\$20,787	\$1,517,646	
2019	\$64,898,031	\$64,898,031		\$218,706	\$674,940	\$893,646	\$350,579	\$119,088	\$58,149	\$19,469	\$1,421,462	
2020	\$59,856,299	\$59,856,299		\$201,716	\$622,506	\$824,221	\$323,344	\$109,836	\$53,631	\$17,957	\$1,311,033	
2021	\$54,416,095	\$54,416,095		\$183,382	\$565,927	\$749,310	\$293,956	\$99,854	\$48,757	\$16,325	\$1,191,876	
2022	\$49,827,074	\$49,827,074		\$167,917	\$518,202	\$686,119	\$269,166	\$91,433	\$44,645	\$14,948	\$1,091,362	
2023	\$44,590,347	\$44,590,347		\$150,269	\$463,740	\$614,009	\$240,877	\$81,823	\$39,953	\$13,377	\$976,662	
2024	\$39,533,013	\$39,533,013		\$133,226	\$411,143	\$544,370	\$213,557	\$72,543	\$35,422	\$11,860	\$865,892	
2025	\$35,660,373	\$35,660,373		\$120,175	\$370,868	\$491,043	\$192,637	\$65,437	\$31,952	\$10,698	\$781,069	
						Total	\$12,182,751	\$4,779,319	\$1,623,482	\$792,719	\$265,419	\$19,378,271

Source: CPA, Inteplast Group, Ltd.

¹Tax Rate per \$100 Valuation



TEXAS EDUCATION AGENCY

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

Robert Scott
Commissioner

December 7, 2010

Mr. Robert Wood
Director, Local Government Assistance and Economic Development
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 Inteplast Group, Ltd., project on the number and size of school facilities in Industrial Independent School District (IISD). Based on the analysis prepared by Moak, Casey and Associates for the school district and conversations with the IISD superintendent, Mr. Tony Williams, the TEA has found that the Inteplast Group, Ltd., project would not have a significant impact on the number or size of school facilities in IISD.

Please feel free to contact me by phone at (512) 463-9268 or by email at helen.daniels@tea.state.tx.us if you need further information regarding this issue.

Sincerely,

Helen Daniels
Director of State Funding

HD/hd



TEXAS EDUCATION AGENCY

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Robert Scott
Commissioner

December 7, 2010

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

Dear Mr. Wood:

The Texas Education Agency has analyzed the revenue gains that would be realized by the proposed Inteplast Group, Ltd., project for the Industrial Independent School District (IISD). Projections prepared by our Forecasting and Fiscal Analysis Division confirm the analysis that was prepared by Moak, Casey and Associates and provided to us by your division. We believe their assumptions regarding the potential revenue gain are valid, and their estimates of the impact of the Inteplast Group, Ltd., project on IISD are correct.

Please feel free to contact me by phone at (512) 463-9268 or by email at helen.daniels@tea.state.tx.us if you need further information regarding this issue.

Sincerely,

A handwritten signature in cursive script that reads "Helen Daniels".

Helen Daniels
Director of State Funding

HD/hd

Attachment E

Summary of Financial Impact

**SUMMARY OF FINANCIAL IMPACT OF THE PROPOSED
INTEPLAST GROUP, LTD. PROJECT ON THE FINANCES OF THE
INDUSTRIAL INDEPENDENT SCHOOL DISTRICT UNDER A
REQUESTED CHAPTER 313 PROPERTY VALUE LIMITATION**

October 19, 2010

Final Report

PREPARED BY



Estimated Impact of the Proposed Inteplast Group, Ltd. Project on the Finances of the Industrial Independent School District under a Requested Chapter 313 Property Value Limitation

Introduction

Inteplast Group, Ltd. (Inteplast) has requested that the Industrial Independent School District (IISD) consider granting a property value limitation under Chapter 313 of the Tax Code for a new polypropylene film plant. An application was submitted to IISD on September 15, 2010. Inteplast proposes to invest \$130 million to construct the new manufacturing project in IISD.

The Inteplast 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, the original language in Chapter 313 of the Tax Code made companies engaged in manufacturing, research and development, and renewable electric energy production eligible 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.

School Finance Mechanics

Under the provisions of Chapter 313, IISD may offer a minimum value limitation of \$30 million. Based on the application, the qualifying time period would begin with the 2011-12 school year. The full taxable value of the investment is expected to reach \$86 million in 2013-14, with depreciation expected to reduce the taxable value of the project over the course of the value limitation agreement.

The provisions of Chapter 313 call for the project to be fully taxable in the 2011-12 and 2012-13 school years, unless the District and the Company agree to an extension of the start of the qualifying time period. For the purpose of this analysis, it is assumed that the qualifying time period will be the 2011-12 and 2012-13 school years. Beginning in 2013-14, 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 IISD currently levying a \$0.3325 interest and sinking fund (I&S) tax rate, although the District's current debt obligations will be reduced in 2013-14 and retired by the 2016-17 school year.

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 their 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.

For the school finance system that operated prior to the approval of House Bill 1 (HB 1) in the 2006 special session, the third year was typically problematical for a school district that approved a Chapter 313 value limitation. Based on the data provided in the application, Inteplast indicates that \$75.5 million in taxable value would be in place in the second year under the agreement. In year three (2013-14) of the agreement, the project is expected to go on the tax roll at \$30 million or, if applicable, a higher value limitation amount approved by the IISD Board of Trustees. This difference would result 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 in 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.

HB 1 established a “target” revenue system per student that has the effect of largely neutralizing the third-year revenue losses associated with Chapter 313 property value limitations, at least up to a district’s compressed M&O tax rate. The additional four cents of tax effort that a district may levy above the compressed \$1.00 M&O tax rate without voter approval are subject to an enriched level of equalization (or no recapture in the case of a Chapter 41 school district) and operate more like the pre-HB 1 system. A value limitation must be analyzed for any potential revenue loss associated with this component of the M&O tax levy. For tax effort in excess of the compressed plus six cents rate, equalization and recapture occur at the level of \$319,500 per weighted student in average daily attendance (WADA).

Under HB 3646—the school finance system changes approved by the Legislature in 2009—the starting point is the target revenue per WADA from HB 1, which is expanded through the addition of a series of school funding provisions that had operated previously outside the basic allotment and the traditional formula structure, as well as an additional \$120 per WADA guarantee.

Under the provisions of HB 3646, school districts do have the potential to earn revenue above the \$120 per WADA level, up to a maximum of \$350 per WADA above current law. Initial estimates indicate that about 700 school districts are funded at the minimum \$120 per WADA level, while approximately 300 school districts are expected to generate higher revenue amounts per WADA. This is significant because changes in property values and related tax collections under a Chapter 313 agreement once again have the potential to affect a school district’s base revenue, although probably not to the degree experienced prior to the HB 1 target revenue system. Based on the estimates presented below, IISD is expected to remain a \$120 per WADA “hold-harmless” district for the foreseeable future.

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 Inteplast 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. The Chapter 313 application now requires 15 years of data and analysis on a project being considered for a property value limitation.

The 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. Student enrollment counts are held constant at 1,040 students in average daily attendance (ADA) in analyzing the effects of the Inteplast project on the finances of IISD. The District's local tax base reached \$516.2 million for the 2010 tax year. This underlying value is maintained for the forecast period in order to isolate the effects of the property value limitation. IISD is a moderate-wealth district, with wealth per WADA of approximately \$337,621 expected for the 2011-12 school year. An M&O tax rate of \$1.04 is used throughout this analysis. These assumptions are summarized in Table 1.

School Finance Impact

A baseline model was prepared for IISD under the assumptions outlined above through the 2025-26 school year. Beyond the 2010-11 school year, no attempt was made to forecast the 88th percentile or Austin yield that influence future state funding. 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 second model is established to make a calculation of the "Original Revenue" by adding the value of the proposed Inteplast facility to the model, but without assuming that a value limitation is approved. The results of this model are shown in Table 2.

A third model is developed which adds the Inteplast project value but imposes the proposed property value limitation effective in the third year, which in this case is the 2013-14 school year. The results of this model are identified as "New (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. The model results show approximately \$9.0 million a year in net General Fund revenue.

Under these assumptions, IISD would experience a revenue loss as a result of the implementation of the value limitation in the 2013-14 school year (-\$37,067). The revenue reduction results from the mechanics of the four cents equalized to the Austin ISD yield, which reflect the one-year lag in value associated with the property value study. It appears that little or no differences persist between the two models over the course of the agreement beyond the third year.

One change that has been incorporated into these models is a more precise estimate of the deduction from the property value study conducted by the Comptroller's Office. At the school district level, a taxpayer benefiting from a property value limitation has two property values assigned by the local appraisal district for their property covered by the limitation: (1) a reduced value for M&O taxes, and (2) the full taxable value for I&S taxes. This situation exists for the eight years that the value limitation is in effect.

Under the property value study conducted by the Comptroller's Office, however, only a single deduction amount is calculated for a property value limitation and the same value is assigned for the M&O and I&S calculations under the school funding formulas. This methodology has been incorporated into these estimates and the typical result is an increase in the hold-harmless formula amounts owed to the school district by the company that receives the value limitation.

In the case of IISD, the calculated lower reduction in the state property value study relative to the M&O benefit to be received by the taxpayer does not appear to be significant. In large part this results because the underlying tax base is substantially larger than the proposed project.

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 2010-11 and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total \$3.6 million over the life of the agreement. In addition, Inteplast would be eligible for a tax credit for taxes paid on value in excess of the value limitation in each of the first two years. The credit amount is paid out slowly through years 4-10. The tax credits are expected to total approximately \$0.5 million over the life of the agreement, with the school district to be reimbursed by the state for the tax credit payments. The key IISD revenue losses are associated with the additional four-percent levy above the \$1.00 compressed M&O tax rate that is equalized to a high wealth level and expected to total approximately -\$42,722 over the course of the agreement. In total, the potential net tax benefits are estimated to total \$4.0 million over the life of the agreement.

Facilities Funding Impact

The Inteplast project remains fully taxable for debt services taxes, with IISD currently levying a \$0.3325 I&S rate. The value of the Inteplast 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 projected tax base. The additional value is expected to help reduce the District's current I&S tax rate, although the District's existing debt is expected to be retired by the 2016-17 school year. The project adds approximately 15 percent to the District's tax base for I&S purposes.

The Inteplast project is not expected to affect IISD in terms of enrollment. While approximately 100 new employees are expected once the new plant commences operations, discussions with District officials indicate a current lack of housing supply in the area is expected to minimize the impact of the project on enrollment.

Conclusion

The proposed Inteplast polypropylene film project enhances the tax base of IISD. It reflects continued capital investment in renewable electric energy generation, one of the goals of Chapter 313 of the Tax Code, also known as the Texas Economic Development Act.

Under the assumptions outlined above, the potential tax benefits under a Chapter 313 agreement could reach an estimated \$4.0 million over the course of the agreement. This amount is net of any anticipated revenue losses for the District. The additional taxable value also enhances the tax base of IISD in meeting its future debt service obligations.

Table 1 – Base District Information with Inteplast Group, Ltd. Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
1	2011-12	1,039.76	1,556.88	\$1.0400	\$0.3325	\$516,178,414	\$516,178,414	\$525,637,028	\$525,637,028	\$337,621	\$337,621
2	2012-13	1,039.76	1,556.88	\$1.0400	\$0.2895	\$591,666,294	\$591,666,294	\$525,637,028	\$525,637,028	\$337,621	\$337,621
3	2013-14	1,039.76	1,556.88	\$1.0400	\$0.0950	\$602,264,583	\$546,178,414	\$601,124,908	\$601,124,908	\$386,108	\$386,108
4	2014-15	1,039.76	1,556.88	\$1.0400	\$0.0950	\$599,598,604	\$546,178,414	\$611,723,197	\$560,331,465	\$392,915	\$359,906
5	2015-16	1,039.76	1,556.88	\$1.0400	\$0.0950	\$594,423,812	\$546,178,414	\$609,057,218	\$560,108,321	\$391,203	\$359,763
6	2016-17	1,039.76	1,556.88	\$1.0400	\$0.0950	\$588,603,069	\$546,178,414	\$603,882,426	\$559,675,189	\$387,879	\$359,484
7	2017-18	1,039.76	1,556.88	\$1.0400	\$0.0000	\$587,174,816	\$546,178,414	\$598,061,683	\$559,187,990	\$384,140	\$359,172
8	2018-19	1,039.76	1,556.88	\$1.0400	\$0.0000	\$585,467,849	\$546,178,414	\$596,633,430	\$555,637,028	\$383,223	\$356,891
9	2019-20	1,039.76	1,556.88	\$1.0400	\$0.0000	\$581,076,445	\$546,178,414	\$594,926,463	\$555,637,028	\$382,127	\$356,891
10	2020-21	1,039.76	1,556.88	\$1.0400	\$0.0000	\$576,034,713	\$546,178,414	\$590,535,059	\$555,637,028	\$379,306	\$356,891
11	2021-22	1,039.76	1,556.88	\$1.0400	\$0.0000	\$570,594,509	\$570,594,509	\$585,493,327	\$555,637,028	\$376,068	\$356,891
12	2022-23	1,039.76	1,556.88	\$1.0400	\$0.0000	\$566,005,488	\$566,005,488	\$580,053,123	\$580,053,123	\$372,573	\$372,573
13	2023-24	1,039.76	1,556.88	\$1.0400	\$0.0000	\$560,748,761	\$560,748,761	\$575,464,102	\$575,464,102	\$369,626	\$369,626
14	2024-25	1,039.76	1,556.88	\$1.0400	\$0.0000	\$555,777,427	\$555,777,427	\$570,207,375	\$570,207,375	\$366,249	\$366,249
15	2025-26	1,039.76	1,556.88	\$1.0400	\$0.0000	\$551,838,787	\$551,838,787	\$565,236,041	\$565,236,041	\$363,056	\$363,056

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

Table 2-- "Original 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
1	2011-12	\$5,069,626	\$2,605,056	\$976,412	\$0	\$0	\$216,265	\$167,875	\$0	\$9,035,234
2	2012-13	\$5,809,478	\$2,605,056	\$236,560	\$0	\$0	\$247,826	\$192,375	\$0	\$9,091,295
3	2013-14	\$5,934,975	\$1,852,852	\$864,017	\$0	\$0	\$253,180	\$140,057	\$0	\$9,045,080
4	2014-15	\$5,908,382	\$1,747,140	\$996,322	\$0	\$0	\$252,045	\$132,647	\$0	\$9,036,536
5	2015-16	\$5,856,767	\$1,773,732	\$1,021,345	\$0	\$0	\$249,843	\$133,157	\$0	\$9,034,845
6	2016-17	\$5,798,708	\$1,825,348	\$1,027,788	\$0	\$0	\$247,367	\$135,087	\$0	\$9,034,297
7	2017-18	\$5,791,148	\$1,883,407	\$977,289	\$0	\$0	\$247,044	\$138,628	\$0	\$9,037,516
8	2018-19	\$5,774,122	\$1,897,653	\$980,069	\$0	\$0	\$246,318	\$139,141	\$0	\$9,037,303
9	2019-20	\$5,730,321	\$1,914,679	\$1,006,844	\$0	\$0	\$244,449	\$139,183	\$0	\$9,035,476
10	2020-21	\$5,680,032	\$1,958,481	\$1,013,331	\$0	\$0	\$242,304	\$140,790	\$0	\$9,034,937
11	2021-22	\$5,620,898	\$2,008,770	\$1,022,176	\$0	\$0	\$239,781	\$142,588	\$0	\$9,034,214
12	2022-23	\$5,576,040	\$2,063,033	\$1,012,771	\$0	\$0	\$237,868	\$145,008	\$0	\$9,034,720
13	2023-24	\$5,524,655	\$2,108,806	\$1,018,383	\$0	\$0	\$235,676	\$146,697	\$0	\$9,034,216
14	2024-25	\$5,476,061	\$2,161,239	\$1,014,544	\$0	\$0	\$233,603	\$148,901	\$0	\$9,034,347
15	2025-26	\$5,437,560	\$2,210,826	\$1,003,458	\$0	\$0	\$231,960	\$151,194	\$0	\$9,034,998

Table 3-- "New (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
1	2011-12	\$5,069,626	\$2,605,056	\$976,412	\$0	\$0	\$216,265	\$167,875	\$0	\$9,035,234
2	2012-13	\$5,809,478	\$2,605,056	\$236,560	\$0	\$0	\$247,826	\$192,375	\$0	\$9,091,295
3	2013-14	\$5,375,543	\$1,852,852	\$1,423,449	\$0	\$0	\$229,315	\$126,855	\$0	\$9,008,014
4	2014-15	\$5,375,543	\$2,259,747	\$1,016,554	\$0	\$0	\$229,315	\$152,785	\$0	\$9,033,944
5	2015-16	\$5,375,543	\$2,261,972	\$1,014,329	\$0	\$0	\$229,315	\$152,937	\$0	\$9,034,096
6	2016-17	\$5,375,543	\$2,266,293	\$1,010,008	\$0	\$0	\$229,315	\$153,233	\$0	\$9,034,392
7	2017-18	\$5,382,230	\$2,271,152	\$998,462	\$0	\$0	\$229,600	\$153,758	\$0	\$9,035,202
8	2018-19	\$5,382,230	\$2,306,571	\$963,043	\$0	\$0	\$229,600	\$156,208	\$0	\$9,037,651
9	2019-20	\$5,382,230	\$2,306,571	\$963,043	\$0	\$0	\$229,600	\$156,208	\$0	\$9,037,651
10	2020-21	\$5,382,230	\$2,306,571	\$963,043	\$0	\$0	\$229,600	\$156,208	\$0	\$9,037,651
11	2021-22	\$5,620,898	\$2,306,571	\$724,375	\$0	\$0	\$239,781	\$163,134	\$0	\$9,054,760
12	2022-23	\$5,576,040	\$2,063,033	\$1,012,771	\$0	\$0	\$237,868	\$145,008	\$0	\$9,034,720
13	2023-24	\$5,524,655	\$2,108,806	\$1,018,383	\$0	\$0	\$235,676	\$146,697	\$0	\$9,034,216
14	2024-25	\$5,476,061	\$2,161,239	\$1,014,544	\$0	\$0	\$233,603	\$148,901	\$0	\$9,034,347
15	2025-26	\$5,437,560	\$2,210,826	\$1,003,458	\$0	\$0	\$231,960	\$151,194	\$0	\$9,034,998

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
1	2011-12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	2012-13	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	2013-14	-\$559,431	\$0	\$559,431	\$0	\$0	-\$23,865	-\$13,202	\$0	-\$37,067
4	2014-15	-\$532,839	\$512,607	\$20,232	\$0	\$0	-\$22,730	\$20,138	\$0	-\$2,592
5	2015-16	-\$481,224	\$488,240	-\$7,016	\$0	\$0	-\$20,528	\$19,780	\$0	-\$748
6	2016-17	-\$423,164	\$440,945	-\$17,781	\$0	\$0	-\$18,052	\$18,146	\$0	\$95
7	2017-18	-\$408,918	\$387,745	\$21,173	\$0	\$0	-\$17,444	\$15,129	\$0	-\$2,315
8	2018-19	-\$391,892	\$408,918	-\$17,026	\$0	\$0	-\$16,718	\$17,066	\$0	\$349
9	2019-20	-\$348,091	\$391,892	-\$43,801	\$0	\$0	-\$14,849	\$17,024	\$0	\$2,175
10	2020-21	-\$297,802	\$348,090	-\$50,288	\$0	\$0	-\$12,704	\$15,418	\$0	\$2,714
11	2021-22	\$0	\$297,801	-\$297,801	\$0	\$0	\$0	\$20,546	\$0	\$20,546
12	2022-23	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	2023-24	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	2024-25	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	2025-26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Table 5 - Estimated Financial impact of the Inteplast Group, Ltd. Project Property Value Limitation Request Submitted to IISD at \$1.04 M&O Tax Rate

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	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
1	2011-12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	2012-13	\$75,487,880	\$75,487,880	\$0	\$785,074	\$785,074	\$0	\$0	\$0	\$0	\$0
3	2013-14	\$86,086,169	\$30,000,000	\$56,086,169	\$895,296	\$312,000	\$583,296	\$0	\$583,296	-\$37,067	\$546,230
4	2014-15	\$83,420,190	\$30,000,000	\$53,420,190	\$867,570	\$312,000	\$555,570	\$67,582	\$623,152	-\$2,592	\$620,560
5	2015-16	\$78,245,398	\$30,000,000	\$48,245,398	\$813,752	\$312,000	\$501,752	\$67,582	\$569,334	-\$748	\$568,586
6	2016-17	\$72,424,655	\$30,000,000	\$42,424,655	\$753,216	\$312,000	\$441,216	\$67,582	\$508,798	\$0	\$508,798
7	2017-18	\$70,996,402	\$30,000,000	\$40,996,402	\$738,363	\$312,000	\$426,363	\$67,582	\$493,945	-\$2,315	\$491,630
8	2018-19	\$69,289,435	\$30,000,000	\$39,289,435	\$720,610	\$312,000	\$408,610	\$67,582	\$476,192	\$0	\$476,192
9	2019-20	\$64,898,031	\$30,000,000	\$34,898,031	\$674,940	\$312,000	\$362,940	\$67,582	\$430,522	\$0	\$430,522
10	2020-21	\$59,856,299	\$30,000,000	\$29,856,299	\$622,506	\$312,000	\$310,506	\$67,582	\$378,088	\$0	\$378,088
11	2021-22	\$54,416,095	\$54,416,095	\$0	\$565,927	\$565,927	\$0	\$0	\$0	\$0	\$0
12	2022-23	\$49,827,074	\$49,827,074	\$0	\$518,202	\$518,202	\$0	\$0	\$0	\$0	\$0
13	2023-24	\$44,570,347	\$44,570,347	\$0	\$463,532	\$463,532	\$0	\$0	\$0	\$0	\$0
14	2024-25	\$39,599,013	\$39,599,013	\$0	\$411,830	\$411,830	\$0	\$0	\$0	\$0	\$0
15	2025-26	\$35,660,373	\$35,660,373	\$0	\$370,868	\$370,868	\$0	\$0	\$0	\$0	\$0
					\$9,201,685	\$5,611,432	\$3,590,252	\$473,074	\$4,063,326	-\$42,722	\$4,020,605
Tax Credit for Value Over Limit in First 2 Years					Year 1	Year 2	Max Credits				
					\$0	\$473,074	\$473,074				
					Credits Earned		\$473,074				
					Credits Paid		<u>\$473,074</u>				
					Excess Credits Unpaid		\$0				

Attachment F

Taxable Value of Property

DATE: 06/30/2010
 TIME: 10:46:25

COMPTROLLER OF PUBLIC ACCOUNTS - PROPERTY TAX ASSISTANCE DIVISION
 2009 ISD SUMMARY WORKSHEET
 120/Jackson
 120-905/Industrial ISD

PAGE: 001
 REPT: PTS265
 VRSN: W

CATEGORY	LOCAL TAX ROLL VALUE	2009 WTD MEAN RATIO	2009 PTD VALUE ESTIMATE	2009 VALUE ASSIGNED
A. SINGLE-FAMILY RESIDENCES	38,065,803	1.0025	37,970,876	38,065,803
B. MULTIFAMILY RESIDENCES	0	N/A	0	0
C. VACANT LOTS	3,806,310	N/A	3,806,310	3,806,310
D. RURAL REAL(TAXABLE)	54,110,935	1.0263	52,724,672	54,110,935
F1. COMMERCIAL REAL	4,069,007	N/A	4,069,007	4,069,007
F2. INDUSTRIAL REAL	175,404,920	N/A	175,404,920	175,404,920
G. OIL,GAS,MINERALS	40,139,610	.9597	41,825,164	40,139,610
J. UTILITIES	40,360,720	.9512	42,431,371	40,360,720
L1. COMMERCIAL PERSONAL	2,738,303	N/A	2,738,303	2,738,303
L2. INDUSTRIAL PERSONAL	115,338,050	N/A	115,338,050	115,338,050
M. MOBILE HOMES	1,267,786	N/A	1,267,786	1,267,786
N. INTANGIBLE PERS/UNCERT	0	N/A	0	0
O. RESIDENTIAL INVENTORY	0	N/A	0	0
S. SPECIAL INVENTORY	0	N/A	0	0
SUBTOTAL	475,301,444		477,576,459	475,301,444
LESS TOTAL DEDUCTIONS	20,593,645		20,588,933	20,593,645
TOTAL TAXABLE VALUE	454,707,799		457,017,526	454,707,799 T2

CATEGORY D DETAIL	LOCAL TAX ROLL	RATIO	PTD VALUE
MARKET VALUE NON-QUALIFIED ACRES & FARM/RANCH IMP	29,425,555	.9732	30,235,876
PROD VALUE QUALIFIED ACRES	24,685,380	1.0977	22,488,796
TAXABLE VALUE	54,110,935		52,724,672

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 (T1, T3, T4, T5 AND T6) IN ADDITION TO THE TRADITIONAL MEASURE (T2). QUESTIONS ABOUT THE EXTENT TO WHICH ANY OF THESE WEALTH MEASURES AFFECT SCHOOL FUNDING SHOULD BE DIRECTED TO THE DIVISION OF STATE FUNDING AT THE TEXAS EDUCATION AGENCY, TELEPHONE #512-463-9238.

T1	T2	T3	T4	T5	T6
460,625,443	454,707,799	456,510,476	450,592,832	455,224,066	451,109,099
	LOSS TO THE ADDITIONAL \$10,000 HOMESTEAD EXEMPTION		50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION		
	<u>5,917,644</u>		<u>4,114,967</u>		

T1 = SCHOOL DISTRICT TAXABLE VALUE BEFORE THE LOSS TO THE ADDITIONAL \$10,000 HOMESTEAD EXEMPTION
 T2 = SCHOOL DISTRICT TAXABLE VALUE 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

THE TAXABLE VALUES SHOWN HERE WILL NOT MATCH THE VALUES REPORTED BY YOUR APPRAISAL DISTRICT

THE PVS FOUND YOUR LOCAL VALUE TO BE VALID, AND LOCAL VALUE WAS CERTIFIED

DATE: 06/30/2010
 TIME: 10:46:25

COMPTROLLER OF PUBLIC ACCOUNTS - PROPERTY TAX ASSISTANCE DIVISION
 2009 ISD SUMMARY WORKSHEET
 235/Victoria
 120-905/Industrial ISD

PAGE: 003
 REPT: PTS265
 VRSN: W

CATEGORY	LOCAL TAX ROLL VALUE	2009 WTD MEAN RATIO	2009 PTD VALUE ESTIMATE	2009 VALUE ASSIGNED
A. SINGLE-FAMILY RESIDENCES	46,318,620	.9609	48,203,372	46,318,620
B. MULTIFAMILY RESIDENCES	0	N/A	0	0
C. VACANT LOTS	1,303,830	N/A	1,303,830	1,303,830
D. RURAL REAL(TAXABLE)	30,210,800	.9396	32,154,511	30,210,800
F1. COMMERCIAL REAL	2,599,460	N/A	2,599,460	2,599,460
F2. INDUSTRIAL REAL	0	N/A	0	0
G. OIL,GAS,MINERALS	3,149,370	N/A	3,149,370	3,149,370
J. UTILITIES	4,586,950	N/A	4,586,950	4,586,950
L1. COMMERCIAL PERSONAL	1,740,630	N/A	1,740,630	1,740,630
L2. INDUSTRIAL PERSONAL	3,442,660	N/A	3,442,660	3,442,660
M. MOBILE HOMES	1,573,670	N/A	1,573,670	1,573,670
N. INTANGIBLE PERS/UNCERT	0	N/A	0	0
O. RESIDENTIAL INVENTORY	381,770	N/A	381,770	381,770
S. SPECIAL INVENTORY	0	N/A	0	0
SUBTOTAL	95,307,760		99,136,223	95,307,760
LESS TOTAL DEDUCTIONS	14,717,870		15,226,979	14,717,870
TOTAL TAXABLE VALUE	80,589,890		83,909,244	80,589,890 T2

CATEGORY D DETAIL	LOCAL TAX ROLL	RATIO	PTD VALUE
MARKET VALUE NON-QUALIFIED ACRES & FARM/RANCH IMP	26,566,953	.9435	28,157,873
PROD VALUE QUALIFIED ACRES	3,643,847	.9117	3,996,638
TAXABLE VALUE	30,210,800		32,154,511

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

DATE: 06/30/2010
 TIME: 10:46:25

COMPTROLLER OF PUBLIC ACCOUNTS - PROPERTY TAX ASSISTANCE DIVISION
 2009 FINAL VALUES WORKSHEET
 235/Victoria
 120-905/Industrial ISD

PAGE: 004
 REPT: PFS265
 VRSN: W

GOVERNMENT CODE SUBSECTIONS 403.302 (J) AND (K) REQUIRE THE COMPTROLLER TO CERTIFY ALTERNATIVE MEASURES OF SCHOOL DISTRICT WEALTH (T1, T3, T4, T5 AND T6) IN ADDITION TO THE TRADITIONAL MEASURE (T2). QUESTIONS ABOUT THE EXTENT TO WHICH ANY OF THESE WEALTH MEASURES AFFECT SCHOOL FUNDING SHOULD BE DIRECTED TO THE DIVISION OF STATE FUNDING AT THE TEXAS EDUCATION AGENCY, TELEPHONE #512-463-9238.

T1	T2	T3	T4	T5	T6
85,242,606	80,589,890	79,729,716	75,077,000	80,995,482	75,482,592

LOSS TO
 THE ADDITIONAL
 \$10,000 HOMESTEAD
 EXEMPTION

 4,652,716

50% OF THE LOSS
 TO THE LOCAL OPTIONAL
 PERCENTAGE HOMESTEAD
 EXEMPTION

 5,512,890

T1 = SCHOOL DISTRICT TAXABLE VALUE BEFORE THE LOSS TO THE ADDITIONAL \$10,000 HOMESTEAD EXEMPTION
 T2 = SCHOOL DISTRICT TAXABLE VALUE 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

THE TAXABLE VALUES SHOWN HERE WILL NOT MATCH THE VALUES REPORTED BY YOUR APPRAISAL DISTRICT

THE PVS FOUND YOUR LOCAL VALUE TO BE VALID, AND LOCAL VALUE WAS CERTIFIED

DATE: 06/30/2010
 TIME: 10:46:25

COMPTROLLER OF PUBLIC ACCOUNTS - PROPERTY TAX ASSISTANCE DIVISION
 2009 ISD SUMMARY WORKSHEET
 120-905/Industrial ISD
 SCHOOL DISTRICT TOTALS

PAGE: 005
 REPT: FTS265
 VRSN: W

CATEGORY	LOCAL TAX ROLL VALUE	2009 WTD MEAN RATIO	2009 PTD VALUE ESTIMATE	2009 VALUE ASSIGNED
A. SINGLE-FAMILY RESIDENCES	84,384,423	.9792	86,174,248	84,384,423
B. MULTIFAMILY RESIDENCES	0	N/A	0	0
C. VACANT LOTS	5,110,140	N/A	5,110,140	5,110,140
D. RURAL REAL(TAXABLE)	84,321,735	.9934	84,879,183	84,321,735
F1. COMMERCIAL REAL	6,668,467	N/A	6,668,467	6,668,467
F2. INDUSTRIAL REAL	175,404,920	N/A	175,404,920	175,404,920
G. OIL,GAS,MINERALS	43,288,980	.9625	44,974,534	43,288,980
J. UTILITIES	44,947,670	.9560	47,018,321	44,947,670
L1. COMMERCIAL PERSONAL	4,478,933	N/A	4,478,933	4,478,933
L2. INDUSTRIAL PERSONAL	118,780,710	N/A	118,780,710	118,780,710
M. MOBILE HOMES	2,841,456	N/A	2,841,456	2,841,456
N. INTANGIBLE PERS/UNCERT	0	N/A	0	0
O. RESIDENTIAL INVENTORY	381,770	N/A	381,770	381,770
S. SPECIAL INVENTORY	0	N/A	0	0
SUBTOTAL	570,609,204		576,712,682	570,609,204
LESS TOTAL DEDUCTIONS	35,311,515		35,785,912	35,311,515
TOTAL TAXABLE VALUE	535,297,689		540,926,770	535,297,689 T2

CATEGORY D DETAIL	LOCAL TAX ROLL	RATIO	PTD VALUE
MARKET VALUE NON-QUALIFIED			
ACRES & FARM/RANCH IMP	55,992,508	.9589	58,393,749
PROD VALUE QUALIFIED ACRES	28,329,227	1.0696	26,485,434
TAXABLE VALUE	84,321,735		84,879,183

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

**** END OF REPORT ****

S U S A N
C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



December 9, 2010

Mr. Tony Williams
Superintendent
Industrial Independent School District
P.O. Box 369
Vanderbilt, Texas 77991

Re: Agreement for Limitation on Appraised Value of Property for School District
Maintenance and Operations Taxes by and between Industrial Independent School District
and Inteplast Group, Ltd.

Dear Superintendent Williams:

This office has been provided the "Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Industrial Independent School District and Inteplast Group, Ltd." (the "Agreement"). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

Based on our review, this office concludes that it complies with the provisions of Tax Code, Chapter 313 and 34 TAC Chapter 9, Subchapter F.

If you need additional information or have questions, please contact me at (512) 463-3973.

Sincerely,

A handwritten signature in black ink, appearing to read "R.B. Wood", written over a horizontal line.

Robert B. Wood
Director
Local Government Assistance & Economic Development

cc: Kevin O'Hanlon, O'Hanlon, McCollom & Demerath
Robert Coen, Inteplast Group, LTD

Attachment G

Participation Agreement

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

by and between

INDUSTRIAL INDEPENDENT SCHOOL DISTRICT

and

INTEPLAST GROUP, LTD.

(Texas Taxpayer ID # 15220772246)

Dated

December 13, 2010

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

STATE OF TEXAS §

COUNTY OF JACKSON §

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 **INDUSTRIAL 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 **INTEPLAST GROUP, LTD.**, Texas Taxpayer Identification Number 15220772246 hereinafter referred to as the "Applicant." The Applicant and the District are 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 3, 2010, the Superintendent of Schools of the Industrial 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 13, 2010 the Board of Trustees authorized the Superintendent to accept, on behalf of the District, the Application from Inteplast Group, Ltd. and the Superintendent has 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,

WHEREAS, the Application together with the supplemental materials was delivered to the Texas Comptroller's Office for review pursuant to Texas Tax Code § 313.025(d); and,

WHEREAS, The Comptroller's Office has established December 3, 2010 as the completed Application date; and,

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

WHEREAS, the Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code § 313.025(d), and on December 6, 2010 ~~2010~~ the Comptroller's Office, via letter, recommended that the Application be approved; and,

WHEREAS, the Texas Comptroller of Public Accounts conducted an economic impact evaluation pursuant to Chapter 313 of the Texas Tax Code; and,

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

WHEREAS, the Industrial Independent School District was within an area that qualified as a strategic investment area under Texas Tax Code Chapter 171, Subchapter O immediately before that Subchapter expired; and because of that fact, the District qualifies as a rural school district under the provisions of Texas Tax Code § 313.051(a); and,

WHEREAS, on December 13, 2010, 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 December 13, 2010, 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 December 13, 2010, 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 for the effective date of this Agreement; and,

WHEREAS, this Agreement was reviewed by the Texas Comptroller's Office and on December 6, 2010 the Comptroller's Office, via letter, approved the form of this Agreement; and,

WHEREAS, on December 13, 2010, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary to execute and deliver such Agreement to the Applicant;

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 Applicant makes a Qualified Investment as defined by Section 2.6 below, between the Commencement Date and the end of the Qualifying Time Period, Applicant is entitled to the Tax Limitation Amount defined in Section 1.3, below for the following years: 2013, 2014, 2015, 2016, 2017, 2018, 2019, and 2020. 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, 2013, the appraisal date for the third full Tax Year following the Commencement Date. For the first two full Tax Years that begin on the Commencement Date (*i.e.*, the 2011 and 2012 Tax Years), which together with the period from the date of approval until January 1, 2011 are collectively 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. Unless sooner terminated as provided herein, the limitation on the local ad valorem property values shall terminate on December 31, 2020. 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	January 1, 2010	2010-11	2010	Start of Qualifying Time Period –

Full Tax Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions
				Commencement Date. First year for Annual Limit computation
1	January 1, 2011	2011-12	2011	Qualifying Time Period. No limitation on value. Possible tax credit in future years.
2	January 1, 2012	2012-13	2012	Qualifying Time Period. No limitation on value. Possible tax credit in future years.
3	January 1, 2013	2013-14	2013	\$ 30 million property value limitation.
4	January 1, 2014	2014-15	2014	\$ 30 million property value limitation. Possible tax credit due to Applicant.
5	January 1, 2015	2015-16	2015	\$ 30 million property value limitation. Possible tax credit due to Applicant.
6	January 1, 2016	2016-17	2016	\$ 30 million property value limitation. Possible tax credit due to Applicant.
7	January 1, 2017	2017-18	2017	\$ 30 million property value limitation. Possible tax credit due to Applicant.
8	January 1, 2018	2018-19	2018	\$ 30 million property value limitation. Possible tax credit due to Applicant.
9	January 1, 2019	2019-20	2019	\$ 30 million property value limitation. Possible tax credit due to Applicant.
10	January 1, 2020	2020-21	2020	\$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
11	January 1, 2021	2021-22	2021	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
12	January 1, 2022	2022-23	2022	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
13	January 1, 2023	2023-24	2023	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.

Section 1.3. DEFINITIONS

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

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

“*Affiliate*” means any entity that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Applicant. For purposes of this definition, control of an entity means (i) the ownership, directly or indirectly, of fifty (50) percent or more of the voting rights in a company or other legal entity or (ii) the right to direct the management or operation of such entity whether by ownership (directly or indirectly) of securities, by contract or otherwise.

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

“Aggregate Limit” means, for any year of this Agreement, the cumulative total of the Annual Limit amount for the current year and all previous years of the Agreement, less all amounts paid by the Applicant to or on behalf of the District under Article IV, below.

“Agreement” means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented from time to time in accordance with Section 6.3.

“Annual Limit” means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Tex. 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 Tex. Educ. Code § 42.005 times the greater of \$100, or any larger amount allowed by Tex. 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 2010, which, by virtue of the Commencement Date is the first year of the Qualifying Time Period under this Agreement.

“Applicant” means Inteplast Group, Ltd., (Texas Taxpayer ID # 15220772246), the company listed in the Preamble of this Agreement who, on September 3, 2010 filed an Application with the District for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The term “Applicant” shall also include the Applicant’s assigns and successors-in-interest.

“Applicable School Finance Law” means Chapters 41 and 42 of the Texas Education Code, the Texas Economic Development Act (Chapter 313 of the Texas 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.

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“Application” means the 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 September 3, 2010. 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 an 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 Jackson County Appraisal District.

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

"Commencement Date" means the date upon which this Agreement was approved by the Board of Trustees.

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

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

"County" means Jackson County, Texas.

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

"District" or "School District" means the Industrial 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, 2023.

"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 the development, construction and 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.

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

"New Jobs" means the total number of jobs, defined by 34 Tex. Admin. Code § 9.1051, which Applicant will create in connection with the project which is the subject of its Application. In accordance with the requirements of Tex. 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, 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 Applicant will create in connection with the project which is the subject of its Application, which meet the requirements of Tex. Tax Code 313.021(3).

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

"Qualifying Time Period" means the period that begins on the date of approval of this Agreement by the District's Board of Trustees and ends on December 31st of the second Tax Year that begins after such date of approval as is defined in Texas Tax Code § 313.021(4)(A).

"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 Applicant, or to be applied against any taxes that the school district imposes in 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 Applicant complies with the requirements under such provisions, including the timely filing of a completed application under Texas Tax Code § 313.103 and the duly adopted administrative rules.

"Tax Limitation Amount" means the maximum amount which may be placed as the Appraised Value on Qualified Property/Qualified Investment for years three (3) through ten (10) of this Agreement pursuant to Texas Tax Code § 313.054. That is, for each of the eight (8) Tax Years 2013, 2014, 2015, 2016, 2017, 2018, 2019, and 2020, 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).

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 Tax Code, §313.022(b) or §313.052.

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

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

"Texas Education Agency Rules" means the applicable rules and regulations adopted by the Texas Commissioner of Education in relation to the administration of Chapter 313, Texas Tax Code, which are set forth at Title 19 – Part 2, Texas Administrative Code, together with any court or administrative decisions interpreting same.

ARTICLE II

PROPERTY DESCRIPTION

Section 2.1. LOCATION WITHIN A QUALIFIED REINVESTMENT OR ENTERPRISE ZONE

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

Section 2.2. PHYSICAL LOCATION OF QUALIFIED INVESTMENT/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/QUALIFIED PROPERTY

The Qualified Investment and/or Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 3**, which is attached hereto and incorporated herein by reference for all purposes ("Applicant's Qualified Investment"). Qualified Investment shall be that property, described in **EXHIBIT 3** which is placed in service under the terms of the Application,

during the Qualifying Time Period described in Section 1.2, above. 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 is owned by Applicant and is used in connection with the activities described in the Application. Property which is not specifically described in EXHIBIT 3 shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Investment or Qualified Property for purposes of this Agreement, unless pursuant to Texas Tax Code § 313.027(e) and Section 8.3 of this Agreement, the Board of Trustees, by official action, provides that such other property is a part of the Applicant's Qualified Investment for purposes of this Agreement.

Property owned by Applicant which is not described on EXHIBIT 3 may not be considered to be Qualified Property unless the Applicant:

- (a) submits to the school district and the Comptroller a written request to add property to the limitation agreement, which request shall include a specific description of the additional property to which the applicant requests that the limitation apply;
- (b) notifies the District and the Comptroller of any other changes to the information that was provided in the Application approved by the District; and,
- (c) provides any additional information reasonably requested by the District or the Comptroller necessary to re-evaluate the economic impact analysis for the new or changed conditions.

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

At the end of the Qualifying Time Period; at any other time when there is a material change in the Qualified Property located on the land described in Exhibit 2; or, upon a reasonable request of 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 Qualified Property to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property within the boundaries of the real property which is subject to the agreement;

Section 2.5. QUALIFYING USE

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

Section 2.6. LIMITATION ON APPRAISED VALUE

So long as 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 2013, 2014, 2015, 2016, 2017, 2018, 2019, and 2020, 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 Tex. Tax Code, §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 Tex. Tax Code, §§313.027(f)(1), be compensated by the Applicant for any loss that the District incurs in its Maintenance and Operations Revenue as a result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement. Such payments shall be independent of, and in addition to such other payments as set forth in Article IV. Subject 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.

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 Qualified Property and/or Qualified Investment been subject to the ad valorem maintenance & operations tax.

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

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 only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements or any other factors.

Section 3.3. COMPENSATION FOR LOSS OF OTHER REVENUES

In addition to the amounts determined pursuant to Section 3.2 above, 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 Applicant, any applicable tax credit to which 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 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 Jackson 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 Jackson 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 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 three (3) years after payment. The Applicant shall not be liable for any of Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement or the fee paid by the Applicant to the Third Party pursuant to Section 3.7, if such fee is timely paid.

Section 3.7. PAYMENT BY APPLICANT

The Applicant shall pay any amount determined to be due and owing to the District under this Agreement on or before the January 31 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 plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or tax credit or other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement. In no year shall the Applicant be responsible for the payment of any total expenses under this Section in excess of Ten Thousand Dollars (\$10,000.00).

Section 3.8. RESOLUTION OF DISPUTES

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

Section 3.9. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT

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

In the event that the result of an appraisal appeal or for any other reason, the Taxable Value of the Applicant's Qualified Investment and/or the Applicant's Qualified Property is changed, once the determination of a new value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations for the applicable year or years. In the event the new calculations result in the change of any amount payable by the Applicant under this Agreement, the party from whom the adjustment is payable shall remit such

amounts to the counter-party within thirty (30) days of the receipt of the new calculations from the Third Party.

Section 3.10. EFFECT OF STATUTORY CHANGES

Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 5.1, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, Applicant shall make payments to the District, up to the Revenue Protection Amount limit set forth in Section 5.1, that are necessary to offset any negative impact on the District as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on the District.

ARTICLE IV

SUPPLEMENTAL PAYMENTS

Section 4.1. AMOUNTS EXCLUSIVE OF INDEMNITY AMOUNTS

In addition to undertaking the responsibility for the payment of all of the amounts set forth under Article III, 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. 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, Tex. Tax Code, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the obligation for Supplemental Payments under this Article IV are separate and independent of the obligation of the Applicant to pay the amounts described in Article III; provided, however, that all payments under Articles III and IV are subject to the limitations contained in Section 5.1, and that all payments under Article IV are subject to the separate limitations contained in Section 4.4.

Section 4.2. AMOUNT OF CONTRACTUAL SUPPLEMENTAL PAYMENT-SUBJECT TO AGGREGATE LIMIT

During the term of this Agreement, the District shall be entitled to receive, subject to the Aggregate Limit calculations set forth in Section 4.4, below, a total amount of Supplemental Payments equal to forty-five percent (45%) of the Net Tax Benefit, defined in Section 1.3, above.

Section 4.3. ANNUAL CALCULATION OF SUPPLEMENTAL PAYMENT AMOUNT

The Parties agree that for each Tax Year of this Agreement, beginning with the third year (Tax Year 2013) the Contractual 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 0.45;

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 Section 3.4, above, shall adjust the Supplemental Payment calculation to reflect any changes in the data.

Section 4.4. ANNUAL SUPPLEMENTAL PAYMENTS TO THE DISTRICT

For each year of this Agreement, beginning with year three (Tax Year 2013) and continuing thereafter through year thirteen (Tax Year 2023), the District, or its Successor Beneficiary should one be designated under Section 4.6, below, shall not be entitled to receive Contractual Supplemental Payments, computed under Sections 4.2 and 4.3, above, that exceed the Aggregate Limit, defined in Section 1.3, above.

If, for any year of this Agreement the payment of Applicant's Contractual Supplemental Payment, calculated under sections 4.2 and 4.3. above, is limited due to the application of the Aggregate Limit, the difference between the Contractual Supplemental Payment and the Aggregate Limit calculated to the date of payment, shall be carried forward from year-to-year of this Agreement, and to the extent not limited by the Aggregate Limit in any subsequent year of this Agreement, shall be paid to the District.

Section 4.5. PROCEDURES

- (a) All calculations required by this Article, including but not limited to: the calculation of the Supplemental Payment amount; the determination of both the Annual Limit and the Aggregate Limit; the effect, if any, of the Aggregate Limit upon the payment of Contractual Supplemental Payments by the Applicant; and the carry forward and accumulation of any Contractual Supplemental Payment amounts unpaid by 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 District's Board of Trustees may, in its sole discretion, direct that Applicant's payment obligations under this Article IV be made to its educational foundation, or to a similar entity. The alternative entity may only use such funds received under this Article to support the educational mission of the District and its students. Any designation of an alternative entity must be made by recorded vote of the District's Board of Trustees at a properly posted public Board meeting. Any such designation will become effective after public vote and the delivery of notice of said vote in conformance with the provisions of

Section 6.1, below. Such designation may be rescinded by the District's Board of Trustees, by Board action, at any time.

Any designation of a successor beneficiary under this Section shall not alter the Aggregate Limitation 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 after the 2013 Tax Year, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles III and IV with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Section 3.4, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles III and IV shall be reduced until such excess is eliminated.

Section 5.2. OPTION TO CANCEL AGREEMENT

In the event that any payment otherwise due from the Applicant to the District under Article III and/or Section 4.2 with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 5.1 above, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to cancel this Agreement by notifying the District of its election in writing not later than the 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. Upon such termination this Agreement shall terminate and be of no further force or effect; provided, however, that the Parties respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged.

ARTICLE VI

TAX CREDITS

Section 6.1. APPLICANT'S ENTITLEMENT TO TAX CREDITS

The Applicant shall be entitled to tax credits from the District under and in accordance with the provisions of Subchapter D of the Act and Comptroller Rules, provided that the Applicant complies with the requirements under such provisions, including the 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 Jackson County Appraisal District to have access to the Applicant's Qualified Property and/or business records, in accordance with Texas Tax Code Section 22.07, during the term of this Agreement, in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property. 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 Jackson 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

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 Texas Comptroller of Public Accounts under the provisions of Texas Tax Code § 313.032. Applicant shall forward a copy of all such required reports or certifications to the District contemporaneously with the filing thereof. The obligation to make all such required filings shall be a material obligation under this Agreement.

Section 7.3. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE

By entering into this Agreement, the Applicant warrants that:

- (a) it will abide by all of the terms of the Agreement;
- (b) it will Maintain Viable Presence in the District through the Final Termination Date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure (as hereinafter defined), provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure; and,
- (c) it will meet minimum eligibility requirements under 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. 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 the Agreement, then the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of such termination notice. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem taxes for all of the Tax Years for which a Tax Limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 7.5. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Article III. 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, 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

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

- (a) Applicant is determined to have failed to meet its obligations to have made accurate representations of fact in submission of its Application as is required by Section 8.13, below.

- (b) Applicant fails to Maintain Viable Presence in the District, as required by Section 7.3 of this Agreement, through the Final Termination Date of this Agreement.
- (c) Applicant fails to make any payment required under Articles III or IV of this Agreement on or before its due date.
- (d) Applicant makes any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313, Tex. Tax Code, 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 consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 are not barred by this provision.
- (e) Applicant fails to comply with any other term of this Agreement, or Applicant fails to meet its obligations under the applicable Comptroller's Rules, and under the Texas Economic Development Act.

Section 7.7 LIMITED STATUTORY CURE OF MATERIAL BREACH

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

Section 7.8. DETERMINATION OF MATERIAL BREACH AND TERMINATION OF AGREEMENT

Prior to making a determination that the Applicant has committed a material breach of this Agreement, such as making a misrepresentation in the Application, failing to Maintain Viable Presence in the District as required by Section 7.3 of this Agreement, failing to make any payment required under this Agreement when due, or has otherwise committed a material breach of this Agreement, 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, Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that it is not in material breach of its obligations under the Agreement, or that it has cured or undertaken to cure any such material breach.

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

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

Section 7.9. DISPUTE RESOLUTION

After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 7.8, the Applicant shall have 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 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 Jackson County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the Texas Civil Practice and Remedies Code and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator's fees and expenses and the Applicant shall bear one-half of such mediator's fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation.

In the event that any mediation is not successful in resolving the dispute or that payment is not received before the expiration of such 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:

Tony R. Williams, Superintendent
INDUSTRIAL INDEPENDENT SCHOOL DISTRICT
P. O. Box 369
Vanderbilt, Texas 77991-0369
Fax: (361) 284-3349

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:

ATTN: Robert Coen, Site Manager
INTEPLAST GROUP, LTD.
101 Inteplast Boulevard
P.O. Box 405
Lolita, Texas 77971
Fax: (361) 874-3106

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

Section 8.2. EFFECTIVE DATE, TERMINATION OF AGREEMENT

- (a) This Agreement shall be and become effective on the date of final approval of this Agreement by the District's Board of Trustees,

- (b) The obligation to Maintain Viable Presence under this Agreement shall remain in full force and effect through the termination in full date established in Section 1.2 of this Agreement.
- (c) In the event that 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, 2012.

Section 8.3. AMENDMENTS TO AGREEMENT; WAIVERS

This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties. Waiver of any term, condition or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition or provision, or a waiver of any other term, condition or provision of this Agreement. By official action of the Board of Trustees, this Agreement may be amended to include, in the Applicant's Qualified Investment, additional or replacement Qualified Property not specified in EXHIBIT 3, provided that the Applicant reports to the District, the Comptroller, and the Appraisal District, in the same format, style, and presentation as the Application, all relevant investment, value, and employment information that is related to the additional property. Any amendment of the Agreement adding additional or replacement Qualified Property pursuant to this Section 8.3 shall, (1) require that all property added by amendment be eligible property as defined by 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, 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 Jackson 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 Jackson County, Texas.

Section 8.8. AUTHORITY TO EXECUTE AGREEMENT

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

Section 8.9. SEVERABILITY

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

Section 8.10. PAYMENT OF EXPENSES

Except as otherwise expressly provided in this Agreement, or as covered by the application fee, each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement.

Section 8.11. INTERPRETATION

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

Section 8.12. EXECUTION OF COUNTERPARTS

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

Section 8.13. ACCURACY OF REPRESENTATIONS CONTAINED IN APPLICATION

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

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

Section 8.14. PUBLICATION OF DOCUMENTS

The Parties acknowledge that the District is requires 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 Tex. Tax Code § 313.103, as follows:

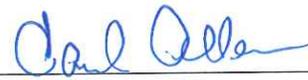
- a. Within seven days of such document, the school district shall submit a copy to the Comptroller for Publication on the Comptroller's Internet website.
- b. District shall provide on its website a link to the location of those documents posted on the Comptroller's website.
- c. This Section does not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

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this ___ day of _____, 2010.

INTEPLAST GROUP, LTD..

**INDUSTRIAL INDEPENDENT SCHOOL
DISTRICT**

By: 
Robert Coen
Site Manager
Inteplast Group, Ltd.

By: 
CARL ALLEN
President
Board of Trustees

ATTEST:

DELANO KINSFATHER
Secretary
Board of Trustees

EXHIBIT 1

DESCRIPTION OF QUALIFIED REINVESTMENT ZONE

The *Jackson County Reinvestment Zone No. 94-1A* was originally created on September 22, 2008, by action of the Commissioners Court of Jackson County, Texas. A map of the *Jackson County Reinvestment Zone No. 94-1A* is attached as the second page of this **EXHIBIT 1**.

As a result of the actions of Commissioners Court of Jackson County, the *Jackson County Reinvestment Zone No. 94-1A* includes real property within the unincorporated areas of Jackson County, Texas, more specifically the property and tracts more fully described in the attached legal description.

FIELDNOTE DESCRIPTION
2705.147 ACRE TRACT

STATE OF TEXAS)
COUNTY OF JACKSON)

BEING a 2705.147 acre tract of land situated in the David Hoffman Survey, Abstract No. 33, the James Morgan Survey, Abstract No. 36, the George Bving Survey, Abstract No. 20, and the I & G N R R Surveys, Abstract No.'s 142, 148, 150, 153, & 167, in Jackson County, Texas, and being a portion of that 18074.391 acre tract conveyed by YC Company, Inc. to Pomosa Plastics Corporation, Texas by deed dated October 1, 1990 and recorded in Volume 740, Pages 1046-1048 of the Deed Records of Jackson County, Texas, said 2705.147 acre tract being more particularly described by metes and bounds as follows:

BEGINNING, at an existing 3/4 inch iron rod found for a northwest corner of the herein described tract and the southwest corner of an adjacent 77.936 acre tract in the east Right-of-Way line of F.M. 1593, said iron rod being further located S 60°02'02" E; 4200.00 feet from a concrete corner post found in the east Right-of-Way line of F.M. 1593 marking a northwest corner of the aforementioned 18074.391 acre tract;

THENCE, S 89°54'32" E, along the south line of said 77.936 acre tract, for a distance of 1997.00 feet to an existing 3/4 inch iron rod found for the southeast corner of said 77.936 acre tract and an interior corner of the herein described tract;

THENCE, N 06°02'02" W, along the east line of said 77.936 acre tract for a distance of 1700.00 feet to an existing 3/4 inch iron rod found for the northeast corner of said 77.936 acre tract and a northwest corner of the herein described tract;

THENCE, S 89°54'32" E, along the north line of this tract at 2876.20 feet pass a set 5/8 inch iron rod on line and continuing for a total distance of 2926.20 feet to the point of intersection of this line and the west bank of Huisache Creek;

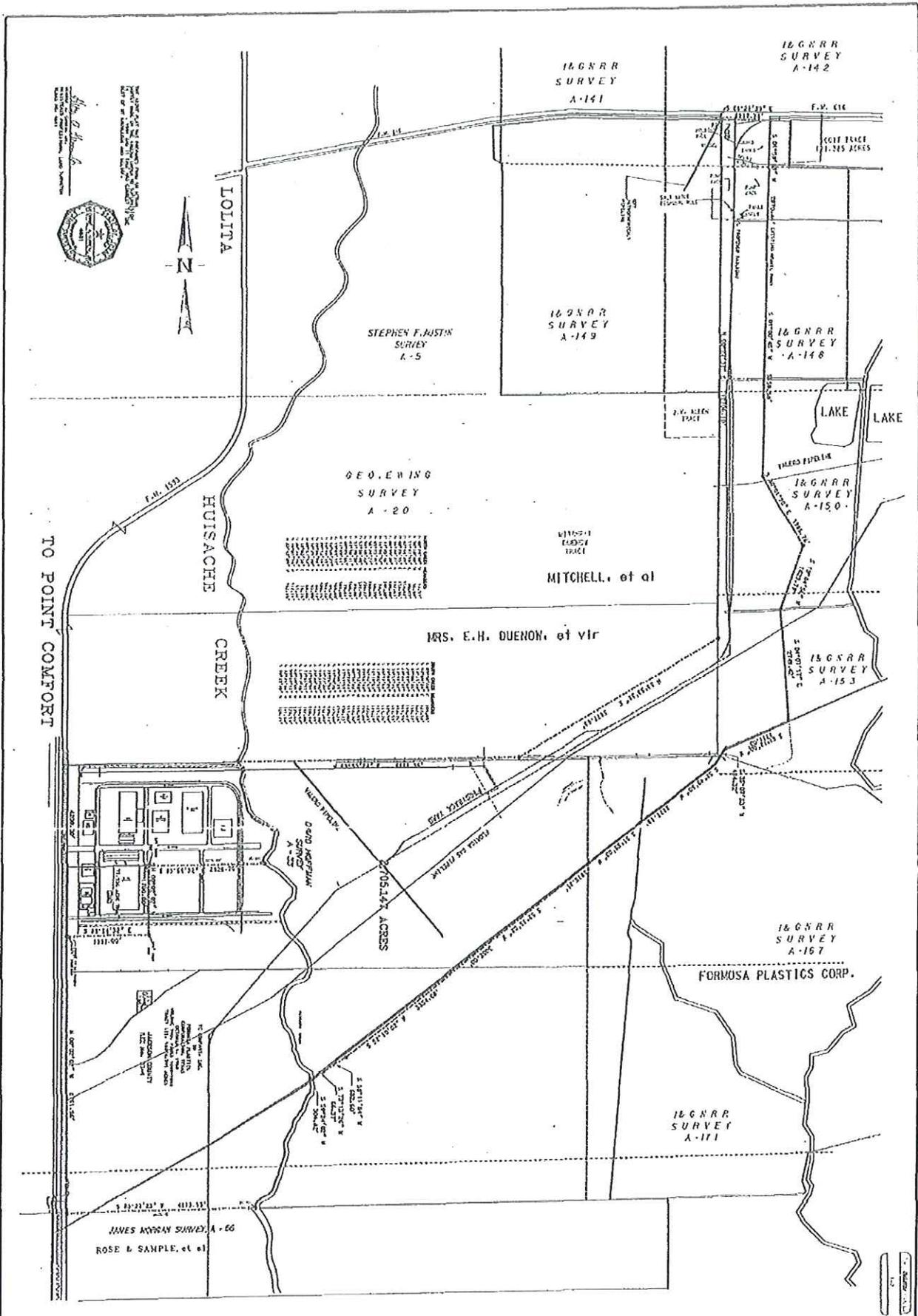
THENCE, with the meanders of the west bank of Huisache Creek as follows:

N 48°29'38" W 13.37'
N 34°10'48" W 96.58'
N 11°47'18" E 80.02'
N 42°44'29" E 154.62'
N 40°26'15" E 133.99'
N 16°14'27" E 112.63'
N 06°59'39" E 106.88'
N 11°05'18" E 145.28'
N 16°54'32" E 78.01'
N 69°02'11" W 66.20'
N 66°24'27" W 103.06'
N 58°18'42" W 234.22'
N 62°28'40" W 132.95'
N 57°28'56" W 85.88'
N 42°58'11" W 160.13'
N 40°05'05" W 79.81'
N 17°19'14" W 101.60'
N 13°45'17" W 169.69'
N 10°05'27" W 91.40'
N 14°10'15" W 151.78'
N 20°33'18" W 108.15'
N 16°56'08" W 84.12'
N 12°29'30" W 90.99'
N 09°57'52" E 68.64'
N 18°03'34" E 76.75'
N 20°34'46" E 51.37'
N 16°07'34" W 112.17', and

N 33°42'01" W, for a distance of 152.55 feet to a northwest corner of the herein described tract in a north line of said 18074.391 acre tract;

Exhibit

1-1




CANEM & KELLY SURVEYING, INC.
 1500 N. W. 10th St.
 Fort Worth, Texas 76102
 Phone: 817-335-1111

BEING A PART OF AND BEING IN THE INTEREST OF THE STATE OF TEXAS.
 THE STATE OF TEXAS, COUNTY OF TARRANT, BEING THE COUNTY WHEREIN THE SURVEY WAS MADE.
 JOHN W. KELLY, Surveyor General, State of Texas.

DATE OF SURVEY	SCALE 1"=40'	NAME OF FILE
ORDER BY G.L.L.	DATE 05/20/81	
ORDER BY G.L.L.	DATE 05/20/81	

SURVEY PLAT
FORMOSA PLASTICS CORP.

SHEET
 1
 OF
 1

EXHIBIT 2

PHYSICAL LOCATION OF QUALIFIED INVESTMENT/QUALIFIED PROPERTY

All Qualified Property owned by Applicant which is not subject to the AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES approved by the Board of Trustees of the Industrial Independent School District on December 13, 2010, and which is located within the boundaries of each of the Industrial Independent School District, the *Jackson County Reinvestment Zone No. 94-1A Reinvestment Zone*, will be included in and subject to this Agreement. Specifically, all Qualified Property of Applicant which is not subject to the AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES approved by the Board of Trustees of the Industrial Independent School District on December 13, 2010 which is located in the sections of land in the attached legal description.

FIELDNOTE DESCRIPTION
2705.147 ACRE TRACT

STATE OF TEXAS)
COUNTY OF JACKSON)

BEING a 2705.147 acre tract of land situated in the David Hoffman Survey, Abstract No. 33, the James Morgan Survey, Abstract No. 56, the George Waring Survey, Abstract No. 20, and the I & G N R R Survey, Abstract No.'s 142, 148, 150, 153, & 167, in Jackson County, Texas and being a portion of that 18074.391 acre tract conveyed by YC Company, Inc. to Formosa Plastics Corporation, Texas by deed dated October 1, 1990 and recorded in Volume 740, Pages 1046-1048 of the Deed Records of Jackson County, Texas, said 2705.147 acre tract being more particularly described by metes and bounds as follows:

BEGINNING, at an existing 3/4 inch iron rod found for a northwest corner of the herein described tract and the southwest corner of an adjacent 77.936 acre tract in the east Right-of-Way line of P.M. 1593, said iron rod being further located S 00°02'02" E, 4200.00 feet from a concrete corner post found in the east Right-of-Way line of P.M. 1593 marking the northwest corner of the aforementioned 18074.391 acre tract;

THENCE, S 89°54'32" E, along the south line of said 77.936 acre tract, for a distance of 1997.00 feet to an existing 3/4 inch iron rod found for the southeast corner of said 77.936 acre tract and an interior corner of the herein described tract;

THENCE, N 09°02'02" W, along the east line of said 77.936 acre tract for a distance of 1700.00 feet to an existing 3/4 inch iron rod found for the northeast corner of said 77.936 acre tract and a northwest corner of the herein described tract;

THENCE, S 89°54'32" E, along the north line of this tract at 2876.20 feet pass a set 5/8 inch iron rod on line and continuing for a total distance of 2926.20 feet to the point of intersection of this line and the west bank of Huisache Creek;

THENCE, with the meanders of the west bank of Huisache Creek as follows:

N 48°29'28" W	13.37'
N 34°10'48" W	96.58'
N 11°47'18" E	80.02'
N 42°44'29" E	154.62'
N 40°26'15" E	133.99'
N 16°14'27" E	112.63'
N 05°59'39" E	106.88'
N 11°05'18" E	145.38'
N 16°54'32" E	78.01'
N 69°02'11" W	66.20'
N 66°24'27" W	103.00'
N 38°18'42" W	236.22'
N 62°28'40" W	132.95'
N 57°28'56" W	85.88'
N 42°58'11" W	160.13'
N 40°05'05" W	79.81'
N 17°19'14" W	191.60'
N 13°45'17" W	169.69'
N 10°05'27" W	91.40'
N 14°10'15" W	151.78'
N 20°33'18" W	108.15'
N 16°56'08" W	84.12'
N 12°29'30" W	90.99'
N 09°57'52" E	68.64'
N 18°03'34" E	76.75'
N 20°34'46" E	51.37'
N 16°07'34" W	112.17', and

N 33°42'01" W, for a distance of 152.55 feet to a northwest corner of the herein described tract in a north line of said 18074.391 acre tract;

Exhibit

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EXHIBIT 3

DESCRIPTION OF THE APPLICANT'S QUALIFIED INVESTMENT/QUALIFIED PROPERTY

The proposed project will consist of a new (third) BOPP plant at the existing Lolita, Texas facility. The new plant would consist of an industrial building and appurtenances of approximately 275,000 square feet. The new building would be capable of housing two new production lines and a warehouse.

Phase 1 of the project would include one new production line, with an annual nameplate production capacity of approximately 75 million pounds at operating speeds of approximately 520 meters per minute.

Phase 2 of the project would include either: a second new production line, with an annual nameplate production capacity of approximately 75 million pounds at operating speeds of approximately 520 meters per minute; or, the upgrade and/or addition of new equipment to existing operations on the site.

The project will include newly acquired personal property to be used in connection both Phase 1 and Phase 2 of the Project.

All of the property for which the Applicant is seeking a limitation on appraised value will be owned by the Applicant or a valid assignee pursuant to this Agreement.