

WALSH, ANDERSON,
GALLEGOS, GREEN
and TREVIÑO, P.C.

ATTORNEYS AT LAW

August 8, 2014

Ms. Korry Castillo
Regional Fiscal Analysis
Local Government Assistance and
Economic Development Division
Texas Comptroller of Public Accounts
P.O. Box 13528
Austin, Texas 78774

VIA EMAIL DELIVERY: *korry.castillo@cpa.state.tx.us*
and VIA U.S. POSTAL SERVICE DELIVERY

Re: Van Vleck Independent School District ("District") / Tax Limitation Agreement:
Maverick Tube Corporation dba Tenaris USA ("Applicant")

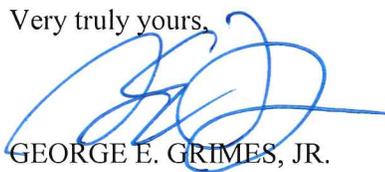
Dear Ms. Castillo:

At its July 21, 2014 meeting, the District's Board of Trustees approved the Amendment Agreement for Limitation of Appraised Value ("Amended Agreement"). Attached is a copy of the fully executed Amended Agreement previously approved by your office on June 23, 2014. In addition, attached to the mailed letter is an electronic copy of the above referenced document on CD.

The Amendment to the original Application was submitted to your office on June 16, 2014.

Please call if you have any questions.

Very truly yours,



GEORGE E. GRIMES, JR.

GEG/paw
Enclosures

cc: Mr. John O'Brien, Superintendent of Schools, Van Vleck Independent School District
(Via Email Delivery; without enclosure: *jobrien@vvisd.org*)
Mr. Chris North, CFO, Maverick Tube Corporation
(Via Email Delivery; without enclosure: *cnorth@tenaris.com*)
Mr. Renn Neilson, Baker Botts L.L.P. (Houston)
(Via Email Delivery; with enclosure: *renn.neilson@bakerbotts.com*)

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

by and between

VAN VLECK INDEPENDENT SCHOOL DISTRICT

and

MAVERICK TUBE CORPORATION DBA TENARIS USA

Texas Taxpayer No. 14314557662

Dated

July 21, 2014

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

STATE OF TEXAS §

COUNTY OF MATAGORDA §

THIS AMENDED AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES is executed and delivered by and between the **VAN VLECK 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 **MAVERICK TUBE CORPORATION DBA TENARIS USA**, Texas Taxpayer Identification Number 14314557662, and its successors and assigns, hereinafter referred to as the "Applicant." The Applicant and the District are each hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties." Certain capitalized and other terms used in this Agreement shall have the meanings ascribed to them in Section 1.3.

RECITALS

WHEREAS, on or about March 27, 2013 the Superintendent of Schools of the District, acting as agent of the Board of Trustees of the District (the "Board of Trustees"), received from Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code; and,

WHEREAS, on April 15, 2013, the Board of Trustees authorized the Superintendent to accept, on behalf of the District, the Application from Applicant, and on April 15, 2013, the Superintendent acknowledged receipt of a completed Application and the requisite application fee as established by the District pursuant to Texas Tax Code § 313.025(a)(1) and District Policy CCG (LOCAL); and,

WHEREAS, the Application was delivered to the office of the Texas Comptroller of Public Accounts (hereinafter referred to as the "Comptroller") for review pursuant to Texas Tax Code § 313.025(d); and,

WHEREAS, pursuant to Comptroller's Rule § 9.1054, the Application was delivered for review to the Matagorda County Appraisal District (the "Appraisal District"); and,

WHEREAS, pursuant to Comptroller's Rule § 9.1055(b)(3), on May 9, 2013, the Comptroller issued written notice to the District and Applicant that the Application was complete; and,

WHEREAS, the Comptroller reviewed the Application pursuant to Texas Tax Code § 313.025(d), and on July 30, 2013, the Comptroller's Office, via letter, recommended that the Application be approved; and,

WHEREAS, the Comptroller conducted an economic impact evaluation pursuant to Chapter 313 of the Texas Tax Code; 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, on May 26, 2013, the Texas Legislature, 83rd Regular Session, passed House Bill 3390, Section 23 of which provides that an agreement under Texas Tax Code Chapter 313 which is entered into on or after January 1, 2013, pursuant to an application filed under Chapter 313 before the January 1, 2014 effective date of House Bill 3390, may condition eligibility for a limitation on appraised value on compliance with the provisions of House Bill 3390 relating to the creation of new jobs; and

WHEREAS, Texas Tax Code §§ 313.0276 and 313.051(d), as amended by House Bill 3390, each relate to the creation of new jobs; and

WHEREAS, House Bill 3390 amends § 313.051(b) to (i) require a property owner to create at least 10 new qualifying jobs in order to be eligible for value limitation in a school district to which Subchapter C of Chapter 313, Texas Tax Code applies, and (ii) eliminate the requirement that 80 percent of all new jobs created must be qualifying jobs; and

WHEREAS, Subchapter C of Chapter 313, Texas Tax Code applies to the District; and

WHEREAS, House Bill 3390 adds § 313.0276 to impose a penalty on a property owner for failure to satisfy the qualifying jobs requirements of Chapter 313, as amended by House Bill 3390; and

WHEREAS, pursuant to Comptroller guidance, the Parties agree that they may amend this Agreement after January 1, 2014, to condition eligibility for a limitation on appraised value on compliance with the provisions of House Bill 3390 relating to the creation of new jobs; and

WHEREAS, on November 18, 2013 the Board of Trustees held a meeting to consider action on the Application; and,

WHEREAS, on November 18, 2013, the Board of Trustees made factual findings pursuant to Texas Tax Code § 313.025(f), including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) this Agreement is in the best interest of the District and the State of Texas; (iii) the Applicant is eligible for the limitation on appraised value of the Applicant's Qualified Property; and, (iv) each criterion referenced in Texas Tax Code § 313.025(e) has been met; and,

WHEREAS, on November 18, 2013, the Board of Trustees determined that the Limitation on Appraised Value requested by Applicant, as defined in Section 2.6, below, is consistent with the minimum values set out by Texas Tax Code, §§ 313.022(b) and 313.052, as such Limitation on Appraised Value was computed as of the date of this Agreement; and,

WHEREAS, on November 1, 2013, the District received written notification. pursuant to Comptroller's Rule § 9.1055(e)(2)(A) that the Comptroller reviewed this Agreement, and reaffirmed the recommendation previously made on July 30, 2013 that the Application be approved; and,

WHEREAS, on November 18, 2013, 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 of the Board of Trustees to execute and deliver such Agreement to the Applicant; and

WHEREAS, the Parties desire that the provisions of House Bill 3390 relating to the creation of new jobs, including Texas Tax Code §§ 313.0276 and 313.051(b), govern this Agreement, and that the Application and this Agreement be amended in accordance therewith; and

WHEREAS, the District received from the Applicant an amended Application, pursuant to which eligibility for a limitation on appraised value is conditioned on compliance with the provisions of House Bill 3390 relating to the creation of new jobs; and

WHEREAS, the District received written notification that the Comptroller reviewed the amended Application and this Agreement, as amended, and reaffirmed the recommendations previously made on July 30, 2013 and November 1, 2013 that the Application be approved; and

WHEREAS, on July 21, 2014, the Board of Trustees approved the form of this Agreement, as amended, for a limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary of the Board of Trustees to execute and deliver such Agreement to the Applicant.

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

ARTICLE I

AUTHORITY, TERM, DEFINITIONS, AND GENERAL PROVISIONS

Section 1.1 Authority

This Agreement is executed by the District as its written agreement with the Applicant pursuant to the provisions and authority granted to the District in Texas Tax Code §§ 313.027 and 313.051.

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.

The period beginning with the Commencement Date and ending on December 31, 2016 is referred to herein as the "Qualifying Time Period." For the avoidance of doubt, the Limitation

on Appraised Value described in Section 2.6 shall not begin until January 1, 2017 and shall not apply during the Qualifying Time Period.

Unless sooner terminated as provided herein, the Limitation on Appraised Value shall terminate on December 31, 2024. 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, including any Tax Credit, 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.

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 Appraised Value Determination	School Year	Tax Year	Summary Description of Provisions
Partial Year (Commencement Date through December 31, 2014)	January 1, 2014	2014-15	2014	Start of Qualifying Time Period beginning with Commencement Date. No limitation on value.
1	January 1, 2015	2015-16	2015	Qualifying Time Period. No limitation on value. Possible tax credit in future years.
2	January 1, 2016	2016-17	2016	Qualifying Time Period. No limitation on value. Possible tax credit in future years.
3	January 1, 2017	2017-18	2017	\$ 10 million property value limitation.
4	January 1, 2018	2018-19	2018	\$ 10 million property value limitation. Possible tax credit due to Applicant.
5	January 1, 2019	2019-20	2019	\$ 10 million property value limitation. Possible tax credit due to Applicant.

Full Tax Year of Agreement	Date of Appraised Value Determination	School Year	Tax Year	Summary Description of Provisions
6	January 1, 2010	2020-21	2020	\$ 10 million property value limitation. Possible tax credit due to Applicant.
7	January 1, 2021	2021-22	2021	\$ 10 million property value limitation. Possible tax credit due to Applicant.
8	January 1, 2022	2022-23	2022	\$ 10 million property value limitation. Possible tax credit due to Applicant.
9	January 1, 2023	2023-24	2023	\$ 10 million property value limitation. Possible tax credit due to Applicant.
10	January 1, 2024	2024-25	2024	\$ 10 million property value limitation. Possible tax credit due to Applicant.
11	January 1, 2025	2025-26	2025	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
12	January 1, 2026	2026-27	2026	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
13	January 1, 2027	2027-28	2027	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 it existed on November 18, 2013; provided, however, that to the extent any references to the term “Act” herein govern Applicant’s commitments related to new jobs, “Act” shall mean the Texas Economic Development Act set forth in Chapter 313 of the Texas Tax Code, as amended by House Bill 3390, 83rd Regular Session of the Texas Legislature.

“*Affiliate*” of any specified person or entity means any other person or entity which, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is

under direct or indirect common control with such specified person or entity. For purposes of this definition “control” when used with respect to any person or entity means (i) the ownership, directly or indirectly, or fifty percent (50%) or more of the voting securities of such person or entity, or (ii) the right to direct the management or operations of such person or entity, directly or indirectly, whether through the ownership (directly or indirectly) of securities, by contract or otherwise.

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

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

“Annual Limit” means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Texas Tax Code § 313.027(i). For purposes of this Agreement, the amount of the Annual Limit shall be calculated, pursuant to Texas Education Code § 42.005, by multiplying the District’s average daily attendance for that year times \$100, or any larger amount allowed by Texas Tax Code § 313.027(i), if such limit amount is increased for any future year of this Agreement.

“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.

“Application” means the Original 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 or about March 27, 2013, which has been certified by the Comptroller’s office to collectively constitute a complete final Application as of the date of May 9, 2013. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by Applicant for the purpose of obtaining this Agreement with the District. The term also includes all amendments and supplements thereto submitted by Applicant, including the amendments submitted in connection with this Amended Agreement.

“Application Date” shall mean May 9, 2013, the date on which, pursuant to Comptroller’s Rule § 9.1055(b)(3), the Comptroller issued written notice to the District and Applicant that the Application was complete.

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

“Commencement Date” means January 2, 2014, the date upon which the Parties agree that the Qualifying Time Period shall begin. This Agreement provides for a deferral of the commencement of the Qualifying Time Period pursuant to Tax Code § 313.027(h).

“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, as such rules existed on November 28, 2013; provided, however, that to the extent any references to the term “Comptroller’s Rules” herein govern Applicant’s commitments related to new jobs, “Comptroller’s Rules” shall mean 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, as such rules existed on the date of execution of this Amended Agreement.

“County” means Matagorda County, Texas.

“District” or “School District” means the Van Vleck 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, 2027, except for any final payment obligations hereunder.

“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 this Agreement shall require the Applicant to settle any such strike or labor dispute), explosions, breakdown or failure of plant, machinery, equipment, lines of pipe or electric power lines (or unplanned or forced outages or shutdowns of the foregoing for inspections, repairs or maintenance), inability to obtain, renew or extend franchises, licenses or permits, loss, interruption, curtailment or failure to obtain electricity, gas, steam, water, wastewater disposal, waste disposal or other utilities or utility services, inability to obtain or failure of suppliers to deliver equipment, parts or material, or inability of the Applicant to ship or failure of carriers to transport electricity from the Applicant’s facilities; or (e) any other cause (except financial), whether similar or dissimilar, over which the Applicant has no reasonable control and which forbids or prevents performance.

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

“Maintain Viable Presence” means after the development and construction of the project described in the Application and in the description of the Applicant’s Qualified Investment/Qualified Property as set forth in Section 2.3, below, (i) the operation over the term of this Agreement of the facility or facilities for which the tax limitation is granted, as the same may from time to time be expanded, upgraded, improved, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured, and/or reengineered; (ii) the maintenance of at least the number of Qualifying Jobs required by Chapter 313 of the Texas Tax Code from the time they are created until the Final Termination Date; (iii) the maintenance of at least the number of Qualifying Jobs set forth in the Application from the time they are created until the Final Termination Date; and (iv) the maintenance of at least the number of Nonqualifying Jobs set forth in the Application at the required average weekly wage for Nonqualifying Jobs created by Applicant, computed according to Comptroller’s Rule § 9.1051(22).

“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.

“Nonqualifying Jobs” has the meaning set forth in Comptroller’s Rule § 9.1051(14)(C).

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

“Qualifying Jobs” means new jobs created by Applicant which meet the requirements of Texas Tax Code §§ 313.021(3) and 313.051(b), as amended by House Bill 3390, 83rd Regular Session of the Texas Legislature.

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

“State” means the State of Texas.

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

“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, 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 and Qualified Investment will be located within an area designated as a reinvestment zone under Chapter 312 of the Texas Tax Code. The legal description of the reinvestment zone is attached to this Agreement as Exhibit 1 and is incorporated herein by reference for all purposes.

Section 2.2 Location of Qualified Property and Qualified Investment

Applicant’s Qualified Property will include and be located on, and Applicant’s Qualified Investment will be located on, Land described in the legal description that is attached to this Agreement as Exhibit 2 and is incorporated herein by reference for all purposes. The Parties agree that the boundaries of the Land may not be materially changed from the configuration described in Exhibit 2 without each Party’s express authorization.

Section 2.3 Description of Qualified Investment and Qualified Property

The Qualified Investment and/or Qualified Property that is subject to the Limitation on Appraised Value is described in Exhibit 3, which is attached hereto and incorporated herein by reference for all purposes. The Applicant’s Qualified Investment shall be that property described in Exhibit 3 that is placed in service under the terms of the Application during the Qualifying Time Period. The Applicant’s Qualified Property shall be all property described in Exhibit 3, including, but not limited to, the Applicant’s Qualified Investment, which: (1) is owned by the Applicant; (2) is first placed in service after the Application Date; and (3) is used in connection with the activities described in the Application. Property which is not specifically described in Exhibit 3 shall not be considered by the District or the Appraisal District to be part of the Applicant’s Qualified Investment or the Applicant’s Qualified Property for purposes of this

Agreement, unless pursuant to Texas Tax Code § 313.027(e) and Section 8.3 of this Agreement, the Board of Trustees, by official action, provides that such other property is a part of the Applicant's Qualified Property for purposes of this Agreement.

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

- (i) submits to the District and the Comptroller a written request to add such property to this Agreement, which request shall include a specific description of the additional property to which the Applicant requests that the Limitation on Appraised Value apply;
- (ii) notifies the District and the Comptroller of any other changes to the information that was provided in the Application approved by the District; and,
- (iii) provides any additional information reasonably requested by the District or the Comptroller that is necessary to re-evaluate the economic impact analysis for the new or changed conditions.

Section 2.4 Applicant's Obligations to Provide Current Inventory of Qualified Property

At the end of the Qualifying Time Period, or at any other time when there is a material change in the Applicant's Qualified Property located on the Land, or upon a reasonable request by the District, the Comptroller, or the Appraisal District, the 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) comprising the Applicant's Qualified Property to which the Limitation on Appraised Value applies, including maps or surveys of sufficient detail and description to locate all such described property within the boundaries of the real property which is subject to this Agreement.

Section 2.5 Qualifying Use

Applicant will use the Applicant's Qualified Investment and Applicant's Qualified Property described above in Section 2.3 as a manufacturing facility. As such, such property will qualify for a Limitation on Appraised Value under Texas Tax Code § 313.024(b)(1).

Section 2.6 Limitation on Appraised Value

So long as the Applicant makes a Qualified Investment in the amount of Ten Million Dollars (\$10,000,000.00), 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 following eight (8) Tax Years—2017, 2018, 2019, 2020, 2021, 2022, 2023 and 2024—the Appraised Value of the Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

- (i) the Market Value of the Applicant's Qualified Property; or
- (ii) Ten Million Dollars (\$10,000,000.00).

This "Limitation on Appraised Value" is based on the limitation amount for the category that applies to the District on the effective date of this Agreement, as set out by Texas Tax Code § 313.052.

ARTICLE III

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 3.1 Intent of the Parties

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

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

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

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

Where:

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

- (ii) “New M&O Revenue” means the total State and local Maintenance & Operations Revenue that the District actually received for such school year, after all adjustments have been made to such Maintenance and Operations Revenue because of any portion of this Agreement.

In making the calculations required by this Section 3.2:

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

Section 3.3 Compensation for Loss of Other Revenues

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

- (i) to the extent provided in Section 6.3, all non-reimbursed costs incurred by the District in paying or otherwise crediting to the account of the Applicant, any applicable tax credit to which the Applicant may be entitled pursuant to Chapter 313, Subchapter D of the Texas Tax Code, and for which the District does not receive reimbursement from the State pursuant to Texas Education Code § 42.2515, or other similar or successor statute;
- (ii) 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 Applicant’s Qualified Investment 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 Applicant's Qualified Investment; and,

- (iii) any other loss of District revenues which are, or may be, attributable to the payment by the Applicant to or on behalf of 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 Appraisal District in its annual certified tax rolls 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 Appraisal District to the District's certified tax rolls 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, 3.3, Article IV, and/or Section 5.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's offices, personnel, books, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation and fee for a period of five (5) years after payment. The Applicant shall not be liable for any of the Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement or the fee paid by the Applicant to the Third Party pursuant to Section 3.7, if such fee is timely paid.

Section 3.7 Payment by Applicant

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

Section 3.8 Resolution of Disputes

Should the Applicant disagree with the certification prepared pursuant to Section 3.6, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days of receipt of the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District's Board of Trustees, in writing, within thirty (30) days of the final determination of certification containing the calculations.

Section 3.9 Effect of Property Value Appeal or Other Adjustment

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

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

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, the 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 Revenue Protection 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 Supplemental Payments

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.

(i) Amounts Exclusive of Indemnity Amounts

It is the express intent of the Parties that the Applicant's obligation to make Supplemental Payments under this Article IV is 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.

(ii) Adherence to Statutory Limits on Supplemental Payments

It is the express intent of the Parties that any Supplemental Payments made to or on behalf of the District by the Applicant, under this Article IV, shall not exceed the limit imposed by the provisions of Texas Tax Code § 313.027(i), as such limit is allowed or required to be increased by the Legislature in a future year of this Agreement.

(iii) Explicit Identification of Payments to District

The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement made pursuant to Chapter 313, Texas Tax Code, unless it is explicitly set forth in this Agreement.

Section 4.2 Stipulated Supplemental Payment Amount - Subject to Annual Limit

On or before January 31, 2015 (the payment due date for Tax Year 2014), and continuing thereafter on or before the January 31 of each of the thirteen (13) years thereafter (i.e., through January 31, 2028, the payment due date for Tax Year 2027), the Applicant shall make a Supplemental Payment to the District in an amount equal to the greater of the following:

- (i) the Annual Limit; or,
- (ii) to the extent permitted by then-current law, the Applicant's "Stipulated Supplemental Payment Amount" as defined in Section 4.3.

Section 4.3 Annual Calculation of Stipulated Supplemental Payment Amount

The Parties agree that for each Tax Year described in Section 4.2, the Applicant's Stipulated Supplemental Payment Amount will be calculated in accordance with the following formula:

The Taxable Value of the Applicant's Qualified Property for such Tax Year had this Agreement not been entered into by the Parties (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's interest and sinking fund tax purposes for such Tax Year);

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);

Multiplied by,

The District's maintenance and operations tax rate for such Tax Year;

Plus,

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

Minus,

Any amounts previously paid to the District under Article III;

Multiplied by,

The number 0.4;

Minus,

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

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

Any of the Applicant's Stipulated Supplemental Payment Amount, which cannot be paid to the District prior to the end of Tax Year Thirteen (Tax Year 2027), because such payment

would exceed the Annual Limit, will be deemed to have been cancelled by operation of law, and the Applicant shall have no further obligation with respect thereto.

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

Section 4.4 Procedures for Supplemental Payment Calculations

- (i) All calculations required by this Article IV shall be made by the Third Party selected pursuant to Section 3.4.
- (ii) 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.
- (iii) The payment of all amounts due under this Article shall be made at the time set forth in Section 3.7.

Section 4.5 District's Option to Designate Successor Beneficiary

At any time during this Agreement, the Board of Trustees may, subject to the written consent of the Applicant and so long as such decision does not result in additional costs to the Applicant under this Agreement, direct that the Applicant's payments under this Article IV be made to the District's educational foundation or to a similar entity. Such foundation or entity may only use such funds received under this Article IV to support the educational mission of the District and its students. The required consent needed from the Applicant to designate the Applicant's payments to a successor beneficiary shall not be unreasonably withheld.

Any designation of such a foundation or entity must be made by recorded vote of the Board of Trustees at a properly posted public meeting of the board of Trustees. Any such designation will become effective after such public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 8.1, below. Such designation may be rescinded by the Board of Trustees, by Board action, at any time, and any such rescission will become effective after delivery of notice of such action to the Applicant in conformance with the provisions of Section 8.1.

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 only to Tax Years 2017 through 2024 inclusive, 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 Sections 3.4 and 3.6, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles III and IV shall be reduced until such excess is eliminated.

Section 5.2 Option to Cancel Agreement

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

ARTICLE VI

TAX CREDITS

Section 6.1 Applicant's Entitlement to Tax Credits

The Applicant shall be entitled to Tax Credits from the District under and in accordance with the provisions of Subchapter D of the Act and the Comptroller's 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 the Comptroller's 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 the Comptroller's Rules,

including, but not limited to, such obligations set forth in Section 313.104 of the Texas Tax Code, and the Comptroller's Rules and/or the Texas Education Agency's 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 Appraisal District to have access to the Applicant's Qualified Property and/or business records, in accordance with Texas Tax Code § 22.07, during the term of this Agreement, in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property and any other tangible property on the premises. 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 respective Appraisal District with any technical or business information that is private personnel data, proprietary, a trade secret or confidential in nature, or subject to a confidentiality agreement with any third party.

Section 7.2 Reports to Other Governmental Agencies

The Applicant shall timely make any and all reports that are or may be required under the provisions of law or administrative regulation, including but not limited to the annual report or certifications that may be required to be submitted by the Applicant to the Comptroller under the provisions or Texas Tax Code § 313.032, including Form 50-825 (Job Creation Compliance Report). The Applicant shall forward a copy of all such required reports or certifications to the District contemporaneously with the filing thereof. The obligation to make all such required filings shall be a material obligation under this Agreement.

Section 7.3 Applicant's Obligation to Maintain Viable Presence

By entering into this Agreement, the Applicant warrants that:

- (i) it will abide by all of the terms of this Agreement;
- (ii) it will Maintain Viable Presence in the District through the Final Termination Date; provided, however, that notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of this Agreement, and shall not be subject to any liability for failure to Maintain Viable Presence, to the extent such failure is caused by Force Majeure, provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure; and,
- (iii) it will meet minimum eligibility requirements under Tax Code, Chapter 313 through the Final Termination Date.

Section 7.4 Consequences of Early Termination or Material Breach by Applicant

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 commits a Material Breach, after the notice and cure period provided by Section 7.8 and any dispute resolution conducted pursuant to Section 7.9, 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. Applicant shall satisfy this recapture obligation by making a payment of liquidated damages, as prescribed by Comptroller's Rule § 9.1054(h)(11)(A), equal to the sum of the amounts derived by applying the calculations below to each Tax Year with respect to which Applicant received a Limitation on Appraised Value:

The Market Value of Applicant's Qualified Property for such Tax Year;

Minus,

The Taxable Value of the Applicant's Qualified Property for such Tax Year after giving effect to this Agreement;

Multiplied by,

The District's maintenance and operations tax rate for such Tax Year;

Plus,

Penalties and interest on the amount derived under the preceding calculations for such Tax Year, calculated in accordance with Section 7.5.

Minus,

Any amounts previously paid to the District under Article III or Article IV with respect to such Tax Year.

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

For purposes of Section 7.4, the District shall calculate penalty or interest for a Tax Year in accordance with the methodology set forth in Chapter 33 of the Texas Tax Code, as if the amount calculated for such Tax Year had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code § 33.01(a), or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code § 33.01(c), or its successor statute.

Section 7.6 Material Breach of Agreement

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

- (i) Applicant is determined to have made inaccurate material representations of fact in the submission of its Application.
- (ii) Applicant fails to Maintain Viable Presence in the District, as required by Section 7.3 of this Agreement, through the Final Termination Date.
- (iii) Applicant fails to make any payment required under Articles III or IV of this Agreement on or before its due date.
- (iv) Applicant fails to create and maintain at least the number of Qualifying Jobs required by Texas Tax Code, Chapter 313, as amended by House Bill 3390 in the 83rd Regular Session of the Texas Legislature.
- (v) Applicant fails to create and maintain at least the number of Qualifying Jobs to which Applicant committed in the Application no later than the last day of the tax year specified in the Application.
- (vi) The average weekly wage for Nonqualifying Jobs created by Applicant is less than the average weekly wage of all jobs in the county in which District's administrative office is located, computed according to Comptroller's Rule § 9.1051(22).

- (vii) Applicant makes any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement, in excess of the amounts set forth in Articles III and IV, above. Voluntary donations made by the 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 are not barred by this provision.
- (viii) Applicant fails to comply in any material respect with any other term of this Agreement, or Applicant fails to meet its obligations under the applicable Comptroller's Rules, and under the Act.

Section 7.7 Limited Statutory Cure of Material Breach

In accordance with the provisions of Texas Tax Code § 313.0275, for any full Tax Year with respect to which Applicant received a Limitation on Appraised Value, the Applicant may cure a Material Breach of this Agreement described in Sections 7.6(iv), (v), or (vi), above, without the termination of the remaining term of this Agreement. In order to cure any such non-compliance with Sections 7.6(iv), (v), or (vi) for such Tax Year, the Applicant may (i) make the liquidated damages payment required by Texas Tax Code § 313.0275(b), in accordance with the provisions of Texas Tax Code § 313.0275(c), or (ii) with respect to a Material Breach under 7.6(iv) or (v) (determined by the District after following the provisions and procedures provided for the Comptroller under Comptroller's Rule § 9.1059), cure such Material Breach by paying the assessment determined by the District according to the provisions and procedures of Comptroller's Rule § 9.1059; provided that it is explicitly agreed that the District's application of the provisions of Comptroller's Rule § 9.1059 is independent of any actions that the Comptroller may make at any time.

Section 7.8 Determination of Material Breach and Termination of Agreement

Prior to making a determination under Section 7.6 that the Applicant is in Material Breach of this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the Material Breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, the Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that a Material Breach of this Agreement has not occurred and/or that it has cured or undertaken to cure any such Material Breach.

If the Board of Trustees is not satisfied with such response and/or that such Material 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 Material Breach has occurred and, if so, whether such Material 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 Material Breach occurred, if any, and whether or not any such Material Breach has been cured. In the event that the Board of

Trustees determines that such a Material 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 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 Material 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 and Notice of Contract Termination 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 presiding in Matagorda County, Texas. The Parties agree to sign a document that designates the mediator and the mediation will be governed by the provisions of Chapter 154 of the Texas Civil Practice and Remedies Code and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator's fees and expenses and the Applicant shall bear one-half of such mediator's fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation. The ninety (90) day period prescribed above for disputing a Determination of Breach and Notice of Contract Termination shall toll, and shall not be considered for any purpose as continuing to run, during the mediation.

In the event that any mediation is not successful in resolving the dispute, 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. Any such action shall be initiated in District Court in Matagorda County, Texas, and the ninety (90) day period prescribed above for disputing a Determination of Breach and Notice of Contract Termination shall toll, and shall not be considered for any purpose as continuing to run, until a final decision has been entered and all appeals have been exhausted.

If payment is not received before the expiration of such ninety (90) day period (taking into account any tolling of such period), 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 to the attorneys representing the District pursuant to Texas Tax Code § 6.30, and a tax lien shall attach to the Applicant's Qualified Property and

the Applicant's Qualified Investment pursuant to Texas Tax Code § 33.07 to secure payment of such fees.

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 amounts calculated under Sections 7.4 and 7.5 above. 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:

John R. O'Brien, Superintendent
Van Vleck Independent School District
142 S. Fourth Street
Van Vleck, Texas 77482
Fax: (979) 245-1214
E-mail: jobrien@vvisd.org

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:

Chris North
Tenaris USA
2200 W. Loop South
Suite 800
Houston, Texas 77027-3532

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 Termination of Agreement

In the event that the Applicant fails to make a Qualified Investment in the amount of Ten Million Dollars (\$10,000,000.00), or greater, during the Qualifying Time Period, this Agreement shall become null and void on the last day of the Qualifying Time Period.

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

Section 8.4 Assignment

The Applicant may assign this Agreement, or a portion of this Agreement, to an Affiliate or a new owner or lessee of all or a portion of the Applicant's Qualified Property and/or the Applicant's Qualified Investment or collaterally assign the Agreement or any portion of this Agreement to any party or entity providing financing to the Applicant or its Affiliate, provided that the Applicant shall provide written notice of such assignment to the District. Upon such assignment, the Applicant's assignee will be liable to the District for outstanding taxes or other

obligations arising under this Agreement with respect to the transferred or leased Qualified Property and/or Qualified Investment. 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 contact 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 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 Matagorda County, Texas.

Section 8.8 Authority to Execute Agreement

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

Section 8.9 Severability

If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision or condition cannot be so reformed, then such term, provision or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality and enforceability of the remaining terms, provisions and conditions contained herein (and any other application such term, provision or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in a mutually acceptable manner so as to effect the original intent of the Parties as closely as possible to the end that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 8.9, the term "Law" shall mean any

applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

Section 8.10 Payment of Expenses

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

Section 8.11 Interpretation

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

Section 8.12 Execution of Counterparts

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

Section 8.13 Accuracy of Representations Contained in Application

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

In the event that the Board of Trustees makes a written determination that the Application was either incomplete or inaccurate as to any material representation, information, or fact, then

subject to the procedures required by Sections 7.8 and 7.9, this Agreement shall be invalid and void except for the enforcement of the provisions required by Comptroller's Rule § 9.1053(f)(2)(K).

Section 8.14 Publication of Documents

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

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

Section 8.15 Amendment of Agreement and Application to Enact New Jobs Standards

Applicant has amended the Application, and the parties have entered into this Amended Agreement to amend Applicant's contractual commitments related to new jobs as authorized by Section 23 of House Bill 3390 (83rd Regular).

(Signatures on following page.)

IN WITNESS WHEREOF, this Amended Agreement has been executed by the Parties in multiple originals on this 21st day of July, 2014

**MAVERICK TUBE CORPORATION DBA
TENARIS USA**

By: _____
Name: _____
Title: _____

**VAN VLECK INDEPENDENT SCHOOL
DISTRICT**

By: Tony Kucera, Jr.
Name: Tony Kucera, Jr.
Title: President

ATTEST:

By: Jessie Austin
Name: Jessie Austin
Title: Secretary

IN WITNESS WHEREOF, this Amended Agreement has been executed by the Parties in multiple originals on this 21st day of July, 2014

**MAVERICK TUBE CORPORATION DBA
TENARIS USA**

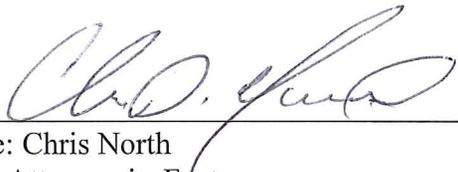
By: _____
Name: German Cura
Title: Attorney-in-Fact



**VAN VLECK INDEPENDENT SCHOOL
DISTRICT**

By: _____
Name: Tony Kucera, Jr.
Title: President

By: _____
Name: Chris North
Title: Attorney-in-Fact



ATTEST:

By: _____
Name: Jessie Austin
Title: Secretary



Exhibit 1

Description of Qualified Reinvestment Zone

The qualified reinvestment zone was created on May 20, 2013, by action of the Matagorda County Commissioner's Court. The zone contains the property and tracts set forth on the following page.

EXHIBIT CONTINUED ON NEXT PAGE

The property located in the I & G N RR Co. Survey, Abstract 275; the M. O'Connell Survey, Abstract #476; the John Duncan Survey, Abstract 150; the John Duncan Survey, Abstract #151; the W.J. Maynard Survey, Abstract #356; and the Thomas M. Duke Survey, Abstract #29, Matagorda County, Texas; said point of beginning being the north corner of that certain 23.04 acre tract lying adjacent to the south side of Texas Highway #35 (this point also being the most Northwesterly corner of the herein described tract) described in that certain deed from Guajillo Investments, L.L.C. to Liberman Broadcasting Of Houston, Inc. dated October 8, 2002 and recorded November 1, 2002 under file #027501 of the Matagorda County Official Records. Said metes and bounds description for the perimeter of this tract is as follows:

Column #1

Column #2

Parcel name: 9

North: 13500032.2196 East : 2955777.0206
 Line Course: N 54-41-02 E Length: 1467.38
 North: 13500880.4928 East : 2956974.3626
 Line Course: N 53-56-03 E Length: 40.00
 North: 13500904.0414 East : 2957006.6963
 Line Course: N 54-37-02 E Length: 612.73
 North: 13501258.8342 East : 2957506.2562
 Line Course: N 64-49-16 E Length: 176.86
 North: 13501334.0785 East : 2957666.3117
 Line Course: S 37-38-31 E Length: 560.57
 North: 13500890.1952 East : 2958008.6658
 Line Course: N 80-11-39 E Length: 226.70
 North: 13500928.8045 East : 2958232.0538
 Line Course: N 37-36-33 W Length: 653.93
 North: 13501446.8426 East : 2957832.9787
 Curve Length: 1201.26 Radius: 5853.91
 Delta: -11-45-27 Tangent: 602.75
 Chord: 1199.16 Course: N 48-24-26 E
 Course In: N 35-42-51 W Course Out: S 47-28-18 E
 RP North: 13506199.8617 East : 2954415.8057
 End North: 13502242.8837 East : 2958729.8046
 Line Course: N 42-31-42 E Length: 149.66
 North: 13502353.1746 East : 2958830.9680
 Line Course: N 35-41-04 E Length: 201.41
 North: 13502516.7682 East : 2958948.4546
 Line Course: N 42-31-42 E Length: 3205.56
 North: 13504879.0867 East : 2961115.2707
 Curve Length: 902.86 Radius: 23016.67
 Delta: -2-14-51 Tangent: 451.49
 Chord: 902.80 Course: N 41-24-17 E
 Course In: N 47-28-18 W Course Out: S 49-43-09 E
 RP North: 13520437.3133 East : 2944153.2932
 End North: 13505556.2394 East : 2961712.3574
 Line Course: N 40-16-51 E Length: 95.50
 North: 13505629.0949 East : 2961774.1015
 Curve Length: 750.26 Radius: 22814.69
 Delta: 1-53-03 Tangent: 375.16
 Chord: 750.23 Course: N 41-13-22 E
 Course In: S 49-43-09 E Course Out: N 47-50-06 W
 RP North: 13490878.6081 East : 2979179.0783
 End North: 13506193.3779 East : 2962768.4927
 Line Course: S 47-26-47 E Length: 2245.64
 North: 13504674.6970 East : 2963922.7319
 Line Course: N 42-38-51 E Length: 450.88
 North: 13505006.3353 East : 2964228.1968
 Line Course: N 79-04-17 E Length: 742.45

North: 13505147.0933 East : 2964957.1818
 Line Course: S 24-10-51 E Length: 320.39
 North: 13504854.8152 East : 2965088.4193
 Curve Length: 401.07 Radius: 2914.93
 Delta: -7-53-00 Tangent: 200.85
 Chord: 400.75 Course: S 28-07-21 E
 Course In: N 65-49-09 E Course Out: S 57-56-09 W
 RP North: 13506048.8226 East : 2967747.5852
 End North: 13504501.3776 East : 2965277.3158
 Line Course: S 32-03-51 E Length: 919.51
 North: 13503722.1351 East : 2965765.4548
 Line Course: S 41-49-25 W Length: 3357.74
 North: 13501219.9430 East : 2963526.3808
 Line Course: S 18-45-38 E Length: 114.35
 North: 13501111.6683 East : 2963563.1573
 Line Course: S 41-56-43 W Length: 684.21
 * North: 13500602.7626 East : 2963105.8159
 Line Course: S 48-09-13 E Length: 1174.60
 North: 13499819.1421 East : 2963980.8189
 Line Course: S 18-54-13 E Length: 93.46
 North: 13499730.7237 East : 2964011.0973
 Line Course: S 69-35-33 W Length: 82.29
 North: 13499702.0310 East : 2963933.9760
 Line Course: S 20-24-27 E Length: 100.00
 North: 13499608.3118 East : 2963968.8438
 Line Course: S 69-35-33 W Length: 2693.48
 North: 13498669.1108 East : 2961444.4198
 Line Course: N 36-52-06 W Length: 15.64
 North: 13498681.6230 East : 2961435.0361
 Line Course: S 69-35-33 W Length: 1528.72
 North: 13498148.5664 East : 2960002.2642
 Line Course: S 20-24-27 E Length: 15.00
 North: 13498134.5079 East : 2960007.4946
 Line Course: S 69-35-33 W Length: 3669.73
 North: 13496854.8907 East : 2956568.0858
 Line Course: N 35-28-22 W Length: 1570.21
 North: 13498133.6561 East : 2955656.8677
 Line Course: N 54-32-30 E Length: 515.58
 North: 13498432.7496 East : 2956076.8270
 Line Course: S 35-38-19 E Length: 36.51
 North: 13498403.0776 East : 2956098.1003
 Line Course: N 54-37-03 E Length: 749.15
 North: 13498836.8596 East : 2956708.8858
 Line Course: N 35-37-04 W Length: 1212.01
 North: 1349822.1269 East : 2956003.0412
 Line Course: S 54-53-21 W Length: 61.78
 North: 13499786.5935 East : 2955952.5026
 Line Course: N 35-32-35 W Length: 301.87
 North: 13500032.2196 East : 2955777.0206

Continued to Column #2

Perimeter: 33300.94 Area: 44,244,957.554 sq. ft. 1,015.724 ac

Exhibit 2

Location of Qualified Investment/Qualified Property

All Qualified Investment and Qualified Property owned by the Applicant and located within the boundaries of both the Van Vleck Independent School District and the reinvestment zone described in Exhibit 1 will be included in and subject to this Agreement. Specifically, all Qualified Investment and Qualified Property located in the sections of land described on the following page is included.

EXHIBIT CONTINUED ON NEXT PAGE

The property located in the I & G N RR Co. Survey, Abstract 275; the M. O'Connell Survey, Abstract #476; the John Duncan Survey, Abstract 150; the John Duncan Survey, Abstract #151; the W.J. Maynard Survey, Abstract #356; and the Thomas M. Duke Survey, Abstract #29, Matagorda County, Texas; said point of beginning being the north corner of that certain 23.04 acre tract lying adjacent to the south side of Texas Highway #35 (this point also being the most Northwesterly corner of the herein described tract) described in that certain deed from Guajillo Investments, L.L.C. to Liberman Broadcasting Of Houston, Inc. dated October 8, 2002 and recorded November 1, 2002 under file #027501 of the Matagorda County Official Records. Said metes and bounds description for the perimeter of this tract is as follows:

Column #1	Column #2
Parcel name: 9	
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Line Course: N 54-41-02 E Length: 1467.38	Line Course: S 24-10-51 E Length: 320.39
North: 13500880.4928 East: 2956974.3626	North: 13504854.8152 East: 2965088.4193
Line Course: N 53-56-03 E Length: 40.00	Curve Length: 401.07 Radius: 2914.93
North: 13500904.0414 East: 2957006.6963	Delta: -7-53-00 Tangent: 200.85
Line Course: N 54-37-02 E Length: 612.73	Chord: 400.75 Course: S 28-07-21 E
North: 13501258.8342 East: 2957506.2562	Course In: N 65-49-09 E Course Out: S 57-56-09 W
Line Course: N 64-49-16 E Length: 176.86	RP North: 13506048.8226 East: 2967747.5852
North: 13501334.0785 East: 2957666.3117	End North: 13504501.3776 East: 2965277.3158
Line Course: S 37-38-31 E Length: 560.57	Line Course: S 32-03-51 E Length: 919.51
North: 13500890.1952 East: 2958008.6658	North: 13503722.1351 East: 2965765.4548
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North: 13500928.8045 East: 2958232.0538	North: 13501219.9430 East: 2963526.3808
Line Course: N 37-36-33 W Length: 653.93	Line Course: S 18-45-38 E Length: 114.35
North: 13501446.8426 East: 2957832.9787	North: 13501111.6683 East: 2963563.1573
Curve Length: 1201.26 Radius: 5853.91	Line Course: S 41-56-43 W Length: 684.21
Delta: -11-45-27 Tangent: 602.75	
Chord: 1199.16 Course: N 48-24-26 E	North: 13500602.7626 East: 2963105.8159
Course In: N 35-42-51 W Course Out: S 47-28-18 E	Line Course: S 48-09-13 E Length: 1174.60
RP North: 13506199.8617 East: 2954415.8057	North: 13499819.1421 East: 2963980.8189
End North: 13502242.8837 East: 2958729.8046	Line Course: S 18-54-13 E Length: 93.46
Line Course: N 42-31-42 E Length: 149.66	North: 13499730.7237 East: 2964011.0973
North: 13502353.1746 East: 2958830.9680	Line Course: S 69-35-33 W Length: 82.29
Line Course: N 35-41-04 E Length: 201.41	North: 13499702.0310 East: 2963933.9760
North: 13502516.7682 East: 2958948.4546	Line Course: S 20-24-27 E Length: 100.00
Line Course: N 42-31-42 E Length: 3205.56	North: 13499608.3118 East: 2963968.8438
North: 13504879.0867 East: 2961115.2707	Line Course: S 69-35-33 W Length: 2693.48
Curve Length: 902.86 Radius: 23016.67	North: 13498669.1108 East: 2961444.4198
Delta: -2-14-51 Tangent: 451.49	Line Course: N 36-52-06 W Length: 15.64
Chord: 902.80 Course: N 41-24-17 E	North: 13498681.6230 East: 2961435.0361
Course In: N 47-28-18 W Course Out: S 49-43-09 E	Line Course: S 69-35-33 W Length: 1528.72
RP North: 13520437.3133 East: 2944153.2932	North: 13498148.5664 East: 2960002.2642
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Curve Length: 750.26 Radius: 22814.69	North: 13496854.8907 East: 2956568.0858
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Course In: S 49-43-09 E Course Out: N 47-50-06 W	Line Course: N 54-32-30 E Length: 515.58
RP North: 13490878.6081 East: 2979179.0783	North: 13498432.7496 East: 2956076.8270
End North: 13506193.3779 East: 2962268.4927	Line Course: S 35-38-19 E Length: 36.51
Line Course: S 47-26-47 E Length: 2245.64	North: 13498403.0776 East: 2956098.1003
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	Line Course: S 54-53-21 W Length: 61.78
	North: 13499786.5935 East: 2955952.5026
	Line Course: N 35-32-35 W Length: 301.87
	North: 13500032.2196 East: 2955777.0206

Continued to Column #2

Perimeter: 33300.94 Area: 44,244,957.554 sq. ft. 1,015.724 ac

Exhibit 3

Description of Applicant's Qualified Investment/Qualified Property

The Qualified Investment and Qualified Property shall be located on Highway 35 (7th Street) between Showboat Rd. and Farm to Market 2540, as more particularly described in Exhibit 2.

The Qualified Investment and Qualified Property is intended to include a seamless pipe mill, as well as heat treatment and premium threading facilities. The Qualified Investment and Qualified Property will include an industrial building of approximately 100,000 sqm. (1,076,391 sq. ft.), as well as warehouses, shops, offices, and other buildings totalling approximately 40,000 sqm. (430,556 sq. ft.). The proposed annual production capacity of the Qualified Investment and Qualified Property will be 650,000 tons of pipeline.

A list of the estimated costs (in millions of dollars) of the buildings and equipment that will make up the Qualified Investment and Qualified Property is as follows:

<u>Buildings</u>	<u>Cost</u>
Main building	165
Casing lines	64
Entrance stations	20
Training Center	10
Laboratories	11
Warehouses & Maintenance	20
Other	<u>64</u>
Total Buildings	354
<u>Equipment</u>	
Rolling Mill & Furnace	500
Heat Treatment	126
Casing Line 1	109
Casing Line 2	109
Other	<u>100</u>

Total Equipment

944

The following page contains a map of the location of proposed improvements.

EXHIBIT CONTINUED ON NEXT PAGE

