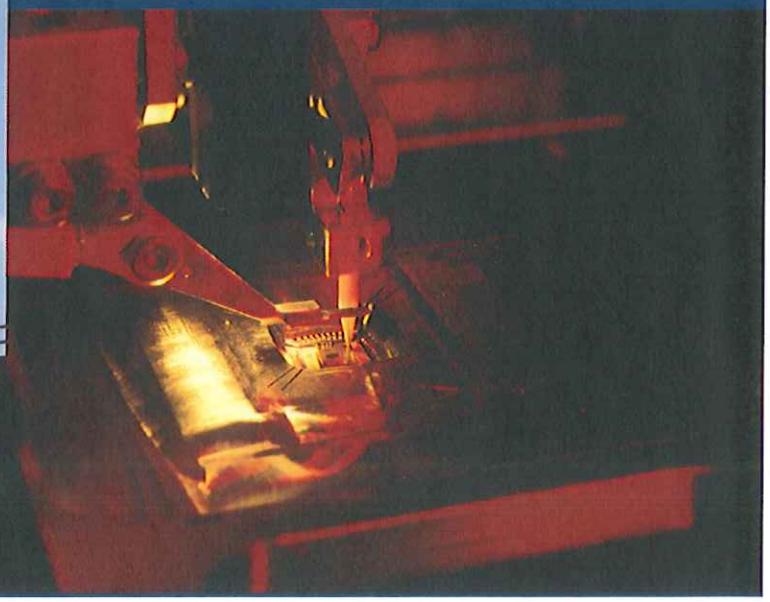
Findings of the Barbers Hill Independent School District Board of Trustees under the Texas Economic Development Act on the Application Submitted by Enterprise Products Operating, LLC



December 14, 2009

FINDINGS

OF THE

BARBERS HILL INDEPENDENT

SCHOOL DISTRICT BOARD OF TRUSTEES

UNDER THE

TEXAS ECONOMIC DEVELOPMENT ACT

ON THE APPLICATION SUBMITTED BY

ENTERPRISE PRODUCTS OPERATING, LLC

DECEMBER 14, 2009

FINDINGS OF THE BARBERS HILL INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT ON THE APPLICATION SUBMITTED BY ENTERPRISE PRODUCTS OPERATING, LLC

STATE OF TEXAS §

COUNTY OF CHAMBERS §

On the 14th day of December, 2009, a public meeting of the Board of Trustees of the Barbers Hill Independent School District was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the application of the Enterprise Products Operating, LLC (Enterprise) for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. After hearing presentations from the District's administrative staff, and from consultants retained by the District to advise the Board in this matter, the Board of Trustees of the Barbers Hill Independent School District makes the following findings with respect to the application of Enterprise, and the economic impact of that application:

On November 4, 2009, the Superintendent of Schools of the Barbers Hill Independent School District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts received a completed Application from Enterprise for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is attached as **Attachment A**.

The Applicant, Enterprise (Texas Taxpayer Id. 12604305396) is an entity subject to Chapter 171, Texas Tax Code and is certified to be in good standing with the Texas Comptroller of Public Accounts. See **Attachment B**.

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

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

A copy of the Application was delivered to the Chambers County Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054.

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code § 313.026, and a favorable recommendation was issued on December 4, 2009. A copy of the Comptroller's letter is attached to the findings as **Attachment C**.

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

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

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

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

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

Board Finding Number 1.

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

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

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

Board Finding Number 2.

> **The economic condition of Chambers County, Texas, is in need of long-term improvement.**

Based on information provided by the Comptroller's Office, Chambers County's population grew at a slightly faster rate than the state in recent years. The state population grew by 2.0 percent between 2007 and 2008, while the population of Chambers County increased by 2.1 percent over the same period.

October 2009 employment for Chambers County was down 13,115, or 2.2 percent, from October 2008. Total employment in Texas decreased by 1.0 percent over the same period. The unemployment rate in Chambers County was 10.8 percent in October 2009, higher than the current state average of 8.3 percent.

Chambers County continues to have a higher per capita personal income than the state as a whole. In terms of per capita income, Chambers County's $38,856 in 2007 ranked 18th in Texas, while the Texas average was $37,083 for the same period.

In the first quarter of 2009, taxable sales totaled $52.4 million in Chambers County. This figure reflects 1.3 percent increase from the year-earlier first quarter.

Given recent population trends and employment levels, Chambers County will benefit from economic activity like that associated with the Enterprise project. Major capital investments like this project are beneficial to the community on a number of fronts, including employment, expanded opportunities for existing businesses, increased local tax bases, and in this case, benefits for landowners.

Board Finding Number 3.

> **The average salary level of qualifying jobs is expected to be at least $85,500 per year. The review of the application by the State Comptroller's Office indicated that this amount—based on Texas Workforce Commission data—complies with the requirement that qualifying jobs must pay 110 percent of the county average manufacturing wage. Enterprise indicates that total employment will be approximately four (4) new jobs.**

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

After construction, the project will create four new jobs when fully operational. All four jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the Houston-Galveston Area Council of Governments Region, where Chambers County is located was $43,805 in 2007. The annual average manufacturing wage for 2008 for Chambers County is $72,631. That same year, the county annual average wage for all industries was $47,658. In addition to an annual average salary of $85,500 each qualifying position will receive benefits such as health insurance, 401(k) and paid leave. . . .

Board Finding Number 4.

> **The level of the applicant's average investment per qualifying job over the term of the Agreement is estimated to be approximately $75.1 million on the basis of the goal of four (4) new positions for the entire Enterprise project.**

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

The project's total investment is $300.5 million, resulting in a relative level of investment per qualifying job of $75.1 million.

Board Finding Number 5.

> **Based upon the information provided to the District with regard to the industry standard for staffing ratios of similar projects in the State of Texas, the District has determined that if the job creation requirement set forth in Texas Tax Code § 313.021(2)(A)(iv)(b) was applied, for the size and scope of the project described in the Application, the required number of jobs would exceed the industry standard for the number of employees reasonably necessary for the operation of the facility.**

Enterprise indicated in its application that it will create four (4) new full-time positions as part of this project. In addition, the equivalent of an additional eight (8) full-time employees will be created through the use of contact employees and overtime hours as needed. Information provided by Enterprise for seven other operating fractionators indicated an average of thirteen (13) full-time employees, consistent with what is proposed for the Mont Belvieu project.

Board Finding Number 6.

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

Table 1 depicts Enterprise's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 16 years of annual investment and employment levels using software from Regional Economic Models, Inc. (REMI). The impact includes the construction period and the operating period of the project.

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

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2009	500	796	1,296	$26,000,000	$56,000,000	$82,000,000
2010	500	850	1,350	$26,000,000	$64,000,000	$90,000,000
2011	500	866	1,366	$26,000,000	$72,000,000	$98,000,000
2012	4	145	149	$342,000	$19,658,000	$20,000,000
2013	4	94	98	$342,000	$14,658,000	$15,000,000
2014	4	59	63	$342,000	$10,658,000	$11,000,000
2015	4	43	47	$342,000	$8,658,000	$9,000,000
2016	4	38	42	$342,000	$7,658,000	$8,000,000
2017	4	39	43	$342,000	$6,658,000	$7,000,000
2018	4	47	51	$342,000	$6,658,000	$7,000,000
2019	4	53	57	$342,000	$6,658,000	$7,000,000
2020	4	40	44	$342,000	$5,658,000	$6,000,000
2021	4	46	50	$342,000	$6,658,000	$7,000,000
2022	4	44	48	$342,000	$6,658,000	$7,000,000
2023	4	45	49	$342,000	$7,658,000	$8,000,000
2024	4	46	50	$342,000	$7,658,000	$8,000,000

Source: CPA, REMI, Enterprise

The statewide average ad valorem tax base for school districts in Texas was $1.6 billion in 2008. Barbers Hill ISD's ad valorem tax base in 2008 was $3.2 billion. The statewide average wealth per WADA was estimated at $352,755 for fiscal 2009-2010. During that same year, Barbers Hill ISD's estimated wealth per WADA was $ 731,092.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Chambers County, and Mont Belvieu with all property tax incentives sought being granted using estimated market value from Enterprise's application. Enterprise has applied for both a value limitation under Chapter 313, Tax Code and a tax abatement with the county and city. Table 3 illustrates the estimated tax impact of the Enterprise project on the region if all taxes are assessed.

Table 2 Estimated Direct Ad Valorem Taxes with all property tax incentives sought										
Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O		Barbers Hill ISD I&S Levy	Barbers Hill ISD M&O Levy	Barbers Hill ISD M&O and I&S Tax Levies (Before Credit Credited)	Barbers Hill ISD M&O and I&S Tax Levies (After Credit Credited)	Chambers County	Mont Belvieu	School, City & County Property Taxes
			Tax Rate[1]	0.2698	1.0601			0.4518	0.3927	
2009	$0	$0		$0	$0	$0	$0	$0	$0	$0
2010	$55,184,040	$55,184,040		$148,887	$585,006	$733,893	$733,893	$0	$0	$733,893
2011	$219,884,040	$219,884,040		$593,247	$2,330,991	$2,924,238	$2,924,238	$0	$0	$2,924,238
2012	$214,394,040	$30,000,000		$578,435	$318,030	$896,465	$896,465	$726,458	$101,653	$1,724,576
2013	$208,904,040	$30,000,000		$563,623	$318,030	$881,653	$555,948	$566,285	$81,322	$1,203,555
2014	$203,414,040	$30,000,000		$548,811	$318,030	$866,841	$541,136	$459,502	$67,769	$1,068,406
2015	$197,924,040	$30,000,000		$533,999	$318,030	$852,029	$526,324	$447,101	$67,769	$1,041,193
2016	$192,434,040	$30,000,000		$519,187	$318,030	$837,217	$511,512	$434,699	$67,769	$1,013,979
2017	$186,944,040	$30,000,000		$504,375	$318,030	$822,405	$496,700	$844,594	$135,537	$1,476,831
2018	$181,454,040	$30,000,000		$489,563	$318,030	$807,593	$481,888	$819,791	$135,537	$1,437,216
2019	$175,964,040	$30,000,000		$474,751	$318,030	$792,781	$467,076	$794,988	$690,923	$1,952,986
2020	$170,474,040	$170,474,040		$459,939	$1,807,195	$2,267,134	$2,267,134	$770,185	$669,366	$3,706,685
2021	$164,984,040	$164,984,040		$445,127	$1,748,996	$2,194,123	$2,194,123	$745,381	$647,810	$3,587,314
2022	$159,494,040	$159,494,040		$430,315	$1,690,796	$2,121,111	$2,121,111	$720,578	$626,253	$3,467,943
2023	$154,004,040	$154,004,040		$415,503	$1,632,597	$2,048,100	$2,048,100	$695,775	$604,697	$3,348,571
2024	$150,779,040	$150,779,040		$406,802	$1,598,409	$2,005,210	$2,005,210	$681,205	$592,034	$3,278,449
						Total	$18,770,857	$8,706,541	$4,488,438	$31,965,835
Assumes School Value Limitation and city and county abatement										

Source: CPA, Enterprise

[1]Tax Rate per $100 Valuation

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives										
Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O		Barbers Hill ISD I&S Levy	Barbers Hill ISD M&O Levy		Barbers Hill ISD M&O and I&S Tax Levies	Chambers County	Mont Belvieu	School, City & County Property Taxes
			Tax Rate[1]	0.2698	1.0601			0.4518	0.3927	
2009	$0	$0		$0	$0		$0	$0	$0	$0
2010	$55,184,040	$55,184,040		$148,887	$585,006		$733,893	$249,316	$216,680	$1,199,889
2011	$219,884,040	$219,884,040		$593,247	$2,330,991		$2,924,238	$993,414	$863,375	$4,781,027
2012	$214,394,040	$214,394,040		$578,435	$2,272,791		$2,851,226	$968,611	$841,818	$4,661,655
2013	$208,904,040	$208,904,040		$563,623	$2,214,592		$2,778,215	$943,808	$820,262	$4,542,284
2014	$203,414,040	$203,414,040		$548,811	$2,156,392		$2,705,203	$919,004	$798,705	$4,422,913
2015	$197,924,040	$197,924,040		$533,999	$2,098,193		$2,632,192	$894,201	$777,149	$4,303,542
2016	$192,434,040	$192,434,040		$519,187	$2,039,993		$2,559,180	$869,398	$755,592	$4,184,170
2017	$186,944,040	$186,944,040		$504,375	$1,981,794		$2,486,169	$844,594	$734,036	$4,064,799
2018	$181,454,040	$181,454,040		$489,563	$1,923,594		$2,413,157	$819,791	$712,479	$3,945,428
2019	$175,964,040	$175,964,040		$474,751	$1,865,395		$2,340,146	$794,988	$690,923	$3,826,057
2020	$170,474,040	$170,474,040		$459,939	$1,807,195		$2,267,134	$770,185	$669,366	$3,706,685
2021	$164,984,040	$164,984,040		$445,127	$1,748,996		$2,194,123	$745,381	$647,810	$3,587,314
2022	$159,494,040	$159,494,040		$430,315	$1,690,796		$2,121,111	$720,578	$626,253	$3,467,943
2023	$154,004,040	$154,004,040		$415,503	$1,632,597		$2,048,100	$695,775	$604,697	$3,348,571
2024	$150,779,040	$150,779,040		$406,802	$1,598,409		$2,005,210	$681,205	$592,034	$3,278,449
						Total	$35,059,297	$11,910,249	$10,351,179	$57,320,725

Source: CPA, Enterprise

[1]Tax Rate per $100 Valuation

Board Finding Number 7.

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

In support of this finding, the analysis prepared by Moak, Casey & Associates projects that the project would initially add $300.5 million to the tax base for debt service purposes at the peak investment level for the 2010-11 school year. The Enterprise project remains fully taxable for debt services taxes, with BHISD currently levying a $0.2698 I&S rate. Full access to the additional Enterprise value will add to the District's projected tax base for I&S purposes. The additional value is expected to help reduce the District's current I&S tax rate to $0.2632 per $100 in 2012-13. This analysis assumes that this reduction will remain at less than one cent of the I&S rate under the current projections, as the taxable value for the project depreciates over time.

Board Finding Number 8.

> **The effect of the applicant's proposal, if approved, on the number or size of needed school district instructional facilities is not expected to increase the District's facility needs, with current trends suggest little underlying enrollment growth based on the impact of the Enterprise project.**

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

Board Finding Number 9.

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

In support of Finding 9, the economic impact evaluation states:

According to Enterprise's application, "Enterprise owns 100% interest in the Norco NGL fractionator and the Hobbs NGL fractionator. Given the existing pipeline infrastructure, we can build this plant at either facility. " The application also states "the new fractionator would qualify for a similar 10 year tax abatement that the State of Louisiana granted to Norco."

Board Finding Number 10.

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

Board Finding Number 11.

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

Board Finding Number 12.

> **The Board of Trustees has determined that the Tax Limitation Amount requested by Applicant is currently Thirty Million Dollars, which is consistent with the minimum values currently set out by Tax Code, §§ 313.022(b).**

According to the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2008 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year, **Attachment F**, the total 2008 industrial value for Barbers Hill ISD is **$2,484,014,430.** Because Barbers Hill ISD is located previously in what was known as a strategic investment area, it is classified as a "rural" school district for purposes of Chapter 313. Under the provisions on Texas Tax Code Sec. 313.052, a rural school district with state industrial values of more than a $200 million is a Category 1 rural district, which may offer an Applicant a minimum value limitation of $30 million.

Board Finding Number 13.

> **The Applicant (Taxpayer Id. 12604305396) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on its "good standing" certification as a franchise-tax paying entity.**

Board Finding Number 14.

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

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

Board Finding Number 15.

> **Considering the purpose and effect of the law and the terms of the Agreement, it is in the best interest of the District and the State to enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, pending approval by the Texas Comptroller pursuant to Texas Tax Code § 313.026.**

It is therefore Ordered that the Agreement attached hereto as **Attachment G** is approved and herby authorized to be executed and delivered by and on behalf of the Barbers Hill Independent School District. It is further ORDERED that these findings and the Attachments referred to herein be attached to the Official Minutes of this meeting, and maintained in the permanent records of the Board of Trustees of the Barbers Hill Independent School District.

Dated the 14th day of December 2009.

BARBERS HILL INDEPENDENT SCHOOL DISTRICT

By: _____
Fred Skinner, President, Board of Trustees

ATTEST:

By: _____
George Barrera, Secretary, Board of Trustees

Attachment A

Application

Enterprise Products™

ENTERPRISE PRODUCTS PARTNERS LP
ENTERPRISE PRODUCTS OPERATING LLC

ENTERPRISE PRODUCTS GP, LLC, GENERAL PARTNER
ENTERPRISE PRODUCTS OLPGP, INC., SOLE MANAGER

August 20, 2009

Barbers Hill ISD
Dr. Greg Poole
PO BOX 1108
Mont Belvieu, TX 77580

Re: Property Tax Abatement Application – Section 313- Value Limitation

Dear Dr. Greg Poole:

Enterprise Products Operating LLC is proposing to construct a manufacturing facility at our Mont Belvieu complex. This is a grass roots project with an estimated investment cost of $257,000,000.

Enterprise recognizes that new and retained jobs are as important to the local economy as new capital investment. At any given time during the construction process, there will be several hundred workers at the facility location. Once construction is complete, Enterprise anticipates that it will employ at least 11 persons at or near the facility on a full time basis.

We believe this considerable investment demonstrates our commitment to maintaining our economic presence in the Mont Belvieu area. This facility will promote economic growth and welfare to the community.

We are respectfully requesting a 10 year abatement under The Appraised Value Limitation on Qualified Property (Chapter 313, Tex. Tax Code). Attached is our application for abatement.

If you have any questions, please feel free to contact me by telephone at 713-803-8071 or by email at ctate@epco.com.

Sincerely,

Curt Tate
Tax Director

Enclosures (55)

P. O. BOX 4018
HOUSTON, TX 77210-4018
713.381.6500

1100 LOUISIANA STREET
HOUSTON, TX 77002-5227
www.epplp.com

50-296 (Rev. 09-03/5)

APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY
(Tax Code, Chapter 313, Subchapter B or C)

School district name BARBERS HILL SCHOOL DISTRICT	Date application filed with district *(To be filled in by school district)* 9/1/09
Address PO BOX 1108 MONT BELVIEU, TEXAS 77580	Phone *(area code and number)* (281)576-2221

This form applies to property that meets the requirements of Tax Code Chapter 313. This completed application must be filed with the school district. If the governing body decides to consider this application, the school district must immediately forward three copies of the application to the Comptroller of Public Accounts and request that the Comptroller provide an economic impact evaluation of the application to the school district. The governing body may, at its discretion, allow the applicant to supplement or amend the application after the filing date, subject to the restrictions in Texas Administrative Code Rule 9.1054, to provide information required by the application form that was unavailable prior to the filing date. The school district must forward the supplemental or amended information to the comptroller and the appraisal district. The school board shall approve or disapprove this application before the 121st day from the application filing date, unless an extension is granted.

Step 1: Applicant name and address

Only entities to which Tax Code Chapter 171 applies are eligible for appraised value limitations on qualified property.

Applicant name: ENTERPRISE PRODUCTS OPERATING LLC

Mailing address: PO BOX 4018

Texas Taxpayer I.D. Number of entity subject to Tax Code, Chapter 171 (11 digits):	City, State:	ZIP code + 4:
1 26-0430539 6	HOUSTON, TX	77210-4018

Name of person preparing this application:	Title:
CURT TATE	TAX DIRECTOR

Phone *(area code and number)*: (713)803-8071

Step 2: Describe the property.

(A) Attach the following items to this application:

1. A specific description of all property for which you are requesting an appraised value limitation as defined by Tax Code §313.021(2). Include a description of the land, describe each proposed improvement, and each proposed item of personal property for which you are seeking a limitation. Include each existing appraisal district account number and the legal description of the land, attach a detailed map showing the actual or proposed location of the land and proposed improvements and showing the actual or proposed boundaries and size of the reinvestment zone or enterprise zone in which the property will be located. Attach the order, resolution or ordinance establishing the zone, and the guidelines and criteria for creating the zone (if applicable).
2. A fully detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
3. A map of the reinvestment zone boundaries, certified to be accurate by either the governmental entity creating the zone, the local appraisal district, or a licensed surveyor.

(B) Answer the following questions:

1. What is the first tax year of your proposed qualifying time period (as defined by Tax Code §313.021(4))? 2010
2. What is the amount of qualified investment, as defined by Tax Code §313.021(1), that will be made during the 2-year qualifying time period? .... $ 257,000,000.00
3. What is the amount of appraised value limitation for which you are applying?. $ 30,000,000.00

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

Step 3: Answer these questions about property and job qualifications.

1. Do you propose to construct a new building or to erect or affix a new improvement after the date you submit this application? ..... ☑ Yes ☐ No

2. Will all of the property for which you are requesting an appraised value limitation be free of a tax abatement agreement entered into by a school district for the duration of the qualifying time period, and for the duration of the appraised value limitation? ..... ☑ Yes ☐ No

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

   3(a) If you answered "no" to the question above, are you seeking an agreement with a taxing unit that, prior to the first day of the qualifying time period, will result in a reinvestment zone with boundaries encompassing the land on which you propose new construction or improvement? ..... ☐ Yes ☐ No

   Date of anticipated agreement? _____

4. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or 313.053 for rural school districts) for the relevant school district category? ..... ☑ Yes ☐ No

5. On the land and in connection with the new building or other improvement, do you plan to create at least 25 new jobs (at least 10 new jobs for rural school districts)? ..... ☐ Yes ☑ No

6. Will at least 80 percent of all the new jobs created by the property owner be qualifying jobs as defined by Tax Code §313.021(3)? ..... ☑ Yes ☐ No

   6(a) If you answered "yes" to the question above, attach documentation from the Texas Workforce Commission that the new qualifying jobs meet the requirements of Tax Code §313.021(3)(E) or 313.051(b).

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

   7(a) If you answered "yes" to the question above, attach evidence documenting that the job creation requirement (5) above exceeds the number of employees necessary for the operation, according to industry standards.

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

   a) in or on the new building or other new improvement for which you are applying for an appraised value limitation, or

   b) if not in or on the new building or other new improvement for which you are applying for an appraised value limitation, is the personal property necessary and ancillary to the business conducted in the new building or other new improvement, and is the personal property on the same parcel of land as the building for which you are applying for an appraised value limitation? ..... ☑ Yes ☐ No ☐ N/A
   ["First placed in service" means the first use of the property by the taxpayer.]

9. The property will be used as an integral part, or as a necessary auxiliary part, in one of the following activities as defined by Tax Code §313.024(b):
   - manufacturing; ..... ☑ Yes ☐ No
   - research and development ..... ☐ Yes ☑ No
   - a clean coal project;. ..... ☐ Yes ☑ No
   - an advanced clean energy project ..... ☐ Yes ☑ No
   - renewable energy electric generation;. ..... ☐ Yes ☑ No
   - electric power generation using integrated gasification combined cycle technology; or. ..... ☐ Yes ☑ No
   - nuclear electric power generation ..... ☐ Yes ☑ No

10. Are you an entity to which Tax Code, Chapter 171 applies? ..... ☑ Yes ☐ No

Step 4: Answer these questions about investment, property value and employment.

1. Will the investment in real or personal property you propose to be counted toward the minimum qualified investment required by Tax Code §313.023, (or 313.053 for rural school districts) be first placed in service in this state during the applicable qualifying time period? ☑ Yes ☐ No
2. Does the investment in tangible personal property meet the requirements of Tax Code §313.021(1)? ☑ Yes ☐ No ☐ N/A
3. If the proposed investment includes a building or a permanent, non-removable component of a building, does it house tangible personal property described above? ☑ Yes ☐ No ☐ N/A
4. Will you own the property or lease the property under a capitalized lease? If leased, attach a copy of the lease agreement. ☑ Yes ☐ No
5. Are you including property that is owned by a person other than the applicant and that is pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? ☐ Yes ☑ No

Step 5: Economic Impact

Please answer the following questions.

1. Applicant's 6-digit North American Industry Classification System (NAICS) code: 325120
2. Is Schedule A completed for all years and attached? ☑ Yes ☐ No
3. Is Schedule B completed for all years and attached? ☑ Yes ☐ No
4. Is Schedule C completed for all years and attached? ☑ Yes ☐ No
5. Total number of new jobs that will have been created when fully operational: 4* See Attachment B
6. Total number of new jobs identified in (5) above that will have wages greater than 110 percent of the county average weekly wage for manufacturing jobs*: 4* See Attachment B
7. Total number of new jobs identified in (5) above that will meet all the criteria for "qualifying jobs" as specified in Tax Code §313.021(3): 4* See Attachment B
8. Describe each type of benefits to be offered to qualifying jobholders. Explain.

   HEALTH CARE

   PAID SICK LEAVE AND VACATION

   401K

   EDUCATION

   8(a) Will the jobs created offer at least 80 percent of the premiums or other charges assessed for employee-only coverage under the group health benefit plan for qualifying jobholders? ☑ Yes ☐ No
9. Describe the ability of your company to locate or relocate in another state or another region of the state.

   PLEASE SEE ATTACHMENT C
10. Describe the current economic condition of the region of the state where the property is located.

   PLEASE SEE ATTACHMENT D

*Applicants to rural school districts that are not located in an SIA (see §313.051(a)(2)) must meet the regional wage standard described in 313 051(b).

Step 6: Applicant sign and date application.	By signing this application, you certify that this information is true and correct to the best of your knowledge and belief. Also by signing this application, you agree to respond promptly to all information requests made by the comptroller under Tax Code §313.032 and to send updated contact information to the comptroller throughout the agreement period. **print here** Gene Petru — *Name of authorized company officer* Vice President, Tax — *Title* **sign here** Gene Petru — *Signature of authorized company officer* August 18, 2009 — *Date* On behalf of Enterprise Products Operating LLC — *Name of corporation/company*
If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code §37.10.	
Step 7: School district official sign and date application.	By signing below, I affirm that I have been delegated the authority by the school district governing body to act on its behalf with regard to this application for a limitation on appraised value. **print here** Greg Poole — *Name of authorized school district official* Superintendent — *Title* **sign here** — *Signature of authorized school district official* September 30, 2009 — *Date* On behalf of Barbers Hill Independent School District — *Name of school district*

SCHEDULE A: INVESTMENT

PROPERTY INVESTMENT AMOUNTS ($)							
(Estimated Investment in each year. Do not put cumulative totals.)							
		Year	Column A: Tangible Personal Property: the amount of new investment (original cost) placed in service during this year	Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B—Qualifying Investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)
		pre-'year 1'	54,900,000.00	0.00		0.00	54,900,000.00
	Qualifying time period	1	245,300,000.00	0.00	245,300,000.00	0.00	245,300,000.00
		2		0.00	-	0.00	-
	Value Limitation Period	3		0.00		0.00	-
Tax Credit Period (with 50% cap on credit)		4		0.00		0.00	-
		5		0.00		0.00	-
		6		0.00		0.00	-
		7		0.00		0.00	-
		8		0.00		0.00	-
		9		0.00		0.00	-
		10		0.00		0.00	-
Credit Settle-Up Period	Continue to Maintain Viable Presence	11		0.00		0.00	-
		12		0.00		0.00	-
		13		0.00		0.00	-

"Pre-Year 1" is the time period after the applicant has applied to the district and before January 1 of the first tax year of the qualifying time period. Qualifying Time Period is the first two tax years beginning after the date of the approval of the application (the agreement).

Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment- as defined in Tax Code §313.021(1)(A)-(D). For the purposes of investment, please list amount invested each year, not cumulative totals. [For the years outside the qualifying time period, this number should simply represent the planned investment in tangible personal property]. Include estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E). For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or non-removable components of buildings.

Column D: Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value. The most significant example for many projects would be land. Others may choose to include items such as professional services, etc. Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

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

SCHEDULE B: ESTIMATED MARKET AND TAXABLE VALUE

			All figures here are to be cumulative						
			Qualified Property			Reductions from market value (exemptions, etc)		Estimated Taxable Value	
		Year	Column A: Estimated Market Value of Land	Column B: Estimated Total Market Value of new buildings or other new improvements	Column C: Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"	D: Due to pollution control property (estimated or actual as appropriate)	E: Due to other exemptions	F: Estimated total taxable value for I&S: (A+B+C)-(D+E)	G: Estimated total taxable value for M&O: (Column F amount with the limitation value in years 3-10)
		pre-year 1	284,040.00	0.00	0.00	0.00	0.00	284,040.00	284,040.00
	Qualifying time period	1	284,040.00	0.00	54,900,000.00	0.00	0.00	55,184,040.00	55,184,040.00
		2	284,040.00	0.00	245,300,000.00	25,700,000.00	0.00	219,884,040.00	219,884,040.00
	Value Limitation Period	3	284,040.00	0.00	239,167,500.00	25,057,500.00	0.00	214,394,040.00	30,000,000.00
Tax Credit Period (with 50% cap on credit)		4	284,040.00	0.00	233,035,000.00	24,415,000.00	0.00	208,904,040.00	30,000,000.00
		5	284,040.00	0.00	226,902,500.00	23,772,500.00	0.00	203,414,040.00	30,000,000.00
		6	284,040.00	0.00	220,770,000.00	23,130,000.00	0.00	197,924,040.00	30,000,000.00
		7	284,040.00	0.00	214,637,500.00	22,487,500.00	0.00	192,434,040.00	30,000,000.00
		8	284,040.00	0.00	208,505,000.00	21,845,000.00	0.00	186,944,040.00	30,000,000.00
		9	284,040.00	0.00	202,372,500.00	21,202,500.00	0.00	181,454,040.00	30,000,000.00
		10	284,040.00	0.00	196,240,000.00	20,560,000.00	0.00	175,964,040.00	30,000,000.00
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	284,040.00	0.00	190,107,500.00	19,917,500.00	0.00	170,474,040.00	170,474,040.00
		12	284,040.00	0.00	183,975,000.00	19,275,000.00	0.00	164,984,040.00	164,984,040.00
		13	284,040.00	0.00	177,842,500.00	18,632,500.00	0.00	159,494,040.00	159,494,040.00

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

SCHEDULE C: EMPLOYMENT INFORMATION

			Construction		Permanent New Jobs		Qualifying Jobs		Existing Jobs
		Year	Number of Construction FTE'S or man-hours (specify)	Average wage rates for construction workers	Total number of permanent full-time new jobs created by the applicant	Average wage rate for all permanent new jobs for each year	Total number of permanent new qualifying jobs with wages greater than 110% of the county average weekly manufacturing wage	Total number of permanent qualifying jobs meeting all criteria of Sec. 313.021(3)	Number of permanent existing jobs prior to application
		pre-year 1	500 FTE	$25 an hour					
	Qualifying time period	1	500 FTE	$25 an hour					
		2	500 FTE	$25 an hour					
	Value Limitation Period	3	0		4*	111,800.00	4*	4*	0
Tax Credit Period (with 50% cap on credit)		4	0		4*	111,800.00	4*	4*	0
		5	0		4*	111,800.00	4*	4*	0
		6	0		4*	111,800.00	4*	4*	0
		7	0		4*	111,800.00	4*	4*	0
		8	0		4*	111,800.00	4*	4*	0
		9	0		4*	111,800.00	4*	4*	0
		10	0		4*	111,800.00	4*	4*	0
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	0		4*	111,800.00	4*	4*	0
		12	0		4*	111,800.00	4*	4*	0
		13	0		4*	111,800.00	4*	4*	0

*4 The new manufacturing facility will create 4 new full time employees. An additional 8 full time employees will be created through overtime hours and contract labor.

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

ATTACHMENT A
APPLICATION FOR TAX ABATEMENT
BARBERS HILL SCHOOL DISTRICT

Proposed Project Description

Enterprise Products Operating LLC proposes to build a new NGL fractionator in Mont Belvieu, Texas. Our current Mont Belvieu NGL fractionator is one of the largest NGL fractionation facilities in the United States.

NGL Fractionation

NGL fractionation is the process of manufacturing raw NGL mix produced by natural gas processing plants into discrete NGL purity components (i.e., ethane, propane, normal butane, iso-butane, and natural gasoline).

Fractionation Process

The fractionation process is accomplished by applying heat and pressure to the mixture of raw NGL hydrocarbons and separating each discrete product at the different boiling points for each NGL component of the mixture. The raw NGL mixture is passed through a specific series of distillation towers: deethanizer, depropanizer, debutanizer, and deisobutanizer. The name of each of these towers corresponds to the NGL component that is separated in that tower. The raw NGL mixture first passes through the deethanizer, where its temperature is increased to the point where ethane (the lightest component) boils off the top of the tower as a gas and is condensed into a purity liquid that is routed to storage. The heavier components in the mixture at the bottom of the tower (i.e.,propane, butane, iso butane, and natural gasoline) are routed to the second tower (depropanizer), where the process is repeated and the next lightest component (propane) is separated. This process is repeated until the mixture of liquids has been separated into its purity components.

Demand for NGLs

Sources of U.S. NGL demand include petrochemical consumption, gasoline blending, heating and fuel, and exports. Demand is driven primarily by the petrochemical industry, which accounts for 40-50% of total consumption. The U.S. petrochemical industry uses NGL products as feedstock (i.e. raw material) to produce ethylene, propylene, and butadiene (also known as olefins).

The following factors influence demand for each individual NGL component:

• **Ethane.** Essentially all of the ethane extracted from natural gas is consumed by the petrochemical industry as a feedstock for ethylene production. (Ethylene is a building block for polyethylene, which is the most popular plastic in the world.)

•**Propane.** Approximately 25-30% of propane is used as a feedstock by the petrochemical industry to produce ethylene and propylene. (Like ethylene, propylene is an important building block used in the manufacture of plastics.) The

bulk of the remaining demand for propane is primarily as a heating fuel in the residential and commercial markets.

• **Normal butane.** Normal butane is used as a petrochemical feedstock for the production of ethylene and butadiene (used to make synthetic rubber), as a blendstock for motor gasoline, and as a feedstock to create isobutane.

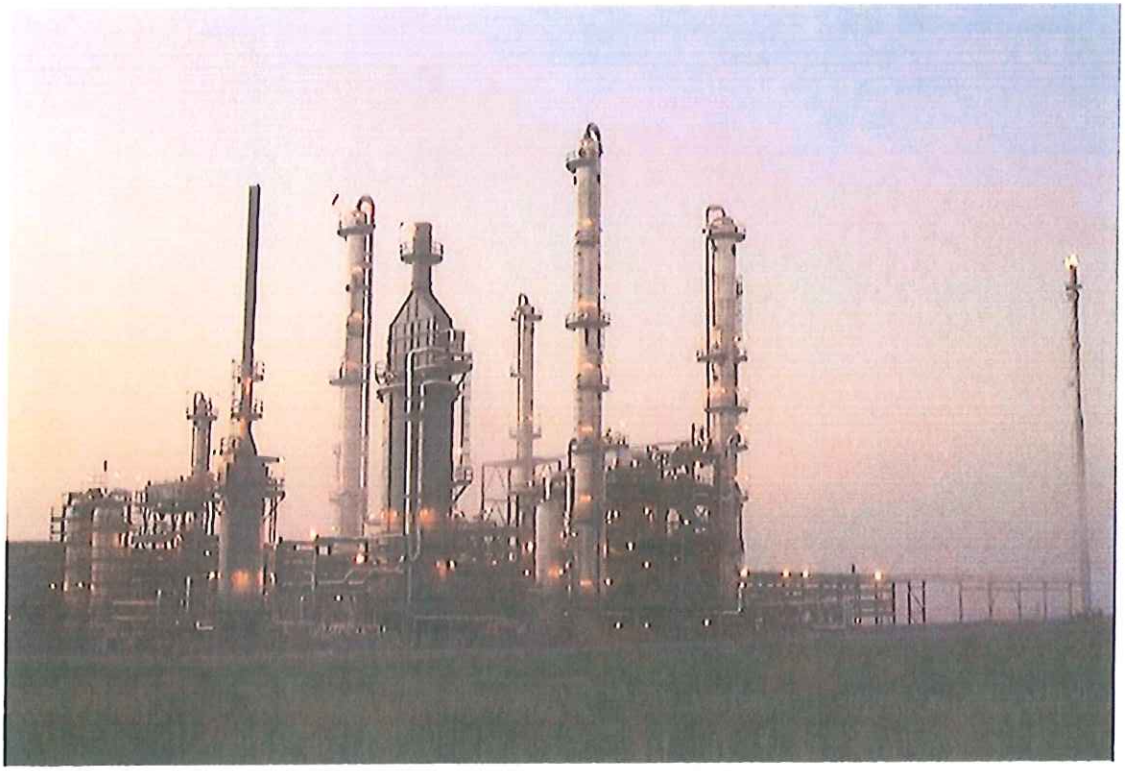
• **Isobutane.** Isobutane has the same molecular formula as normal butane, but a different structural formula (i.e., atoms are rearranged). Isobutane is used in refinery alkylation to enhance the octane content of motor gasoline.

• **Natural gasoline.** Natural gasoline is used primarily as a blendstock

List of Improvements

Plant Components

- DeEthanizer
- DEPropanizer
- Debutanizer
- Towers
- Heat Medium
- Gasoline Treater
- Compression Equipment



Hobbs NGL Fractionation Facility- Gaines County, TX

ATTACHMENT B
APPLICATION FOR TAX ABATEMENT
BARBERS HILL SCHOOL DISTRICT

Step 5: Economic Impact

Questions 5, 6, and 7. * The new manufacturing facility will create 4 new full time employees. An additional 8 full time employees will be created through overtime hours and contract labor.

COMPARISON OF STAFFING FOR FRACTIONATORS

Fractionator	FTE Operators	FTE Maintenance	FTE Admin/Supervision/ Safety, etc.	FTE Total
New Frac, Mont Belvieu	4	4	4	12
Seminole, Mont Belvieu	5	4	4	13
West Texas, Mont Belvieu	5	4	5	14
Hobbs, Texas	10	4	2	16
Port Allen, Louisiana	7	5	1	13
Promix ,Louisiana	5	6	1	12
Tebone, Louisiana	8	4	1	13
Norco, Louisiana	8	5	1	14
Average	7	5	2	13

The new fractionator will take advantage of current infrastructure in Mont Belvieu and will use an existing control room currently running 3 other units. The use of state-of-the-art technology will improve operations and require less maintenance than the older fractionators (~ 28 years old).

ATTACHMENT C
APPLICATION FOR TAX ABATEMENT
BARBERS HILL SCHOOL DISTRICT

Step 5: Economic Impact

Question 9. Enterprise owns 100 % interests in the Norco NGL fractionator and the Hobbs NGL fractionator. Given the existing pipeline infrastructure, we can build this plant at either facility.

The Norco NGL fractionator, located near New Orleans, Louisiana, is the hub of our NGL value chain in Louisiana. One advantage of building the new plant at Norco is that we expect to see a substantial increase in NGL volumes at this facility as a result of new developments in the Gulf of Mexico. In addition, the new fractionator would qualify for a similar 10 year tax abatement that the State of Louisiana granted to Norco.

The Hobbs NGL fractionation facility, located in Gaines County, Texas, is strategically located at the interconnect of two major pipelines. The advantage of building at Hobbs is that this facility provides the flexibility of access to our NGL hub at Mont Belvieu, Texas as well as access to the second-largest NGL hub at Conway, Kansas.

ATTACHMENT D
APPLICATION FOR TAX ABATEMENT
BARBERS HILL SCHOOL DISTRICT

Step 5: Economic Impact

Question 10.

From Bureau of Economic Analysis
Regional Economic Accounts

Chambers County is part of the Houston-Sugar Land-Baytown, TX (MSA). Its 2007 population of 28,740 ranked 94th in the state.

PER CAPITA PERSONAL INCOME
In 2007 Chambers had a per capita personal income (PCPI) of $38,856. This PCPI ranked 18th in the state and was 105 percent of the state average, $37,083, and 101 percent of the national average, $38,615. The 2007 PCPI reflected an increase of 6.8 percent from 2006. The 2006-2007 state change was 5.5 percent and the national change was 4.9 percent. In 1997 the PCPI of Chambers was $23,147 and ranked 32nd in the state. The 1997-2007 average annual growth rate of PCPI was 5.3 percent. The average annual growth rate for the state was 4.6 percent and for the nation was 4.3 percent.

TOTAL PERSONAL INCOME
In 2007 Chambers had a total personal income (TPI) of $1,116,734. This TPI ranked 74th in the state and accounted for 0.1 percent of the state total. In 1997 the TPI of Chambers was $563,818 and ranked 84th in the state. The 2007 TPI reflected an increase of 8.5 percent from 2006. The 2006-2007 state change was 7.6 percent and the national change was 6.0 percent. The 1997-2007 average annual growth rate of TPI was 7.1 percent. The average annual growth rate for the state was 6.6 percent and for the nation was 5.4 percent.

APPLICATION ADDENDUM-JULY 2009
APPLICATION FOR TAX ABATEMENT
BARBERS HILL SCHOOL DISTRICT

Temporary Addendum to Application for Appraised Value Limitation on Qualified Property - July 2009

The 81st Legislature passed HB 3676, which made changes to Texas Tax Code, Chapter 313[1], including more information required to be analyzed in the Comptroller's economic impact evaluation (§313.026(a)). In order to facilitate completion of the evaluation, please provide the following, including temporary supplemental schedules A, B & C to collect information needed for HB 3676. The information on this addendum and additional schedules is required pursuant to the provisions of HB 3676, 81st Legislature, effective June 19, 2009. Additionally, the Comptroller is authorized by 34 TAC § 9.1057(b) to request information from the school district or applicant that is reasonably necessary to complete the recommendation or economic impact evaluation at any time during the application review period. (Note: Should the applicant anticipate the need to keep any of the requested information in the application, addendum or supplemental schedules confidential, please read the attachment entitled 'Confidential Information submitted to the Comptroller' at the end of this addendum.)

Applicant name **ENTERPRISE PRODUCTS OPERATING LLC**

Please describe the general nature of the applicant's investment:
We are proposing to construct a new manufacturing facility at our Mont Belvieu complex. This is a grass roots project with an estimated investment cost of $257,000,000.

Taxing entities that have jurisdiction for the property:
County **Chambers**
Are you seeking property tax abatements or other favorable tax treatment from this entity? If so, please describe the request (typically the percentage abatement and the length of time the abatement would be in effect).
1st year 100%
2nd year 100%
3rd year 75%
4th year 60%
5th year 50%
6th year 50%
7th year 50%

[1] All §references are to Texas Tax Code, Chapter 313 as amended by HB 3676, 81st Legislature, unless otherwise noted.

City **Mont Belvieu**

Are you seeking property tax abatements or other favorable tax treatment from this entity? If so, please describe the request (typically the percentage abatement and the length of time the abatement would be in effect).

same as County

Hospital District **NA**

Are you seeking property tax abatements or other favorable tax treatment from this entity? If so, please describe the request (typically the percentage abatement and the length of time the abatement would be in effect).

Other (describe)_____

Other (describe)_____

Other (describe)_____

Are you seeking property tax abatements or other favorable tax treatment from any of these entities? If so, please describe the request (typically the percentage abatement and the length of time the abatement would be in effect).

No

Are you seeking any other state or local economic development incentives? Examples could include road or public infrastructure improvements, job training grants, loan guarantees, special financing, etc.) **No** If yes, please describe, attaching documentation as necessary.

The locally collected sales tax rate is: **2%**

City of Mont Belvieu 1 ½%

Chambers County ½%

Will the land upon which the new building or new improvement be built be part of the qualified property described by §313.021(2)(A)? **Yes** If yes, please attach complete documentation: legal description, parcel ID, current taxable value, owner, etc.

See attached

Will the project be on leased land? **No**

If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, please attach a separate schedule showing the amount for each year affected, including an explanation. **No**

What is the anticipated date of application approval? **2009**

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

What is the approximate date the proposed facility or new improvement is expected to be fully operational? **2011**

What is the minimum required annual wage for each qualified job in this school district? [See new §§313.021(5)(A) or 313.021(5)(B) or 313.021(3)(E)(ii), or 313.051(b).]
$79,937 Please specify method of computation and attach documentation from TWC web site. (Note that applicants to school districts subject to Subchapter C because of demographic characteristics must meet the regional wage standard described in §313.051(b).)

Used TWC average manufacturing wage base for Chambers County by taking average 2008 manufacturing wages by week * 52 weeks= annual mfg wage X 1.10=$79,937). See attached documentation from TWC web site.

What is the minimum annual wage you will be paying for each qualified job in this school district? **$111,800.00 includes benefits**

What is the maximum number of qualifying jobs meeting all criteria of §313.021(3) you are committing to create? (Use Schedule C-3676, Column F to indicate number of qualifying jobs in specific years.)

The new manufacturing facility will create 4 new full time employees. An additional 8 full time employees will be created through overtime hours and contract labor.

By signing this addendum, you certify that this information is true and correct to the best of your knowledge and belief.

Gene Petru
Name of authorized company officer

Gene Petru
Signature of authorized company officer

Vice President, Tax
Title

August 18, 2009
Date

On behalf of **ENTERPRISE PRODUCTS OPERATING LLC**
Name of corporation/company

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

School district official sign and date application.

By signing below, I affirm that I have been delegated the authority by the school district governing body to act on its behalf with regard to this application for a limitation on appraised value.

Greg Poole
Name of authorized school district officer

Superintendent
Title

Signature of authorized school district official

September 30, 2009
Date

Name of school district Barbers Hill Independent School District

ATTACHMENT:

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

Generally, an application for property tax value limitation, the information provided therein, and documents submitted in support thereof, are considered public information subject to release under the Texas Public Information Act. There is an exception, outlined below, by which information will be withheld from disclosure:

The Comptroller's office will withhold information from public release if it 1) describes the specific processes or business activities to be conducted or the specific tangible personal property to be located on real property covered by the application; 2) the information has been segregated in the application from other information in the application; and 3) the party requesting confidentiality provides the Comptroller's office specific reasons, including any relevant legal authority, stating why the material is believed to be confidential. All applications and parts of applications which are not segregated and marked as confidential as outlined above will be considered public information.

Such information properly identified as confidential will be withheld from public release unless and until the governing body of the school district acts on the application or we are directed to do so by a ruling from the Attorney General. Other information in the custody of a school district or the comptroller in connection with the application, including information related to the economic impact of a project or the essential elements of eligibility under Texas Tax Code, Chapter 313, such as the nature and amount of the projected investment, employment, wages, and benefits, will not be considered confidential business information if the governing body of the school district agrees to consider the application.

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

The following outlines how the Comptroller's office will handle requests for information submitted under the Texas Public Information Act for application portions and submitted

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

SCHEDULE A-3676 (Temporary - July 2009): INVESTMENT & TAXES

PROPERTY INVESTMENT AMOUNTS ($) (Estimated Investment in each year. Do not put cumulative totals.)									TAX INFORMATION		
									Sales Taxable Expenditures		Franchise Tax
		Year	Tax Year (fill in actual tax year below)	Column A: Tangible Personal Property: the amount of new investment (original cost) placed in service during this year	Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B—Qualifying Investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Investment made before filing application with district (neither qualified property nor eligible to become qualified investment)		2009	0.00	0.00		284,040.00	284,040.00			19,500,000
	Investment made after filing application with district, but before application approval (eligible to become qualified property)			0	0.00		0.00	0.00			
	Investment made after application approval and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property)		2010	54,900,000.00	0.00	54,900,000.00	0.00	54,900,000.00	74,480,000.00	182,520,000.00	
	Complete tax years of qualifying time period	1	2011	245,300,000.00	0.00	245,300,000.00	0.00	245,300,000.00	600,000.00	900,000.00	21,000,000
		2	2012		0.00	-	0.00	-	600,000.00	900,000.00	21,000,000
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	3	2013		0.00		0.00	-	600,000.00	900,000.00	21,000,000
		4	2014		0.00		0.00	-	600,000.00	900,000.00	21,000,000
		5	2015		0.00		0.00	-	600,000.00	900,000.00	21,000,000
		6	2016		0.00		0.00	-	600,000.00	900,000.00	21,000,000
		7	2017		0.00		0.00	-	600,000.00	900,000.00	21,000,000
		8	2018		0.00		0.00	-	600,000.00	900,000.00	21,000,000
		9	2019		0.00		0.00	-	600,000.00	900,000.00	21,000,000
		10	2020		0.00		0.00	-	600,000.00	900,000.00	21,000,000
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2021		0.00		0.00	-	600,000.00	900,000.00	21,000,000
		12	2022		0.00		0.00	-	600,000.00	900,000.00	21,000,000
		13	2023		0.00		0.00	-	600,000.00	900,000.00	21,000,000
Post- Settle-Up Period		14	2024		0.00		0.00	-	600,000.00	900,000.00	21,000,000
Post- Settle-Up Period		15	2025		0.00		0.00	-	600,000.00	900,000.00	21,000,000

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

Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment- as defined in Tax Code §313.021(1)(A)-(D).
For the purposes of investment, please list amount invested each year, not cumulative totals.
[For the years outside the qualifying time period, this number should simply represent the planned investment in tangible personal property].
Include estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).
For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings.

Column D: Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value.
The most significant example for many projects would be land. Other examples may be items such as professional services, etc.
Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

* For planning, construction and operation of the facility.

Note: Information related to taxes in Columns F through H, for the year preceding the first complete year of the qualifying time period, need not be broken out by the time periods used for the requested investment information in Columns A through E.
Note: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed.

The information on this schedule is required pursuant to the provisions of HB 3676, 81st Legislature, effective June 19, 2009. Additionally, the Comptroller is authorized by 34 TAC § 9.1057(b) to request information from the school district or applicant that is reasonably necessary to complete the recommendation or economic impact evaluation at any time during the application review period.

SCHEDULE B-3676 (Temporary - July 2009): ESTIMATED MARKET AND TAXABLE VALUE

				All figures here are to be cumulative						
				Qualified Property			Reductions from market value (exemptions, etc)		Estimated Taxable Value	
		Year	Tax Year (fill in actual tax year)	Column A: Estimated Market Value of Land	Column B: Estimated Total Market Value of new buildings or other new improvements	Column C: Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"	D: Due to pollution control property (estimated or actual as appropriate)	E: Due to other exemptions	F: Estimated total taxable value for I&S: (A+B+C)-(D+E)	G: Estimated total taxable value for M&O: (Column F amount with the limitation value in years 3-10)
		pre- year 1	2009	0	0	0	0	0	0	0
	Complete tax years of qualifying time period	1	2010	284040	0	0	0	0	284040	284040
		2	2011	284040	0	54900000	0	0	55184040	55184040
	Value Limitation Period	3	2012	284040	0	245300000	25700000	0	219884040	30000000
Tax Credit Period (with 50% cap on credit)		4	2013	284040	0	239167500	25057500	0	214394040	30000000
		5	2014	284040	0	233035000	24415000	0	208904040	30000000
		6	2015	284040	0	226902500	23772500	0	203414040	30000000
		7	2016	284040	0	220770000	23130000	0	197924040	30000000
		8	2017	284040	0	214637500	22487500	0	192434040	30000000
		9	2018	284040	0	208505000	21845000	0	186944040	30000000
		10	2019	284040	0	202372500	21202500	0	181454040	30000000
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2020	284040	0	196240000	20560000	0	175964040	175964040
		12	2021	284040	0	190107500	19917500	0	170474040	170474040
		13	2022	284040	0	183975000	19275000	0	164984040	164984040
Post- Settle-Up Period		14	2023	284040	0	177842500	18632500	0	159494040	159494040
Post- Settle-Up Period		15	2024	284040	0	171710000	17990000	0	154004040	154004040

The information on this schedule is required pursuant to the provisions of HB 3676, 81st Legislature, effective June 19, 2009. Additionally, the Comptroller is authorized by 34 TAC § 9.1057(b) to request information from the school district or applicant that is reasonably necessary to complete the recommendation or economic impact evaluation at any time during the application review period.

SCHEDULE C-3676 (Temporary - July 2009): EMPLOYMENT INFORMATION

				Existing Jobs	Construction		Permanent New Jobs		Qualifying Jobs	
		Year	Tax Year (fill in actual tax year)	Column A: Number of permanent existing full time jobs prior to application	Column B: Number of Construction FTE's or man-hours (specify)	Column C: Average annual wage rates for construction workers	Column D: Total number of permanent full-time new jobs applicant commits to create	Column E: Average annual wage rate for all permanent new jobs for each year	Column. F: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3)	Column G: Avg. annual wage of qualifying jobs
		pre- year 1	2009	0	500 FTE	$25 an hour				
	Complete tax years of qualifying time period	1	2010	0	500 FTE	$25 an hour				
		2	2011	0	500 FTE	$25 an hour				
	Value Limitation Period	3	2012	0	0		4*	111,800.00	4*	4*
Tax Credit Period (with 50% cap on credit)		4	2013	0	0		4*	111,800.00	4*	4*
		5	2014	0	0		4*	111,800.00	4*	4*
		6	2015	0	0		4*	111,800.00	4*	4*
		7	2016	0	0		4*	111,800.00	4*	4*
		8	2017	0	0		4*	111,800.00	4*	4*
		9	2018	0	0		4*	111,800.00	4*	4*
		10	2019	0	0		4*	111,800.00	4*	4*
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2020	0	0		4*	111,800.00	4*	4*
		12	2021	0	0		4*	111,800.00	4*	4*
		13	2022	0	0		4*	111,800.00	4*	4*
Post- Settle-Up Period		14	2023	0	0		4*	111,800.00	4*	4*
Post- Settle-Up Period		15	2024	0	0		4*	111,800.00	4*	4*

* **The new manufacturing facility will create 4 new full time employees. An additional 8 full time employees will be created through overtime hours and contract labor.**

The information on this schedule is required pursuant to the provisions of HB 3676, 81st Legislature, effective June 19, 2009. Additionally, the Comptroller is authorized by 34 TAC § 9.1057(b) to request information from the school district or applicant that is reasonably necessary to complete the recommendation or economic impact evaluation at any time during the application review period.

Note: Section 313.024(d) Tax Code requires that, to be eilgible for a limitation, 80 percent of all new jobs must be qualifying jobs.

EMPLOYMENT DOCUMENTATION FROM TWC WEBSITE
APPLICATION FOR TAX ABATEMENT
BARBERS HILL SCHOOL DISTRICT

Quarterly Employment and Wages (QCEW)

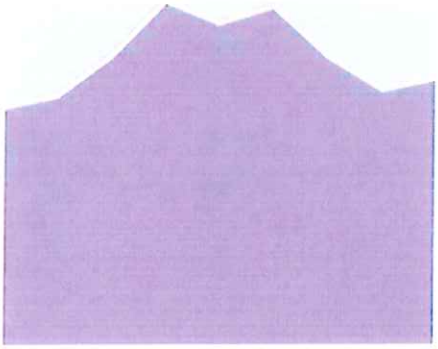
Help with Download

Page 1 of 1 (40 results/page)

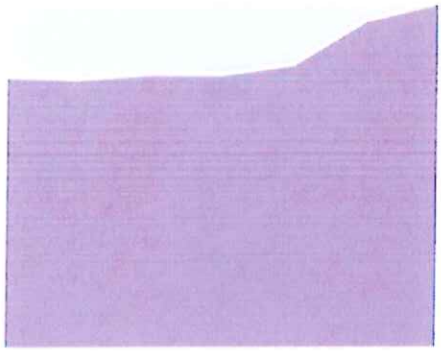
Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2008	1st Qtr	Chambers County	Private	31	2	31-33	Manufacturing	$1,542
2008	2nd Qtr	Chambers County	Private	31	2	31-33	Manufacturing	$1,344
2008	3rd Qtr	Chambers County	Private	31	2	31-33	Manufacturing	$1,418
2008	4th Qtr	Chambers County	Private	31	2	31-33	Manufacturing	$1,286

Unemployment in December 2008:
Chambers: 4.8%
Texas: 4.4%

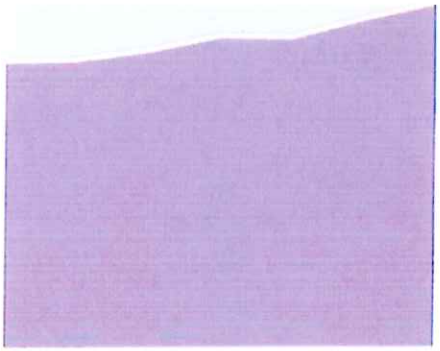
Unemployment by year (%)



County total employment by year



County average yearly wages by year ($)



CIVILIAN EMPLOYMENT BY INDUSTRY	CHAMBERS COUNTY		TX	US
	Number	Pct	Pct	Pct
Manufacturing	2,570	21.9	11.8	14.1
Wholesale trade	514	4.4	3.9	3.6
Retail trade	1,189	10.1	12.0	11.7
Information	115	1.0	3.1	3.1
Finance and insurance	308	2.6	4.7	5.0
Professional, scientific and technical services	383	3.3	5.8	5.9

Table shows selected industries
Sources: 2000 Census, U.S. Census Bureau

ORDINANCE ESTABLISHING REINVESTMENT ZONE
APPLICATION FOR TAX ABATEMENT
BARBERS HILL SCHOOL DISTRICT

ORDINANCE 2009-017

AN ORDINANCE OF THE CITY OF MONT BELVIEU, TEXAS DESIGNATING A REINVESTMENT ZONE FOR PURPOSES OF TAX ABATEMENT FOR THE TAX ABATEMENT APPLICATION SUBMITTED BY ENTERPRISE PRODUCTS OPERATING LLC ON MAY 21, 2009.

WHEREAS, the City Council of Mont Belvieu (the "City") desires to make available tax abatement relief in the area which is the subject of this ordinance in order to encourage the development of primary employment and to attract major investment; and,

WHEREAS, the City has elected to become eligible to participate in tax abatement under the provisions of the Property Development and Tax Abatement Act, Tex. Tax Code Chapter 312, Subchapter B; and,

WHEREAS, the City has adopted guidelines and criteria governing tax abatement agreements in Ordinance 2009-002; and,

WHEREAS, the City has received an application for tax abatement by Enterprise Products Operating LLC on May 21, 2009; and,

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

WHEREAS, the City published notice of a public hearing to be held on June 22, 2009 regarding the designation of the area described in the attached Exhibit 1 as a reinvestment zone for tax abatement purposes;

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

THEREFORE, BE IT ORDAINED
BY THE CITY COUNCIL OF MONT BELVIEU, TEXAS:

1. A reinvestment zone for the purposes of Chapter 312 of the Texas Tax Code is hereby established for the property shown on the attached Exhibit 1.

Passed and Approved this 22nd day of June, 2009.

Nick Dixon

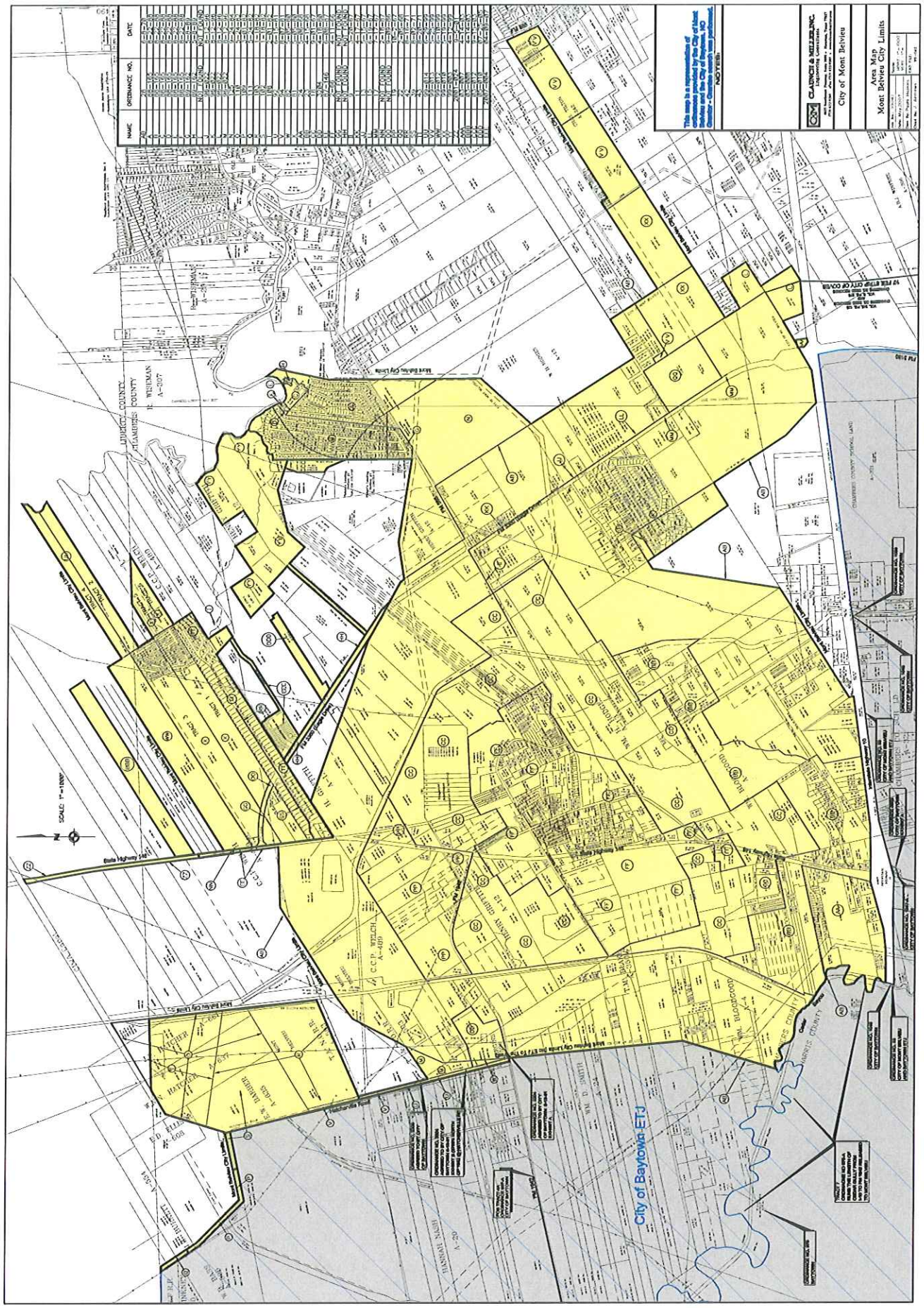
Nick Dixon, Mayor

ATTEST:

Phyllis Sockwell

Phyllis Sockwell, City Secretary

EXHIBIT 1


City of Mont Belvieu
Area Map
Mont Belvieu City Limits
City of Baytown ETJ
NOTES:
NAME
ORDINANCE NO.
DATE
LIBERTY COUNTY
CHAMBERS COUNTY
HARRIS COUNTY
C.C.P. WELCH
A-489
HENRY GRIFFITH
A-12
WM. BLOODGOOD
A-4
HANNAH NASH
A-20
E.W. BARBER
A-623
W.D. SMITH
A-24
E.D. ELLIS
A-608
SCALE: 1"=1000'

GUIDELINES AND CRITERIA FOR CREATING REINVESTMENT ZONE
APPLICATION FOR TAX ABATEMENT
BARBERS HILL SCHOOL DISTRICT

ORDINANCE NO. 2009 -002

AN ORDINANCE MAKING CERTAIN FINDINGS. OF FACT, ADOPTING GUIDELINES AND CRITERIA FOR TAX ABATEMENT AGREEMENTS, AND PROVIDING FOR A TAX ABATEMENT AGREEMENT WHICH WOULD PERMIT TAX ABATEMENT BY OTHER TAXING ENTITIES TO THE EXCLUSION OF THE CITY OF MONT BELVIEU IN ACCORDANCE WITH CHAPTER 312 OF THE TEXAS TAX CODE.

WHEREAS, pursuant to Chapter 312 of the Texas Tax Code, certain guidelines and criteria are necessary prior to the creation of a reinvestment zone or entering into a tax abatement agreement, and

WHEREAS, the City Council of the City of Mont Belvieu finds and determines that the guidelines and criteria as hereinafter set out are in the best interest of the City of Mont Belvieu to encourage certain types of development to the exclusion of others, and

WHEREAS, the City Council of the City of Mont Belvieu reaffirms its absolute discretion to approve and/or reject any applicant for tax abatement, whether or not an application meets the guidelines as herein stated, and

WHEREAS, the City Council of the City of Mont Belvieu finds and determines that it should consider applications for tax abatement and enter into tax abatement agreements which provide for abatements under criteria established by other taxing entities without city participation;

NOW, THEREFORE,
BE IT ORDAINED BY THE CITY COUNCIL
OF THE CITY OF MONT BELVIEU, TEXAS:

Section 1.

That pursuant to the provisions to the provisions of Section 312.002(d) of the Texas Tax Code, the City of Mont Belvieu does hereby adopt the following guidelines

and criteria for the City of Mont Belvieu to consider and/or to enter into a tax abatement agreement:

Section 2.

The property subject to the abatement must be located within the city limits of the City of Mont Belvieu.

Eligible businesses shall include any business duly authorized to operate in the State of Texas.

Section 3.

Eligible activities in which an abatement may be granted shall include the lesser of either the additional assessed value over the base year value or actual investment resulting from construction of acquisition of fixed assets.

Section 4.

The abatement formula that may be permitted in any abatement agreement shall be:

1) Abatement shall not exceed five (5) years, beginning on January 1st after the signing of the tax abatement agreement.

2) Years one (1) two (2) and three (3) will be one hundred percent (100%) abatement.

3) Year four (4) will be seventy five percent (75%) abatement.

4) Year five (5) will be at fifty (50%) abatement.

5) Year six (6) the abatement expires and all taxes are paid.

Section 5.

The City may consider an application for abatement when entering into a tax abatement agreement which provides for no abatement to be granted by the City, but which provides for an abatement to be granted by other taxing entities to the extent of the limitations provided under their guidelines and criteria.

PASSED and APPROVED on this, the 23rd day of February, 2009.

APPROVED:

Nick Dixon

Nick Dixon, Mayor

ATTEST:

Phyllis B. Sockwell

Phyllis Sockwell, City Secretary

EXISTING APPRAISED VALUE AND ACCOUNT NUMBER
APPLICATION FOR TAX ABATEMENT
BARBERS HILL SCHOOL DISTRICT

Property ID: 1874 Owner: ENTERPRISE PRODUCTS OPERATING LP

Property ID:
1874

Account Number:
00503-00100-00100-070001

Property Legal Description:
503 TR 1-1 T AND N O
SEC 1

Deed Information:
Volume: 838
Page: 205
File Number: 11676
Deed Date: 1/27/2006

Property Location:

Block:

Survey / Sub Division Abstract:

Section / Lot:

Owner Information:
ENTERPRISE PRODUCTS OPERATING LP

PO BOX 4018

HOUSTON TX 77210 4018

Previous Owner:
BROWN GLENDA

Property Detail:
Property Exempt:
Category/SPTB Code: D2
Total Acres: 95.231
Total Living Sqft: See Detail
Owner Interest: 1.000000
Homestead Exemption:
Homestead Cap Value: 0
Land Ag/Timber Value: 0
Land Market Value: 214,270
Improvement Value: 0
Property Market Value: 214,270

Jur Code	Jur Name	Total Market	Homestead	Total Exemption	Taxable
01	CHAMBERS COUNTY	214,270		0	214,270
01R	CHAMBERS COUNTY ROAD	214,270		0	214,270
31	BARBERS HILL ISD	214,270		0	214,270

$284,040 total

Property ID: 1874 Owner: ENTERPRISE PRODUCTS OPERATING LP

Land Detail

Land Sequence 1

Acres:	95.231	Market Class:	RS31LD-10	Market Value:	214,270
Land Method:	AC	Ag/Timber Class:	ARN	Ag/Timber Value:	4,760
Land Homesiteable:	NO	Land Type:	NATP	Ag Code:	
Front Foot:	N/A	Rear Foot:	N/A	Lot Depth:	N/A
Front Ft Avg:	N/A	Lot Depth %:	N/A	Land Square Ft:	N/A
Land Note:					

Total Land Value: $ 214,270

Property ID: 1874 Owner: ENTERPRISE PRODUCTS OPERATING LP

Previous Owner Information

Parcel ID	Seller	Buyer	Volume	Page	File Number	Deed Date
1874	BROWN GLENDA	ENTERPRISE PRODUCTS OPERATING LP	838	205	11676	1/27/2006

Property ID: 34652

Owner: ENTERPRISE PRODUCTS OPERATING LP

Property ID:
34652

Account Number:
00503-00100-00100-070400

Property Legal Description:
503 TR 1-1-4 T AND N O

Deed Information:
Volume: 838
Page: 205
File Number: 11676
Deed Date: 1/27/2006

Property Location:

Block:

Survey / Sub Division Abstract:

Section / Lot:

Owner Information:
ENTERPRISE PRODUCTS OPERATING LP

PO BOX 4018

HOUSTON TX 77210 4018

Previous Owner:
BROWN GLENDA

Property Detail:
Property Exempt:
Category/SPTB Code: D2
Total Acres: 10.808
Total Living Sqft: See Detail
Owner Interest: 1.000000
Homestead Exemption:
Homestead Cap Value: 0
Land Ag/Timber Value: 0
Land Market Value: 24,320
Improvement Value: 0
Property Market Value: 24,320

Jur Code	Jur Name	Total Market	Homestead	Total Exemption	Taxable
01	CHAMBERS COUNTY	24,320		0	24,320
01R	CHAMBERS COUNTY ROAD	24,320		0	24,320
10	CITY OF MT BELVIEU	24,320		0	24,320
31	BARBERS HILL ISD	24,320		0	24,320

Property ID: 34652 Owner: ENTERPRISE PRODUCTS OPERATING LP

Land Detail

Land Sequence 1

Acres:	10.808	Market Class:	RS31LD-10	Market Value:	24,320
Land Method:	AC	Ag/Timber Class:	ARN	Ag/Timber Value:	540
Land Homesiteable:	NO	Land Type:	NATP	Ag Code:	
Front Foot:	N/A	Rear Foot:	N/A	Lot Depth:	N/A
Front Ft Avg:	N/A	Lot Depth %:	N/A	Land Square Ft:	N/A
Land Note:					

Total Land Value: $ 24,320

Property ID: 34652 Owner: ENTERPRISE PRODUCTS OPERATING LP

Previous Owner Information

Parcel ID	Seller	Buyer	Volume	Page	File Number	Deed Date
34652	BROWN GLENDA	ENTERPRISE PRODUCTS OPERATING LP	838	205	11676	1/27/2006

Property ID: 30934 Owner: ENTERPRISE PRODUCTS OPERATING LP

Property ID:
30934

Account Number:
00503-00100-00100-070010

Property Legal Description:
503 TR 1-1-0 T AND N O

Deed Information:
Volume: 838
Page: 205
File Number: 11676
Deed Date: 1/27/2006

Property Location:

Block:

Survey / Sub Division Abstract:

Section / Lot:

Owner Information:
ENTERPRISE PRODUCTS OPERATING LP

PO BOX 4018

HOUSTON TX 77210 4018

Previous Owner:
BROWN GLENDA

Property Detail:
Property Exempt:
Category/SPTB Code: D2
Total Acres: 20.200
Total Living Sqft: See Detail
Owner Interest: 1.000000
Homestead Exemption:
Homestead Cap Value: 0
Land Ag/Timber Value: 0
Land Market Value: 45,450
Improvement Value: 0
Property Market Value: 45,450

Jur Code	Jur Name	Total Market	Homestead	Total Exemption	Taxable
01	CHAMBERS COUNTY	45,450		0	45,450
01R	CHAMBERS COUNTY ROAD	45,450		0	45,450
10	CITY OF MT BELVIEU	45,450		0	45,450
31	BARBERS HILL ISD	45,450		0	45,450

Property ID: 30934 Owner: ENTERPRISE PRODUCTS OPERATING LP

Land Detail

Land Sequence 1

Acres:	20.2	Market Class:	RS31LD-10	Market Value:	45,450
Land Method:	AC	Ag/Timber Class:	ARN	Ag/Timber Value:	1,010
Land Homesiteable:	NO	Land Type:	NATP	Ag Code:	
Front Foot:	N/A	Rear Foot:	N/A	Lot Depth:	N/A
Front Ft Avg:	N/A	Lot Depth %:	N/A	Land Square Ft:	N/A
Land Note:					

Total Land Value: $ 45,450

Property ID: 30934 Owner: ENTERPRISE PRODUCTS OPERATING LP

Previous Owner Information

Parcel ID	Seller	Buyer	Volume	Page	File Number	Deed Date
30934	BROWN GLENDA	ENTERPRISE PRODUCTS OPERATING LP	838	205	11676	1/27/2006

LEGAL DESCRIPTION OF LAND
APPLICATION FOR TAX ABATEMENT
BARBERS HILL SCHOOL DISTRICT

2006 RK VOL 96
11674 OR 338 205

167639
RETURN TO:

COMMERCE TITLE
700 ROLLINGBROOK SUITE E
BAYTOWN, TEXAS 77521

OFFICIAL PUBLIC RECORDS
CHAMBERS COUNTY, TEXAS
Susan E. Roshto, County Clerk

GENERAL WARRANTY DEED

THE STATE OF TEXAS §

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF CHAMBERS §

That I, GLENDA DEL BROWN, of Kendall County, Texas, for and in consideration of the sum of TEN AND NO/100 ($10.00) DOLLARS and other good and valuable consideration cash to me in hand paid by ENTERPRISE PRODUCTS OPERATING L.P., the receipt of which is hereby acknowledged, have (subject to the exceptions, reservations and covenants hereinafter set forth) GRANTED, SOLD and CONVEYED, and by these presents do (subject to the exceptions, reservations and covenants hereinafter set forth) GRANT, SELL and CONVEY unto the said ENTERPRISE PRODUCTS OPERATING L.P., a Delaware Limited Partnership, whose mailing address is 2727 North Loop West, Houston, Texas 77008, all of that certain lot, tract or parcel of land described in "EXHIBIT A" attached hereto and made a part hereof for all purposes.

It is understood and agreed by and between the parties hereto that this conveyance is made subject to the exceptions set forth in "EXHIBIT B" attached hereto and made a part hereof for all purposes.

It is further understood and agreed by and between the parties hereto that this conveyance is made subject to the following any and all zoning laws, regulations and ordinances of municipal or other governmental authority, and any and all exceptions, reservations, restrictions and easements, if any, affecting the above-described property and shown of record among the Official Public Records of Chambers County, Texas, and any canals, pipelines, easements or rights-of-way

therefor physically located on the above-described property, whether documents therefor are recorded in such records or not.

TO HAVE AND TO HOLD the above-described premises (subject to the exceptions, reservations and covenants hereinabove set forth), together with all and singular the rights and appurtenances thereto in anywise belonging, unto the said ENTERPRISE PRODUCTS TEXAS OPERATING L.P., its successors and assigns, forever; and the undersigned hereby binds herself, her heirs, executors and administrators, to WARRANT and FOREVER DEFEND all and singular the said premises (subject to the exceptions, reservations and covenants hereinabove set forth), unto the said ENTERPRISE PRODUCTS TEXAS OPERATING L.P., its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

IN TESTIMONY WHEREOF, Witness my hand this the 23rd day of Jan, A.D., 2006.

Glenda Del Brown
Glenda Del Brown

THE STATE OF TEXAS §

COUNTY OF KENDALL §

This instrument was acknowledged before me on the 23RD day of JANUARY, A.D., 2006, by GLENDA DEL BROWN.

JANICE K. PFEIFFER
Notary Public, State of Texas
My Commission Expires June 19, 2006

Janice K. Pfeiffer
Notary Public, State of Texas
Printed Name: JANICE K. PFEIFFER
Commission Expires: 6-19-06

2006 FEB 16 PM 3:35
11576 CK 878 207

"EXHIBIT A"

THE STATE OF TEXAS)
COUNTY OF CHAMBERS)

FIELD NOTES of a 126.2412 acre tract of land situated in the T. & N.O.RR.Co. Survey, Section No. 1, Abstract No. 503 and the Dan Jergins Survey, Abstract No. 599; and being out of and a part of the residue of a 572.51 Acre tract of land called Second Tract from J.R. Barber to Kirby Oil and Gas Company recorded in Volume 161 at Page 598 of the Deed Records of Chambers County, Texas. This 126.2412 acre tract of land is more particularly described by metes and bounds as follows, to-wit:

NOTE: ALL BEARINGS ARE LAMBERT GRID BEARINGS AND ALL COORDINATES REFER TO THE STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE, 1927 DATUM, AS DEFINED IN ARTICLE 5300A OF THE REVISED CIVIL STATUES OF THE STATE OF TEXAS.
ALL DISTANCES ARE ACTUAL DISTANCES. SCALE FACTOR = 0.9999062
REFERENCE IS MADE TO PLAT OF EVEN DATE ACCOMPANYING THIS METES AND BOUNDS DESCRIPTION.

BEGINNING at a ½ inch iron rod set for the Northwest corner of this tract of land and the Southwest corner of a 487.009 acre tract of land conveyed in a deed from Glenda Del Brown to Exxon Corporation dated November 1, 1978 and recorded in Volume 425 at Page 515 of the Deed Records of Chambers County, Texas and being in the East Right-of-Way line of Hatcherville Road (70' R.O.W.). This corner as a Texas State Plane Coordinate Valve of X = 762,238.95 and Y = 3,293,315.08.

THENCE North 66 deg 41 min 04 sec East with the North line of this tract of land and the South line of said 487.009 acre tract of land a distance of 3,399.51 feet to a ½ inch iron rod set for the Northeast corner of this tract of land and the Southeast corner of said 487.009 acre tract of land and being in the West Right-of-Way line of the Southern Pacific Railroad (100' R.O.W.). From this corner a found brass disk stamped "Exxon Chemical Company U.S.A." bears South 66 deg 41 min 04 sec West a distance of 2.08 feet.

THENCE South 07 deg 20 min 00 sec East with the East line of this tract of land and West Right-of-Way line of said Southern Pacific Railroad a distance of 1,458.10 feet to a ½ inch iron rod set for the Southeast corner of this tract of land and the Northeast corner of a 117.469 acre tract of land conveyed in a deed from Glenda Del Brown to Enterprise Product Company dated December 05, 1991 and recorded in Volume 162 at Page 169 of the Official Records of Chambers County, Texas. From this corner a found 5/8 inch iron rod bears North 57 deg 22 min 27 sec East a distance of 2.53 feet.

THENCE South 57 deg 22 min 27 sec West with the South line of this tract of land and the North line of said 117.469 acre tract of land a distance of 3,334.56 feet to a ¼ inch iron rod set for the Southwest corner of this tract of land and the Northwest corner of said 117.469 acre tract of land, and being in the East Right-of-Way line of said Hatcherville Road. From this corner a found 5/8 inch iron rod bears North 57 deg 22 min 27 sec East a distance of 3.04 feet.

THENCE North 14 deg 47 min 39 sec West with the West line of this tract of land and the East Right-of-Way line of said Hatcherville Road a distance of 1,714.32 feet to a ¼ inch iron road set for an angle point of this tract of land, and being in the East Right-of-Way line of said Hatcherville Road.

THENCE North 14 deg 23 min 53 sec West with the West line of this tract of land and the East Right-of-Way line of said Hatcherville Road a distance of 248.81 feet to the PLACE OF BEGINNING, containing within said boundaries 126.2412 acres of land.

"EXHIBIT B"

There are no exceptions listed as "a", "b", or "c" in this exhibit. This exhibit begins with the exception designated as "d", and ends with exception designated as "mmm".

d. Right of Way Deed dated August 21, 1918, recorded in Volume 16 at Page 86 of the Deed Records of Chambers County, Texas from Old River Company to Dayton - Goose Creek Railway Company.

e. Right of Way dated May 15, 1929, recorded in Volume 28 at Page 150 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Gulf Pipeline Company.

f. Right of Way dated February 24, 1930, recorded in Volume 30 at Page 339 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Humphrey Corporation.

g. Right of Way dated December 31, 1931, recorded in Volume 33 at Page 638 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Gulf Pipeline Company.

h. Right of Way dated June 6, 1947, recorded in Volume 103 at Page 561 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Texas Pipeline Company

i. Right of Way dated December 3, 1952, recorded in Volume 146 at Page 537 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Sinclair Pipeline Company.

j. Right of Way dated June 1, 1954, recorded in Volume 158 at Page 5 of the Deed Records of Chambers County, Texas from Kirby Petroleum Company to Texas natural Gasoline Corporation.

k. Right of Way dated February 11, 1955, recorded in Volume 165 at Page 509 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Texas Natural Gasoline Corporation.

l. Right of Way dated December 30, 1955, recorded in Volume 172 at Page 85 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Southern Canal Corporation.

m. Right of Way dated July 20, 1956, recorded in Volume 181 at Page 43 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Texas Butadiene & Chemical Corporation.

n. Right of Way Deed dated February 11, 1956, recorded in Volume 183 at Page 369 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Gulf Refining Company.

o. Right of Way dated February 18, 1958, recorded in Volume 198 at Page 577 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Chambers County Water Control and Improvementd District..

p. Right of Way dated November 11, 1959, recorded in Volume 217 at Page 497 of the Deed Records of Chambers County, Texas from J.R. Barber, et ux to Southern Canal Company.

q. Right of Way dated November 9, 1960, recorded in Volume 225 at Page 477 of the Deed Records of Chambers County, Texas from J.R. Barber to Southern Canal Company.

r. Right of Way dated December 19, 1961, recorded in Volume 234 at Page 255 of the Deed Records of Chambers County, Texas from Lula Barber to Southern Canal Company..

s. Right of Way dated July 6, 1962 recorded in Volume 239 at Page 140 of the Deed Records of Chambers County, Texas from Lula Barber, et al to Colonial Pipeline Company.

t. Right of Way dated January 29, 1966 recorded in Volume 275 at Page 373 of the Deed Records of Chambers County, Texas from Lula Barber to Sinclair Pipeline Company.

u. Easement:
To: Southern Canal Company
Recorded: October 18, 1967 in Volume 292 at Page 469 ,Deed Records,Chambers County, Texas.
Purpose: Canal

v. Easement:
To: Gulf Refining Company
Recorded: February 5, 1968 in Volume 293 at Page 665 ,Deed Records,Chambers County, Texas.
Purpose:

w. Right of Way dated February 5, 1968, recorded in Volume 294 at Page 203 of the Deed Records of Chambers County, Texas from Lula Barber to Sinclair Pipeline Company.

x. Right of Way dated , recorded in Volume 165 at Page 509 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Texas Natural Gasoline Corporation.

y. Right of Way dated April 23, 1970, recorded in Volume 315 at Page 505 of the Deed Records of Chambers County, Texas from Lula Barber to Lo-Vaca Gathering Company..

z. Right of Way dated May 18, 1970, recorded in Volume 315 at Page 602 of the Deed Records of Chambers County, Texas from Lula Barber to Diamond Shamrock Corporation.

aa. Right of Way dated May 18, 1970, recorded in Volume 316 at Page 138 of the Deed Records of Chambers County, Texas from Lula Barber to Cities Service Pipeline Company.

bb. Right of Way dated August 17, 1970, recorded in Volume 318 at Page 466 of the Deed Records of Chambers County, Texas from Lula Barber to Santa Fe Pipeline Company.

cc. Right of Way Deed dated October 10, 1970, recorded in Volume 320 at Page 162 of the Deed Records of Chambers County, Texas from Lula Barber to Coastal Industrial Water Authority.

dd. Right of Way dated October 8, 1970, recorded in Volume 320 at Page 337 of the Deed Records of Chambers County, Texas from Lula Barber to Explorer Pipeline Company.

ee. Right of Way dated July 15, 1975, recorded in Volume 371 at Page 652 of the Deed Records of Chambers County, Texas from Lula Barber to Big Three Industries, Inc..

ff. Right of Way dated August 26, 1975, recorded in Volume 373 at Page 405 of the Deed Records of Chambers County, Texas from Delno Brown Executor of the Estate of Lula Barber and Glenda Del Brown to Colonial Pipeline Company

gg. Right of Way dated February 22, 1977, recorded in Volume 395 at Page 291 of the Deed Records of Chambers County, Texas from Delno Brown Executor of the Estate of Lula Barber and Glenda Del Brown to ARCO Pipeline Company

hh. Right of Way dated December 21, 1978, recorded in Volume 428 at Page 420 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Lo Vaca Gathering Company

ii. Right of Way dated February 2, 1979, recorded in Volume 430 at Page 541 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Houston Pipeline Company

jj. Right of Way dated February 22, 1979, recorded in Volume 431 at Page 653 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Shell Pipeline Corporation

kk. Right of Way dated October 31, 1980, recorded in Volume 464 at Page 272 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Exxon Pipeline Corporation

ll. Right of Way dated August 8, 1980, recorded in Volume 467 at Page 447 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Big Three Industries, Inc..

mm. Valve Site Lease dated January 12, 1981, recorded in Volume 467 at Page 461 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Big Three Industries, Inc..

nn. Right of Way dated May 1, 1981, recorded in Volume 473 at Page 156 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Exxon Pipeline Company

oo. Right of Way dated April 22, 1981, recorded in Volume 475 at Page 710 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Matador Pipeline Inc..

pp. Right of Way dated May 18, 1981, recorded in Volume 478 at Page 481 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Matador Pipeline Inc.

qq. Right of Way dated October 12, 1981, recorded in Volume 485 at Page 1 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Big Three Industries, Inc..

rr. Easement:

To:	Houston Lighting and Power Company
Recorded:	July 13, 1981 in Volume 478 at Page 481 ,Deed Records,Chambers County, Texas.
Purpose:	Utility

ss. Right of Way dated February 1, 1982, recorded in Volume 493 at Page 446 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Big Three Industries, Inc..

tt. Right of Way Contract dated May 31, 1988, recorded in Volume 50 at Page 106 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Mustang Pipeline Company

uu. Easement:

To:	Valero Transmission
Recorded:	September 12, 1988 in Volume 56 at page 677 ,Official Public Records,Chambers County, Texas.
Purpose:	Pipeline

vv. Right of Way Contract dated November 8, 1988, recorded in Volume 62 at Page 573 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Himont USA

ww. Right of Way Contract dated December 5, 1991, recorded in Volume 162 at Page 177 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Enterprise Products Company

xx. Right of Way Contract dated March 13, 1992, recorded in Volume 171 at Page 642 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Koch Pipeline Company

yy. Right of Way Contract dated March 26, 1992, recorded in Volume 175 at Page 379 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Union Carbide Industrial Gases, Inc.

zz. Right of Way dated August 11, 1994, recorded in Volume 248 at Page 241 of the Official Public Records of Chambers County, Texas from Exxon to City of Mount Belvieu..

aaa. Right of Way Contract dated August 28, 1995 recorded in Volume 277 at Page 376 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Chevron USA

bbb. Right of Way Contract dated June 27, 1995, recorded in Volume 279 at Page 591 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Exxon Pipeline Company

ccc. Right of Way Contract dated October 29, 1996, recorded in Volume 314 at Page 345 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Mustang Pipeline Company

ddd. Right of Way Contract dated June 9, 1997, recorded in Volume 334 at Page 362 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Koch Pipeline Company

eee. Pipeline Right-of-Way Agreement dated July 28, 1998 and recorded in Volume 380 at Page 138 of the Official Public records of Chambers County, Texas.

fff. Pipeline Work Space Agreement dated September 16, 1998, recorded in Volume 382 at Page 623 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Koch Pipeline Company

ggg. Pipeline Right-of-Way Agreement dated September 5, 2003 and recorded in Volume 645 at Page 277 of the Official Public records of Chambers County, Texas.

hhh. Easement:

To:	Cobra Oil & Gas Corporation
Recorded:	September 14, 2004 in Volume 733 at page 5 ,Official Public Records,Chambers County, Texas.
Purpose:	Pipeline

iii. Surface Agreement dated June 3, 2004 and recorded in Volume 703 at Page 644 of the Official Public records of Chambers County, Texas.

jjj. Surface Agreement dated May 27, 2004 and recorded in Volume 733 at Page 13 of the Official Public records of Chambers County, Texas.

kkk. Portion of subject property is in the City of Mount Belvieu, Texas, as set forth in Ordinance recorded in Volume 242, Page 324 of the Official Public Records of Chambers County, Texas.

lll. A gravel road traversing the Southern portion of subject property as evidenced by plat prepared by Chambers Surveying & Mapping by Michael W. Chandler RPLS 5292 and dated July 12, 2005 undet Job No. 05-1102

mmm. Mineral and/or royalty interest:

Interest: An undivided 100%

Recorded: September 13, 1954 in Volume 161 at Page 598 ,Deed Records, Chambers County, Texas.

JAN 2 7 2006

[illegible] FOR RECORD [illegible]

Chambers County

[illegible] JAN 27, 2006 AT [illegible]

AS AND Public Records

[illegible] E. Roshto, COUNTY CLERK

CLERK NUMBER 00011675

AMOUNT: 46.00

RECEIPT NUMBER 06208099

BY [illegible]

STATE OF TEXAS Chambers County

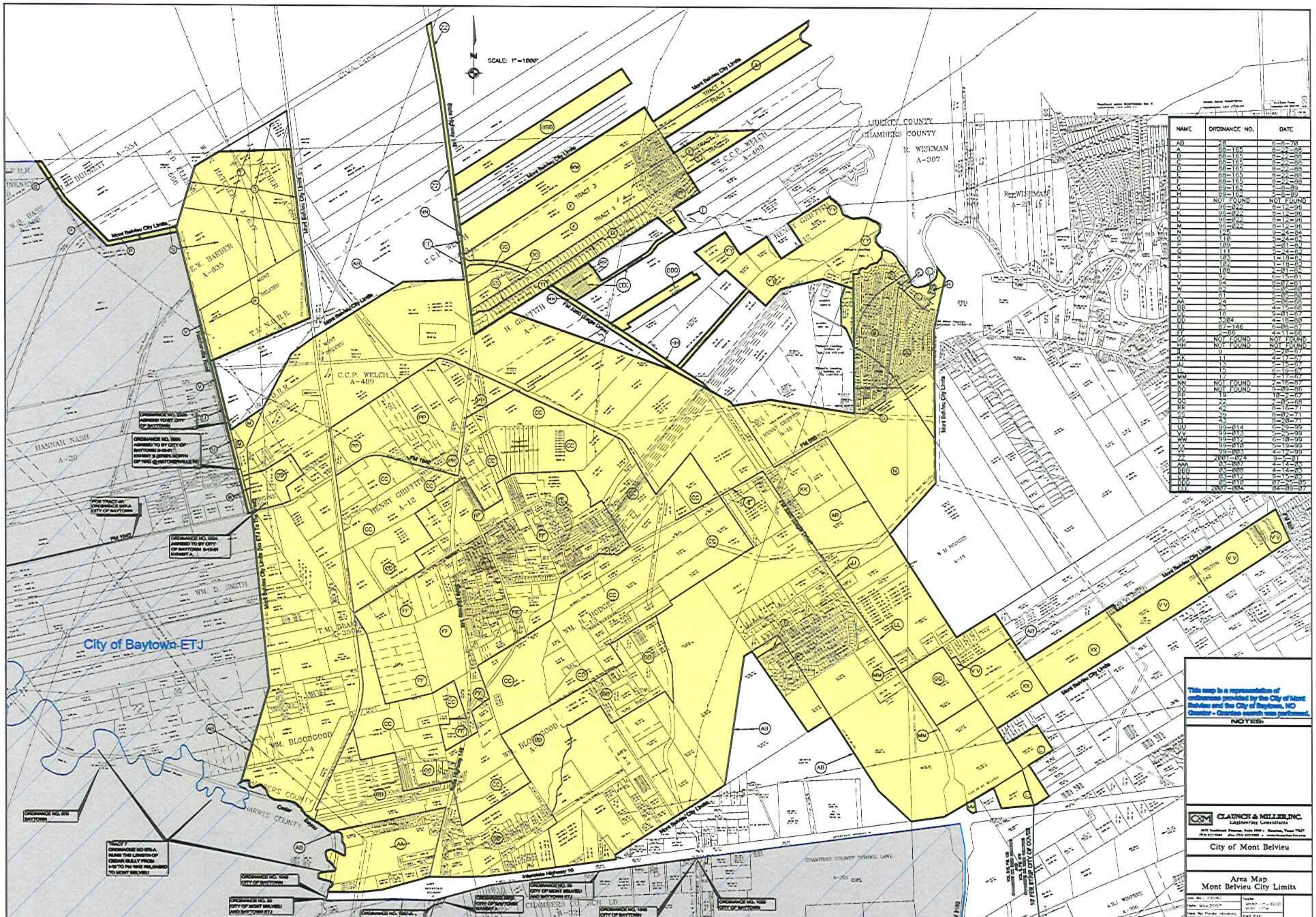
AS STAMPED HEREON BY ME, JAN 27, 2006

[illegible] E. Roshto, COUNTY CLERK

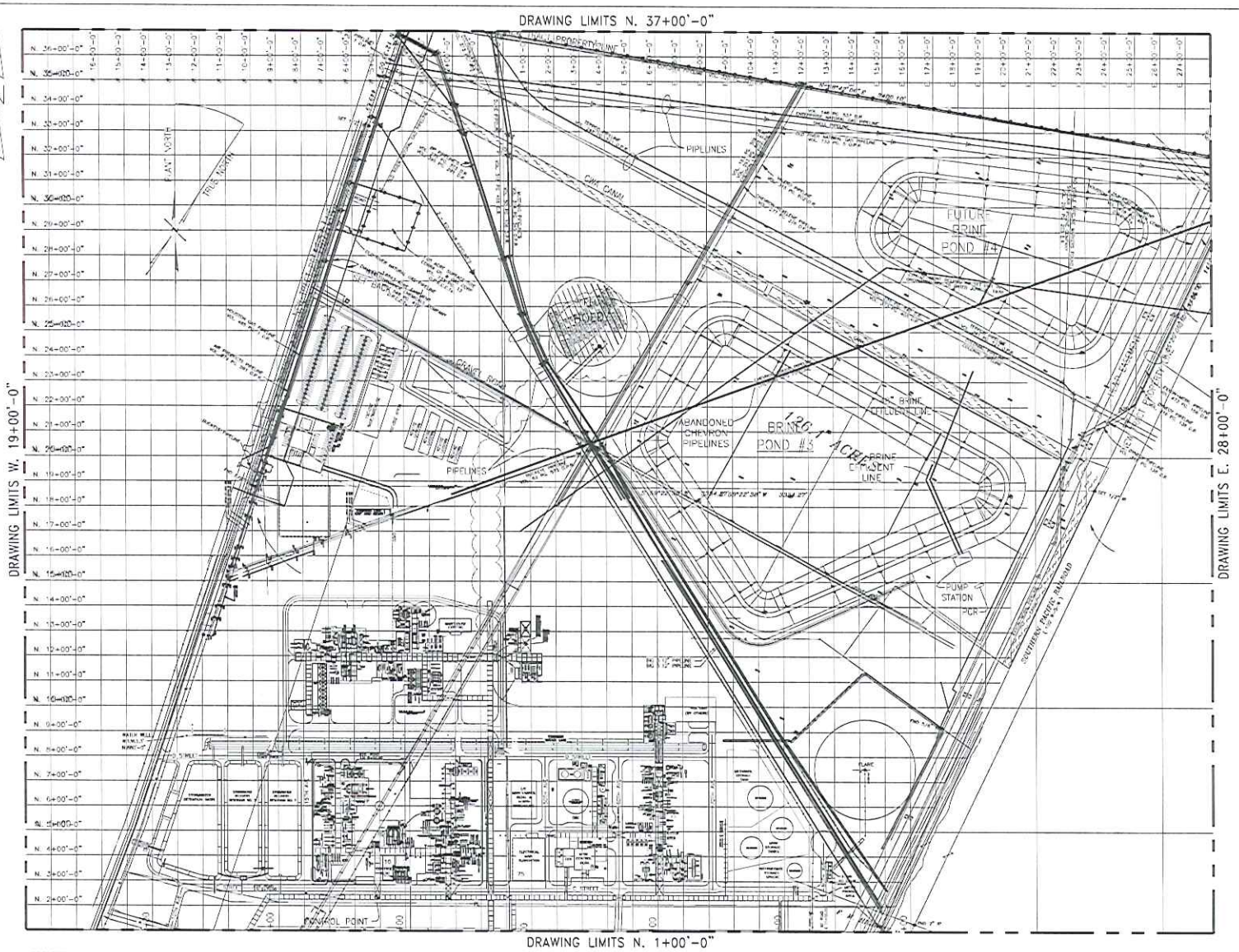
Recorded: [illegible]

(9) Commerce Title Company
700 Rollingbrook Drive, Ste. E
Baytown, TX. 77521

MAPS OF PROPOSED LOCATION & REINVESTMENT ZONE BOUNDARIES
APPLICATION FOR TAX ABATEMENT
BARBERS HILL SCHOOL DISTRICT



NAME	ORDINANCE NO.	DATE
AD	28	6-8-76
A	88-165	8-22-88
B	88-165	8-22-88
C	88-165	8-22-88
D	88-165	8-22-88
E	88-165	8-22-88
F	88-165	8-22-88
G	89-162	5-8-89
H	89-162	5-8-89
I	NOT FOUND	NOT FOUND
J	96-022	8-12-96
K	96-022	8-12-96
L	96-022	8-12-96
M	96-022	8-12-96
N	125	9-24-84
O	110	5-24-82
P	109	3-01-82
Q	111	5-24-82
R	103	1-18-82
S	102	1-18-82
T	108	2-01-82
U	92	6-15-81
V	94	8-07-81
W	82	5-06-80
X	81	5-06-80
AA	24	5-06-68
BB	23	4-15-68
CC	16	9-01-67
DD	3284	4-18-88
EE	87-146	6-08-87
FF	7-66	4-11-66
GG	NOT FOUND	NOT FOUND
HH	NOT FOUND	NOT FOUND
II	9	3-28-67
KK	11	4-17-67
JJ	12	5-15-67
LL	13	6-19-67
MM	17	7-17-67
NN	NOT FOUND	2-18-87
OO	NOT FOUND	9-09-86
PP	19	10-2-67
QQ	22	2-05-68
RR	42	11-16-71
SS	39	8-02-71
TT	43	11-20-71
UU	99-014	6-29-99
VV	99-013	6-29-99
WW	99-012	6-18-99
XX	99-010	5-19-99
YY	99-003	4-12-99
ZZ	2001-024	9-4-01
AAA	03-007	4-14-03
BBB	03-008	4-14-03
CCC	03-012	9-15-03
DDD	05-018	07-26-05
EEE	2007-004	04-09-07



PROJECT CONTROL POINTS:
ALL ELEVATIONS AND COORDINATES FOR THE MTBV FRACTIONATOR PROJECT SHALL BE BASED ON MONUMENTS BENCH MARK JINDRA AND BENCH MARK TILLMAN

BENCH MARK	JINDRA	BENCH MARK	TILLMAN
COORDINATE:	N. 885.05' W. 505.00'	COORDINATE:	N. 885.00' W. 330.00'
ELEVATION:	97.79'	ELEVATION:	98.05'

4/2009 PRELIMINARY

4/2009 FOR BID PURPOSES ONLY

REFERENCE DRAWINGS		No.	REVISION	BY	DATE	CHK
NUMBER	TITLE	A	ISSUED FOR BID PURPOSE ONLY		4/2009	
02126-976-0002	PLOT PLAN					
02126-976-0003	EQUIPMENT LOCATION PLAN					

EPCO, Inc.
Houston, Texas

LOCATION: MONT BELVIEU
SCALE: 1"=200'
DRAWN BY:
CHECKED BY:

PLOT PLAN ~ OVERALL
FRACTIONATOR IV

DATE:
APPROVED:
PROJECT No. AFE-14418
DRAWING NUMBER: 02126-976-0001
REV: A

CURRENT DATE & YOUR INITIALS

PATH = O:\ENTERPRISE\DESIGN\DWG\930\FAR\A\0XXXX_XXXX.DWG

SCHEDULE A-3676 (Temporary - July 2009): INVESTMENT & TAXES

PROPERTY INVESTMENT AMOUNTS ($)									TAX INFORMATION		
(Estimated Investment in each year. Do not put cumulative totals.)									Sales Taxable Expenditures		Franchise Tax
		Year	Tax Year (fill in actual tax year below)	Column A: Tangible Personal Property: the amount of new investment (original cost) placed in service during this year	Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B--Qualifying Investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Investment made before filing application with district (neither qualified property nor eligible to become qualified investment)		2009						$74,480,000.00	$182,520,000.00	$19,500,000.00
	Investment made after filing application with district, but before application approval (eligible to become qualified property)			$54,900,000.00			$284,040.00	$55,184,040.00			
	Investment made after application approval and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property)										
	Complete tax years of qualifying time period	1	2010	$245,300,000.00	$0.00	$245,300,000.00	$0.00	$245,300,000.00	$600,000.00	$900,000.00	$21,000,000.00
		2	2011		0		0	0	$600,000.00	$900,000.00	$21,000,000.00
	Value Limitation Period	3	2012		0		0	0	$600,000.00	$900,000.00	$21,000,000.00
Tax Credit Period (with 50% cap on credit)		4	2013		0		0	0	$600,000.00	$900,000.00	$21,000,000.00
		5	2014		0		0	0	$600,000.00	$900,000.00	$21,000,000.00
		6	2015		0		0	0	$600,000.00	$900,000.00	$21,000,000.00
		7	2016		0		0	0	$600,000.00	$900,000.00	$21,000,000.00
		8	2017		0		0	0	$600,000.00	$900,000.00	$21,000,000.00
		9	2018		0		0	0	$600,000.00	$900,000.00	$21,000,000.00
		10	2019		0		0	0	$600,000.00	$900,000.00	$21,000,000.00
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2020		0		0	0	$600,000.00	$900,000.00	$21,000,000.00
		12	2021		0		0	0	$600,000.00	$900,000.00	$21,000,000.00
		13	2022		0		0	0	$600,000.00	$900,000.00	$21,000,000.00
Post- Settle-Up Period		14	2023		0		0	0	$600,000.00	$900,000.00	$21,000,000.00
Post- Settle-Up Period		15	2024		0		0	0	$600,000.00	$900,000.00	$21,000,000.00

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

Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment- as defined in Tax Code §313.021(1)(A)-(D).
For the purposes of investment, please list amount invested each year, not cumulative totals.
[For the years outside the qualifying time period, this number should simply represent the planned investment in tangible personal property].
Include estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).
For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings.

Column D: Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value.
The most significant example for many projects would be land. Other examples may be items such as professional services, etc.
Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

* For planning, construction and operation of the facility.

Note: Information related to taxes in Columns F through H, for the year preceding the first complete year of the qualifying time period, need not be broken out by the time periods used for the requested investment information in Columns A through E.
Note: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed.

SCHEDULE B-3676 (Temporary - July 2009): ESTIMATED MARKET AND TAXABLE VALUE

				All figures here are to be cumulative						
				Qualified Property			Reductions from market value (exemptions, etc)		Estimated Taxable Value	
		Year	Tax Year (fill in actual tax year)	Column A: Estimated Market Value of Land	Column B: Estimated Total Market Value of new buildings or other new improvements	Column C: Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"	D: Due to pollution control property (estimated or actual as appropriate)	E: Due to other exemptions	F: Estimated total taxable value for I&S: (A+B+C)-(D+E)	G: Estimated total taxable value for M&O: (Column F amount with the limitation value in years 3-10)
		pre- year 1	2009	0	0	0	0	0	0	0
	Complete tax years of qualifying time period	1	2010	284040	0	54900000	0	0	55184040	55184040
		2	2011	284040	0	245300000	25700000	0	219884040	219884040
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	3	2012	284040	0	239167500	25057500	0	214394040	30000000
		4	2013	284040	0	233035000	24415000	0	208904040	30000000
		5	2014	284040	0	226902500	23772500	0	203414040	30000000
		6	2015	284040	0	220770000	23130000	0	197924040	30000000
		7	2016	284040	0	214637500	22487500	0	192434040	30000000
		8	2017	284040	0	208505000	21845000	0	186944040	30000000
		9	2018	284040	0	202372500	21202500	0	181454040	30000000
		10	2019	284040	0	196240000	20560000	0	175964040	30000000
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2020	284040	0	190107500	19917500	0	170474040	170474040
		12	2021	284040	0	183975000	19275000	0	164984040	164984040
		13	2022	284040	0	177842500	18632500	0	159494040	159494040
Post- Settle-Up Period		14	2023	284040	0	171710000	17990000	0	154004040	154004040
Post- Settle-Up Period		15	2024	284040	0	167842500	17347500	0	150779040	150779040

The information on this schedule is required pursuant to the provisions of HB 3676, 81st Legislature, effective June 19, 2009.

SCHEDULE C-3676 (Temporary - July 2009): EMPLOYMENT INFORMATION

				Existing Jobs	Construction		Permanent New Jobs		Qualifying Jobs	
		Year	Tax Year (fill in actual tax year)	Column A: Number of permanent existing full time jobs prior to application	Column B: Number of Construction FTE's or man-hours (specify)	Column C: Average annual wage rates for construction workers	Column D: Total number of permanent full-time new jobs applicant commits to create	Column E: Average annual wage rate for all permanent new jobs for each year	Column. F: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3)	Column G: Avg. annual wage of qualifying jobs
		pre- year 1	2009	0	500 FTE	$25 an hour				
	Complete tax years of qualifying time period	1	2010	0	500 FTE	$25 an hour				
		2	2011	0	500 FTE	$25 an hour				
	Value Limitation Period	3	2012	0			4*	$85,500.00	4*	4*
Tax Credit Period (with 50% cap on credit)		4	2013	0			4*	$85,500.00	4*	4*
		5	2014	0			4*	$85,500.00	4*	4*
		6	2015	0			4*	$85,500.00	4*	4*
		7	2016	0			4*	$85,500.00	4*	4*
		8	2017	0			4*	$85,500.00	4*	4*
		9	2018	0			4*	$85,500.00	4*	4*
		10	2019	0			4*	$85,500.00	4*	4*
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2020	0			4*	$85,500.00	4*	4*
		12	2021	0			4*	$85,500.00	4*	4*
		13	2022	0			4*	$85,500.00	4*	4*
Post- Settle-Up Period		14	2023	0			4*	$85,500.00	4*	4*
Post- Settle-Up Period		15	2024	0			4*	$85,500.00	4*	4*

The information on this schedule is required pursuant to the provisions of HB 3676, 81st Legislature, effective June 19, 2009. Additionally, the Comptroller is authorized by 34 TAC 9.1057(b) to request information from the school district or applicant that is reasonably necessary to complete the recommendation or economic impact evaluation at any time during the application review period.

Note: Section 313.024(d) Tax Code requires that, to be eilgible for a limitation, 80 percent of all new jobs must be qualifying jobs.

2007 Manufacturing Wages by Council of Government Region
Wages for All Occupations

COG	Hourly	Annual
Texas	$19.80	$41,184
1. Panhandle Regional Planning Commission	$17.49	$36,379
2. South Plains Association of Governments	$14.48	$30,118
3. NORTEX Regional Planning Commission	$16.97	$35,298
4. North Central Texas Council of Governments	$21.72	$45,178
5. Ark-Tex Council of Governments	$15.05	$31,304
6. East Texas Council of Governments	$15.40	$32,032
7. West Central Texas Council of Governments	$15.35	$31,928
8. Rio Grande Council of Governments	$14.41	$29,973
9. Permian Basin Regional Planning Commission	$16.36	$34,029
10. Concho Valley Council of Governments	$13.49	$28,059
11. Heart of Texas Council of Governments	$15.65	$32,552
12. Capital Area Council of Governments	$23.66	$49,213
13. Brazos Valley Council of Governments	$14.86	$30,909
14. Deep East Texas Council of Governments	$14.86	$30,909
15. South East Texas Regional Planning Commission	$22.73	$47,278
16. Houston-Galveston Area Council	$21.06	$43,805
17. Golden Crescent Regional Planning Commission	$17.91	$37,253
18. Alamo Area Council of Governments	$16.09	$33,467
19. South Texas Development Council	$12.37	$25,730
20. Coastal Bend Council of Governments	$21.78	$45,302
21. Lower Rio Grande Valley Development Council	$12.66	$26,333
22. Texoma Council of Governments	$18.23	$37,918
23. Central Texas Council of Governments	$15.94	$33,155
24. Middle Rio Grande Development Council	$12.91	$26,853

Source: Texas Occupational Employment and Wages
Data published: 9 June 2008
Data published annually, next update will be June 2009.

Note: Data is not supported by the Bureau of Labor Statistics (BLS).
Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.
Data intended for TAC 313 purposes only.

Enterprise Products™

ENTERPRISE PRODUCTS PARTNERS LP
ENTERPRISE PRODUCTS OPERATING LLC

ENTERPRISE PRODUCTS GP, LLC, GENERAL PARTNER
ENTERPRISE PRODUCTS OLPGP, INC., SOLE MANAGER

November 2, 2009

Dr. Greg Poole
Superintendent
Barbers Hill Independent School District
P O Box 1108
Mont Belvieu, Texas 77580-1108

Dear Dr. Poole:

For our Application for Appraised Value Limitation on Qualified Property to Barbers Hill ISD under Chapter 313 of the Texas Tax Code, Enterprise Products Operating LLC is requesting a contemporaneous waiver of the requirement to create ten full time jobs.

Key to a waiver under Tex. Tax Code Section 313.025 (f-1) is a finding by the Board that the job yield exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility that the property owner described in the application. Based on the universal industry standard and background information included in our application, we have demonstrated that the nature and scope of this project will require less than ten permanent jobs. In total, the new manufacturing facility will create four new full time employees. Overtime and contract labor will result in the creation of an additional eight (8) full time "employees". We kindly request that the Barbers Hill Independent School District grant the waiver request.

Sincerely,

Curt Tate

Curt Tate
Tax Director

P. O. BOX 4018
HOUSTON, TX 77210-4018
713.381.6500

1100 LOUISIANA STREET
HOUSTON, TX 77002-5227
www.epplp.com

Attachment B

Certificate of Account Status

Taxable Entity Search Results

Franchise Tax Certification of Account Status

This Certification Not Sufficient for Filings with Secretary of State

Do **not** include a certificate from this Web site as part of a filing with the Secretary of State for dissolution, merger, withdrawal, or conversion. The Secretary of State will reject a filing that uses the certification from this site.

To obtain a certificate that is sufficient for dissolution, merger, or conversion, see Publication 98-336d, Requirements to Dissolve, Merge or Convert a Texas Entity.

Certification of Account Status | Officers And Directors Information

Entity Information:	**ENTERPRISE PRODUCTS OPERATING LLC** PO BOX 4324 HOUSTON, TX 77210-4324
Status:	**TEMPORARY GOOD STANDING through January 15, 2010**
Registered Agent:	C T CORPORATION SYSTEM 350 N. ST. PAUL STREET DALLAS, TX 75201
Registered Agent Resignation Date:	
State of Formation:	TX
File Number:	0800838920
SOS Registration Date:	June 30, 2007
Taxpayer Number:	12604305396

Attachment C

State Comptroller's Recommendation

S U S A N
C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS
P.O. BOX 13528 • AUSTIN, TX 78711-3528

December 4, 2009

Dr. Greg Poole
Superintendent
Barbers Hill Independent School District
P.O. Box 1108
Mont Belvieu, Texas 77580

Dear Superintendent Poole:

On Nov. 4, 2009, the agency received the completed application for a limitation on appraised value originally submitted to the Barbers Hill Independent School District (Barbers Hill ISD) by Enterprise Products Operating LLC (Enterprise) in September 2009, under the provisions of Tax Code Chapter 313. This letter presents the Comptroller's recommendation regarding Enterprise's application as required by Section 313.025(d), using the criteria set out by Section 313.026. Our review assumes the truth and accuracy of the statements in the application and that, if the application is approved, the applicant would perform according to the provisions of the agreement reached with the school district. Filing an application containing false information is a criminal offense under Texas Penal Code Chapter 37.

According to the provisions of Chapter 313, Barbers Hill ISD is currently classified as a rural school district in Category 1. The applicant properly applied under the provisions of Subchapter C, as applicable to rural school districts, and the amount of proposed qualified investment ($245.3 million) is consistent with the proposed appraised value limitation sought ($30 million). The property value limitation amount noted in this recommendation is based on property values available at the time of application and may change prior to the execution of any final agreement.

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

Our recommendation does not address whether the applicant has complied with all Chapter 313 requirements. Chapter 313 places the responsibility to verify that all requirements of the statute have been fulfilled on the school district. Section 313.025 requires the school district to determine if the evidence supports making specific findings that the information in the application is true and correct, the applicant is eligible for a limitation and that granting the application is in the best interest of the school district and state. When approving a job waiver requested under Section 313.025(f-1), the school district must also find that the statutory jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility. As stated above, we prepared the recommendation by generally reviewing the application and supporting documentation in light of the Section 313.026 criteria and a cursory review of the industry standard evidence necessary to support the waiver of the required number of jobs.

The Comptroller's recommendation is based on the final, completed application that has been submitted to this office, and may not be used to support an approval if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. This recommendation is contingent on the district approving and executing a limitation agreement within a year from the date of this letter, and is valid only for a qualifying time period that begins in accordance with the approved application and a conforming limitation agreement. As required by Comptroller Rule 9.1055 (34 T.A.C. 9.1055), the signed limitation agreement must be forwarded to our office as soon as possible after execution. During the 81st Legislative Session, House Bill 3676 made a number of changes to the chapter. Please visit our Web site at www.window.state.tx.us/taxinfo/proptax/hb1200 to find an outline of the program and links to applicable rules and forms.

Should you have any questions, please contact Robert Wood, director of Local Government Assistance and Economic Development, by e-mail at robert.wood@cpa.state.tx.us or by phone at (800) 531-5441, ext. 3-3973, or direct in Austin at (512) 463-3973.

Sincerely,

Martin A. Hubert
Deputy Comptroller

Enclosure

cc: Robert Wood

Attachment D

Economic Analysis

Economic Impact for Chapter 313 Project

Applicant	Enterprise Products
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Barbers Hill Independent School District
2007-08 Enrollment in School District	3,701
County	Chambers
Total Investment in District	$300,484,040
Qualified Investment	$245,300,000
Limitation Amount	$30,000,000
Number of total jobs committed to by applicant	4
Number of qualifying jobs committed to by applicant	4
Average Weekly Wage of Qualifying Jobs committed to by applicant	$1,644.00
Minimum Weekly Wage Required Tax Code, 313.025(A)	$927.00
Minimum Annual Wage committed to by applicant for qualified jobs	$85,500
Investment per Qualifying Job	$75,121,010
Estimated 15 year M&O levy without any limit or credit:	$27,946,734
Estimated 15 year M&O tax benefit/levy loss	$16,288,441
Estimated 15 year M&O tax benefit *(after* deductions for estimated school district revenue protection--but not including any deduction for yet-to-be negotiated supplemental payments or extraordinary educational expenses):	$15,515,286
Tax Credits Paid (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	$2,279,937
Net Tax Paid After Limitation, Credits and Revenue Protection:	$12,431,448
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	55.5%
Percentage of tax benefit due to the limitation	86.0%
Percentage of tax benefit due to the credit.	14.0%

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

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

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

After construction, the project will create four new jobs when fully operational. All four jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the Houston-Galveston Area Council of Governments Region, where Chambers County is located was $43,805 in 2007. The annual average manufacturing wage for 2008 for Chambers County is $72,631. That same year, the county annual average wage for all industries was $47,658. In addition to an annual average salary of $85,500 each qualifying position will receive benefits such as health insurance, 401(k) and paid leave. The project's total investment is $300.5 million, resulting in a relative level of investment per qualifying job of $75.1 million.

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

According to Enterprise's application, "Enterprise owns 100% interest in the Norco NGL fractionator and the Hobbs NGL fractionator. Given the existing pipeline infrastructure, we can build this plant at either facility. " The application also states "the new fractionator would qualify for a similar 10 year tax abatement that the State of Louisiana granted to Norco."

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

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

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

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

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

Table 1 depicts Enterprise's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 16 years of annual investment and employment levels using software from Regional Economic Models, Inc. (REMI). The impact includes the construction period and the operating period of the project.

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

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2009	500	796	1,296	$26,000,000	$56,000,000	$82,000,000
2010	500	850	1,350	$26,000,000	$64,000,000	$90,000,000
2011	500	866	1,366	$26,000,000	$72,000,000	$98,000,000
2012	4	145	149	$342,000	$19,658,000	$20,000,000
2013	4	94	98	$342,000	$14,658,000	$15,000,000
2014	4	59	63	$342,000	$10,658,000	$11,000,000
2015	4	43	47	$342,000	$8,658,000	$9,000,000
2016	4	38	42	$342,000	$7,658,000	$8,000,000
2017	4	39	43	$342,000	$6,658,000	$7,000,000
2018	4	47	51	$342,000	$6,658,000	$7,000,000
2019	4	53	57	$342,000	$6,658,000	$7,000,000
2020	4	40	44	$342,000	$5,658,000	$6,000,000
2021	4	46	50	$342,000	$6,658,000	$7,000,000
2022	4	44	48	$342,000	$6,658,000	$7,000,000
2023	4	45	49	$342,000	$7,658,000	$8,000,000
2024	4	46	50	$342,000	$7,658,000	$8,000,000

Source: CPA, REMI, Enterprise

The statewide average ad valorem tax base for school districts in Texas was $1.6 billion in 2008. Barbers Hill ISD's ad valorem tax base in 2008 was $3.2 billion. The statewide average wealth per WADA was estimated at $352,755 for fiscal 2009-2010. During that same year, Barbers Hill ISD's estimated wealth per WADA was $ 731,092. The impact on the facilities and finances of the district are presented in Attachment 2.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Chambers County, and Mont Belvieu with all property tax incentives sought being granted using estimated market value from Enterprise's application. Enterprise has applied for both a value limitation under Chapter 313, Tax Code and a tax abatement with the county and city. Table 3 illustrates the estimated tax impact of the Enterprise project on the region if all taxes are assessed.

Table 2 Estimated Direct Ad Valorem Taxes with all property tax incentives sought										
Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O		Barbers Hill ISD I&S Levy	Barbers Hill ISD M&O Levy	Barbers Hill ISD M&O and I&S Tax Levies (Before Credit Credited)	Barbers Hill ISD M&O and I&S Tax Levies (After Credit Credited)	Chambers County	Mont Belvieu	School, City & County Property Taxes
			Tax Rate[1]	0.2698	1.0601			0.4518	0.3927	
2009	$0	$0		$0	$0	$0	$0	$0	$0	$0
2010	$55,184,040	$55,184,040		$148,887	$585,006	$733,893	$733,893	$0	$0	$733,893
2011	$219,884,040	$219,884,040		$593,247	$2,330,991	$2,924,238	$2,924,238	$0	$0	$2,924,238
2012	$214,394,040	$30,000,000		$578,435	$318,030	$896,465	$896,465	$726,458	$101,653	$1,724,576
2013	$208,904,040	$30,000,000		$563,623	$318,030	$881,653	$555,948	$566,285	$81,322	$1,203,555
2014	$203,414,040	$30,000,000		$548,811	$318,030	$866,841	$541,136	$459,502	$67,769	$1,068,406
2015	$197,924,040	$30,000,000		$533,999	$318,030	$852,029	$526,324	$447,101	$67,769	$1,041,193
2016	$192,434,040	$30,000,000		$519,187	$318,030	$837,217	$511,512	$434,699	$67,769	$1,013,979
2017	$186,944,040	$30,000,000		$504,375	$318,030	$822,405	$496,700	$844,594	$135,537	$1,476,831
2018	$181,454,040	$30,000,000		$489,563	$318,030	$807,593	$481,888	$819,791	$135,537	$1,437,216
2019	$175,964,040	$30,000,000		$474,751	$318,030	$792,781	$467,076	$794,988	$690,923	$1,952,986
2020	$170,474,040	$170,474,040		$459,939	$1,807,195	$2,267,134	$2,267,134	$770,185	$669,366	$3,706,685
2021	$164,984,040	$164,984,040		$445,127	$1,748,996	$2,194,123	$2,194,123	$745,381	$647,810	$3,587,314
2022	$159,494,040	$159,494,040		$430,315	$1,690,796	$2,121,111	$2,121,111	$720,578	$626,253	$3,467,943
2023	$154,004,040	$154,004,040		$415,503	$1,632,597	$2,048,100	$2,048,100	$695,775	$604,697	$3,348,571
2024	$150,779,040	$150,779,040		$406,802	$1,598,409	$2,005,210	$2,005,210	$681,205	$592,034	$3,278,449
						Total	$18,770,857	$8,706,541	$4,488,438	$31,965,835
Assumes School Value Limitation and city and county abatement										

Source: CPA, Enterprise

[1]Tax Rate per $100 Valuation

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives										
Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O		Barbers Hill ISD I&S Levy	Barbers Hill ISD M&O Levy		Barbers Hill ISD M&O and I&S Tax Levies	Chambers County	Mont Belvieu	School, City & County Property Taxes
			Tax Rate[1]	0.2698	1.0601			0.4518	0.3927	
2009	$0	$0		$0	$0		$0	$0	$0	$0
2010	$55,184,040	$55,184,040		$148,887	$585,006		$733,893	$249,316	$216,680	$1,199,889
2011	$219,884,040	$219,884,040		$593,247	$2,330,991		$2,924,238	$993,414	$863,375	$4,781,027
2012	$214,394,040	$214,394,040		$578,435	$2,272,791		$2,851,226	$968,611	$841,818	$4,661,655
2013	$208,904,040	$208,904,040		$563,623	$2,214,592		$2,778,215	$943,808	$820,262	$4,542,284
2014	$203,414,040	$203,414,040		$548,811	$2,156,392		$2,705,203	$919,004	$798,705	$4,422,913
2015	$197,924,040	$197,924,040		$533,999	$2,098,193		$2,632,192	$894,201	$777,149	$4,303,542
2016	$192,434,040	$192,434,040		$519,187	$2,039,993		$2,559,180	$869,398	$755,592	$4,184,170
2017	$186,944,040	$186,944,040		$504,375	$1,981,794		$2,486,169	$844,594	$734,036	$4,064,799
2018	$181,454,040	$181,454,040		$489,563	$1,923,594		$2,413,157	$819,791	$712,479	$3,945,428
2019	$175,964,040	$175,964,040		$474,751	$1,865,395		$2,340,146	$794,988	$690,923	$3,826,057
2020	$170,474,040	$170,474,040		$459,939	$1,807,195		$2,267,134	$770,185	$669,366	$3,706,685
2021	$164,984,040	$164,984,040		$445,127	$1,748,996		$2,194,123	$745,381	$647,810	$3,587,314
2022	$159,494,040	$159,494,040		$430,315	$1,690,796		$2,121,111	$720,578	$626,253	$3,467,943
2023	$154,004,040	$154,004,040		$415,503	$1,632,597		$2,048,100	$695,775	$604,697	$3,348,571
2024	$150,779,040	$150,779,040		$406,802	$1,598,409		$2,005,210	$681,205	$592,034	$3,278,449
						Total	$35,059,297	$11,910,249	$10,351,179	$57,320,725

Source: CPA, Enterprise

[1]Tax Rate per $100 Valuation

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

Attachment 2, provided by the district and reviewed by the Texas Education Agency, contains information relating to the financial impact of the proposed project on the finances of the district as well as the tax benefit of the value limitation. "Table 5" in this attachment shows the estimated 15 year M&O tax levy without the value limitation agreement would be $27,946,734. The estimated gross 15 year M&O tax benefit, or levy loss, is $16,288,441.

Attachment 3 is an economic overview of Chambers County.

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

Chambers County Overview Report

Population

Total county population in 2008 for Chambers County: 29,356, up 2.1 percent from 2007.
State population increased 2.0 percent in the same time period.

Chambers County was the state's 93rd largest county in population in 2008 and the 41st fastest growing county from 2007 to 2008.

Chambers County population in 2008 was:	70.3	percent White	(above the state average of 47.4 percent.)
	10.7	percent Black	(below the state average of 11.3 percent.)
	16.9	percent Hispanic	(below the state average of 36.5 percent.)

2008 population of the largest cities and places in Chambers County:

Mont Belvieu:	2,637
Anahuac:	1,988
Beach City:	1,783
Old River-winfree:	1,662
Cove:	292

Economy and Income

Employment

October 2009 total employment in Chambers County: 13,115, down 2.2 percent from October 2008.
State total employment decreased 1.0 percent during the same period.

October 2009 Chambers County unemployment rate was 10.8 percent, up from 6.9 percent in October 2008.
The statewide unemployment rate for October 2009 was 8.3 percent, up from 5.3 percent in October 2008.

October 2009 unemployment rate in the city of:
N/A

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

Income

Chambers County's ranking in per capita personal income in 2007: 18th with an average per capita income of $38,856, up 6.8 percent from 2006.

Statewide average per capita personal income was $37,083 in 2007 up 5.5 percent from 2006.

Industry

Agricultural cash values in Chambers County averaged $24.3 million annually from 2005 to 2008. County total agricultural values in 2008 were up 24.9 percent from 2007. Major agriculture related commodities in Chambers County during 2008 included:

Beef Total Corn Hay Hunting Rice

2007 preliminary oil and gas production in Chambers County: 920,227 barrels of oil and 12,295,701 Mcf of gas.
In February 2009, there were 170 producing oil wells and 84 producing gas wells.

Taxes

Sales Tax - Taxable Sales

Quarterly (January through March 2009)

Taxable sales in Chambers County during the first quarter of 2009: $52,409,309, up 1.3 percent from the same quarter in 2008.

Taxable sales during the first quarter in the city of:

Anahuac	$2,301,873,	up	25.4 percent from the same quarter in 2008.
Cove	$643,703,	down	24.4 percent from the same quarter in 2008.
Mont Belvieu	$15,947,947,	down	13.0 percent from the same quarter in 2008.
Old River-Winfree	-		

Annual (2008)

Taxable sales in Chambers County during 2008: $215,810,581, up 14.1 percent from 2007.

Taxable sales during 2008 in the city of:

Anahuac	$8,429,807,	up	10.8 percent from 2007.
Cove	$4,739,826,	up	28.7 percent from 2007.
Mont Belvieu	$69,812,030,	up	17.5 percent from 2007.
Old River-Winfree	-		

"-" represent amounts subject to state sales tax values that are suppressed for confidentiality reasons.

Sales Tax - Local Sales Tax Allocations

Monthly (September 2009)

Statewide payments based on the sales activity month of September 2009: , down 8.7 percent from September 2008.

Annual (2008)

Statewide payments based on the sales activity months of 2008: $6,026,220,888, up 5.8 percent from 2007.

No city sales tax was imposed.

Property Tax

As of 2007, property values in Chambers County: $6,927,577,840, up 6.0 percent from 2006 values.

The property tax base per person in Chambers County is $235,985, above the statewide average of $77,317.

About 2.8 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

Chambers County's ranking in state expenditures by county in state fiscal year (FY) 2008: 98th. State expenditures in the county for FY 2008: $105,014,289, down 21.0 percent from FY 2007.

In Chambers County, 9 state agencies provide a total of 44 jobs and $472,511 in annualized wages (as of 1st quarter 2009).

Major state agencies in the county (as of 1st quarter 2009):

Health & Human Services Commission
AgriLife Extension Service
Parks & Wildlife Department
Department of Transportation
Department of Public Safety

School Districts

Chambers County had 3 school districts with 18 schools and 6,372 students in the 2007-2008 school year.

(Statewide, the average teacher salary in school year 2007-2008 was $46,179. The percentage of students, statewide, meeting the 2008 Texas Assessment of Knowledge and Skills (TAKS) passing standard for all 2007-2008 TAKS tests was 72 percent.)

ANAHUAC ISD	had 1,415 students in the 2007-2008 school year. The average teacher salary was $41,829. The percentage of students meeting the 2008 TAKS passing standard for all tests was 81 percent.
BARBERS HILL ISD	had 3,701 students in the 2007-2008 school year. The average teacher salary was $51,509. The percentage of students meeting the 2008 TAKS passing standard for all tests was 87 percent.
EAST CHAMBERS ISD	had 1,256 students in the 2007-2008 school year. The average teacher salary was $41,933. The percentage of students meeting the 2008 TAKS passing standard for all tests was 75 percent.

Higher Education

(Fall 2008 enrollment)

Community Colleges in Chambers County:

None

Chambers County is in the service area of the following:

Galveston College	with a fall 2008 enrollment of 2,229 Students. Counties in the service area include	Chambers
		Galveston
		Jefferson
Lee College	with a fall 2008 enrollment of 5,841 Students. Counties in the service area include	Chambers
		Harris
		Liberty
San Jacinto College District	with a fall 2008 enrollment of 27,648 Students. Counties in the service area include	Chambers
		Harris

Institutes of Higher Education in Chambers County with a fall 2008 enrollment

None

References

Population uses data from the following source:
U.S. Census Bureau, as of 10/1/09

Employment uses data from the following sources:
Texas Workforce Commission, as of 11/29/09
Texas Comptroller of Public Accounts, as of 11/21/09

Income uses data from the following source:
U.S. Department of Commerce-Bureau of Economic Analysis, as of 6/11/09

Industry uses data from the following sources:
Texas AgriLife Extension Service, as of 6/29/09
Railroad Commission of Texas, as of 8/21/08

Taxable Sales uses data from the following source:
Texas Comptroller of Public Accounts, as of 10/8/09

Sales Tax Allocation uses data from the following source:
Texas Comptroller of Public Accounts, as of 11/20/09

Property Tax uses data from the following source:
Texas Comptroller of Public Accounts, as of 10/27/09

State Expenditures uses data from the following source:
Texas Comptroller of Public Accounts, as of 11/21/09

Higher Education uses data from the following source:
Texas Higher Education Coordinating Board, as of 5/14/09

School Districts uses data from the following source:
Texas Education Agency, as of 1/21/09

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TEXAS EDUCATION AGENCY

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

Robert Scott
Commissioner

December 3, 2009

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

Dear Mr. Wood:

The Texas Education Agency has analyzed the revenue gains that would be realized by the proposed Enterprise Products Operating, LLC, project for the Barbers Hill Independent School District (BHISD). Projections prepared by our Forecasting and Fiscal Analysis Division confirm the analysis that was prepared by Moak, Casey and Associates and provided to us by your division. We believe their assumptions are valid and their estimates of the impact of the Enterprise Products Operating, LLC, project on BHISD are correct.

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

Sincerely,

Helen Daniels

Helen Daniels
Director of State Funding

HD/hd

TEXAS EDUCATION AGENCY

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Robert Scott
Commissioner

December 3, 2009

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

Dear Mr. Wood:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Enterprise Products Operating, LLC, project on the number and size of school facilities in Barbers Hill Independent School District (BHISD). Based on the analysis prepared by Moak, Casey and Associates for the school district and conversations with the BHISD superintendent, Dr. Greg Poole, the TEA has found that the Enterprise Products Operating, LLC, project would not have a significant impact on the number or size of school facilities in BHISD.

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

Sincerely,

Helen Daniels

Helen Daniels
Director of State Funding

HD/hd

Attachment E

Summary of Financial Impact

Summary of Financial Impact of the Proposed Enterprise Products Operating LLC Project on the Finances of the Barbers Hill Independent School District Under A Requested Chapter 313 Property Value Limitation

November 6, 2009

Final Report (Revised)

Prepared by

MOAK, CASEY & ASSOCIATES

TEXAS SCHOOL FINANCE EXPERTS

Estimated Impact of the Proposed Enterprise Products Operating LLC Project on the Finances of the Barbers Hill Independent School District under a Requested Chapter 313 Property Value Limitation

Introduction

Enterprise Products Operating, LLC (Enterprise) has requested that the Barbers Hill Independent School District (BHISD) consider granting a property value limitation under Chapter 313 of the Tax Code for a new natural gas liquids (NGL) fractionator, which is designed to produce a number of industrial gases and products, including ethane, propane, normal butane, iso-butane and natural gasoline. An application was submitted to BHISD on August 18, 2009. Enterprise proposes to invest $257 million to construct the new NGL industrial gas manufacturing project in BHISD. The revisions made in this report reflect modifications to the investment schedule in the initial year of the project and those years near the end of the 15-year period of the analysis. These changes resulted in no differences in the school finance results or tax savings presented in the earlier report.

The Enterprise project is consistent with the state's goal to "encourage large scale capital investments in this state." When enacted as House Bill 1200 in 2001, the original language in Chapter 313 of the Tax Code made companies engaged in manufacturing, research and development, and renewable electric energy production eligible to apply to school districts for property value limitations. Subsequent legislative changes expanded eligibility to clean coal projects, nuclear power generation and data centers, among others. The proposed Enterprise facility will be engaged in industrial gas manufacturing, which makes the project eligible for a property value limitation.

School Finance Mechanics

Under the provisions of Chapter 313, BHISD may offer a minimum value limitation of $30 million. Based on the revised application, the qualifying time period would begin with the 2010-11 school year. The full taxable value of the investment is expected to reach $219.9 million in 2012-13, with depreciation expected to reduce the taxable value of the project over the course of the value limitation agreement.

The provisions of Chapter 313 call for the project to be fully taxable in the 2010-11 and 2011-12 school years, unless the District and the Company agree to an extension of the start of the qualifying time period. For the purpose of this analysis, it is assumed that the qualifying time period will be the 2010-11 and 2011-12 school years. Beginning in 2012-13, the project would go on the local tax roll at $30 million and remain at that level of taxable value for eight years for maintenance and operations taxes. The full taxable value of the project could be assessed for debt service taxes on voter-approved bond issues throughout the limitation period, with BHISD currently levying a $0.2698 I&S tax rate.

Under the current school finance system, the property values established by the Comptroller's Office that are used to calculate state aid and recapture lag by one year, a practical consequence of the fact that the Comptroller's Office needs this time to conduct their property value study and

now the planned audits of appraisal district operations in alternating years. A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 3-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation periods (and thereafter). The school funding formulas use the Comptroller's property values that reflect a reduction due to the property value limitation in years 4-11 as a result of the one-year lag in property values.

For the school finance system that operated prior to the approval of House Bill 1 (HB 1) in the 2006 special session, the third year was typically problematical for a school district that approved a Chapter 313 value limitation. Based on the data provided in the application, Enterprise indicates that $219.9 million in taxable value would be in place in the third year under the agreement. In year three (2012-13) of the agreement, the project is expected to go on the tax roll at $30 million or, if applicable, a higher value limitation amount approved by the BHISD Board of Trustees. This difference would result in a revenue loss to the school district in the third year of the agreement that would not be reimbursed by the state, but require some type of compensation from the applicant in the revenue protection provisions of the agreement. In years 4-10, smaller revenue losses would be anticipated when the state property values are aligned at the minimum value established by the Board on both the local tax roll and the corresponding state property value study, assuming a similar deduction is made in the state property values.

HB 1 established a "target" revenue system per student that has the effect of largely neutralizing the third-year revenue losses associated with Chapter 313 property value limitations, at least up to a district's compressed M&O tax rate. The additional four to six cents of tax effort that a district may levy are subject to an enriched level of equalization (or no recapture in the case of Chapter 41 school district, which is the case for BHISD) and operate more like the pre-HB 1 system. A value limitation must be analyzed for any potential revenue loss associated with this component of the M&O tax levy. For tax effort in excess of the compressed plus six cents rate, equalization and recapture occur at the level of $319,500 per weighted student in average daily attendance (WADA).

Under HB 3646—the school finance system changes approved by the Legislature in 2009—the starting point is the target revenue provisions from HB 1, that are then expanded through the addition of a series of school funding provisions that had operated previously outside the basic allotment and the traditional formula structure, as well as an additional $120 per WADA guarantee. In the case of BHISD, the District has benefited from the target revenue system relative to other school districts, with its current new HB 3646 target amount of $7,026 per WADA well above the state average.

School districts do have the potential to earn revenue above the $120 per WADA level under HB 3646, up to a maximum of $350 per WADA above current law. Initial estimates indicate that about 700 school districts are funded at the minimum $120 per WADA level, while approximately 300 school districts are expected to generate higher revenue amounts per WADA. This is significant because changes in property values and related tax collections under a Chapter 313 agreement once again have the potential to affect a school district's base revenue, although probably not to the degree experienced prior to the HB 1 target revenue system. Given its relatively high target revenue per WADA, BHISD is expected to remain a "hold-harmless" district under the new funding formulas, which would leave it capped at a $120 per WADA funding increase.

One key element in any analysis of the school finance implications is the provision for revenue protection in the agreement between the school district and the applicant. In the case of the

Enterprise project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. This meets the statutory requirement under Section 313.027(f)(1) of the Tax Code to provide school district revenue protection language in the agreement.

Underlying Assumptions

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

The approach used here is to use the enrollment information based on a recent demographic study prepared for BHISD and a modest annual growth rate of three percent for property values. These estimates are used in both the baseline and value limitation models discussed below, which permits isolating the effects of the value limitation under the school finance system. While the new target revenue system appears to limit the impact of property value changes for a majority of school districts, changes in underlying property value growth have the potential to influence the revenue stream of a number of school districts.

Student enrollment counts begin at 4,193 students in average daily attendance (ADA) for the 2010-11 school year and the increases from the demographic study are incorporated through 2019-20, with the out-years based on the trends reflected in the demographic study. BHISD is one of the few districts in its immediate area that is growing in enrollment.

The District's local tax base totaled $2.9 billion for the 2009 tax year. While the district's tax base has experienced increases in recent years, the fact that about 70 percent is made up of industrial real and personal property makes its underlying tax base subject to changes in economic conditions, with BHISD seeing a decrease in taxable value of nearly $400 million for the 2009 tax year. Based on discussions with the District's staff, it was decided to use a three percent annual growth rate in property values for the forecast period, since the variations like that experienced in 2009 cannot be predicted with any accuracy. BHISD is a property-wealthy district, with state wealth per weighted student in ADA (WADA) projected to be approximately $616,380 for the 2010-11 school year. The assumptions for the 2010-11 and later school years are summarized in Table 1.

School Finance Impact

A baseline model was prepared for BHISD under the assumptions outlined above through the 2024-25 school year. Beyond the 2010-11 school year, no attempt was made to forecast the 88th percentile or Austin yield that influence future state funding. In the analyses for other districts and applicants on earlier projects, these changes appeared to have little impact on the revenue associated with the implementation of the property value limitation, since the baseline and other models incorporate the same underlying assumptions.

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

A third model is developed which adds the Enterprise value but imposes the proposed property value limitation effective in the third year, which in this case is the 2012-13 school year. The results of this model are identified as "Value Limitation Revenue Model" under the revenue protection provisions of the proposed agreement (see Table 3). An M&O tax rate of $1.0601 is used throughout this analysis. Voters approved a two-cent increase in the M&O tax rate for the 2008-09 school year, with all of the six cents above the compressed tax rate not subject to recapture. (A small amount of recapture appears in some of the estimates below for calculated tax effort that exceed the six cents and is subject to recapture at $319,500 per WADA for these incremental amounts.)

A summary of the differences between these models is shown in Table 4. The model results show net General Fund annual revenue of approximately $36.5 million in 2010-11, after recapture and other adjustments have been made. This amount increases as enrollment grows over the forecast period. These amounts do not include miscellaneous General Fund revenue such as interest income and gate receipts that appear in the budgets of nearly every school district.

Under these assumptions, BHISD would experience a revenue loss as a result of the implementation of the value limitation in the 2012-13 school year (-$107,921). The revenue reduction results primarily from the mechanics of six cents not subject to recapture, since M&O tax collections would have been greater if the project had been built and the value limit not granted. It appears that similar differences persist between the two models over the course of the agreement.

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

Under the property value study conducted by the Comptroller's Office, a single deduction amount is calculated for a property value limitation and the same value is assigned for the M&O and I&S calculations under the school funding formulas. This methodology has been incorporated into these estimates and a typical result is an increase in the hold-harmless formula amounts owed to the school district by the company that receives the value limitation. The extent to which this affects a school district's finances appears to be influenced by the scale of the value limitation reduction relative to the district's underlying tax base, as well as its I&S tax rate.

Impact on the Taxpayer

Table 5 summarizes the impact of the proposed property value limitation in terms of the potential tax savings under the property value limitation agreement. The focus of this table is on the M&O tax rate only. As noted previously, the property is fully taxable in the first two years under the agreement. A $1.0601 per $100 of taxable value M&O rate is assumed in 2010-11 and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total $14.0 million over the life of the agreement. In addition, Enterprise would be eligible for a tax credit for taxes paid on value in excess of the value limitation in each of the first two years. The credit amount is paid out slowly through years 4-10 due to statutory limits on the scale of these payments over these seven years, with catch-up payments permitted in years 11-13. The tax credits are expected to total approximately $2.3 million over the life of the agreement, with no

unpaid tax credits anticipated, with the school district to be reimbursed by the state for the tax credit payments. The key BHISD revenue losses are associated with the additional six-cent levy not subject to recapture and expected to total approximately -$773,155 over the course of the agreement The total potential net tax benefits are estimated to reach $15.5 million over the life of the agreement.

Facilities Funding Impact

The Enterprise project remains fully taxable for debt services taxes, with BHISD currently levying a $0.2698 I&S rate. Full access to the additional Enterprise value will add to the District's projected tax base for I&S purposes. The additional value is expected to help reduce the District's current I&S tax rate to $0.2632 per $100 in 2011-12. This analysis assumes that this reduction will remain at less than one cent of the I&S rate under the current projections, as the taxable value for the project depreciates over time.

The Enterprise project is not expected to affect BHISD in terms of enrollment. While a substantial construction workforce is expected during the construction phase of the project, the observation of similar projects suggests that a number of workers commute to job sites and do not move their families to the area where construction is underway. Permanent employment is not expected to exceed eight qualified jobs once the new facility is in operation.

New investment in the form of the NGL project should help stabilize the economic base in the area, even if the additional employment does not add many students to the District's current enrollment. BHISD has experienced modest enrollment increases in recent years, which are expected to continue based on its recent demographic study.

Conclusion

The proposed Enterprise industrial gas manufacturing project enhances the tax base of BHISD. It reflects continued capital investment in the District and the state as a whole, one of the goals of Chapter 313 of the Tax Code, also known as the Texas Economic Development Act.

Under the assumptions outlined above, the potential tax benefits under a Chapter 313 agreement could reach an estimated $15.5 million over the course of the agreement. This amount is net of any anticipated revenue losses for the District. The additional taxable value also enhances the tax base of BHISD in meeting its future debt service obligations.

Table 1 – Base District Information with Enterprise Products Operating LLC Project Value and Limitation Values

School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTAD with Project	CPTAD With Limitation	CPTAD Value with Project per WADA	CPTAD Value with Limitation per WADA
2010-11	4,193.00	4,833.13	$1.0601	$0.2698	$3,015,900,006	$3,015,900,006	$2,979,046,771	$2,979,046,771	$616,380	$616,380
2011-12	4,279.00	4,922.13	$1.0601	$0.2492	$3,269,421,485	$3,269,421,485	$3,123,602,215	$3,123,602,215	$634,604	$634,604
2012-13	4,382.00	5,028.34	$1.0601	$0.2428	$3,355,417,608	$3,171,023,568	$3,380,354,760	$3,380,354,760	$672,260	$672,260
2013-14	4,493.00	5,142.17	$1.0601	$0.2365	$3,444,158,315	$3,265,254,275	$3,469,678,881	$3,319,647,320	$674,750	$645,573
2014-15	4,595.00	5,246.04	$1.0601	$0.2305	$3,535,725,943	$3,362,311,903	$3,561,847,427	$3,415,575,506	$678,959	$651,077
2015-16	4,768.00	5,421.99	$1.0601	$0.2244	$3,630,205,300	$3,462,281,260	$3,656,945,728	$3,514,503,280	$674,465	$648,194
2016-17	4,871.00	5,524.44	$1.0601	$0.2185	$3,727,683,738	$3,565,249,698	$3,755,061,679	$3,616,473,688	$679,718	$654,632
2017-18	4,945.00	5,598.78	$1.0601	$0.2130	$3,828,251,229	$3,671,307,189	$3,856,285,808	$3,721,610,127	$688,772	$664,718
2018-19	5,000.00	5,653.52	$1.0601	$0.2072	$3,932,000,445	$3,780,546,405	$3,960,711,361	$3,830,025,337	$700,575	$677,459
2019-20	5,083.00	5,736.42	$1.0601	$0.2020	$4,039,026,837	$3,893,062,797	$4,068,434,381	$3,941,742,652	$709,229	$687,143
2020-21	5,167.38	5,819.40	$1.0601	$0.1965	$4,149,428,721	$4,149,428,721	$4,179,553,791	$4,056,951,399	$718,210	$697,142
2021-22	5,253.16	5,916.01	$1.0601	$0.1915	$4,263,307,361	$4,263,307,361	$4,294,171,484	$4,294,171,484	$725,857	$725,857
2022-23	5,340.36	6,014.21	$1.0601	$0.1865	$4,380,767,061	$4,380,767,061	$4,412,392,407	$4,412,392,407	$733,661	$733,661
2023-24	5,429.01	6,114.05	$1.0601	$0.1815	$4,501,915,251	$4,501,915,251	$4,534,324,658	$4,534,324,658	$741,624	$741,624
2024-25	5,519.13	6,215.54	$1.0601	$0.1765	$4,629,127,588	$4,629,127,588	$4,660,079,576	$4,660,079,576	$749,746	$749,746

*Tier II Yield: $48.19; AISD Yield: $59.97; Equalized Wealth: $481,900 per WADA

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

School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
2010-11	$29,963,604	$593,508	$6,785,901	$0	-$2,664,645	$1,799,224	$0	-$550	$36,477,041
2011-12	$32,435,021	$1,312,540	$6,075,692	$0	-$4,508,894	$1,947,626	$0	-$650	$37,261,336
2012-13	$33,272,391	$1,336,620	$7,622,556	$0	-$6,158,148	$1,997,907	$0	-$717	$38,070,609
2013-14	$34,136,494	$1,365,460	$7,796,043	$0	-$6,411,111	$2,049,794	$0	-$740	$38,935,940
2014-15	$35,028,123	$1,711,050	$7,964,905	$0	-$7,074,854	$2,103,334	$0	-$776	$39,731,780
2015-16	$35,948,123	$1,425,100	$8,241,921	$0	-$6,728,494	$2,158,577	$0	-$779	$41,044,448
2016-17	$36,897,331	$1,807,300	$8,421,908	$0	-$7,507,777	$2,215,574	$0	-$819	$41,833,516
2017-18	$37,876,611	$1,502,380	$8,523,165	$0	-$7,752,101	$2,274,377	$0	-$843	$42,423,589
2018-19	$38,886,904	$1,869,250	$8,618,896	$0	-$8,833,833	$2,335,042	$0	-$894	$42,875,365
2019-20	$39,929,089	$1,538,500	$8,723,912	$0	-$9,057,819	$2,397,622	$0	-$918	$43,530,387
2020-21	$41,004,176	$1,917,550	$8,867,916	$0	-$10,062,910	$2,462,178	$0	-$968	$44,187,942
2021-22	$42,113,103	$1,585,366	$9,000,888	$0	-$10,282,257	$2,528,765	$0	-$992	$44,944,872
2022-23	$43,256,915	$1,977,105	$9,170,785	$0	-$11,285,883	$2,597,448	$0	-$1,044	$45,715,327
2023-24	$44,436,660	$1,633,800	$9,307,866	$0	-$11,545,928	$2,668,288	$0	-$1,070	$46,499,616
2024-25	$45,675,501	$2,038,653	$9,466,966	$0	-$12,623,403	$2,742,677	$0	-$1,125	$47,299,268

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

School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
2010-11	$29,963,604	$593,508	$6,785,901	$0	-$2,664,645	$1,799,224	$0	-$550	$36,477,041
2011-12	$32,435,021	$1,312,540	$6,075,692	$0	-$4,508,894	$1,947,626	$0	-$650	$37,261,336
2012-13	$31,474,459	$1,336,620	$9,058,845	$0	-$5,796,505	$1,889,947	$0	-$678	$37,962,688
2013-14	$32,392,092	$1,365,460	$8,056,185	$0	-$4,926,852	$1,945,048	$0	-$664	$38,831,269
2014-15	$33,337,251	$1,711,050	$8,206,111	$0	-$5,625,190	$2,001,802	$0	-$702	$39,630,323
2015-16	$34,310,782	$1,425,100	$8,472,736	$0	-$5,321,967	$2,060,259	$0	-$707	$40,946,203
2016-17	$35,313,520	$1,807,300	$8,634,728	$0	-$6,136,786	$2,120,471	$0	-$750	$41,738,482
2017-18	$36,346,330	$1,502,380	$8,722,144	$0	-$6,420,798	$2,182,488	$0	-$775	$42,331,768
2018-19	$37,410,153	$1,869,250	$8,800,486	$0	-$7,538,672	$2,246,367	$0	-$829	$42,786,756
2019-20	$38,505,869	$1,538,500	$8,893,050	$0	-$7,803,736	$2,312,162	$0	-$855	$43,444,990
2020-21	$41,004,176	$1,917,550	$7,981,730	$0	-$9,176,723	$2,462,178	$0	-$938	$44,187,972
2021-22	$42,113,103	$1,585,366	$9,000,888	$0	-$10,282,257	$2,528,765	$0	-$992	$44,944,872
2022-23	$43,256,915	$1,977,105	$9,170,785	$0	-$11,285,883	$2,597,448	$0	-$1,044	$45,715,327
2023-24	$44,436,660	$1,633,800	$9,307,866	$0	-$11,545,928	$2,668,288	$0	-$1,070	$46,499,616
2024-25	$45,675,501	$2,038,653	$9,466,966	$0	-$12,623,403	$2,742,677	$0	-$1,125	$47,299,268

Table 4 – Value Limit less Project Value with No Limit

School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
2010-11	$0	$0	$0	$0	$0	$0	$0	$0	$0
2011-12	$0	$0	$0	$0	$0	$0	$0	$0	$0
2012-13	-$1,797,932	$0	$1,436,289	$0	$361,643	-$107,960	$0	$39	-$107,921
2013-14	-$1,744,402	$0	$260,142	$0	$1,484,259	-$104,746	$0	$76	-$104,670
2014-15	-$1,690,871	$0	$241,207	$0	$1,449,665	-$101,532	$0	$74	-$101,458
2015-16	-$1,637,341	$0	$230,815	$0	$1,406,527	-$98,317	$0	$72	-$98,246
2016-17	-$1,583,811	$0	$212,820	$0	$1,370,991	-$95,103	$0	$70	-$95,033
2017-18	-$1,530,281	$0	$198,978	$0	$1,331,303	-$91,889	$0	$68	-$91,821
2018-19	-$1,476,751	$0	$181,590	$0	$1,295,161	-$88,674	$0	$66	-$88,609
2019-20	-$1,423,221	$0	$169,137	$0	$1,254,083	-$85,460	$0	$63	-$85,397
2020-21	$0	$0	-$886,187	$0	$886,187	$0	$0	$30	$30
2021-22	$0	$0	$0	$0	$0	$0	$0	$0	$0
2022-23	$0	$0	$0	$0	$0	$0	$0	$0	$0
2023-24	$0	$0	$0	$0	$0	$0	$0	$0	$0
2024-25	$0	$0	$0	$0	$0	$0	$0	$0	$0

Table 5 - Estimated Financial impact of the Enterprise Products Operating LLC Project Property Value Limitation Request Submitted to BHISD at $1.0601 M&O Tax Rate

School Year	Project Value	Estimated Taxable Value	Value Savings	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	Tax Credits for First Two Years Above Limit	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits
2010-11	$55,184,040	$55,184,040	$0	$585,006	$585,006	$0	$0	$0	$0	$0
2011-12	$219,884,040	$219,884,040	$0	$2,330,991	$2,330,991	$0	$0	$0	$0	$0
2012-13	$214,394,040	$30,000,000	$184,394,040	$2,272,791	$318,030	$1,954,761	$0	$1,954,761	-$107,921	$1,846,840
2013-14	$208,904,040	$30,000,000	$178,904,040	$2,214,592	$318,030	$1,896,562	$325,705	$2,222,267	-$104,670	$2,117,597
2014-15	$203,414,040	$30,000,000	$173,414,040	$2,156,392	$318,030	$1,838,362	$325,705	$2,164,067	-$101,458	$2,062,610
2015-16	$197,924,040	$30,000,000	$167,924,040	$2,098,193	$318,030	$1,780,163	$325,705	$2,105,868	-$98,246	$2,007,622
2016-17	$192,434,040	$30,000,000	$162,434,040	$2,039,993	$318,030	$1,721,963	$325,705	$2,047,669	-$95,033	$1,952,635
2017-18	$186,944,040	$30,000,000	$156,944,040	$1,981,794	$318,030	$1,663,764	$325,705	$1,989,469	-$91,821	$1,897,648
2018-19	$181,454,040	$30,000,000	$151,454,040	$1,923,594	$318,030	$1,605,564	$325,705	$1,931,270	-$88,609	$1,842,661
2019-20	$175,964,040	$30,000,000	$145,964,040	$1,865,395	$318,030	$1,547,365	$325,705	$1,873,070	-$85,397	$1,787,673
2020-21	$170,474,040	$170,474,040	$0	$1,807,195	$1,807,195	$0	$0	$0	$0	$0
2021-22	$164,984,040	$164,984,040	$0	$1,748,996	$1,748,996	$0	$0	$0	$0	$0
2022-23	$159,494,040	$159,494,040	$0	$1,690,796	$1,690,796	$0	$0	$0	$0	$0
2023-24	$154,004,040	$154,004,040	$0	$1,632,597	$1,632,597	$0	$0	$0	$0	$0
2024-25	$150,779,040	$150,779,040	$0	$1,598,409	$1,598,409	$0	$0	$0	$0	$0
			Totals	**$27,946,734**	**$13,938,230**	**$14,008,504**	**$2,279,937**	**$16,288,441**	**-$773,155**	**$15,515,286**

Tax Credit for Value Over Limit in First 2 Years	2010	2011	Max Credits
	$266,976	$2,012,961	$2,279,937
Credits Earned			$2,279,937
Credits Paid			$2,279,937
Excess Credits Unpaid			$0

Attachment F

Taxable Value of Property

COMPTROLLER OF PUBLIC ACCOUNTS - PROPERTY TAX ASSISTANCE DIVISION
2008 ISD SUMMARY WORKSHEET
036/Chambers
036-902/Barbers Hill ISD

CATEGORY	LOCAL TAX ROLL VALUE	2008 WTD MEAN RATIO	2008 PTD VALUE ESTIMATE	2008 VALUE ASSIGNED
A. SINGLE-FAMILY RESIDENCES	775,726,580	.9744	796,106,917	775,726,580
B. MULTIFAMILY RESIDENCES	2,679,560	N/A	2,679,560	2,679,560
C. VACANT LOTS	32,263,110	N/A	32,263,110	32,263,110
D. RURAL REAL(TAXABLE)	70,199,890	1.0062	69,764,099	70,199,890
F1. COMMERCIAL REAL	54,221,880	.8759	61,904,190	54,221,880
F2. INDUSTRIAL REAL	1,047,016,250	N/A	1,047,016,250	1,047,016,250
G. OIL,GAS,MINERALS	72,202,300	.9271	77,879,732	72,202,300
J. UTILITIES	63,309,870	.8876	71,327,028	63,309,870
L1. COMMERCIAL PERSONAL	14,550,290	N/A	14,550,290	14,550,290
L2. INDUSTRIAL PERSONAL	1,437,002,180	N/A	1,437,002,180	1,437,002,180
M. MOBILE HOMES	4,018,470	N/A	4,018,470	4,018,470
N. INTANGIBLE PERS/UNCERT	0	N/A	0	0
O. RESIDENTIAL INVENTORY	9,667,560	N/A	9,667,560	9,667,560
S. SPECIAL INVENTORY	1,131,440	N/A	1,131,440	1,131,440
SUBTOTAL	3,583,989,380		3,625,310,826	3,583,989,380
LESS TOTAL DEDUCTIONS	214,366,085		217,263,760	214,366,085
TOTAL TAXABLE VALUE	3,369,623,295		3,408,047,066	3,369,623,295 T2

CATEGORY D DETAIL	LOCAL TAX ROLL	RATIO	PTD VALUE
MARKET VALUE NON-QUALIFIED ACRES & FARM/RANCH IMP	67,509,800	1.0102	66,828,153
PROD VALUE QUALIFIED ACRES	2,690,090	.9163	2,935,946
TAXABLE VALUE	70,199,890		69,764,099

THE TAXABLE VALUES SHOWN HERE WILL NOT MATCH THE VALUES REPORTED BY YOUR APPRAISAL DISTRICT
SEE THE ISD DEDUCTION REPORT FOR A BREAKDOWN OF DEDUCTION VALUES

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

T1	T2	T3	T4	T5	T6
3,407,812,755	3,369,623,295	3,341,833,735	3,303,644,275	3,369,623,295	3,303,644,275

LOSS TO THE ADDITIONAL $10,000 HOMESTEAD EXEMPTION	50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION
38,189,460	65,979,020

T1 = SCHOOL DISTRICT TAXABLE VALUE BEFORE THE LOSS TO THE ADDITIONAL $10,000 HOMESTEAD EXEMPTION
T2 = SCHOOL DISTRICT TAXABLE VALUE AFTER THE LOSS TO THE ADDITIONAL $10,000 HOMESTEAD EXEMPTION AND THE TAX CEILING REDUCTION
T3 = T1 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION
T4 = T2 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION
T5 = T2 BEFORE THE LOSS TO THE TAX CEILING REDUCTION
T6 - T5 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION

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

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

**** END OF REPORT ****

Attachment G

Participation Agreement

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

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by and between

BARBERS HILL INDEPENDENT SCHOOL DISTRICT

and

ENTERPRISE PRODUCTS OPERATING LLC

(Texas Taxpayer ID # 12604305396)

Dated

December 14, 2009

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

STATE OF TEXAS §

COUNTY OF CHAMBERS §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this "Agreement," is executed and delivered by and between **BARBERS HILL 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 **ENTERPRISE PRODUCTS OPERATING LLC,** Texas Taxpayer Identification Number 12604305396, hereinafter referred to as the "Applicant." The Applicant and the District are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties." Certain capitalized and other terms used in this Agreement shall have the meanings ascribed to them in Section 1.3.

RECITALS

WHEREAS, on September 1, 2009, the Superintendent of Schools of the Barbers Hill Independent School District, acting as agent of the Board of Trustees of the District (the "Board of Trustees"), received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code; and,

WHEREAS, on September 30, 2009, the Superintendent of Schools of the Barbers Hill Independent School District, acting as agent of the Board of Trustees of the District (the "Board of Trustees"), received from the Applicant the Supplemented Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code; and,

WHEREAS, on November 4, 2009, the Superintendent of Schools of the Barbers Hill Independent School District, acting as agent of the Board of Trustees of the District (the "Board of Trustees"), received from the Applicant a second Supplemented Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code; and,

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

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

WHEREAS, the Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code § 313.025(d), and on December 4, 2009 the Comptroller's Office, via letter, recommended that the Application be approved; and,

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

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

WHEREAS, the Application was reviewed by the Chambers County Appraisal District established in Chambers County, Texas (the "Chambers County Appraisal District"), pursuant to Texas Tax Code § 6.01; and,

WHEREAS, Applicant has agreed to endow the Barbers Hill Independent School District Education Foundation, a non-profit 501(c)(3) corporation, to preserve and enrich quality education for the District; and,

WHEREAS, on December 14, 2009, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District; and,

WHEREAS, on December 14, 2009, 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; (iv) each criterion listed in Texas Tax Code § 313.025(e) has been met; and, (*v.*) if the job creation requirement set forth in Texas Tax Code § 313.051(b) *(i.e.*, 10 jobs*)* was applied, for the size and scope of the project described in the Application and in **EXHIBIT 3**, the required number of jobs would exceed the industry standard for the number of employees reasonably necessary for the operation of the facility; and,

WHEREAS, on December 14, 2009, the Board of Trustees determined that the Tax Limitation Amount requested by Applicant, and as defined in Sections 1.2 and 1.3, below, is consistent with the minimum values set out by Tax Code, §§ 313.022(b) and 313.052, as such Tax Limitation Amount was computed for the effective date of this Agreement; and,

WHEREAS, on December 14, 2009, pursuant to the provisions of Texas Tax Code § 313.025(f-1), the Board of Trustees waived the job creation requirement set forth in Texas Tax Code § 313.051(b); and,

WHEREAS, on December 14, 2009, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary to execute and deliver such Agreement to the Applicant;

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

ARTICLE I

AUTHORITY, TERM, DEFINITIONS, AND GENERAL PROVISIONS

Section 1.1. AUTHORITY

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

Section 1.2. TERM OF THE AGREEMENT

This Agreement shall commence and first become effective for the ad valorem property valuations of the Qualified Property and Qualified Investments made pursuant to this Agreement beginning with the tax appraisals to be made as of January 1, 2010, which date is referred to herein as the "Commencement Date." The Parties acknowledge that the limitation on the local ad valorem property values shall not commence until the valuations are made as of January 1, 2012, the second anniversary of the Commencement Date. These first two Tax Years that begin on the Commencement Date (*i.e.*, the 2010 and 2011 Tax Years) , which together with the period from the date of approval until January 1, 2010 are collectively referred to herein as the "Qualifying Time Period," as that term is defined in Texas Tax Code § 313.021(4). Unless sooner terminated as provided herein, the limitation on the local ad valorem property values shall terminate on December 31, 2019. Except as otherwise provided herein, this Agreement will terminate, in full, on December 31, 2022. The termination of this Agreement shall not (i) release any obligations, liabilities, rights and remedies arising out of any breach of, or failure to comply with, this Agreement occurring prior to such termination, or (ii) affect the right of a Party to enforce the payment of any amount to which such Party was entitled before such termination or to which such Party became entitled as a result of an event that occurred before such termination, so long as the right to such payment survives said termination.

Except as otherwise provided herein, the Tax Years for which this Agreement is effective are as set forth below and set forth opposite each such Tax Year are the corresponding year in the term of this Agreement, the date of the Appraised Value determination for such Tax Year, and a summary description of certain provisions of this Agreement corresponding to such Tax Year (it being understood and agreed that such summary descriptions are for reference purposes only, and shall not affect in any way the meaning or interpretation of this Agreement):

Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions

Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions
1	January 1, 2010	2010-11	2010	No limitation on value. Tax credit in future years.
2	January 1, 2011	2011-12	2011	No limitation on value. Tax credit in future years.
3	January 1, 2012	2012-13	2012	$ 30 million property value limitation.
4	January 1, 2013	2013-14	2013	$ 30 million property value limitation. Possible tax credit due to Applicant.
5	January 1, 2014	2014-15	2014	$ 30 million property value limitation. Possible tax credit due to Applicant.
6	January 1, 2015	2015-16	2015	$ 30 million property value limitation. Possible tax credit due to Applicant.
7	January 1, 2016	2016-17	2016	$ 30 million property value limitation. Possible tax credit due to Applicant.
8	January 1, 2017	2017-18	2017	$ 30 million property value limitation. Possible tax credit due to Applicant.
9	January 1, 2018	2018-19	2018	$ 30 million property value limitation. Possible tax credit due to Applicant.
10	January 1, 2019	2019-20	2019	$ 30 million property value limitation. Possible tax credit due to Applicant.

Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions
11	January 1, 2020	2020-21	2020	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
12	January 1, 2021	2021-22	2021	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
13	January 1, 2022	2022-23	2022	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.

Section 1.3. DEFINITIONS

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

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

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

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

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

"*Applicant*" means Enterprise Products Operating LLC, *(Texas Taxpayer ID # 12604305396),* the company listed in the Preamble of this Agreement who, on September 1, 2009, filed the Original Application, a Supplemental Application on September 30, 2009 and a Second Supplemental Application on November 4, 2009 with the District for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The term "Applicant" shall also include the Applicant's assigns and successors-in-interest.

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

Application" means collectively the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C, of the Texas Tax Code) initially filed with the District by the Applicant on September 1, 2009, the Supplemental Application filed on September 30, 2009, and the Second Supplemental Application filed on November 4, 2009.

"*Appraisal District*" means the Chambers County Appraisal District.

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

"Comptroller" means the Texas Comptroller of Public Accounts.

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

"County" means Chambers County, Texas.

"Determination of Breach" shall have the meaning set for in Section 7.4 of this Agreement.

"District" or "School District" means the Barbers Hill 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.

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

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

"*Maintain Viable Presence*" means the 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 and (ii) the retention over the term of this Agreement of not fewer than four (4) Qualifying Jobs to be located and performed within Applicant's entire manufacturing project that includes, but is not limited to, Applicant's Qualified Property, as set forth in the Application, with the minimum salaries required by Texas Tax Code § 313.021(3)(E).

"*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.

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

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

"Qualifying Time Period" means the period that begins on the date of this Agreement and end on December of the second Tax Year that begins after such date of approval, as is defined in Texas Tax Code § 313.021(4)(A).

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

"State" means the State of Texas.

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

"*Tax Limitation Amount*" means the maximum amount which may be placed as the Appraised Value on Qualified Property/Qualified Investment for years three (3) through ten (10) of this Agreement pursuant to Texas Tax Code § 313.054. That is, for each of the eight (8) Tax Years 2012, 2013, 2014, 2015, 2016, 2017, 2018, and 2019, the Appraised Value of the Applicant's Qualified Investment for the District's maintenance and operations ad valorem tax purposes shall not exceed, and the Tax Limitation Amount shall be, the lesser of:

(a) the Market Value of the Applicant's Qualified Investment; or

(b) Thirty Million Dollars ($30,000,000.00).

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

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

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

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

ARTICLE II

PROPERTY DESCRIPTION

Section 2.1. LOCATION WITHIN A QUALIFIED REINVESTMENT OR ENTERPRISE ZONE

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

Section 2.2. LOCATION OF QUALIFIED PROPERTY

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

Section 2.3. DESCRIPTION OF QUALIFIED INVESTMENT

The Qualified Investment and/or Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 3**, which is attached hereto and incorporated herein by reference for all purposes ("Applicant's Qualified Investment"). 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 for purposes of this Agreement, unless pursuant to Texas

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

Section 2.4. QUALIFYING USE

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

Section 2.5. APPRAISED VALUE LIMITATION

So long as Applicant makes a Qualified Investment in the amount Thirty Million Dollars ($30,000,000.00), or greater, during the Qualifying Time Period; and unless this Agreement has been terminated as provided herein before such Tax Year, for each of the eight (8) Tax Years 2012, 2013, 2014, 2015, 2016, 2017, 2018, and 2019, the Appraised Value of the Applicant's Qualified Investment for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

(a) the Market Value of the Applicant's Qualified Investment; or

(b) Thirty Million Dollars ($30,000,000.00).

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

ARTICLE III

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 3.1. INTENT OF THE PARTIES

Subject to the limitations contained in this Agreement (including Section 5.1), it is the intent of the Parties that the District shall, in addition to the receipt of payments as set forth below in Article IV of this Agreement, be compensated by the Applicant for any loss that the District incurs in its Maintenance and Operations Revenue as a result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement, other than payments as set forth in Article IV. Subject to the limitations contained in this Agreement (including Section 5.1), it is the intent of the Parties that the risk of any negative financial consequence to the District in making the decision to enter into this Agreement will be borne by the Applicant and not by the District.

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

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

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

Where:

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

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

In making the calculations required by this Section 3.2:

i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.

ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property and/or the Applicant's Qualified Investment will be presumed to be one hundred percent (100%)

iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue as calculated under this Section 3.2 results in a negative number, the negative number will be considered to be zero.

iv. All calculations made for years three (3) through ten (10) of this Agreement under Section 3.2, Subsection *ii* of this Agreement will reflect the Tax Limitation Amount for such year.

v. All calculations made under this Section 3.2 shall be made by a methodology which isolates only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse

the District for other revenue losses created by other agreements or any other factors.

Section 3.3. COMPENSATION FOR LOSS OF OTHER REVENUES

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

a. all non-reimbursed costs it incurred by the District in paying or otherwise crediting to the account of Applicant, any applicable tax credit to which Applicant may be entitled pursuant to Chapter 313, Subchapter D of the Texas Tax Code, and for which the District does not receive reimbursement from the State pursuant to Texas Educ. Code § 42.2515, or other similar or successor statute.

b. all non-reimbursed costs, certified by the District's external auditor to have been incurred by the District for extraordinary education-related expenses related to the project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project.

c. all non-reimbursed charges to the District which are attributable to the payment by Applicant to or on behalf any other third party beneficiary.

Section 3.4. CALCULATIONS TO BE MADE BY THIRD PARTY

All calculations under this Agreement shall be made annually by an independent third party (the "Third Party") jointly approved each year by the District and the Applicant. If the Parties cannot agree on the Third Party, then the Third Party shall be selected by the mediator provided in Section 7.5 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 Chambers County Appraisal District in its annual certified tax roll submitted to the District pursuant to Texas Tax Code § 26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party selected under Section 3.4. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Chambers County Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

Section 3.6. DELIVERY OF CALCULATIONS

On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 3.4 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 3.2 and/or 3.3 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's offices, personnel, books, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation and fee for a period of three (3) years after payment. The Applicant shall not be liable for any of Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement or the fee paid by the Applicant to the Third Party pursuant to Section 3.7, if such fee is timely paid.

Section 3.7. PAYMENT BY APPLICANT

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

Section 3.8. RESOLUTION OF DISPUTES

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

Section 3.9. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT

In the event that the Taxable Value of the Applicant's Qualified Investment and/or the Applicant's Qualified Property is changed after a final appeal of the valuation or is otherwise changed, once the determination of a new value becomes final, the calculations required by Sections 3.2 and 3.3 of this Agreement will be recomputed by the Third Party using the new valuations. Upon completion of the new calculations, the Third Party shall transmit the new calculations to the Parties. The Party owing funds to the other signatories to this Agreement shall pay any amounts owed within thirty (30) days of receipt of the new calculations from the Third Party.

Section 3.10. EFFECT OF STATUTORY CHANGES

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

ARTICLE IV

SUPPLEMENTAL PAYMENTS

Section 4.1. AMOUNTS EXCLUSIVE OF INDEMNITY AMOUNTS

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

Section 4.2. SUPPLEMENTAL PAYMENTS TO THE DISTRICT

For each year of this Agreement one (Tax Year 2010) through ten (Tax Year 2019), the District shall be entitled to receive as Supplemental Payments a lump sum payment of $419,300.00, which is based upon the following formula: One Hundred Dollars ($100.00) times 4193, being the number of students in Average Daily Attendance (ADA) for the projection for

the base school year of 2009-10, as determined in the study conducted by Magellan Consulting in September 2009. Payments under this Section shall be due and payable in accordance with the amounts and upon the dates set forth on the following schedule:

Tax Year	Payment Due Date	Amount
2010	January 31, 2011	$419,300.00
2111	January 31, 2012	$419,300.00
2012	January, 31 2013	$419,300.00
2013	January 31, 2014	$419,300.00
2014	January 31, 2015	$419,300.00
2015	January 31, 2016	$419,300.00
2016	January 31, 2017	$419,300.00
2017	January 31, 2018	$419,300.00
2018	January 31, 2019	$419,300.00
2019	January 31, 2020	$419,300.00

ARTICLE V

ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

SECTION 5.1. ANNUAL LIMITATION AFTER FIRST THREE YEARS

Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year during the term of this Agreement after the 2012 Tax Year, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles III and IV with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Section 3.4, and in the event the sum of the

amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles III and IV shall be reduced until such excess is eliminated.

Section 5.2. OPTION TO CANCEL AGREEMENT

In the event that any payment otherwise due from the Applicant to the District under Articles III and 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. Upon such termination this Agreement shall terminate and be of no further force or effect; provided, however, that the Parties respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged.

ARTICLE V

ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

SECTION 5.1. ANNUAL LIMITATION AFTER FIRST THREE YEARS

Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year during the term of this Agreement after the 2012 Tax Year, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Article III and Sections 4.2 and 4.3 with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Section 3.4, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles III and IV shall be reduced until such excess is eliminated.

Section 5.2. OPTION TO CANCEL AGREEMENT

In the event that any payment otherwise due from the Applicant to the District under Article III and 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. Upon such termination this Agreement shall terminate and be of no further force or effect; provided, however, that the Parties respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged.

ARTICLE VI

TAX CREDITS

Section 6.1. APPLICANT'S ENTITLEMENT TO TAX CREDITS

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

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

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

Section 6.3. COMPENSATION FOR LOSS OF TAX CREDIT PROTECTION REVENUES

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

calendar days after receipt of such notice, and such payment shall be subject to the same provisions for late payment as are set forth in Article VII. 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 (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 under this Agreement. The Applicant shall allow authorized employees of the District and/or the Chambers County Appraisal District to have access to the Applicant's Qualified Property 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 that 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 or the Chambers County Appraisal District with any technical or business information that is private personnel data, proprietary, a trade secret or confidential in nature or is subject to a confidentiality agreement with any third party.

Section 7.2. REPORTS TO OTHER GOVERNMENTAL AGENCIES

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

Section 7.3. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE

By entering into this Agreement, the Applicant warrants that it will Maintain Viable Presence in the District through the termination date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure (as hereinafter defined), provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure. Additionally, Applicant shall not be breach of this Agreement for the Failure to Maintain a Viable Presence in the District for the failure to employ the required number of Qualified Employees, so long as Applicant, in the event of such failure, tenders and pays in a timely manner, the penalty imposed by the provisions of Tex. Tax Code § 313.0275.

Section 7.4. DETERMINATION OF BREACH

Prior to making a determination that the Applicant has committed a material breach of this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the material breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, Applicant shall be given sixty (60) days to present any facts or arguments to the Board of Trustees showing that it is not in material breach of its obligations under the Agreement, or that it has cured or undertaken to cure any such material breach.

If the Board of Trustees is not satisfied with such response and/or that such breach has been cured, then the Board of Trustees shall provide the Applicant with notice of its dissatisfaction with such response or cure and, after reasonable notice to the Applicant, may conduct a hearing called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to whether or not a material breach of this Agreement has occurred, the date such breach occurred, if any, and whether or not any such breach has been cured. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall also determine the amounts of recaptured taxes under Section 7.7 (net of all credits under Section 7.7), and the amount of any penalty and/or interest under Section 7.6 that are owed to the District.

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

Section 7.5. DISPUTE RESOLUTION

After receipt of notice of the Board of Trustee's Determination of Breach under Section 7.4, the Applicant shall have sixty (60) days in which either to (i) tender payment, (ii) submit evidence of its efforts to cure, or (iii) initiate mediation of the dispute by written notice to the

District. The Parties shall make a good faith effort to resolve the dispute without resort to litigation. The mediation shall be conducted by a mutually agreeable mediator at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then residing in Chambers County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the Texas Civil Practice and Remedies Code and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator's fees and expenses and the Applicant shall bear one-half of such mediator's fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation.

If after receipt of the Board of Trustee's Determination of Breach under 7.4 Applicant (i) fails to tender payment or submit evidence of its efforts to cure within sixty (60) days, or (ii) that any mediation under this Section 7.5 is not successful in resolving the dispute, the District shall have the remedies for the collection of the amounts determined under Section 7.4 as are set forth in Texas Tax Code Chapter 33, Subchapters B and C, for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees and a tax lien on the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Texas Tax Code § 33.07 to the attorneys representing the District pursuant to Texas Tax Code § 6.30.

Subject to Section 7.9, in any event where a dispute between the District and the Applicant under this Agreement cannot be resolved by the Parties, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in any judicial proceeding, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any covenant, agreement or undertaking made by a Party pursuant to this Agreement.

Section 7.6. CALCULATION OF PENALTY AND INTEREST

In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes owed less all credits under Section 7.7 for each Tax Year during the term of this Agreement since the Commencement Date. The District shall calculate penalty or interest for each Tax Year during the term of this Agreement since the Commencement Date in accordance with the methodology set forth in Chapter 33 of the Texas Tax Code, as if the base amount calculated for such Tax Year less all credits under Section 7.7 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 7.7. CONSEQUENCES OF EARLY TERMINATION OR OTHER BREACH BY APPLICANT

(a) In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 5.2, or in the event that the Applicant or its successor-in-interest fails to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, after the notice and cure period provided by Section 7.4, 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 7.6, on that recaptured ad valorem tax revenue. For purposes of this recapture calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Article III. Applicant shall also be entitled to a credit for any amounts paid pursuant to Article IV.

(b) Notwithstanding Section 7. 7(a), in the event that the District determines that the Applicant has failed to Maintain Viable Presence and provides written notice of termination of the Agreement, then the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of such termination notice. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem taxes for all of the Tax Years for which a Tax Limitation was granted pursuant to this Agreement prior to the year in which the failure to Maintain Viable Presence occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 7.6. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Article III. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV. Upon payment of such liquidated damages, Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

Section 7.8. LIMITATION OF OTHER DAMAGES

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

The Parties further agree that the limitation of damages and remedies set forth in this Section 7.8 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 7.9. 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 as follows:

Dr. Greg Poole, Superintendent
BARBERS HILL INDEPENDENT SCHOOL DISTRICT
P O Box 1108
Mont Belvieu, Texas 77580
Fax: (281) 576-3410

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

Notices to the Applicant shall be addressed to:

ATTN: CURT TATE
ENTERPRISE PRODUCTS OPERATING LLC
P.O. Box 4018
Houston, Texas 77210-4018

1100 Louisiana Street
Houston, Texas 77002

With a copy to:

ATTN: RAYMOND ALBRECHT
ENTERPRISE PRODUCTS OPERATING LLC
P.O. Box 4018
Houston, Texas 77210-4018

1100 Louisiana Street
Houston, Texas 77002

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

Section 8.2. EFFECTIVE DATE, TERMINATION OF AGREEMENT

(a) This Agreement shall be and become effective on December 14, 2009, the effective date upon which the tax limitation agreement is first made effective by the District.

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

(c) In the event that Applicant fails to make a Qualified Investment in the amount of Thirty Million Dollars ($30,000,000.00), or greater, during the Qualifying Time Period, this Agreement shall become null and void on December 31, 2011.

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. Pursuant to Comptroller's Rule 9.1055, and subject to Section 2.3, by official action of the Board of Trustees, this Agreement may be amended to include, in the Applicant's Qualified Investment, additional or replacement Qualified Property not specified in **EXHIBIT 3**, provided that the Applicant reports to the District, the Comptroller, and the Appraisal District, in the same format, style, and presentation as the Application, all relevant investment, value, and employment information that is related to the additional property. Any amendment of the Agreement adding additional or replacement Qualified Property pursuant to this Section 6.3 shall, pursuant to Comptroller's Rule 9.1055, (1) require that all property added by amendment be eligible property as defined by Tax Code, §313.024; (2) clearly distinguish 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.

Section 8.4. ASSIGNMENT

The Applicant may assign this Agreement, or a portion of this Agreement, to an Affiliate or a new owner or lessee of all or a portion of the Applicant's Qualified Property and/or the Applicant's Qualified Investment, provided that the Applicant shall provide written notice of such assignment to the District. Upon such assignment, Applicant's assignee will be liable to the District for outstanding taxes or other obligations arising under this Agreement. A recipient of limited value under Tax Code, Chapter 313 shall notify immediately the District, the Comptroller, and the Appraisal District in writing of any change in address or other contract information for the owner of the property subject to the limitation agreement for the purposes of Tax Code §313.032. An 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 Chambers County Appraisal District shall determine the Market Value thereof and include both such Market Value and the appropriate value thereof under this Agreement in its appraisal records.

Section 8.7. GOVERNING LAW

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

Section 8.8. AUTHORITY TO EXECUTE AGREEMENT

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

Section 8.9. SEVERABILITY

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

Section 8.10. PAYMENT OF EXPENSES

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

Section 8.11. INTERPRETATION

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

Section 8.12. EXECUTION OF COUNTERPARTS

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

Section 8.13. 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 Tex. Tax Code § 313.103, as follows:

a. Within seven days of such document, the District shall submit a copy to the Comptroller for Publication on the Comptroller's Internet website.

b. District shall provide on its website a link to the location of those documents posted on the Comptroller's website.

c. This Section does not require the Publication of information that is confidential under Tex. Tax Code § 313.028.

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 14th day of December, 2009.

ENTERPRISE PRODUCTS OPERATING LLC.
a Texas limited liability company

By: Enterprise Products OLPGP, Inc.
It's Sole Manager

By: _____
Authorized Representative
Enterprise Products OLPGP, Inc.

Name: Thomas M. Zufin

Title: Sr. Vice President

BARBERS HILL INDEPENDENT SCHOOL DISTRICT

By: _____
FRED SKINNER
President
Board of Trustees

ATTEST:

_____
GEORGE BARRERA
Secretary
Board of Trustees

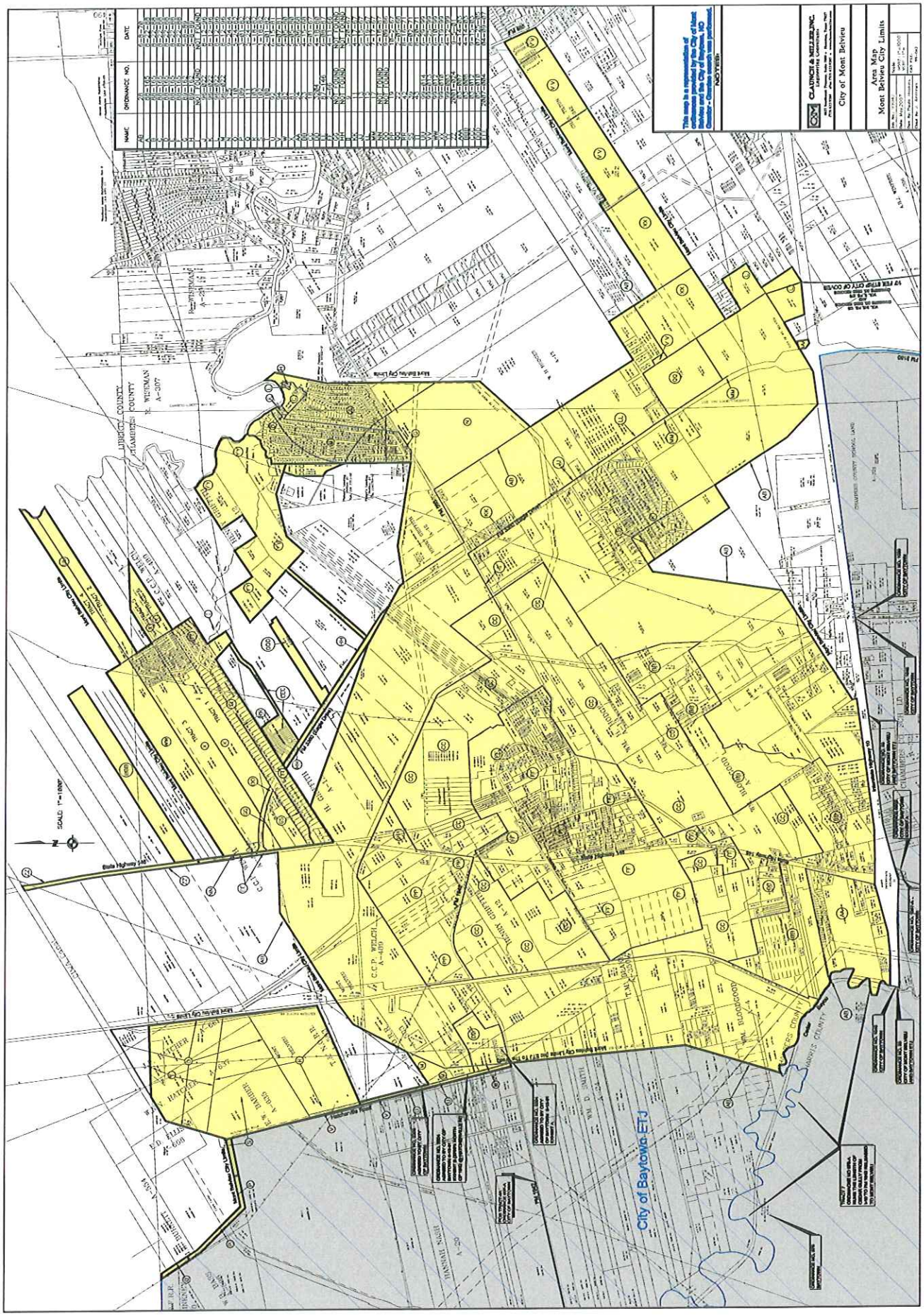
EXHIBIT 1

DESCRIPTION OF QUALIFIED REINVESTMENT ZONE

The *Mont Belvieu Reinvestment Zone* was originally created on June 22, 2009 by action of the City Council of Mont Belvieu. The *EPOLLC Reinvestment Zone* was originally created on September 8, 2009 by action of the Commissioners Court of Chambers County. A map of the *Mont Belvieu Reinvestment Zone and EPOLLC Reinvestment Zone* is attached as the second page of this **EXHIBIT 1**.

As a result of the actions of the City Council of Mont Belvieu and the Commissioners Court of Chambers County, the *Mont Belvieu Reinvestment Zone and the EPOLLC Reinvestment Zone* includes real property within the City Limits of Mont Belvieu and unincorporated Chambers County, Texas, more specifically the property and tracts more fully described in the attached legal description.

EXHIBIT 1


City of Mont Belvieu
Area Map
Mont Belvieu City Limits
City of Baytown ETJ

2006 BK VOL 96
11624 OR 338 205

167639
RETURN TO:

COMMERCE TITLE
700 ROLLINGBROOK SUITE E
BAYTOWN, TEXAS 77521

OFFICIAL PUBLIC RECORDS
CHAMBERS COUNTY, TEXAS
Susan E. Roshto, County Clerk

GENERAL WARRANTY DEED

THE STATE OF TEXAS §

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF CHAMBERS §

That I, GLENDA DEL BROWN, of Kendall County, Texas, for and in consideration of the sum of TEN AND NO/100 ($10.00) DOLLARS and other good and valuable consideration cash to me in hand paid by ENTERPRISE PRODUCTS OPERATING L.P., the receipt of which is hereby acknowledged, have (subject to the exceptions, reservations and covenants hereinafter set forth) GRANTED, SOLD and CONVEYED, and by these presents do (subject to the exceptions, reservations and covenants hereinafter set forth) GRANT, SELL and CONVEY unto the said ENTERPRISE PRODUCTS OPERATING L.P., a Delaware Limited Partnership, whose mailing address is 2727 North Loop West, Houston, Texas 77008, all of that certain lot, tract or parcel of land described in "EXHIBIT A" attached hereto and made a part hereof for all purposes.

It is understood and agreed by and between the parties hereto that this conveyance is made subject to the exceptions set forth in "EXHIBIT B" attached hereto and made a part hereof for all purposes.

It is further understood and agreed by and between the parties hereto that this conveyance is made subject to the following any and all zoning laws, regulations and ordinances of municipal or other governmental authority, and any and all exceptions, reservations, restrictions and easements, if any, affecting the above-described property and shown of record among the Official Public Records of Chambers County, Texas, and any canals, pipelines, easements or rights-of-way

therefor physically located on the above-described property, whether documents therefor are recorded in such records or not.

TO HAVE AND TO HOLD the above-described premises (subject to the exceptions, reservations and covenants hereinabove set forth), together with all and singular the rights and appurtenances thereto in anywise belonging, unto the said ENTERPRISE PRODUCTS TEXAS OPERATING L.P., its successors and assigns, forever; and the undersigned hereby binds herself, her heirs, executors and administrators, to WARRANT and FOREVER DEFEND all and singular the said premises (subject to the exceptions, reservations and covenants hereinabove set forth), unto the said ENTERPRISE PRODUCTS TEXAS OPERATING L.P., its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

IN TESTIMONY WHEREOF, Witness my hand this the 23rd day of Jan, A.D., 2006.

Glenda Del Brown
Glenda Del Brown

THE STATE OF TEXAS §

COUNTY OF KENDALL §

This instrument was acknowledged before me on the 23RD day of JANUARY, A.D., 2006, by GLENDA DEL BROWN.

NOTARY PUBLIC STATE OF TEXAS
JANICE K. PFEIFFER
Notary Public, State of Texas
My Commission Expires [illegible]

Janice K. Pfeiffer
Notary Public, State of Texas
Printed Name: JANICE K. PFEIFFER
Commission Expires: 6-19-06

2006 JAN 15 PM 3:35
11576 CK 870 267

"EXHIBIT A"

THE STATE OF TEXAS)
COUNTY OF CHAMBERS)

FIELD NOTES of a 126.2412 acre tract of land situated in the T. & N.O.RR.Co. Survey, Section No. 1, Abstract No. 503 and the Dan Jergins Survey, Abstract No. 599; and being out of and a part of the residue of a 572.51 Acre tract of land called Second Tract from J.R. Barber to Kirby Oil and Gas Company recorded in Volume 161 at Page 598 of the Deed Records of Chambers County, Texas. This 126.2412 acre tract of land is more particularly described by metes and bounds as follows, to-wit:

NOTE: ALL BEARINGS ARE LAMBERT GRID BEARINGS AND ALL COORDINATES REFER TO THE STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE, 1927 DATUM, AS DEFINED IN ARTICLE 5300A OF THE REVISED CIVIL STATUES OF THE STATE OF TEXAS.
ALL DISTANCES ARE ACTUAL DISTANCES. SCALE FACTOR = 0.9999062
REFERENCE IS MADE TO PLAT OF EVEN DATE ACCOMPANYING THIS METES AND BOUNDS DESCRIPTION.

BEGINNING at a ¼ inch iron rod set for the Northwest corner of this tract of land and the Southwest corner of a 487.009 acre tract of land conveyed in a deed from Glenda Del Brown to Exxon Corporation dated November 1, 1978 and recorded in Volume 425 at Page 515 of the Deed Records of Chambers County, Texas and being in the East Right-of-Way line of Hatcherville Road (70' R.O.W.). This corner as a Texas State Plane Coordinate Valve of X = 762,238.95 and Y = 3,293,315.08.

THENCE North 66 deg 41 min 04 sec East with the North line of this tract of land and the South line of said 487.009 acre tract of land a distance of 3,399.51 feet to a ¼ inch iron rod set for the Northeast corner of this tract of land and the Southeast corner of said 487.009 acre tract of land and being in the West Right-of-Way line of the Southern Pacific Railroad (100' R.O.W.). From this corner a found brass disk stamped "Exxon Chemical Company U.S.A." bears South 66 deg 41 min 04 sec West a distance of 2.08 feet.

THENCE South 07 deg 20 min 00 sec East with the East line of this tract of land and West Right-of-Way line of said Southern Pacific Railroad a distance of 1,458.10 feet to a ¼ inch iron rod set for the Southeast corner of this tract of land and the Northeast corner of a 117.469 acre tract of land conveyed in a deed from Glenda Del Brown to Enterprise Product Company dated December 05, 1991 and recorded in Volume 162 at Page 169 of the Official Records of Chambers County, Texas. From this corner a found 5/8 inch iron rod bears North 57 deg 22 min 27 sec East a distance of 2.53 feet.

THENCE South 57 deg 22 min 27 sec West with the South line of this tract of land and the North line of said 117.469 acre tract of land a distance of 3,334.56 feet to a ½ inch iron rod set for the Southwest corner of this tract of land and the Northwest corner of said 117.469 acre tract of land, and being in the East Right-of-Way line of said Hatcherville Road. From this corner a found 5/8 inch iron rod bears North 57 deg 22 min 27 sec East a distance of 3.04 feet.

THENCE North 14 deg 47 min 39 sec West with the West line of this tract of land and the East Right-of-Way line of said Hatcherville Road a distance of 1,714.32 feet to a ½ inch iron road set for an angle point of this tract of land, and being in the East Right-of-Way line of said Hatcherville Road.

THENCE North 14 deg 23 min 53 sec West with the West line of this tract of land and the East Right-of-Way line of said Hatcherville Road a distance of 248.81 feet to the PLACE OF BEGINNING, containing within said boundaries 126.2412 acres of land.

"EXHIBIT B"

There are no exceptions listed as "a", "b", or "c" in this exhibit. This exhibit begins with the exception designated as "d", and ends with exception designated as "mmm".

d. Right of Way Deed dated August 21, 1918, recorded in Volume 16 at Page 86 of the Deed Records of Chambers County, Texas from Old River Company to Dayton - Goose Creek Railway Company.

e. Right of Way dated May 15, 1929, recorded in Volume 28 at Page 150 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Gulf Pipeline Company.

f. Right of Way dated February 24, 1930, recorded in Volume 30 at Page 339 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Humphrey Corporation.

g. Right of Way dated December 31, 1931, recorded in Volume 33 at Page 638 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Gulf Pipeline Company.

h. Right of Way dated June 6, 1947, recorded in Volume 103 at Page 561 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Texas Pipeline Company

i. Right of Way dated December 3, 1952, recorded in Volume 146 at Page 537 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Sinclair Pipeline Company.

j. Right of Way dated June 1, 1954, recorded in Volume 158 at Page 5 of the Deed Records of Chambers County, Texas from Kirby Petroleum Company to Texas natural Gasoline Corporation.

k. Right of Way dated February 11, 1955, recorded in Volume 165 at Page 509 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Texas Natural Gasoline Corporation.

l. Right of Way dated December 30, 1955, recorded in Volume 172 at Page 85 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Southern Canal Corporation.

m. Right of Way dated July 20, 1956, recorded in Volume 181 at Page 43 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Texas Butadiene & Chemical Corporation.

n. Right of Way Deed dated February 11, 1956, recorded in Volume 183 at Page 369 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Gulf Refining Company.

o. Right of Way dated February 18, 1958, recorded in Volume 198 at Page 577 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Chambers County Water Control and Improvementd District..

p. Right of Way dated November 11, 1959, recorded in Volume 217 at Page 497 of the Deed Records of Chambers County, Texas from J.R. Barber, et ux to Southern Canal Company.

q. Right of Way dated November 9, 1960, recorded in Volume 225 at Page 477 of the Deed Records of Chambers County, Texas from J.R. Barber to Southern Canal Company.

r. Right of Way dated December 19, 1961, recorded in Volume 234 at Page 255 of the Deed Records of Chambers County, Texas from Lula Barber to Southern Canal Company..

s. Right of Way dated July 6, 1962 recorded in Volume 239 at Page 140 of the Deed Records of Chambers County, Texas from Lula Barber, et al to Colonial Pipeline Company.

t. Right of Way dated January 29, 1966 recorded in Volume 275 at Page 373 of the Deed Records of Chambers County, Texas from Lula Barber to Sinclair Pipeline Company.

u. Easement:
To: Southern Canal Company
Recorded: October 18, 1967 in Volume 292 at Page 469 ,Deed Records,Chambers County, Texas.
Purpose: Canal

v. Easement:
To: Gulf Refining Company
Recorded: February 5, 1968 in Volume 293 at Page 665 ,Deed Records,Chambers County, Texas.
Purpose:

w. Right of Way dated February 5, 1968, recorded in Volume 294 at Page 203 of the Deed Records of Chambers County, Texas from Lula Barber to Sinclair Pipeline Company.

x. Right of Way dated , recorded in Volume 165 at Page 509 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Texas Natural Gasoline Corporation.

y. Right of Way dated April 23, 1970, recorded in Volume 315 at Page 505 of the Deed Records of Chambers County, Texas from Lula Barber to Lo-Vaca Gathering Company..

z. Right of Way dated May 18, 1970, recorded in Volume 315 at Page 602 of the Deed Records of Chambers County, Texas from Lula Barber to Diamond Shamrock Corporation.

aa. Right of Way dated May 18, 1970, recorded in Volume 316 at Page 138 of the Deed Records of Chambers County, Texas from Lula Barber to Cities Service Pipeline Company.

bb. Right of Way dated August 17, 1970, recorded in Volume 318 at Page 466 of the Deed Records of Chambers County, Texas from Lula Barber to Santa Fe Pipeline Company.

cc. Right of Way Deed dated October 10, 1970, recorded in Volume 320 at Page 162 of the Deed Records of Chambers County, Texas from Lula Barber to Coastal Industrial Water Authority.

dd. Right of Way dated October 8, 1970, recorded in Volume 320 at Page 337 of the Deed Records of Chambers County, Texas from Lula Barber to Explorer Pipeline Company.

ee. Right of Way dated July 15, 1975, recorded in Volume 371 at Page 652 of the Deed Records of Chambers County, Texas from Lula Barber to Big Three Industries, Inc..

ff. Right of Way dated August 26, 1975, recorded in Volume 373 at Page 405 of the Deed Records of Chambers County, Texas from Delno Brown Executor of the Estate of Lula Barber and Glenda Del Brown to Colonial Pipeline Company

gg. Right of Way dated February 22, 1977, recorded in Volume 395 at Page 291 of the Deed Records of Chambers County, Texas from Delno Brown Executor of the Estate of Lula Barber and Glenda Del Brown to ARCO Pipeline Company

hh. Right of Way dated December 21, 1978, recorded in Volume 428 at Page 420 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Lo Vaca Gathering Company

ii. Right of Way dated February 2, 1979, recorded in Volume 430 at Page 541 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Houston Pipeline Company

jj. Right of Way dated February 22, 1979, recorded in Volume 431 at Page 653 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Shell Pipeline Corporation

kk. Right of Way dated October 31, 1980, recorded in Volume 464 at Page 272 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Exxon Pipeline Corporation

ll. Right of Way dated August 8, 1980, recorded in Volume 467 at Page 447 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Big Three Industries, Inc..

mm. Valve Site Lease dated January 12, 1981, recorded in Volume 467 at Page 461 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Big Three Industries, Inc..

nn. Right of Way dated May 1, 1981, recorded in Volume 473 at Page 156 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Exxon Pipeline Company

oo. Right of Way dated April 22, 1981, recorded in Volume 475 at Page 710 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Matador Pipeline Inc..

pp. Right of Way dated May 18, 1981, recorded in Volume 478 at Page 481 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Matador Pipeline Inc.

qq. Right of Way dated October 12, 1981, recorded in Volume 485 at Page 1 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Big Three Industries, Inc..

rr. Easement:

To:	Houston Lighting and Power Company
Recorded:	July 13, 1981 in Volume 478 at Page 481 ,Deed Records,Chambers County, Texas.
Purpose:	Utility

ss. Right of Way dated February 1, 1982, recorded in Volume 493 at Page 446 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Big Three Industries, Inc..

tt. Right of Way Contract dated May 31, 1988, recorded in Volume 50 at Page 106 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Mustang Pipeline Company

uu. Easement:
To: Valero Transmission
Recorded: September 12, 1988 in Volume 56 at page 677 ,Official Public Records,Chambers County, Texas.
Purpose: Pipeline

vv. Right of Way Contract dated November 8, 1988, recorded in Volume 62 at Page 573 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Himont USA

ww. Right of Way Contract dated December 5, 1991, recorded in Volume 162 at Page 177 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Enterprise Products Company

xx. Right of Way Contract dated March 13, 1992, recorded in Volume 171 at Page 642 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Koch Pipeline Company

yy. Right of Way Contract dated March 26, 1992, recorded in Volume 175 at Page 379 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Union Carbide Industrial Gases, Inc.

zz. Right of Way dated August 11, 1994, recorded in Volume 248 at Page 241 of the Official Public Records of Chambers County, Texas from Exxon to City of Mount Belvieu..

aaa. Right of Way Contract dated August 28, 1995 recorded in Volume 277 at Page 376 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Chevron USA

bbb. Right of Way Contract dated June 27, 1995, recorded in Volume 279 at Page 591 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Exxon Pipeline Company

ccc. Right of Way Contract dated October 29, 1996, recorded in Volume 314 at Page 345 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Mustang Pipeline Company

ddd. Right of Way Contract dated June 9, 1997, recorded in Volume 334 at Page 362 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Koch Pipeline Company

eee. Pipeline Right-of-Way Agreement dated July 28, 1998 and recorded in Volume 380 at Page 138 of the Official Public records of Chambers County, Texas.

fff. Pipeline Work Space Agreement dated September 16, 1998, recorded in Volume 382 at Page 623 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Koch Pipeline Company

ggg. Pipeline Right-of-Way Agreement dated September 5, 2003 and recorded in Volume 645 at Page 277 of the Official Public records of Chambers County, Texas.

hhh. Easement:
To: Cobra Oil & Gas Corporation
Recorded: September 14, 2004 in Volume 733 at page 5 ,Official Public Records,Chambers County, Texas.
Purpose: Pipeline

iii. Surface Agreement dated June 3, 2004 and recorded in Volume 703 at Page 644 of the Official Public records of Chambers County, Texas.

jjj. Surface Agreement dated May 27, 2004 and recorded in Volume 733 at Page 13 of the Official Public records of Chambers County, Texas.

kkk. Portion of subject property is in the City of Mount Belvieu, Texas, as set forth in Ordinance recorded in Volume 242, Page 324 of the Official Public Records of Chambers County, Texas.

lll. A gravel road traversing the Southern portion of subject property as evidenced by plat prepared by Chambers Surveying & Mapping by Michael W. Chandler RPLS 5292 and dated July 12, 2005 undet Job No. 05-1102

mmm. Mineral and/or royalty interest:

Interest: An undivided 100%

Recorded: September 13, 1954 in Volume 161 at Page 598 ,Deed Records, Chambers County, Texas.

EXHIBIT 2

LOCATION OF QUALIFIED PROPERTY

All Qualified Property owned by Applicant and located within the boundaries of each of the Barbers Hill Independent School District, the *Mont Belvieu Reinvestment Zone and the EPOLLC Reinvestment Zone* will be included in and subject to this Agreement. Specifically, all Qualified Property of Applicant located in the sections of land is included in the attached legal description.

2006 BK VOL 96
11674 CR 338 205

167639
RETURN TO:

COMMERCE TITLE
700 ROLLINGBROOK SUITE E
BAYTOWN, TEXAS 77521

OFFICIAL PUBLIC RECORDS
CHAMBERS COUNTY, TEXAS
Susan E. Roshto, County Clerk

GENERAL WARRANTY DEED

THE STATE OF TEXAS §

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF CHAMBERS §

That I, GLENDA DEL BROWN, of Kendall County, Texas, for and in consideration of the sum of TEN AND NO/100 ($10.00) DOLLARS and other good and valuable consideration cash to me in hand paid by ENTERPRISE PRODUCTS OPERATING L.P., the receipt of which is hereby acknowledged, have (subject to the exceptions, reservations and covenants hereinafter set forth) GRANTED, SOLD and CONVEYED, and by these presents do (subject to the exceptions, reservations and covenants hereinafter set forth) GRANT, SELL and CONVEY unto the said ENTERPRISE PRODUCTS OPERATING L.P., a Delaware Limited Partnership, whose mailing address is 2727 North Loop West, Houston, Texas 77008, all of that certain lot, tract or parcel of land described in "EXHIBIT A" attached hereto and made a part hereof for all purposes.

It is understood and agreed by and between the parties hereto that this conveyance is made subject to the exceptions set forth in "EXHIBIT B" attached hereto and made a part hereof for all purposes.

It is further understood and agreed by and between the parties hereto that this conveyance is made subject to the following any and all zoning laws, regulations and ordinances of municipal or other governmental authority, and any and all exceptions, reservations, restrictions and easements, if any, affecting the above-described property and shown of record among the Official Public Records of Chambers County, Texas, and any canals, pipelines, easements or rights-of-way

therefor physically located on the above-described property, whether documents therefor are recorded in such records or not.

TO HAVE AND TO HOLD the above-described premises (subject to the exceptions, reservations and covenants hereinabove set forth), together with all and singular the rights and appurtenances thereto in anywise belonging, unto the said ENTERPRISE PRODUCTS TEXAS OPERATING L.P., its successors and assigns, forever; and the undersigned hereby binds herself, her heirs, executors and administrators, to WARRANT and FOREVER DEFEND all and singular the said premises (subject to the exceptions, reservations and covenants hereinabove set forth), unto the said ENTERPRISE PRODUCTS TEXAS OPERATING L.P., its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

IN TESTIMONY WHEREOF, Witness my hand this the 23rd day of Jan, A.D., 2006.

Glenda Del Brown
Glenda Del Brown

THE STATE OF TEXAS §

COUNTY OF KENDALL §

This instrument was acknowledged before me on the 23RD day of JANUARY, A.D., 2006, by GLENDA DEL BROWN.

NOTARY PUBLIC STATE OF TEXAS
JANICE K. PFEIFFER
Notary Public, State of Texas
My Commission Expires [illegible]

Janice K. Pfeiffer
Notary Public, State of Texas
Printed Name: JANICE K. PFEIFFER
Commission Expires: 6-19-06

2006 JAN 18 PM 3:35
11576 CK 838 307

"EXHIBIT A"

THE STATE OF TEXAS)
COUNTY OF CHAMBERS)

FIELD NOTES of a 126.2412 acre tract of land situated in the T. & N.O.RR.Co. Survey, Section No. 1, Abstract No. 503 and the Dan Jergins Survey, Abstract No. 599; and being out of and a part of the residue of a 572.51 Acre tract of land called Second Tract from J.R. Barber to Kirby Oil and Gas Company recorded in Volume 161 at Page 598 of the Deed Records of Chambers County, Texas. This 126.2412 acre tract of land is more particularly described by metes and bounds as follows, to-wit:

NOTE: ALL BEARINGS ARE LAMBERT GRID BEARINGS AND ALL COORDINATES REFER TO THE STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE, 1927 DATUM, AS DEFINED IN ARTICLE 5300A OF THE REVISED CIVIL STATUES OF THE STATE OF TEXAS.
ALL DISTANCES ARE ACTUAL DISTANCES. SCALE FACTOR = 0.9999062
REFERENCE IS MADE TO PLAT OF EVEN DATE ACCOMPANYING THIS METES AND BOUNDS DESCRIPTION.

BEGINNING at a ½ inch iron rod set for the Northwest corner of this tract of land and the Southwest corner of a 487.009 acre tract of land conveyed in a deed from Glenda Del Brown to Exxon Corporation dated November 1, 1978 and recorded in Volume 425 at Page 515 of the Deed Records of Chambers County, Texas and being in the East Right-of-Way line of Hatcherville Road (70' R.O.W.). This corner as a Texas State Plane Coordinate Valve of X = 762,238.95 and Y = 3,293,315.08.

THENCE North 66 deg 41 min 04 sec East with the North line of this tract of land and the South line of said 487.009 acre tract of land a distance of 3,399.51 feet to a ½ inch iron rod set for the Northeast corner of this tract of land and the Southeast corner of said 487.009 acre tract of land and being in the West Right-of-Way line of the Southern Pacific Railroad (100' R.O.W.). From this corner a found brass disk stamped "Exxon Chemical Company U.S.A." bears South 66 deg 41 min 04 sec West a distance of 2.08 feet.

THENCE South 07 deg 20 min 00 sec East with the East line of this tract of land and West Right-of-Way line of said Southern Pacific Railroad a distance of 1,458.10 feet to a ½ inch iron rod set for the Southeast corner of this tract of land and the Northeast corner of a 117.469 acre tract of land conveyed in a deed from Glenda Del Brown to Enterprise Product Company dated December 05, 1991 and recorded in Volume 162 at Page 169 of the Official Records of Chambers County, Texas. From this corner a found 5/8 inch iron rod bears North 57 deg 22 min 27 sec East a distance of 2.53 feet.

THENCE South 57 deg 22 min 27 sec West with the South line of this tract of land and the North line of said 117.469 acre tract of land a distance of 3,334.56 feet to a ½ inch iron rod set for the Southwest corner of this tract of land and the Northwest corner of said 117.469 acre tract of land, and being in the East Right-of-Way line of said Hatcherville Road. From this corner a found 5/8 inch iron rod bears North 57 deg 22 min 27 sec East a distance of 3.04 feet.

THENCE North 14 deg 47 min 39 sec West with the West line of this tract of land and the East Right-of-Way line of said Hatcherville Road a distance of 1,714.32 feet to a ½ inch iron road set for an angle point of this tract of land, and being in the East Right-of-Way line of said Hatcherville Road.

THENCE North 14 deg 23 min 53 sec West with the West line of this tract of land and the East Right-of-Way line of said Hatcherville Road a distance of 248.81 feet to the PLACE OF BEGINNING, containing within said boundaries 126.2412 acres of land.

"EXHIBIT B"

There are no exceptions listed as "a", "b", or "c" in this exhibit. This exhibit begins with the exception designated as "d", and ends with exception designated as "mmm".

d. Right of Way Deed dated August 21, 1918, recorded in Volume 16 at Page 86 of the Deed Records of Chambers County, Texas from Old River Company to Dayton - Goose Creek Railway Company.

e. Right of Way dated May 15, 1929, recorded in Volume 28 at Page 150 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Gulf Pipeline Company.

f. Right of Way dated February 24, 1930, recorded in Volume 30 at Page 339 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Humphrey Corporation.

g. Right of Way dated December 31, 1931, recorded in Volume 33 at Page 638 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Gulf Pipeline Company.

h. Right of Way dated June 6, 1947, recorded in Volume 103 at Page 561 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Texas Pipeline Company

i. Right of Way dated December 3, 1952, recorded in Volume 146 at Page 537 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Sinclair Pipeline Company.

j. Right of Way dated June 1, 1954, recorded in Volume 158 at Page 5 of the Deed Records of Chambers County, Texas from Kirby Petroleum Company to Texas natural Gasoline Corporation.

k. Right of Way dated February 11, 1955, recorded in Volume 165 at Page 509 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Texas Natural Gasoline Corporation.

l. Right of Way dated December 30, 1955, recorded in Volume 172 at Page 85 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Southern Canal Corporation.

m. Right of Way dated July 20, 1956, recorded in Volume 181 at Page 43 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Texas Butadiene & Chemical Corporation.

n. Right of Way Deed dated February 11, 1956, recorded in Volume 183 at Page 369 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Gulf Refining Company.

o. Right of Way dated February 18, 1958, recorded in Volume 198 at Page 577 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Chambers County Water Control and Improvementd District..

p. Right of Way dated November 11, 1959, recorded in Volume 217 at Page 497 of the Deed Records of Chambers County, Texas from J.R. Barber, et ux to Southern Canal Company.

q. Right of Way dated November 9, 1960, recorded in Volume 225 at Page 477 of the Deed Records of Chambers County, Texas from J.R. Barber to Southern Canal Company.

r. Right of Way dated December 19, 1961, recorded in Volume 234 at Page 255 of the Deed Records of Chambers County, Texas from Lula Barber to Southern Canal Company..

s. Right of Way dated July 6, 1962 recorded in Volume 239 at Page 140 of the Deed Records of Chambers County, Texas from Lula Barber, et al to Colonial Pipeline Company.

t. Right of Way dated January 29, 1966 recorded in Volume 275 at Page 373 of the Deed Records of Chambers County, Texas from Lula Barber to Sinclair Pipeline Company.

u. Easement:
To: Southern Canal Company
Recorded: October 18, 1967 in Volume 292 at Page 469 ,Deed Records,Chambers County, Texas.
Purpose: Canal

v. Easement:
To: Gulf Refining Company
Recorded: February 5, 1968 in Volume 293 at Page 665 ,Deed Records,Chambers County, Texas.
Purpose:

w. Right of Way dated February 5, 1968, recorded in Volume 294 at Page 203 of the Deed Records of Chambers County, Texas from Lula Barber to Sinclair Pipeline Company.

x. Right of Way dated , recorded in Volume 165 at Page 509 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Texas Natural Gasoline Corporation.

y. Right of Way dated April 23, 1970, recorded in Volume 315 at Page 505 of the Deed Records of Chambers County, Texas from Lula Barber to Lo-Vaca Gathering Company..

z. Right of Way dated May 18, 1970, recorded in Volume 315 at Page 602 of the Deed Records of Chambers County, Texas from Lula Barber to Diamond Shamrock Corporation.

aa. Right of Way dated May 18, 1970, recorded in Volume 316 at Page 138 of the Deed Records of Chambers County, Texas from Lula Barber to Cities Service Pipeline Company.

bb. Right of Way dated August 17, 1970, recorded in Volume 318 at Page 466 of the Deed Records of Chambers County, Texas from Lula Barber to Santa Fe Pipeline Company.

cc. Right of Way Deed dated October 10, 1970, recorded in Volume 320 at Page 162 of the Deed Records of Chambers County, Texas from Lula Barber to Coastal Industrial Water Authority.

dd. Right of Way dated October 8, 1970, recorded in Volume 320 at Page 337 of the Deed Records of Chambers County, Texas from Lula Barber to Explorer Pipeline Company.

ee. Right of Way dated July 15, 1975, recorded in Volume 371 at Page 652 of the Deed Records of Chambers County, Texas from Lula Barber to Big Three Industries, Inc..

ff. Right of Way dated August 26, 1975, recorded in Volume 373 at Page 405 of the Deed Records of Chambers County, Texas from Delno Brown Executor of the Estate of Lula Barber and Glenda Del Brown to Colonial Pipeline Company

gg. Right of Way dated February 22, 1977, recorded in Volume 395 at Page 291 of the Deed Records of Chambers County, Texas from Delno Brown Executor of the Estate of Lula Barber and Glenda Del Brown to ARCO Pipeline Company

hh. Right of Way dated December 21, 1978, recorded in Volume 428 at Page 420 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Lo Vaca Gathering Company

ii. Right of Way dated February 2, 1979, recorded in Volume 430 at Page 541 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Houston Pipeline Company

jj. Right of Way dated February 22, 1979, recorded in Volume 431 at Page 653 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Shell Pipeline Corporation

kk. Right of Way dated October 31, 1980, recorded in Volume 464 at Page 272 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Exxon Pipeline Corporation

ll. Right of Way dated August 8, 1980, recorded in Volume 467 at Page 447 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Big Three Industries, Inc..

mm. Valve Site Lease dated January 12, 1981, recorded in Volume 467 at Page 461 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Big Three Industries, Inc..

nn. Right of Way dated May 1, 1981, recorded in Volume 473 at Page 156 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Exxon Pipeline Company

oo. Right of Way dated April 22, 1981, recorded in Volume 475 at Page 710 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Matador Pipeline Inc..

pp. Right of Way dated May 18, 1981, recorded in Volume 478 at Page 481 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Matador Pipeline Inc.

qq. Right of Way dated October 12, 1981, recorded in Volume 485 at Page 1 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Big Three Industries, Inc..

rr. Easement:

To:	Houston Lighting and Power Company
Recorded:	July 13, 1981 in Volume 478 at Page 481 ,Deed Records,Chambers County, Texas.
Purpose:	Utility

ss. Right of Way dated February 1, 1982, recorded in Volume 493 at Page 446 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Big Three Industries, Inc..

tt. Right of Way Contract dated May 31, 1988, recorded in Volume 50 at Page 106 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Mustang Pipeline Company

uu. Easement:
To: Valero Transmission
Recorded: September 12, 1988 in Volume 56 at page 677 ,Official Public Records,Chambers County, Texas.
Purpose: Pipeline

vv. Right of Way Contract dated November 8, 1988, recorded in Volume 62 at Page 573 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Himont USA

ww. Right of Way Contract dated December 5, 1991, recorded in Volume 162 at Page 177 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Enterprise Products Company

xx. Right of Way Contract dated March 13, 1992, recorded in Volume 171 at Page 642 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Koch Pipeline Company

yy. Right of Way Contract dated March 26, 1992, recorded in Volume 175 at Page 379 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Union Carbide Industrial Gases, Inc.

zz. Right of Way dated August 11, 1994, recorded in Volume 248 at Page 241 of the Official Public Records of Chambers County, Texas from Exxon to City of Mount Belvieu..

aaa. Right of Way Contract dated August 28, 1995 recorded in Volume 277 at Page 376 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Chevron USA

bbb. Right of Way Contract dated June 27, 1995, recorded in Volume 279 at Page 591 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Exxon Pipeline Company

ccc. Right of Way Contract dated October 29, 1996, recorded in Volume 314 at Page 345 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Mustang Pipeline Company

ddd. Right of Way Contract dated June 9, 1997, recorded in Volume 334 at Page 362 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Koch Pipeline Company

eee. Pipeline Right-of-Way Agreement dated July 28, 1998 and recorded in Volume 380 at Page 138 of the Official Public records of Chambers County, Texas.

fff. Pipeline Work Space Agreement dated September 16, 1998, recorded in Volume 382 at Page 623 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Koch Pipeline Company

ggg. Pipeline Right-of-Way Agreement dated September 5, 2003 and recorded in Volume 645 at Page 277 of the Official Public records of Chambers County, Texas.

hhh. Easement:
To: Cobra Oil & Gas Corporation
Recorded: September 14, 2004 in Volume 733 at page 5 ,Official Public Records,Chambers County, Texas.
Purpose: Pipeline

iii. Surface Agreement dated June 3, 2004 and recorded in Volume 703 at Page 644 of the Official Public records of Chambers County, Texas.

jjj. Surface Agreement dated May 27, 2004 and recorded in Volume 733 at Page 13 of the Official Public records of Chambers County, Texas.

kkk. Portion of subject property is in the City of Mount Belvieu, Texas, as set forth in Ordinance recorded in Volume 242, Page 324 of the Official Public Records of Chambers County, Texas.

lll. A gravel road traversing the Southern portion of subject property as evidenced by plat prepared by Chambers Surveying & Mapping by Michael W. Chandler RPLS 5292 and dated July 12, 2005 undet Job No. 05-1102

mmm. Mineral and/or royalty interest:

Interest: An undivided 100%

Recorded: September 13, 1954 in Volume 161 at Page 598 ,Deed Records, Chambers County, Texas.

EXHIBIT 3

DESCRIPTION OF THE APPLICANT'S QUALIFIED INVESTMENT

The proposed project will consist of a new NGL fractionator. The plant Components consist of

- DeEthanizer
- DePropanizer
- DeButanizer
- Towers
- Heat Medium
- Gasoline Treater
- Compression Equipment

The facility will also require a relatively small amount of personal property. All of the property for which the Applicant is seeking a limitation on appraised value will be owned by the Applicant or a valid assignee pursuant to this Agreement.