

**FINDINGS OF THE MANOR
INDEPENDENT SCHOOL DISTRICT BOARD
OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE
APPLICATION SUBMITTED
BY
SAMSUNG AUSTIN SEMICONDUCTOR, LLC**



December 17, 2012

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OF THE
MANOR INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES
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DECEMBER 17, 2012

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SAMSUNG AUSTIN SEMICONDUCTOR, LLC

STATE OF TEXAS §

COUNTY OF TRAVIS §

On the 17th day of December, 2012, a public meeting of the Board of Trustees of the Manor 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 Samsung Austin Semiconductor, LLC (Samsung) 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 Manor Independent School District makes the following findings with respect to the application of Samsung, and the economic impact of that application:

On August 31, 2012, the Superintendent of Schools of the Manor Independent School District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts received an Application from Samsung 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, Samsung, Inc. (Texas Taxpayer Id. 32017943922), (hereinafter "Samsung") is an entity subject to Chapter 171, Texas Tax Code, and is certified to be in good standing with the Texas Comptroller of Public Accounts. See **Attachment B**.

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

Board Findings of the Manor Independent School District

The Application was delivered to the Texas Comptroller's Office for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Travis Central 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 November 27, 2012. 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 Manor 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 Manor 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 Samsung, 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.

With regard to Finding No. 1, the Comptroller's economic impact evaluation included the following information:

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 Samsung Austin Semiconductor, LLC project requires appear to be in line with the focus and themes of the plan. Texas identified manufacturing and research and development as two 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 Manor, Texas is in need of long-term improvement, based on the review of Travis County data by the State Comptroller's Office.

Based on information provided by the Comptroller's Office, Travis County is the 5th largest in the state in terms of population. Population growth in Travis County is positive and was the state's 24th fastest growing county from 2009 to 2010. The state population grew by 1.8 percent between 2009 and 2010, while the population of Travis County increased by 2.6 percent over the same period.

September 2011 employment for Travis County was up 1.2 percent from September 2010, above the state's 0.9 percent increase in total employment during the same period. The

Board Findings of the Manor Independent School District

unemployment rate in Travis County was 7.3 percent in September 2011, lower than the state average of 8.5 percent. It is noteworthy that the Travis County unemployment rate increased from 6.9 percent in the prior year to the 7.3 percent level in September 2011.

Travis County continues to have a slightly higher per capita personal income than the state as a whole. In terms of per capita income, Travis County County's \$40,544 in 2009 ranked 29th among the 254 counties in Texas, while the Texas average was \$38,609 for the same period.

While some of these indicators are positive, the local economy in the Manor area will benefit from economic activity like that associated with the Samsung project. Major capital investments like this project are beneficial to the community on a number of fronts, including direct and indirect employment, expanded opportunities for existing businesses and increased local tax bases.

Board Finding Number 3.

The average salary level of qualifying jobs is expected to be at least \$60,552 per year. The review of the application by the State Comptroller's Office indicated that this amount—based on Texas Workforce Commission data—complies with the requirement that qualifying jobs must pay 110 percent of the regional average manufacturing wage.

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

After construction, the project will create 25 new jobs when fully operational. All 25 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 Capital Area Council of Governments Region, where Travis County is located was \$55,407 in 2011. The annual average manufacturing wage for 2011-2012 for Travis County is \$92,079. That same year, the county annual average wage for all industries was \$53,638. In addition to a salary of \$60,552, each qualifying position will receive at least 80% of medical insurance, dental insurance, vision insurance, life insurance, 401 (k) savings plan, flexible spending, vacation and holiday pay, and employee assistance program.

Board Finding Number 4.

The level of the applicant's average investment per qualifying job over the term of the Agreement is estimated to be approximately \$160 million on the basis of the projection of twenty-five (25) new qualifying positions for the entire Samsung, Inc. project, all of which will be qualifying.

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

The project's total investment is \$4 billion, resulting in a relative level of investment per qualifying job of \$160 million.

Board Finding Number 5.

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

Table 1 depicts Samsung Austin Semiconductor'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 Samsung Austin Semiconductor, LLC

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2012	515	648	1163	\$50,301,750	\$33,698,250	\$84,000,000
2013	483	642	1125	\$46,342,500	\$39,657,500	\$86,000,000
2014	25	89	114	\$1,575,000	\$14,425,000	\$16,000,000
2015	25	243	268	\$1,575,000	\$22,425,000	\$24,000,000
2016	25	446	471	\$1,575,000	\$36,425,000	\$38,000,000
2017	25	511	536	\$1,575,000	\$44,425,000	\$46,000,000
2018	25	513	538	\$1,575,000	\$47,425,000	\$49,000,000
2019	25	475	500	\$1,575,000	\$47,425,000	\$49,000,000
2020	25	420	445	\$1,575,000	\$44,425,000	\$46,000,000
2021	25	368	393	\$1,575,000	\$41,425,000	\$43,000,000
2022	25	313	338	\$1,575,000	\$38,425,000	\$40,000,000
2023	25	283	308	\$1,575,000	\$35,425,000	\$37,000,000
2024	25	260	285	\$1,575,000	\$33,425,000	\$35,000,000
2025	25	239	264	\$1,575,000	\$32,425,000	\$34,000,000
2026	25	196	221	\$1,575,000	\$29,425,000	\$31,000,000
2027	25	172	197	\$1,575,000	\$27,425,000	\$29,000,000

Source: CPA, REMI, Samsung Austin Semiconductor, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.65 billion in 2011. Manor ISD’s ad valorem tax base in 2011 was \$2.4 billion. The statewide average wealth per WADA was estimated at \$346,165 for fiscal 2011-2012. During that same year, Manor ISD’s estimated wealth per WADA was \$219,328.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Travis County, City of Austin, Travis County Healthcare District, and Austin Community College, with all property tax incentives sought being granted using estimated market value from Samsung Austin Semiconductor, LLC’s application. Samsung Austin Semiconductor, LLC has applied for both a value limitation under Chapter 313, Tax Code and has an existing tax abatement agreement with the county, city, and healthcare district. Table 3 illustrates the estimated tax impact of the Samsung Austin Semiconductor, LLC project on the region if all taxes are assessed.

Board Findings of the Manor Independent School District

Table 2 Estimated Direct Ad Valorem Taxes with all property tax incentives sought													
Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate ¹	Manor ISD I&S Levy	Manor ISD M&O Levy	Manor ISD M&O and I&S Tax Levies (Before Credit Credited)	Manor ISD M&O and I&S Tax Levies (After Credit Credited)	Travis County Tax Levy	City of Austin Tax Levy	Travis County Healthcare District Tax Levy	Austin Community College Tax Levy	Estimated Total Property Taxes	
2013	\$100,000,000	\$100,000,000		0.4750	1.0400	\$475,000	\$1,040,000	\$1,515,000	\$97,100	\$0	\$15,780	\$94,800	\$1,722,680
2014	\$2,111,000,000	\$2,111,000,000		\$10,027,250	\$21,954,400	\$31,981,650	\$31,981,650	\$2,049,781	\$0	\$333,116	\$2,001,228	\$36,365,775	
2015	\$2,232,000,000	\$80,000,000		\$10,602,000	\$832,000	\$11,434,000	\$11,434,000	\$2,167,272	\$0	\$352,210	\$2,115,936	\$16,069,418	
2016	\$1,791,650,000	\$80,000,000		\$8,510,338	\$832,000	\$9,342,338	\$6,295,138	\$1,739,692	\$0	\$282,722	\$1,698,484	\$10,016,036	
2017	\$1,263,802,500	\$80,000,000		\$6,003,062	\$832,000	\$6,835,062	\$3,954,647	\$1,227,152	\$1,520,038	\$199,428	\$1,198,085	\$8,099,350	
2018	\$844,482,125	\$80,000,000		\$4,011,290	\$832,000	\$4,843,290	\$2,527,205	\$1,434,986	\$1,015,701	\$233,204	\$800,569	\$6,011,665	
2019	\$569,859,806	\$80,000,000		\$2,706,834	\$832,000	\$3,538,834	\$1,726,678	\$968,334	\$685,399	\$157,367	\$540,227	\$4,078,005	
2020	\$398,230,835	\$80,000,000		\$1,891,596	\$832,000	\$2,723,596	\$1,331,931	\$676,694	\$478,972	\$109,971	\$377,523	\$2,975,091	
2021	\$264,996,210	\$80,000,000		\$1,258,732	\$832,000	\$2,090,732	\$1,025,491	\$450,295	\$318,724	\$73,179	\$251,216	\$2,118,905	
2022	\$186,646,779	\$80,000,000		\$886,572	\$832,000	\$1,718,572	\$845,288	\$317,160	\$224,489	\$51,543	\$176,941	\$1,615,420	
2023	\$153,749,762	\$153,749,762		\$730,311	\$1,598,998	\$2,329,309	-\$23,062	\$261,259	\$184,923	\$42,458	\$145,755	\$611,332	
2024	\$141,937,297	\$141,937,297		\$674,202	\$1,476,148	\$2,150,350	-\$21,291	\$241,187	\$170,715	\$39,196	\$134,557	\$564,364	
2025	\$131,896,703	\$131,896,703		\$626,509	\$1,371,726	\$1,998,235	-\$19,785	\$224,125	\$158,639	\$36,423	\$125,038	\$524,441	
2026	\$123,362,197	\$123,362,197		\$585,970	\$1,282,967	\$1,868,937	\$1,868,937	\$209,623	\$148,374	\$34,066	\$116,947	\$2,377,948	
2027	\$116,107,868	\$116,107,868		\$551,512	\$1,207,522	\$1,759,034	\$1,759,034	\$197,296	\$139,649	\$32,063	\$110,070	\$2,238,113	
						Total	\$66,200,861	\$12,261,957	\$5,045,623	\$1,992,726	\$9,887,377	\$95,388,544	

Assumes School Value Limitation and Tax Abatements with the County, City, and Healthcare District.

Source: CPA, Samsung Austin Semiconductor, LLC

¹Tax Rate per \$100 Valuation

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives												
Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate ¹	Manor ISD I&S Levy	Manor ISD M&O Levy	Manor ISD M&O and I&S Tax Levies	Travis County Tax Levy	City of Austin Tax Levy	Travis County Healthcare District Tax Levy	Austin Community College Tax Levy	Estimated Total Property Taxes	
2013	\$100,000,000	\$100,000,000		0.4750	1.0400	\$1,515,000	\$485,500	\$481,100	\$78,900	\$94,800	\$2,655,300	
2014	\$2,111,000,000	\$2,111,000,000		\$10,027,250	\$21,954,400	\$31,981,650	\$10,248,905	\$10,156,021	\$1,665,579	\$2,001,228	\$56,053,383	
2015	\$2,232,000,000	\$2,232,000,000		\$10,602,000	\$23,212,800	\$33,814,800	\$10,836,360	\$10,738,152	\$1,761,048	\$2,115,936	\$59,266,296	
2016	\$1,791,650,000	\$1,791,650,000		\$8,510,338	\$18,633,160	\$27,143,498	\$8,698,461	\$8,619,628	\$1,413,612	\$1,698,484	\$47,573,682	
2017	\$1,263,802,500	\$1,263,802,500		\$6,003,062	\$13,143,546	\$19,146,608	\$6,135,761	\$6,080,154	\$997,140	\$1,198,085	\$33,557,748	
2018	\$844,482,125	\$844,482,125		\$4,011,290	\$8,782,614	\$12,793,904	\$4,099,961	\$4,062,804	\$666,296	\$800,569	\$22,423,534	
2019	\$569,859,806	\$569,859,806		\$2,706,834	\$5,926,542	\$8,633,376	\$2,766,669	\$2,741,596	\$449,619	\$540,227	\$15,131,487	
2020	\$398,230,835	\$398,230,835		\$1,891,596	\$4,141,601	\$6,033,197	\$1,933,411	\$1,915,889	\$314,204	\$377,523	\$10,574,223	
2021	\$264,996,210	\$264,996,210		\$1,258,732	\$2,755,961	\$4,014,693	\$1,286,557	\$1,274,897	\$209,082	\$251,216	\$7,036,444	
2022	\$186,646,779	\$186,646,779		\$886,572	\$1,941,127	\$2,827,699	\$906,170	\$897,958	\$147,264	\$176,941	\$4,956,032	
2023	\$153,749,762	\$153,749,762		\$730,311	\$1,598,998	\$2,329,309	\$746,455	\$739,690	\$121,309	\$145,755	\$4,082,517	
2024	\$141,937,297	\$141,937,297		\$674,202	\$1,476,148	\$2,150,350	\$689,106	\$682,860	\$111,989	\$134,557	\$3,768,861	
2025	\$131,896,703	\$131,896,703		\$626,509	\$1,371,726	\$1,998,235	\$640,358	\$634,555	\$104,066	\$125,038	\$3,502,253	
2026	\$123,362,197	\$123,362,197		\$585,970	\$1,282,967	\$1,868,937	\$598,923	\$593,496	\$97,333	\$116,947	\$3,275,636	
2027	\$116,107,868	\$116,107,868		\$551,512	\$1,207,522	\$1,759,034	\$563,704	\$558,595	\$91,609	\$110,070	\$3,083,012	
						Total	\$158,010,290	\$50,636,301	\$50,177,393	\$8,229,051	\$9,887,377	\$276,940,410

Source: CPA, Samsung Austin Semiconductor, LLC

¹Tax Rate per \$100 Valuation

Board Finding Number 6.

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

In support of this finding, the analysis prepared by Moak, Casey & Associates projects that the project would initially add \$2.2 billion to the tax base for debt service purposes at the peak investment level for the 2015-16 school year. The Samsung project remains fully taxable for debt services taxes, with Manor ISD currently levying a \$0.475 per \$100 I&S rate. The value of the Samsung project is expected to depreciate over the life of the agreement and beyond, but full access to the additional value will add to the District's tax base and enhance its ability to meet future debt service needs.

Board Finding Number 7.

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

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

Board Finding Number 8.

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

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

According to Samsung Austin Semiconductor, LLC's application, "The company has the ability and is being recruited this project both at the company's primary manufacturing site in Korea and at a new manufacturing site China, as well as the SAS plant in Austin."

Board Finding Number 9.

During the past two years, one project in the Capital Area Council of Governments Region applied for value limitation agreements under Tax Code, Chapter 313.

Board Finding Number 10.

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

Board Finding Number 11.

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

According to the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2011 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year, Attachment F, the total 2011 total taxable value for Manor ISD is \$2.36 billion. Given that the total taxable value is more than \$1 billion but less than \$10 billion in Manor ISD, it is classified as a Subchapter B, Category II district which can offer a minimum value limitation of \$80 million.

Board Finding Number 12.

The Applicant (Taxpayer Id. 32017943922) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on its "good standing" certification as a franchise-tax paying entity.

Board Finding Number 13.

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

Board Findings of the Manor Independent School District

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

Board Finding Number 14.

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

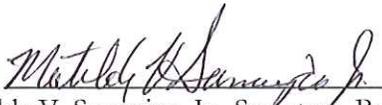
It is therefore ORDERED that the Agreement attached hereto as **Attachment G** is approved and hereby authorized to be executed and delivered by and on behalf of the Manor Independent School District. It is further ORDERED that these findings and the Attachments referred to herein be attached to the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

Dated the 17th day of December 2012.

MANOR INDEPENDENT SCHOOL DISTRICT

By: 
Desiree Cornelius-Fisher, President, Board of Trustees

ATTEST:

By: 
Matildy V. Samaripa, Jr., Secretary, Board of Trustees

O'HANLON, McCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

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CERTIFIED, CIVIL APPELLATE
CERTIFIED, CIVIL TRIAL

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

JUSTIN DEMERATH

August 21, 2012

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

RE: Application to the Manor Independent School District from Samsung Austin Semiconductor, LLC

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Manor Independent School District is notifying the Applicant Samsung Austin Semiconductor, LLC of its intent to consider the application for appraised value limitation on qualified property. The Applicant submitted the Application to the school district on August 20, 2012. The Board voted to accept the application on August 20, 2012. The application has been determined complete as of August 21, 2012. We are requesting an expedited review of the application.

The Applicant has confirmed that there have been no improvements or expenditures related to the project expansion that have occurred prior to the date the application was submitted to the school district. No improvements will start until after a final determination of a completed application by the Office of the Comptroller. Hence the request for an expedited review.

The school district has determined that the wage information included in the application represents the most recent wage data available at the time of the application. The wage the Applicant has committed to paying on this project is well above the required statutory minimums.

Letter to Local Government Assistance & Economic Analysis Division

August 21, 2012

Page 2 of 2

A paper copy of the application will be hand delivered to your office tomorrow. In accordance with 34 Tex. Admin Code §9.1054, a copy of the application will be submitted to the Travis County Appraisal District.

Please feel free to contact me with questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin O'Hanlon". The signature is stylized and somewhat cursive, with a prominent initial "K" and "O".

Kevin O'Hanlon
School District Consultant

August 1, 2012

Kevin Brackmeyer
Superintendent
Manor Independent School District
10335 US Hwy 290E Manor, TX 78653

Dear: Mr. Brackmeyer

We represent Samsung Austin Semiconductor, LLC and on its behalf deliver to you its Application for Appraised Value Limitation on Qualified Property under Chapter 313 of the Texas Tax Code. We also deliver with this application check no. 2000661, dated August 1, 2012, payable to the order of the District in the amount of \$75,000.00, which understand to be the minimum application fee for the District to process fully an Application. We understand that the District will consider whether this minimum fee is satisfactory and that you will advise us of the action taken in that regard. Three copies of this Application are provided, including one which is bound in a three ring binder as required by the Comptroller regulations. We also include a disk on which the entire Application has been copied.

Samsung requests that at the next meeting of the Board of Directors of the District that it take the following official actions: (a) acknowledge receipt of this application; (b) approve consideration of this application; (c) set the applicable fee for the application; (d) approve designation of the reinvestment zone to be the area covered by the application; and (e) proceed to take the other actions required by law to result in determining that this application is complete and should be sent to the Comptroller of Public Accounts for its processing.

In the event that there are any questions regarding this application or if additional actions need to be taken or materials provided by Samsung, please let us know. As indicated in the application, Catherine Morse, General Counsel of Samsung Austin Semiconductor, is the single point of contact for Samsung's application. We would appreciate receiving a copy of all such communications as the named Consultant to Samsung in the application.

Kevin Brackmeyer
August 1, 2012
Page 2

On behalf of our client, we thank you for your consideration of this Application.

Very truly yours,

A handwritten signature in black ink, appearing to read "R. G. Converse". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

R. G. Converse
Attachments
RGC/jc

cc: Catherine Morse (via email w/enclosures)
Kevin O'Hanlon (via email w/enclosures)



Application for Appraised Value Limitation on Qualified Property

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

Form 50-296
(Revised May 2010)

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

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

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

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

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

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

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

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

SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION

Authorized School District Representative		Date application received by district 8 / 20 / 12
First Name Kevin	Last Name Brackmeyer	
Title Superintendent		
School District Name Manor Independent School District		
Street Address 10335 US Hwy 290 E		
Mailing Address 10335 US Hwy 290 E		
City Manor	State TX	ZIP 78653
Phone Number 512-278-4000	Fax Number 512-278-4017	
Mobile Number (optional)	E-mail Address kevin.brackmeyer@manorisd.net	

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

Will consultant be primary contact? Yes No



SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized School District Consultant (If Applicable)

First Name Kevin		Last Name O'Hanlon	
Title Consultant			
Firm Name O'Hanlon, McCollom & Demerath			
Street Address 808 West Avenue			
Mailing Address 808 West Avenue			
City Austin		State TX	ZIP 78701
Phone Number 512-494-9949		Fax Number 512-494-9919	
Mobile Number (Optional)		E-mail Address kohanlon@808west.com; mhanley@808west.com	

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

Signature (Authorized School District Representative) 	Date 8-20-12
--	------------------------

Has the district determined this application complete? Yes No

If yes, date determined complete. 8/21/2012

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

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

	Checklist	Page X of 16	Check Completed
1	Date application received by the ISD	1 of 16	✓
2	Certification page signed and dated by authorized school district representative	2 of 16	✓
3	Date application deemed complete by ISD	2 of 16	✓
4	Certification pages signed and dated by applicant or authorized business representative of applicant	4 of 16	✓
5	Completed company checklist	12 of 16	✓
6	School finance documents described in TAC 9.1054(c)(3) (Due within 20 days of district providing notice of completed application)	2 of 16	will supplement

will supplement



APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Business Representative (Applicant)

First Name Catherine		Last Name Morse	
Title General Counsel and Director of Public Affairs			
Organization Samsung Austin Semiconductor LLC			
Street Address 12100 Samsung Blvd Austin, TX 78754			
Mailing Address 12100 Samsung Blvd			
City Austin		State TX	ZIP 78754
Phone Number 512-672-1008		Fax Number 512-491-1510	
Mobile Number (optional)		Business e-mail Address C.Morse@Samsung.com	

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

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

First Name		Last Name	
Title			
Organization			
Street Address			
Mailing Address			
City		State	ZIP
Phone Number		Fax Number	
Mobile Number (optional)		E-mail Address	

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

Will consultant be primary contact? Yes No

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

First Name Robert	Last Name Converse	
Title Of Counsel		
Firm Name Fulbright & Jaworski L.L.P.		
Street Address 98 San Jacinto Blvd., Suite 1100, Austin, Texas 78701-4255		
Mailing Address 98 San Jacinto Blvd.		
City Austin	State Texas	ZIP 78701-4255
Phone Number 512-536-4535	Fax Number 512-536-4598	
Business email Address jconverse@fulbright.com		

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

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

Signature (Authorized Business Representative (Applicant)) <i>Catherine O Marse</i>	Date <i>8-1-12</i>
--	-----------------------

GIVEN under my hand and seal of office this 1 day of August, 2012



(Notary Seal)

Sherry Renee Breaux
Notary Public, State of Texas

My commission expires 11-16-12

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.



FEES AND PAYMENTS

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

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

Please answer only either A OR B:

A. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code, 313.027(i)?

B. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)?

BUSINESS APPLICANT INFORMATION

Legal Name under which application is made

Samsung Austin Semiconductor LLC

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

32017943922

NAICS code

334413

Is the applicant a party to any other Chapter 313 agreements?

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

Manor ISD (First Qualifying Year 2006) Agreement signed September 22, 2005

APPLICANT BUSINESS STRUCTURE

Registered to do business in Texas with the Texas Secretary of State?

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

Limited Liability Company

1. Is the applicant a combined group, or comprised of members of a combined group, as defined by Texas Tax Code Chapter 171.0001(7)?

2. Is the applicant current on all tax payments due to the State of Texas?

3. Are all applicant members of the combined group current on all tax payments due to the State of Texas?

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



ELIGIBILITY UNDER TAX CODE CHAPTER 313.024

- Are you an entity to which Tax Code, Chapter 171 applies?
The property will be used as an integral part, or as a necessary auxiliary part, in one of the following activities:
(1) manufacturing
(2) research and development.
(3) a clean coal project, as defined by Section 5.001, Water Code
(4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code
(5) renewable energy electric generation
(6) electric power generation using integrated gasification combined cycle technology.
(7) nuclear electric power generation
(8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7)
Are you requesting that any of the land be classified as qualified investment?
Will any of the proposed qualified investment be leased under a capitalized lease?
Will any of the proposed qualified investment be leased under an operating lease?
Are you including property that is owned by a person other than the applicant?
Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment?

PROJECT DESCRIPTION

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

See Sheet "Project Description"

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

The company has the ability to locate this project anywhere in the world.

PROJECT CHARACTERISTICS (CHECK ALL THAT APPLY)

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

PROJECTED TIMELINE

Begin Construction September, 2012, Begin Hiring New Employees January, 2013, Construction Complete March, 2013, Fully Operational 2nd Quarter, 2014, Purchase Machinery & Equipment December, 2012-July, 2013

Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)?

When do you anticipate the new buildings or improvements will be placed in service? 3rd Quarter 2013



ECONOMIC INCENTIVES

Identify state programs the project will apply for:

State Source	Amount
None	0.00
_____	_____
_____	_____
Total	_____

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

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

This project will be covered by existing agreement with the City of Austin and Travis County.

THE PROPERTY

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

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

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

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

County: Travis (100%) City: Austin (100%)
(Name and percent of project) (Name and percent of project)

Hospital District: Travis County Healthcare District (100%) Water District: None
(Name and percent of project) (Name and percent of project)

Other (describe): Austin Community College (100%) Other (describe): None
(Name and percent of project) (Name and percent of project)

Is the project located entirely within this ISD? Yes No

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



INVESTMENT

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

At the time of application, what is the estimated minimum qualified investment required for this school district? \$80 million

What is the amount of appraised value limitation for which you are applying? \$80 million

What is your total estimated qualified investment? \$3.52 billion

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

What is the anticipated date of application approval? December 17, 2012

What is the anticipated date of the beginning of the qualifying time period? December 17, 2012

What is the total estimated investment for this project for the period from the time of application submission to the end of the limitation period? \$4.0 billion

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

Attach the following items to this application:

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

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

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

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

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

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

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

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

QUALIFIED PROPERTY

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

Attach the following items to this application:

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

Land

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

If you answered "no" to the question above, what is the anticipated date on which you will submit proof of a reinvestment zone with boundaries encompassing the land on which you propose new construction or improvements? to be created by Manor ISD, September 2012

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

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



QUALIFIED PROPERTY (CONTINUED)

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

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

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

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

Miscellaneous

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

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

List current market value of existing property at site as of most recent tax year. \$2.9 billion (Market Value) 2012 (Tax Year)

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

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

WAGE AND EMPLOYMENT INFORMATION

What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 2,692 (including contractors)

The last complete calendar quarter before application review start date is the: [] First Quarter [X] Second Quarter [] Third Quarter [] Fourth Quarter of 2012 (year)

What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the TWC? 2,409

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

Total number of new jobs that will have been created when fully operational 25

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

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

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

What is the maximum number of qualifying jobs meeting all criteria of §313.021(3) you are committing to create? 25

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

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

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

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



WAGE AND EMPLOYMENT INFORMATION (CONTINUED)

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

110% of the county average weekly wage for all jobs (all industries) in the county is 1,143.45

110% of the county average weekly wage for manufacturing jobs in the county is 1,947.83

110% of the county average weekly wage for manufacturing jobs in the region is 1164.24

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

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

What is the estimated minimum required annual wage for each qualifying job based on the qualified property? 60,551.70

What is the estimated minimum required annual wage you are committing to pay for each of the qualifying jobs you create on the qualified property? 60,551.70

Will 80% of all new jobs created by the owner be qualifying jobs as defined by 313.021(3)? ☑ Yes ☐ No

Will each qualifying job require at least 1,600 of work a year? ☑ Yes ☐ No

Will any of the qualifying jobs be jobs transferred from one area of the state to another? ☐ Yes ☑ No

Will any of the qualifying jobs be retained jobs? ☐ Yes ☑ No

Will any of the qualifying jobs be created to replace a previous employee? ☐ Yes ☑ No

Will any required qualifying jobs be filled by employees of contractors? ☐ Yes ☑ No

If yes, what percent? _____

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

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

Please see attached benefit sheet

ECONOMIC IMPACT

Is an Economic Impact Analysis attached (If supplied by other than the Comptroller's office)? ☐ Yes ☑ No

Is Schedule A completed and signed for all years and attached? ☑ Yes ☐ No

Is Schedule B completed and signed for all years and attached? ☑ Yes ☐ No

Is Schedule C (Application) completed and signed for all years and attached? ☑ Yes ☐ No

Is Schedule D completed and signed for all years and attached? ☑ Yes ☐ No

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

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

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

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

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

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

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

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

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

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

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

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

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

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



COMPANY CHECKLIST AND REQUESTED ATTACHMENTS

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

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

Applicant Name SAMUEL JUSTIN SEMICONDUCTOR LLC
 ISD Name MANDOR INDEPENDENT SCHOOL DISTRICT

	Year	PROPERTY INVESTMENT AMOUNTS				Column E: Total Investment (A)-(E)-(F)			
		School Year (YYYY-YYYY)	Tax Year (fill in actual tax year)	Column A: Taxpayers Per The amount of new investment (original cost) placed in new during this year	Column B: Building or permanent nonresidential component of building (cost) (A)-(B)-(C)		Column C: Start of A and B Qualifying Investment (Using the qualifying start dates)	Column D: Other investment that is not qualified investment but investment affecting economic impact and job development	
Investment made before filing complete application became qualified investment				\$0	\$0	\$0	\$0		
Investment made after filing complete application but before the beginning of the qualifying time period (assuming no deferral)	2010-2013	2012		\$0	\$180,000,000	\$0	\$180,000,000		
The Credit Period (With 50% cap on credit)	Complete tax years of qualifying time period	1	2013-2014	2013	\$0	\$20,000,000	\$0,000,000	\$0	\$20,000,000
		2	2014-2015	2014	\$2,300,000,000	\$200,000,000	\$2,500,000,000	\$0	\$2,500,000,000
		3	2015-2016	2015	\$1,000,000,000	\$0	\$1,000,000,000	\$0	\$1,000,000,000
		4	2016-2017	2016	\$300,000,000	\$0	\$300,000,000	\$0	\$300,000,000
		5	2017-2018	2017	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0
		6	2018-2019	2018	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0
		7	2019-2020	2019	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0
		8	2020-2021	2020	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0
		9	2021-2022	2021	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0
		10	2022-2023	2022	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0
		11	2023-2024	2023	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0
		12	2024-2025	2024	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0
		13	2025-2026	2025	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0
		14	2026-2027	2026	\$0,000,000	\$0,000,000	\$0,000,000	\$0,000,000	\$0
		Post-Settle-Up Period	Post-Settle-Up Period	2027	2027-2028	2027	\$0,000,000	\$0,000,000	\$0,000,000

Qualifying Time Period usually begins with the final board approval of the application and extends generally for the following two complete tax years.
 This represents the total dollar amount of planned investment in tangible personal property; the applicant certifies qualified investment - as defined in Tax Code §13.0211(A)-(D).
 Column A:

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).

The total dollar amount of planned investment each year in building or nonresidential component of building that the applicant considers
 qualified investment under Tax Code §13.0211(E).

For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonresidential components of buildings.
 Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value for planning, construction and operation of the facility.

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

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

Note: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, report additional rows as needed.

This schedule is submitted with the original application and original application for tax credit. When using this schedule for any purpose other than the original application,
 replace original schedule with updated schedule for current and future years. If original estimates have not changed, enter
 those amounts for future years.

Signature:  DATE: 8-16-2012

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

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

SAMSUNG AUSTIN SEMICONDUCTOR LLC
 MANOR INDEPENDENT SCHOOL DISTRICT

Form 50-296

Applicant Name ISD Name	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Estimated Market Value of Land	Qualified Property		Reductions from Market Value	Estimated Taxable Value		
					Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"				
Tax Credit Period (with 50% cap on credit)	Complete tax years of qualifying time period	1	2012	\$0.00	\$0	\$0	\$0.00	\$0		
		2	2013	\$0.00	\$100,000,000	\$0	\$0.00	\$100,000,000		
	Value Limitation Period	3	2014-2015	2014	\$0.00	\$340,000,000	\$1,771,000,000	\$0.00	\$2,111,000,000	
		4	2015-2016	2015	\$0.00	\$289,000,000	\$1,943,000,000	\$0.00	\$2,232,000,000	
		5	2016-2017	2016	\$0.00	\$245,650,000	\$1,546,000,000	\$0.00	\$1,791,650,000	
	Credit Settle-Up Period	Continue to Maintain Viable Presence	6	2017-2018	2017	\$0.00	\$208,802,500	\$1,055,000,000	\$0.00	\$1,263,802,500
			7	2018-2019	2018	\$0.00	\$177,482,125	\$667,000,000	\$0.00	\$844,482,125
			8	2019-2020	2019	\$0.00	\$150,859,806	\$419,000,000	\$0.00	\$569,859,806
			9	2020-2021	2020	\$0.00	\$128,230,835	\$270,000,000	\$0.00	\$398,230,835
			10	2021-2022	2021	\$0.00	\$108,996,210	\$156,000,000	\$0.00	\$264,996,210
	Post-Settle-Up Period	Post-Settle-Up Period	11	2022-2023	2022	\$0.00	\$92,646,779	\$94,000,000	\$0.00	\$186,646,779
			12	2023-2024	2023	\$0.00	\$78,749,762	\$75,000,000	\$0.00	\$153,749,762
			13	2024-2025	2024	\$0.00	\$66,937,297	\$75,000,000	\$0.00	\$141,937,297
	Post-Settle-Up Period	Post-Settle-Up Period	14	2025-2026	2025	\$0.00	\$56,896,703	\$75,000,000	\$0.00	\$131,896,703
			15	2026-2027	2026	\$0.00	\$48,362,197	\$75,000,000	\$0.00	\$123,362,197
			2027-2028	2027	\$0.00	\$41,107,868	\$75,000,000	\$0.00	\$116,107,868	

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.

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

Antonio Moore

8-16-12

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

Schedule C - Application: Employment Information

Form 90-296

Applicant Name: SAMSUNG AUSTIN SEMICONDUCTOR LLC
 ISD Name: MANOR INDEPENDENT SCHOOL DISTRICT

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year)	Construction		New Jobs		Qualifying Jobs		
			Column A: Number of Construction or non-hours (Specify)	Column B: Average annual wage for construction workers	Column C: Number of new jobs applicant commits to (cumulative)	Column D: Average annual wage rate for all new jobs	Column E: Number of jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs	
pre-year 1	2012-2013	2012	1,070,250 man hrs	\$47,00/hr					
Complete tax years of qualifying time period	1	2013-2014	2013	952,500 man hrs	\$47,00/hr	25	\$63,000.00	25	\$63,000.00
	2	2014-2015	2014			25	\$63,000.00	25	\$63,000.00
	3	2015-2016	2015			25	\$63,000.00	25	\$63,000.00
	4	2016-2017	2016			25	\$63,000.00	25	\$63,000.00
	5	2017-2018	2017			25	\$63,000.00	25	\$63,000.00
Value Limitation Period	6	2018-2019	2018			25	\$63,000.00	25	\$63,000.00
	7	2019-2020	2019			25	\$63,000.00	25	\$63,000.00
	8	2020-2021	2020			25	\$63,000.00	25	\$63,000.00
	9	2021-2022	2021			25	\$63,000.00	25	\$63,000.00
	10	2022-2023	2022			25	\$63,000.00	25	\$63,000.00
Credit Settle-Up Period	11	2023-2024	2023			25	\$63,000.00	25	\$63,000.00
	12	2024-2025	2024			25	\$63,000.00	25	\$63,000.00
	13	2025-2026	2025			25	\$63,000.00	25	\$63,000.00
Post-Settle-Up Period	14	2026-2027	2026			25	\$63,000.00	25	\$63,000.00
	15	2027-2028	2027			25	\$63,000.00	25	\$63,000.00

Notes: For (job definitions see TAC §9-109(1)(4) and Tax Code §313.021(3).

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

Cathy O. Moore
 SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

8-16-12
 DATE

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

Applicant Name

Samsung Austin Semiconductor, LLC

ISD Name: Manor I

Form 50-296

	Year	School Year (YYYY-YYYY)	Tax/ Calendar Year YYYY	Sales Tax Information		Other Property Tax Abatements Sought				
				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	Franchise Tax	County	City	Hospital	Other
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	2012-2013	2012		\$57,000,000.00	\$1,100,000,000.00	\$100,000.00	80%	100%	80%	--
Complete tax years of qualifying time period	1	2013-2014	2013			\$100,000.00	80%	100%	80%	--
	2	2014-2015	2014			\$100,000.00	80%	100%	80%	--
	3	2015-2016	2015			\$100,000.00	80%	100%	80%	--
	4	2016-2017	2016			\$100,000.00	80%	100%	80%	--
	5	2017-2018	2017			\$100,000.00	80%	100%	80%	--
	6	2018-2019	2018			\$100,000.00	80%	75%	80%	--
	7	2019-2020	2019			\$100,000.00	65%	75%	65%	--
	8	2020-2021	2020			\$100,000.00	65%	75%	65%	--
	9	2021-2022	2021			\$100,000.00	65%	75%	65%	--
	10	2022-2023	2022			\$100,000.00	65%	75%	65%	--
	11	2023-2024	2023			\$100,000.00	65%	75%	65%	--
	12	2024-2025	2024			\$100,000.00	65%	75%	65%	--
	13	2025-2026	2025			\$100,000.00	65%	75%	65%	--
	14	2026-2027	2026			\$100,000.00	65%	75%	65%	--
	15	2027-2028	2027			\$100,000.00	65%	75%	65%	--

*For planning, construction and operation of the facility.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

Erica Me

DATE

8-16-17

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

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

Affiliates Contact : Richard Conrad, Samsung Electronics America, (201) 229-4169

05-165
 (9-09/2)
 Tcode 13298

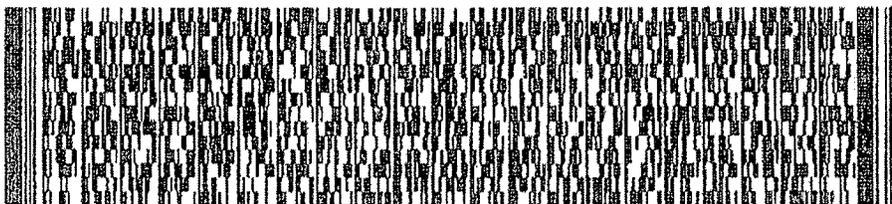
**TEXAS FRANCHISE TAX
 EXTENSION AFFILIATE LIST**

Reporting entity taxpayer number: **1 1 3 2 9 5 1 1 5 3 6** Report year: **2 0 1 1** Reporting entity taxpayer name: **SAMSUNG ELECTRONICS AMERICA, INC.**

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	BLACKEN CIRCLE IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. SAMSUNG ELECTRONICS AMERICA, INC.	1 1 3 2 9 5 1 1 5 3 6	<input type="radio"/>
2. SAMSUNG SEMICONDUCTOR, INC.	1 9 4 2 9 0 5 5 9 6 5	<input type="radio"/>
3. SAMSUNG TELECOMMUNICATIONS AMERICA LL	1 6 5 0 3 0 4 0 4 1 8	<input type="radio"/>
4. SAMSUNG INFORMATION SYSTEMS AMERICA, IN	9 5 3 1 7 0 7 7 8	<input checked="" type="radio"/>
5. SAMSUNG INTERNATIONAL, INC.	2 2 2 4 8 3 7 8 8	<input checked="" type="radio"/>
6. SAMSUNG AUSTIN SEMICONDUCTOR, LLC	3 2 0 1 7 9 4 3 9 2 2	<input type="radio"/>
7. SEMES AMERICA, INC	1 7 4 2 8 8 7 4 7 4 1	<input type="radio"/>
8. SAMSUNG ELECTRONICS LATINOAMERICA, INC	6 5 0 5 9 2 5 3 2	<input checked="" type="radio"/>
9.		<input type="radio"/>
10.		<input type="radio"/>
11.		<input type="radio"/>
12.		<input type="radio"/>
13.		<input type="radio"/>
14.		<input type="radio"/>
15.		<input type="radio"/>
16.		<input type="radio"/>
17.		<input type="radio"/>
18.		<input type="radio"/>
19.		<input type="radio"/>
20.		<input type="radio"/>
21.		<input type="radio"/>

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

Texas Comptroller Official Use Only



VE/DE FM



ATTACHMENTS

Page 6 – PROJECT DESCRIPTION

Samsung Austin Semiconductor (SAS), located in Austin, Texas, is owned by Samsung Electronics and is the company's only semiconductor manufacturing plant located outside Korea. The complex has one of the most advanced semiconductor plants in the United States producing logic devices (it is producing logic chips only). SAS proposes to expand the capacity of its 12-inch semiconductor fabrication plant in Austin with a \$3.9 billion investment. The expanded fabrication plant, one of the largest in the United States, will produce advanced logic devices for Samsung's System LSI business. The proposed investment in the Austin campus will involve upgrading some of the manufacturing area and building many support utility buildings for the expanded plant.

The proposed investment is an upgrade of semiconductor wafer fabrication area and installation of new production tool sets used in connection with the manufacturing, processing and fabrication in a cleanroom environment of semiconductor products, including construction of cleanroom facilities, utility additions, construction of support structures for the new production equipment to be installed, and installation of the new tool sets. (See Tex. Tax Code 313.021(1)(B)). None of this investment has been included in previous projects of the company at this complex. The types of items currently planned to be included are:

A. process cooling water systems, HVAC systems, industrial waste treatment systems, process vacuum systems, security control systems, fire protection systems, shipping docks, chemical and ultra pure gas storage and distribution systems, piping, clean room systems, failure analysis laboratories and other systems useful for the design, development and manufacture of semiconductor products; and

B. machinery and equipment used to design, develop and manufacture semiconductor products, including assets and tools used in semiconductor device and circuit designing, photolithography, chemical mechanical polishing, thin film deposition, plasma etching, surface preparation and clean-up, ion implanting, metal deposition, rapid thermal processing, furnaces, testing and defect analysis, water processing, metrology and yield enhancing, bonding and packaging, designing and other assets used to design, develop and manufacture semiconductors, including assets to perform other processes, including processes which may be developed after the date of this agreement.

The types of items listed above do not include assets and improvements owned by the Applicant which are or will be located within the reinvestment zone prior to the date on which this application is declared complete by the Texas Comptroller of Public Accounts.

The investment is proposed to start immediately following the determination of a completed application by the Office of the Comptroller, with building and facility construction to be complete in the second or early third quarter of 2013 and with the installation of new equipment to commence in late 2012 and be completed by July or August of 2013. Once this work has been completed, the new line will be operated on a test basis until production achieves acceptable levels of continuous production at which time the expansion will be declared placed in service.

Page 6 – ABILITY TO LOCATE ELSEWHERE

The company has the ability and is being recruited to locate this project both at the company's primary manufacturing site in Korea and at a new manufacturing site in China, as well as the SAS plant in Austin.

Page 8 – INVESTMENT – Description of Qualified Investment

Tangible personal property (see also Page 6 – Project Description) that will be first placed in service in the State of Texas during the qualifying time period and which will be used in connection with the manufacturing, processing, and fabrication in a new cleanroom environment to be constructed in the Company's existing 2.3-million-square-foot semiconductor complex located entirely within the reinvestment zone, including:

- (i) integrated systems, fixtures, and piping;
- (ii) all property necessary or adapted to reduce contamination or to control airflow, temperature, humidity, chemical purity, or other environmental conditions or manufacturing tolerances; and
- (iii) production equipment and machinery, moveable cleanroom partitions, and cleanroom lighting.

Without limiting the foregoing description, the qualified investment will entail upgrading the wafer fabrication area of a portion of the complex and installation of new production tool sets, including construction of cleanroom facilities, utility additions, construction of support structure for the new production equipment to be installed, and installation of the new tool sets.

Site Plan



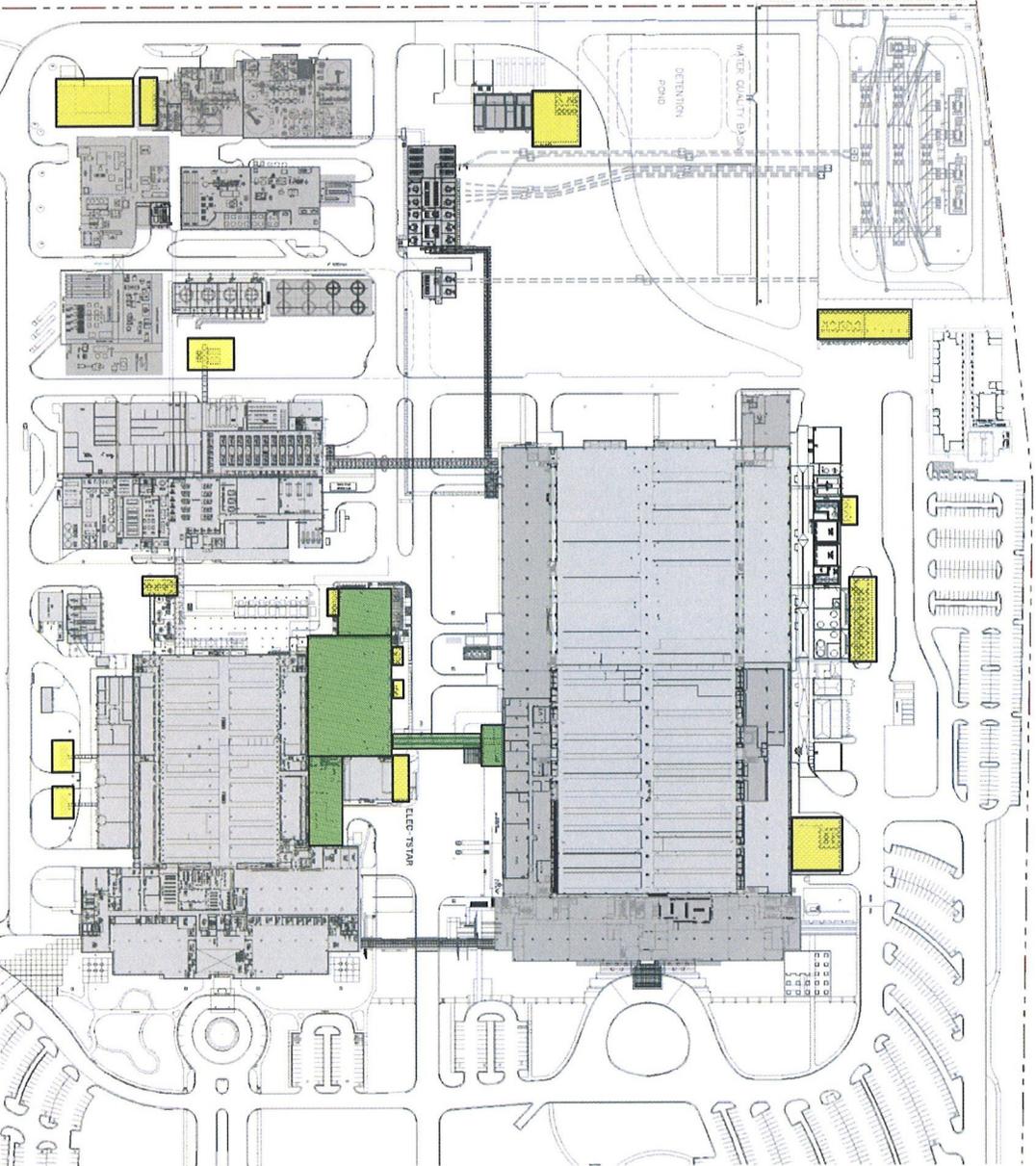
New Construction Area



H5 Conversion Construction Area

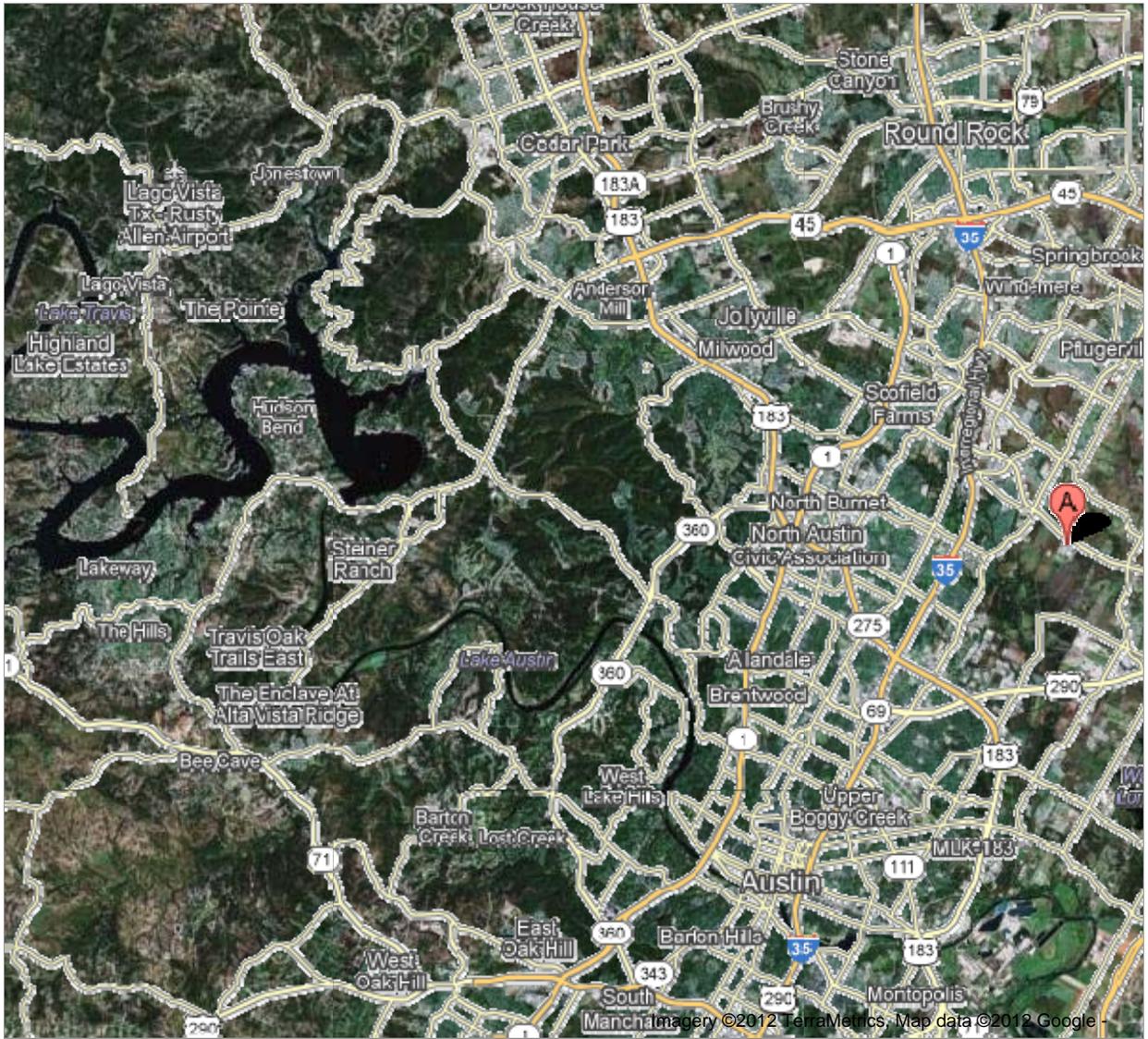


Fabrication Plant to Be Expanded





To see all the details that are visible on the screen, use the "Print" link next to the map.



Page 9 – QUALIFIED PROPERTY

The name of the Owner of the land on which the Qualified Property will be located is Samsung Austin Semiconductor, LLC. The current taxable value of the land, as shown on the records of Travis Central Appraisal District records is \$7,840,800.00. In addition, tangible personal property (see also Page 6 – Project Description) that will be first placed in service in the State of Texas during the qualifying time period and which will be used in connection with the manufacturing, processing, and fabrication in a new cleanroom environment to be constructed in the Company’s existing 2.3-million-square-foot semiconductor complex located entirely within the reinvestment zone, including:

- (i) integrated systems, fixtures, and piping;
- (ii) all property necessary or adapted to reduce contamination or to control airflow, temperature, humidity, chemical purity, or other environmental conditions or manufacturing tolerances; and
- (iii) production equipment and machinery, moveable cleanroom partitions, and cleanroom lighting.

Without limiting the foregoing description, the qualified investment will entail upgrading the wafer fabrication area of a portion of the complex and installation of new production tool sets, including construction of cleanroom facilities, utility additions, construction of support structure for the new production equipment to be installed, and installation of the new tool sets.

DESCRIPTION

FOR A 180.013 ACRE TRACT OF LAND SITUATED IN THE SAMUEL CUSHING SURVEY NO. 70, ABSTRACT NO. 164, THE MARIQUITO CASTRO SURVEY NO. 50, ABSTRACT NO. 160 AND THE LUCAS MUNOS SURVEY NO. 55, ABSTRACT NO. 513, TRAVIS COUNTY, TEXAS, BEING ALL OF LOT 1, BLOCK A, JOURDAN CROSSING, PHASE C, SECTION 2, A SUBDIVISION ACCORDING TO THE PLAT RECORDED IN VOLUME 96, PAGE 230 OF THE PLAT RECORDS OF SAID COUNTY, AS CONVEYED TO SAMSUNG AUSTIN SEMICONDUCTOR, L.L.C. BY SPECIAL WARRANTY DEED, EXECUTED APRIL 16, 1996, AND RECORDED IN VOLUME 12666, PAGE 986 OF THE REAL PROPERTY RECORDS OF SAID COUNTY, SAID 180.013 ACRE TRACT, AS SHOWN ON THE ACCOMPANYING SKETCH, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a ½" iron rod found on a point being the north east corner of a called 120.000 acre tract in deed to Samsung Austin Semiconductor, L.L.C. recorded in Document No. 2000106442 of the Official Public Records of said County, also being the southeast corner of said Lot 1, for the southeast corner hereof;

THENCE with the north boundary line of said 120.000 acre tract, same being the south boundary line of said Lot 1, **N 63°08'37"W** for a distance of **2807.33 feet** to a 1" iron pipe found on a point being the northwest corner of said 120.000 acre tract, same being the southwest corner of said Lot 1, for the southwest corner hereof;

THENCE with the west boundary line of said Lot 1, the following three (3) courses and distances:

1. **N 20°22'00" E** for a distance of **929.98 feet** to a ½" iron rod found for an angle point hereof,
2. **N 27°48'01" E** for a distance of **1902.31 feet** to a ½" iron rod found for an angle point hereof, and
3. **N 79°30'49" E** for a distance of **62.03 feet** to a ½" iron rod found on a point in the south right-of-way line of Parmer Lane (200' right-of-way width), said point being the northwest corner of said Lot 1 for the northwest corner hereof;

THENCE with the south right-of-way line of said Parmer Lane, same being the north boundary line of said Lot 1, the following four (4) courses and distances:

1. **S 48°41'12" E** for a distance of **185.92 feet** to a TXDOT Type II concrete monument found for a point of curvature hereof,

2. With the arc of a curve to the left having a radius of **2009.86 feet**, an arc length of **395.55 feet**, a central angle of **011°16'34"** and a chord which bears **S 54°21'56" E** for a distance of **394.91 feet** to a TXDOT Type II concrete monument found, for a point of tangency hereof,
3. **S 59°59'51" E** for a distance of **2241.24 feet** to a ½" iron rod found for a point of curvature hereof, and
4. With the arc of a curve to the right having a radius of **25.00 feet**, an arc length of **37.90 feet**, a central angle of **086°51'41"** and a chord which bears **S 16°34'00" E** for a distance of **34.37 feet** to a ½" iron rod found on a point in the west right-of-way line of Samsung Boulevard (100' right-of-way width) same being the northeast corner of said Lot 1, for the northeast corner hereof;

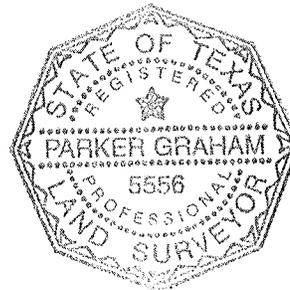
THENCE with east boundary line of said Lot 1, same being, in part, the west right-of-way line of said Samsung Boulevard, **S 26°51'24" W** for a distance of **2609.04 feet** to the **POINT OF BEGINNING** hereof and containing 180.013 acres of land.

Bearing basis is grid north for the Texas State Plane Coordinate System (Central Zone-4203, NAD83(CORS 96), per GPS survey performed during February, 2011.

Surveyed under the direct supervision of the undersigned during February, 2011:


01-27-2012

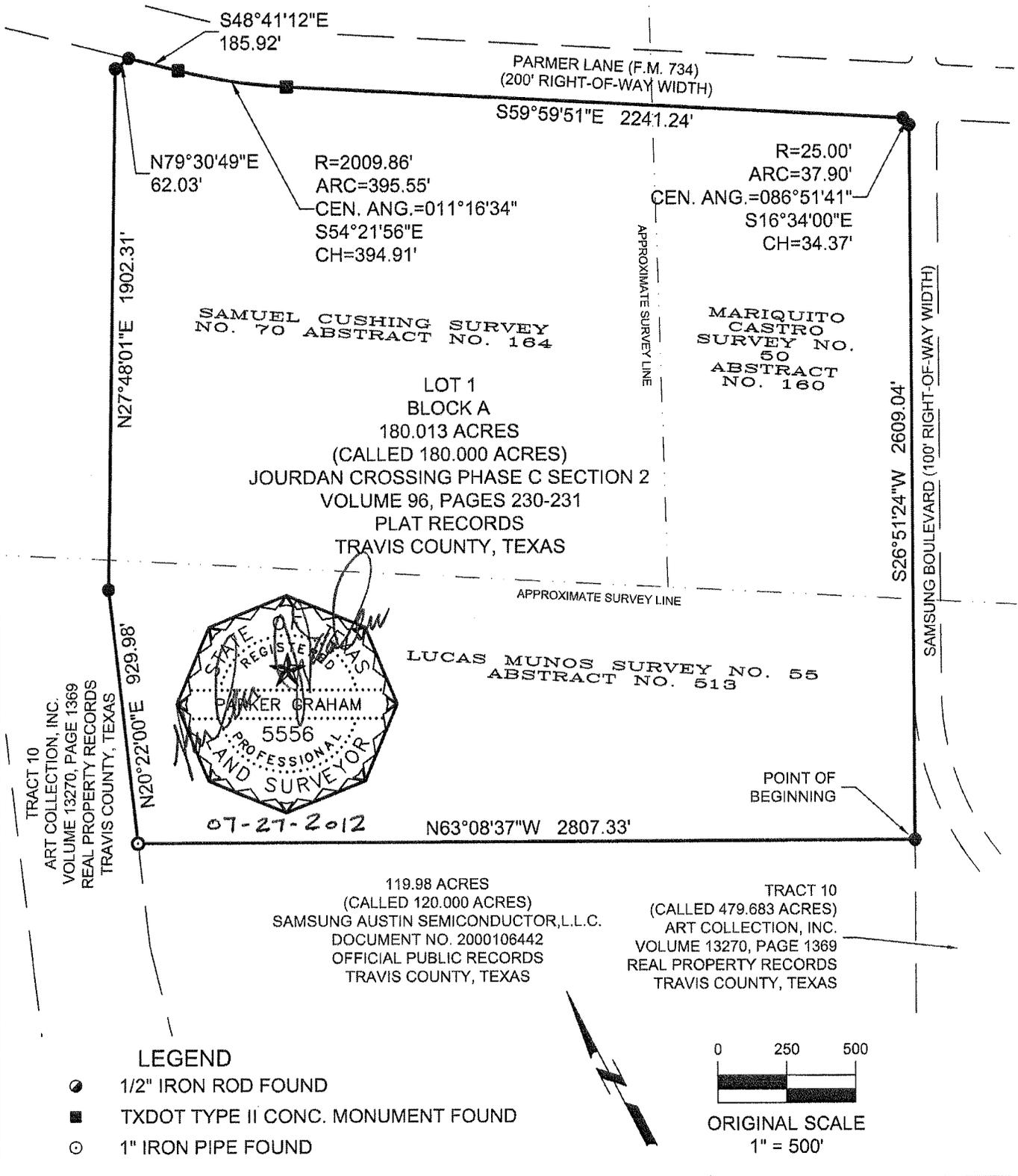
Parker J. Graham
Registered Professional Land Surveyor No. 5556
BAKER-AICKLEN & ASSOCIATES, INC.
405 Brushy Creek Road
Cedar Park, Texas 78613
(512) 260-3700



Job No.: 1621-2-006-11

Filename: W:\PROJECTS\SAMSUNG FAB 2006\180.013 ACRE TRACT SK-MB\LOT 1, BLK A JOURDAN CROSSING.DOC

SKETCH TO ACCOMPANY DESCRIPTION



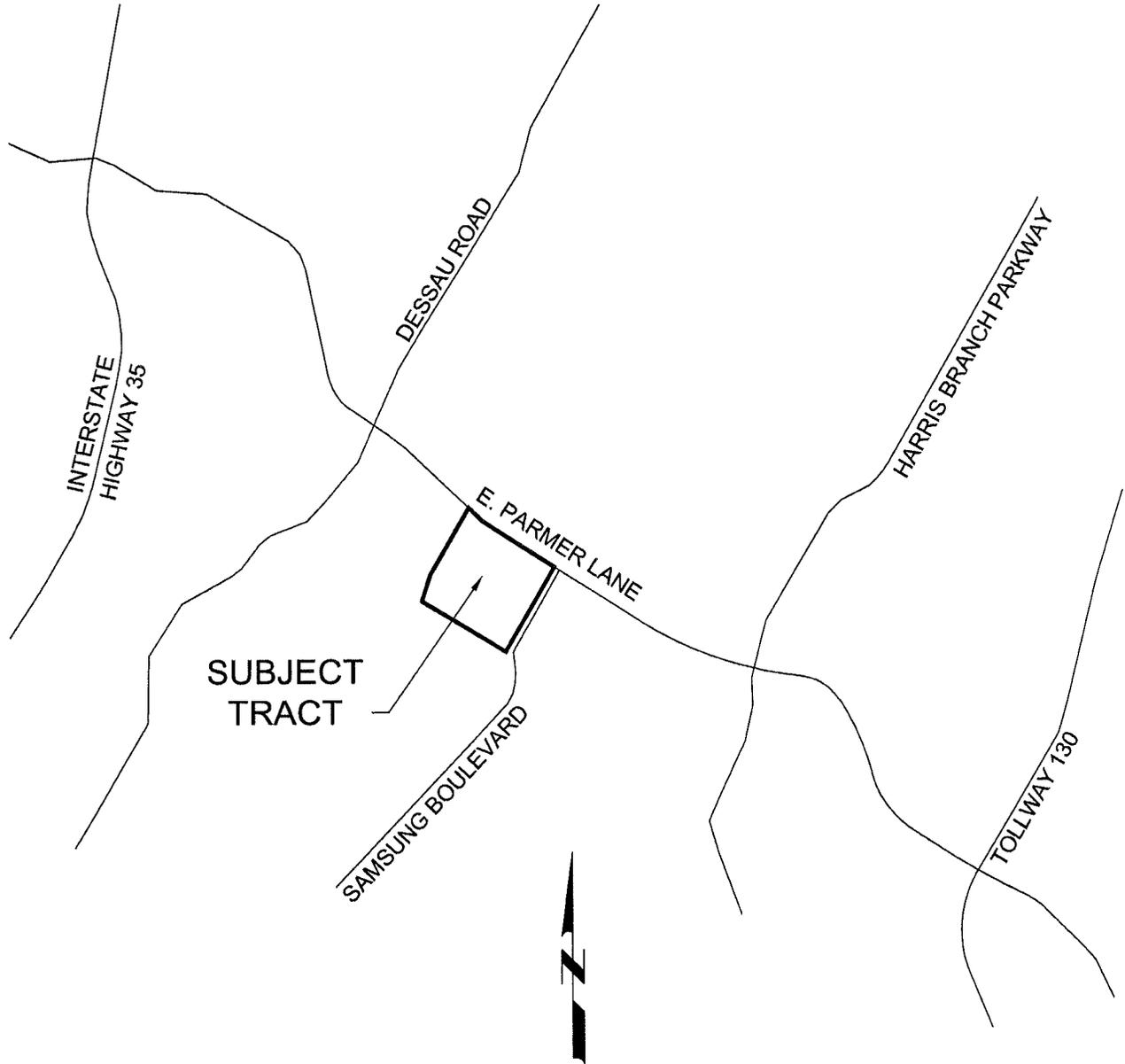
SAMSUNG
 180.013 ACRES
 LOT 1, BLOCK A
 JOURDAN CROSSING PH. C, SEC. 2

DATE: JULY 27, 2012
 BY: PJG
 CHK: PJG
 PAGE 3 OF 4

BAKER-AICKLEN & ASSOCIATES, INC.
 507 WEST LIBERTY AVE.
 ROUND ROCK, TEXAS 78664
 (512) 244-9620

Engineers • Surveyors • GIS • Planning

SKETCH TO ACCOMPANY DESCRIPTION

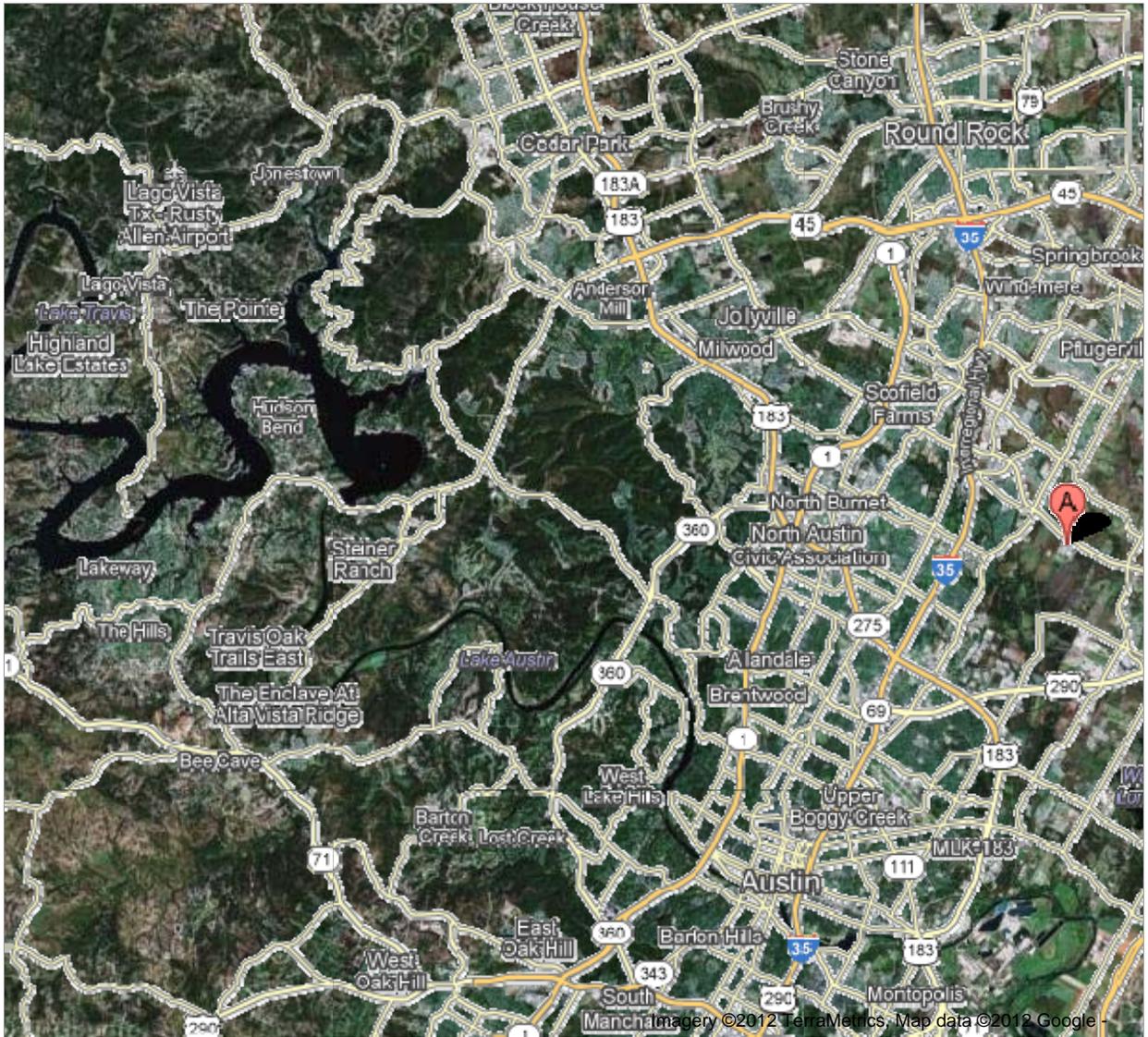


VICINITY MAP
NOT TO SCALE

<p>SAMSUNG 180.013 ACRES LOT 1, BLOCK A JOURDAN CROSSING PH. C, SEC. 2</p>	<p>DATE: JULY 27, 2012 BY: PJG CHK: PJG PAGE 4 OF 4</p>	<p> BAKER-AICKLEN & ASSOCIATES, INC. Engineers • Surveyors • GIS • Planning</p> <p>507 WEST LIBERTY AVE. ROUND ROCK, TEXAS 78664 (512) 244-9620</p>
--	---	---



To see all the details that are visible on the screen, use the "Print" link next to the map.



Existing Property Prior to Application

This project is a proposed expansion of the 12-inch semiconductor fabrication plant. The existing property is valued at 2.9 billion. The attached represent the proposed 2012 values from the Travis County Central Appraisal District for the existing property at the plant.

TaxViewUSA: Travis County Property Information

Property ID Number: 426230 Ref ID: Number: 02433102310000

Owner's Name	SAMSUNG AUSTIN SEMICONDUCTOR LLC
Mailing Address	ATTN: PROPERTY TAX 12100 SAMSUNG BLVD AUSTIN, TX 78754-1903
Location	12100 SAMSUNG BLVD 78754
Legal	LOT 1 BLK A JOURDAN CROSSING PHIS C SEC 2 PRE 11/28/08

Property Details	
Deed Date	04/15/988
Deed Volume	12888
Deed Page	00888
Exemptions	
Freeze Exempt	F
ARB Protest	F
Agent Code	1377242
Land Acres	180.0000
Block	A
Tract or Lot	1
Deedst No.	
Abstract Code	506854
Neighborhood Code	9CTR_APSL

Value Information		2012 Certified
Land Value	7,840,800.00	
Improvement Value	41,991,180.00	
AG Value	0.00	
AG Productivity Value	0.00	
Timber Value	0.00	
Timber Productivity Value	0.00	
Assessed Value	49,771,980.00	
10% Cap Value	0.00	
Total Value	49,771,980.00	

Data up to date as of 2012-07-16

- [AGRICULTURAL \(1-D-1\)](#)
- [APPPOINTMENT OF AGENT FORM](#)
- [FREEPORT EXEMPTION](#)
- [HOMESTEAD EXEMPTION FORM](#)
- [PRINTED FRIENDLY REPORT](#)
- [PROTEST FORM](#)
- [RELIGIOUS EXEMPTION FORM](#)
- [PLAT MAP](#)

TaxNetUSA: Travis County Property Information

Property ID Number: 766977 Ref ID2 Number: 00007669770000

Owner's Name SAMSUNG AUSTIN SEMICONDUCTOR

Mailing Address PROPERTY TAX DEPT
12100 SAMSUNG BLVD
AUSTIN, TX 78754-

Location 12100 SAMSUNG BLVD AUSTIN 78754

Legal FURN FIXT & EQUIP(POST 2005 ASSETS)766977

Property Details

Deed Date
Deed Volume
Deed Page
Exemptions
Freeze Exempt F
ARB Protest F
Agent Code 1533954
Land Acres 0.0000
Block
Tract or Lot
Docket No.
Abstract Code
Neighborhood Code

Value Information

2012 Certified

Land Value	0.00
Improvement Value	0.00
AG Value	0.00
AG Productivity Value	0.00
Timber Value	0.00
Timber Productivity Value	0.00
Assessed Value	2,783,446,311.00
10% Cap Value	0.00
Total Value	2,783,446,311.00

Data up to date as of 2012-08-03

- [AGRICULTURAL \(1-D-1\)](#)
- [APPOINTMENT OF AGENT FORM](#)
- [FREEPORT EXEMPTION](#)
- [HOMESTEAD EXEMPTION FORM](#)
- [PRINTER FRIENDLY REPORT](#)
- [PROTEST FORM](#)
- [RELIGIOUS EXEMPTION FORM](#)
- [PLAT MAP](#)

Value By Jurisdiction

Entity Code	Entity Name	2011 Tax Rate	Assessed Value	Taxable Value	Market Value	Appraised Value
0A	TRAVIS CENTRAL APP DIST		2,783,446,311.00	2,783,446,311.00	2,783,446,311.00	2,783,446,311.00
02	CITY OF AUSTIN	0.481100	2,783,446,311.00	2,783,446,311.00	2,783,446,311.00	2,783,446,311.00
03	TRAVIS COUNTY	0.485500	2,783,446,311.00	2,783,446,311.00	2,783,446,311.00	2,783,446,311.00
2J	TRAVIS COUNTY HEALTHCARE DISTRICT	0.078900	2,783,446,311.00	2,783,446,311.00	2,783,446,311.00	2,783,446,311.00
34	MANOR ISD	1.515000	2,783,446,311.00	80,000,000.00	2,783,446,311.00	2,783,446,311.00
68	AUSTIN COMM COLL DIST	0.094800	2,783,446,311.00	2,783,446,311.00	2,783,446,311.00	2,783,446,311.00

Improvement Information

Improvement ID State Category Description

Segment Information

Imp ID Seg ID Type Code Description Class Effective Year Built Area
Total Living Area 0

Land Information

Land ID Type Code SPTB Code Homesite Size-Acres Front Depth Size-Sqft

show history

TaxNetUSA: Travis County Property Information

Property ID Number: 753722 Ref ID2 Number: 00007537220000

Owner's Name	SAMSUNG AUSTIN SEMICONDUCTOR
Mailing Address	PROPERTY TAX DEPT 12100 SAMSUNG BLVD AUSTIN, TX 78754-
Location	12100 SAMSUNG BLVD AUSTIN 78754
Legal	VARIOUS PROJECTS TCEQ (POST2005)753722

Property Details	
Deed Date	
Deed Volume	
Deed Page	
Exemptions	
Freeze Exempt	F
ARB Protest	F
Agent Code	1533954
Land Acres	0.0000
Block	
Tract or Lot	
Docket No.	
Abstract Code	
Neighborhood Code	

Value Information	2012 Certified
Land Value	0.00
Improvement Value	0.00
AG Value	0.00
AG Productivity Value	0.00
Timber Value	0.00
Timber Productivity Value	0.00
Assessed Value	23,209,322.00
10% Cap Value	0.00
Total Value	23,209,322.00

Data up to date as of 2012-08-03

- [AGRICULTURAL \(1-D-1\)](#)
- [APPOINTMENT OF AGENT FORM](#)
- [FREEPORT EXEMPTION](#)
- [HOMESTEAD EXEMPTION FORM](#)
- [PRINTER FRIENDLY REPORT](#)
- [PROTEST FORM](#)
- [RELIGIOUS EXEMPTION FORM](#)
- [PLAT MAP](#)

Value By Jurisdiction						
Entity Code	Entity Name	2011 Tax Rate	Assessed Value	Taxable Value	Market Value	Appraised Value
0A	TRAVIS CENTRAL APP DIST		23,209,322.00	0.00	23,209,322.00	23,209,322.00
02	CITY OF AUSTIN	0.481100	23,209,322.00	0.00	23,209,322.00	23,209,322.00
03	TRAVIS COUNTY	0.485500	23,209,322.00	0.00	23,209,322.00	23,209,322.00
2J	TRAVIS COUNTY HEALTHCARE DISTRICT	0.078900	23,209,322.00	0.00	23,209,322.00	23,209,322.00
34	MANOR ISD	1.515000	23,209,322.00	0.00	23,209,322.00	23,209,322.00
68	AUSTIN COMM COLL DIST	0.094800	23,209,322.00	0.00	23,209,322.00	23,209,322.00

Improvement Information		
Improvement ID	State Category	Description

Segment Information						
Imp ID	Seg ID	Type Code	Description	Class	Effective Year Built	Area
Total Living Area						0

Land Information							
Land ID	Type Code	SPTB Code	Homesite	Size-Acres	Front	Depth	Size-Sqft

TaxNetUSA: Travis County Property Information

Property ID Number: 437258 Ref ID2 Number: 00000888510000

Owner's Name	SAMSUNG AUSTIN SEMICONDUCTOR
Mailing Address	PROPERTY TAX DEPT 12100 SAMSUNG BLVD AUSTIN, TX 78754-
Location	12100 SAMSUNG BLVD AUSTIN 78754
Legal	VARIOUS PROJECTS TCEQ (PRE2006)437258

Property Details	
Deed Date	
Deed Volume	
Deed Page	
Exemptions	
Freeze Exempt	F
ARB Protest	F
Agent Code	1533954
Land Acres	0.0000
Block	
Tract or Lot	
Docket No.	
Abstract Code	
Neighborhood Code	

Value Information	2012 Certified
Land Value	0.00
Improvement Value	0.00
AG Value	0.00
AG Productivity Value	0.00
Timber Value	0.00
Timber Productivity Value	0.00
Assessed Value	6,533,073.00
10% Cap Value	0.00
Total Value	6,533,073.00

Data up to date as of 2012-08-03

- [AGRICULTURAL \(1-D-1\)](#)
- [APPOINTMENT OF AGENT FORM](#)
- [FREEPORT EXEMPTION](#)
- [HOMESTEAD EXEMPTION FORM](#)
- [PRINTER FRIENDLY REPORT](#)
- [PROTEST FORM](#)
- [RELIGIOUS EXEMPTION FORM](#)
- [PLAT MAP](#)

Value By Jurisdiction						
Entity Code	Entity Name	2011 Tax Rate	Assessed Value	Taxable Value	Market Value	Appraised Value
0A	TRAVIS CENTRAL APP DIST		6,533,073.00	0.00	6,533,073.00	6,533,073.00
02	CITY OF AUSTIN	0.481100	6,533,073.00	0.00	6,533,073.00	6,533,073.00
03	TRAVIS COUNTY	0.485500	6,533,073.00	0.00	6,533,073.00	6,533,073.00
2J	TRAVIS COUNTY HEALTHCARE DISTRICT	0.078900	6,533,073.00	0.00	6,533,073.00	6,533,073.00
34	MANOR ISD	1.515000	6,533,073.00	0.00	6,533,073.00	6,533,073.00
68	AUSTIN COMM COLL DIST	0.094800	6,533,073.00	0.00	6,533,073.00	6,533,073.00

Improvement Information		
Improvement ID	State Category	Description

Segment Information						
Imp ID	Seg ID	Type Code	Description	Class	Effective Year Built	Area
Total Living Area						0

Land Information							
Land ID	Type Code	SPTB Code	Homesite	Size-Acres	Front	Depth	Size-Sqft

TaxNetUSA: Travis County Property Information

Property ID Number: **792332** Ref ID2 Number: **00007923320000**

Owner's Name	SAMSUNG AUSTIN SEMICONDUCTOR
Mailing Address	PROPERTY TAX DEPT 12100 SAMSUNG BLVD AUSTIN, TX 78754-
Location	12100 SAMSUNG BLVD AUSTIN 78754
Legal	FURN FIXT & EQUIP(PRE 2006 ASSETS)792332

Property Details	
Deed Date	
Deed Volume	
Deed Page	
Exemptions	
Freeze Exempt	F
ARB Protest	F
Agent Code	1533954
Land Acres	0.0000
Block	
Tract or Lot	
Docket No.	
Abstract Code	
Neighborhood Code	

Value Information	2012 Certified
Land Value	0.00
Improvement Value	0.00
AG Value	0.00
AG Productivity Value	0.00
Timber Value	0.00
Timber Productivity Value	0.00
Assessed Value	458,181.00
10% Cap Value	0.00
Total Value	458,181.00

Data up to date as of 2012-08-03

- [AGRICULTURAL \(1-D-1\)](#)
- [APPOINTMENT OF AGENT FORM](#)
- [FREEPORT EXEMPTION](#)
- [HOMESTEAD EXEMPTION FORM](#)
- [PRINTER FRIENDLY REPORT](#)
- [PROTEST FORM](#)
- [RELIGIOUS EXEMPTION FORM](#)
- [PLAT MAP](#)

Value By Jurisdiction						
Entity Code	Entity Name	2011 Tax Rate	Assessed Value	Taxable Value	Market Value	Appraised Value
0A	TRAVIS CENTRAL APP DIST		458,181.00	458,181.00	458,181.00	458,181.00
02	CITY OF AUSTIN	0.481100	458,181.00	458,181.00	458,181.00	458,181.00
03	TRAVIS COUNTY	0.485500	458,181.00	458,181.00	458,181.00	458,181.00
2J	TRAVIS COUNTY HEALTHCARE DISTRICT	0.078900	458,181.00	458,181.00	458,181.00	458,181.00
34	MANOR ISD	1.515000	458,181.00	458,181.00	458,181.00	458,181.00
68	AUSTIN COMM COLL DIST	0.094800	458,181.00	458,181.00	458,181.00	458,181.00

Improvement Information		
Improvement ID	State Category	Description

Segment Information						
Imp ID	Seg ID	Type Code	Description	Class	Effective Year Built	Area
Total Living Area						0

Land Information							
Land ID	Type Code	SPTB Code	Homesite	Size-Acres	Front	Depth	Size-Sqft

DESCRIPTION

FOR A 180.013 ACRE TRACT OF LAND SITUATED IN THE SAMUEL CUSHING SURVEY NO. 70, ABSTRACT NO. 164, THE MARIQUITO CASTRO SURVEY NO. 50, ABSTRACT NO. 160 AND THE LUCAS MUNOS SURVEY NO. 55, ABSTRACT NO. 513, TRAVIS COUNTY, TEXAS, BEING ALL OF LOT 1, BLOCK A, JOURDAN CROSSING, PHASE C, SECTION 2, A SUBDIVISION ACCORDING TO THE PLAT RECORDED IN VOLUME 96, PAGE 230 OF THE PLAT RECORDS OF SAID COUNTY, AS CONVEYED TO SAMSUNG AUSTIN SEMICONDUCTOR, L.L.C. BY SPECIAL WARRANTY DEED, EXECUTED APRIL 16, 1996, AND RECORDED IN VOLUME 12666, PAGE 986 OF THE REAL PROPERTY RECORDS OF SAID COUNTY, SAID 180.013 ACRE TRACT, AS SHOWN ON THE ACCOMPANYING SKETCH, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a ½" iron rod found on a point being the north east corner of a called 120.000 acre tract in deed to Samsung Austin Semiconductor, L.L.C. recorded in Document No. 2000106442 of the Official Public Records of said County, also being the southeast corner of said Lot 1, for the southeast corner hereof;

THENCE with the north boundary line of said 120.000 acre tract, same being the south boundary line of said Lot 1, **N 63°08'37"W** for a distance of **2807.33 feet** to a 1" iron pipe found on a point being the northwest corner of said 120.000 acre tract, same being the southwest corner of said Lot 1, for the southwest corner hereof;

THENCE with the west boundary line of said Lot 1, the following three (3) courses and distances:

1. **N 20°22'00" E** for a distance of **929.98 feet** to a ½" iron rod found for an angle point hereof,
2. **N 27°48'01" E** for a distance of **1902.31 feet** to a ½" iron rod found for an angle point hereof, and
3. **N 79°30'49" E** for a distance of **62.03 feet** to a ½" iron rod found on a point in the south right-of-way line of Parmer Lane (200' right-of-way width), said point being the northwest corner of said Lot 1 for the northwest corner hereof;

THENCE with the south right-of-way line of said Parmer Lane, same being the north boundary line of said Lot 1, the following four (4) courses and distances:

1. **S 48°41'12" E** for a distance of **185.92 feet** to a TXDOT Type II concrete monument found for a point of curvature hereof,

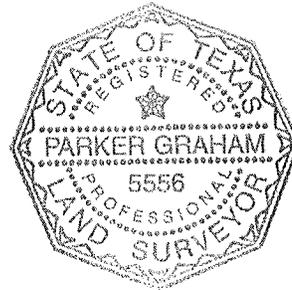
2. With the arc of a curve to the left having a radius of **2009.86 feet**, an arc length of **395.55 feet**, a central angle of **011°16'34"** and a chord which bears **S 54°21'56" E** for a distance of **394.91 feet** to a TXDOT Type II concrete monument found, for a point of tangency hereof,
3. **S 59°59'51" E** for a distance of **2241.24 feet** to a ½" iron rod found for a point of curvature hereof, and
4. With the arc of a curve to the right having a radius of **25.00 feet**, an arc length of **37.90 feet**, a central angle of **086°51'41"** and a chord which bears **S 16°34'00" E** for a distance of **34.37 feet** to a ½" iron rod found on a point in the west right-of-way line of Samsung Boulevard (100' right-of-way width) same being the northeast corner of said Lot 1, for the northeast corner hereof;

THENCE with east boundary line of said Lot 1, same being, in part, the west right-of-way line of said Samsung Boulevard, **S 26°51'24" W** for a distance of **2609.04 feet** to the **POINT OF BEGINNING** hereof and containing 180.013 acres of land.

Bearing basis is grid north for the Texas State Plane Coordinate System (Central Zone-4203, NAD83(CORS 96), per GPS survey performed during February, 2011.

Surveyed under the direct supervision of the undersigned during February, 2011:

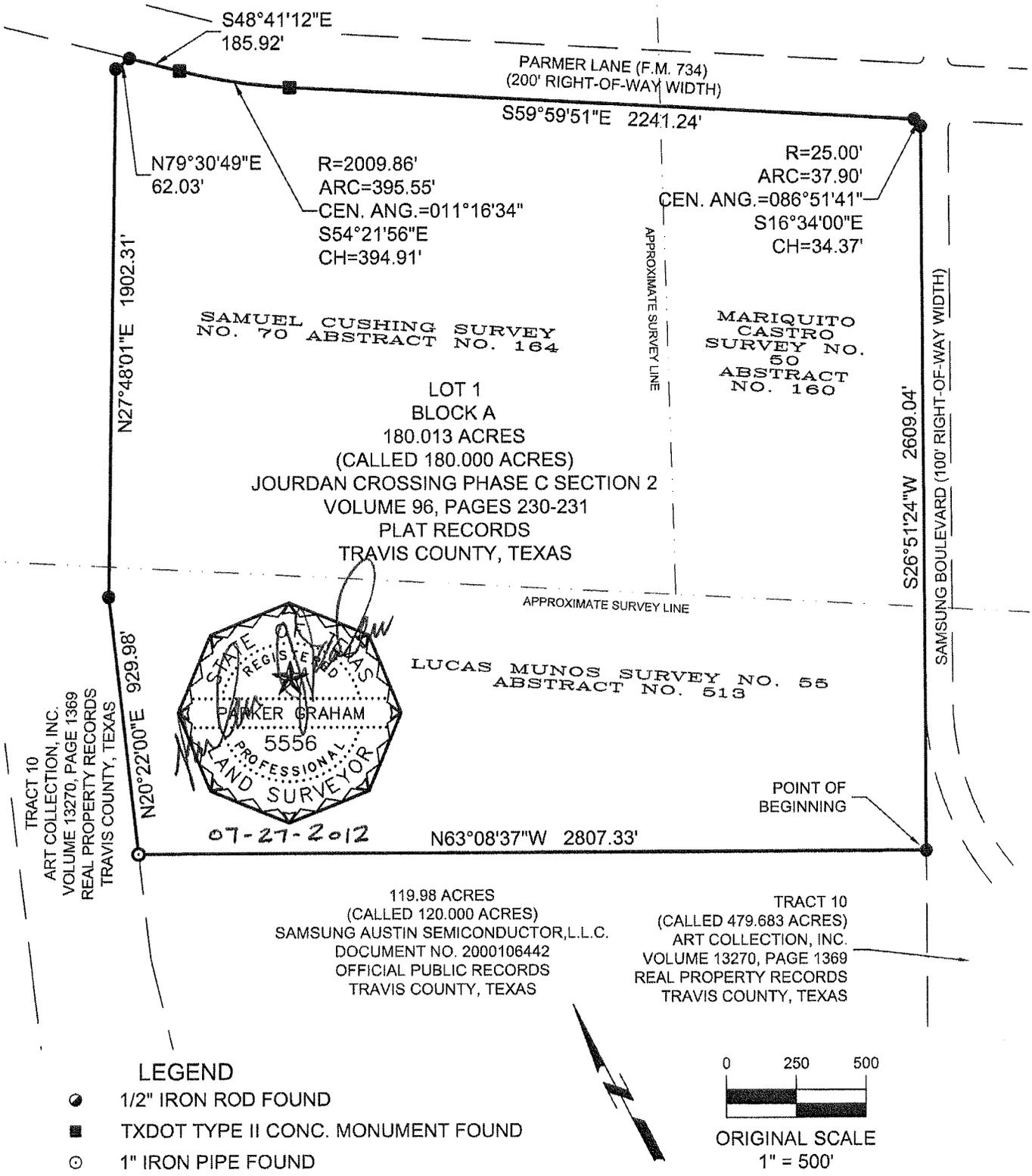

Parker J. Graham 07-27-2012
Parker J. Graham
Registered Professional Land Surveyor No. 5556
BAKER-AICKLEN & ASSOCIATES, INC.
405 Brushy Creek Road
Cedar Park, Texas 78613
(512) 260-3700



Job No.: 1621-2-006-11

Filename: W:\PROJECTS\SAMSUNG FAB 2006\180.013 ACRE TRACT SK-MB\LOT 1, BLK A JOURDAN CROSSING.DOC

SKETCH TO ACCOMPANY DESCRIPTION

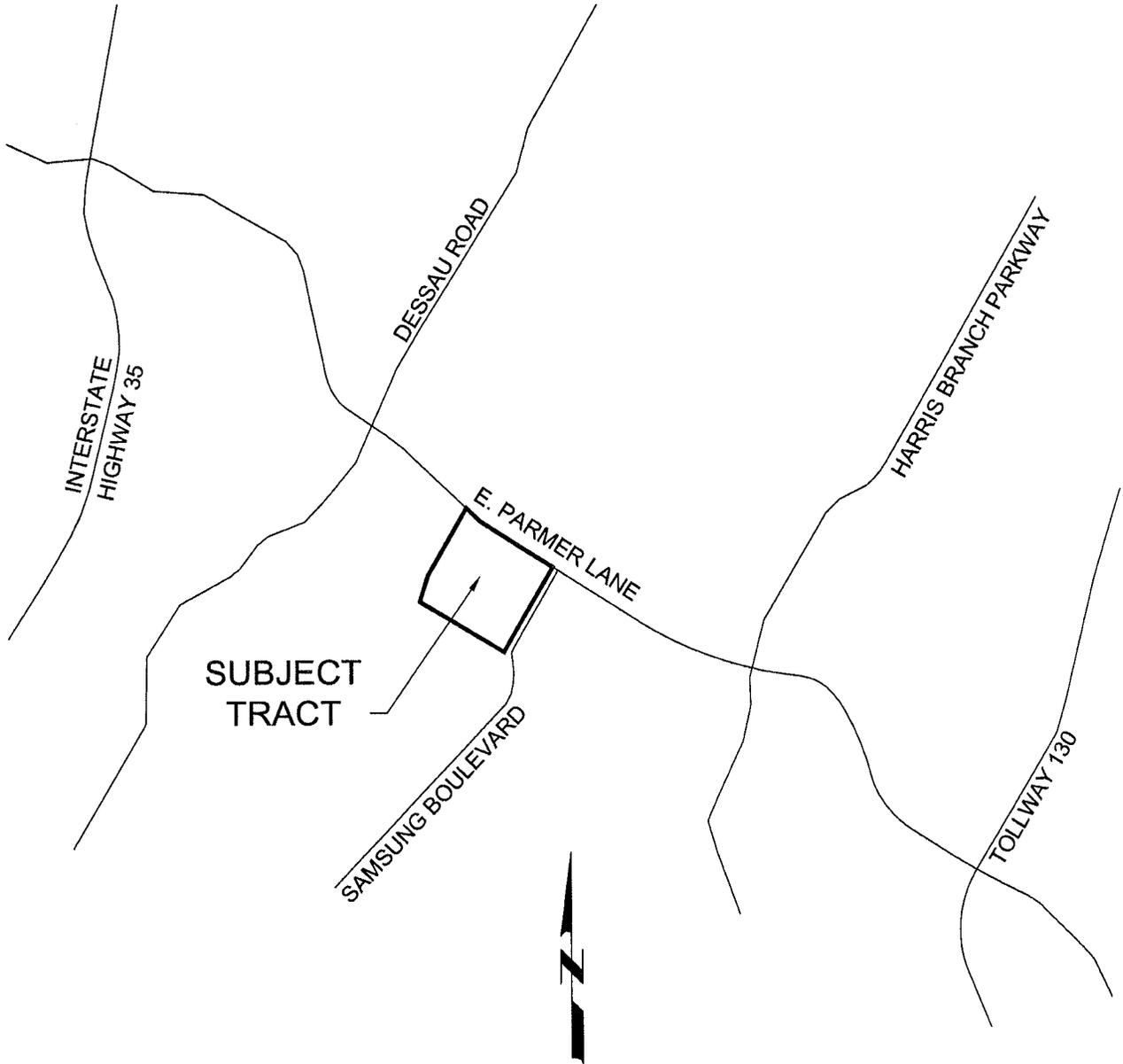


SAMSUNG
 180.013 ACRES
 LOT 1, BLOCK A
 JOURDAN CROSSING PH. C, SEC. 2

DATE: JULY 27, 2012
 BY: PJG
 CHK: PJG
 PAGE 3 OF 4

BAKER-AICKLEN & ASSOCIATES, INC.
 507 WEST LIBERTY AVE.
 ROUND ROCK, TEXAS 78664
 (512) 244-9620
 Engineers • Surveyors • GIS • Planning

SKETCH TO ACCOMPANY DESCRIPTION



VICINITY MAP
NOT TO SCALE

SAMSUNG
180.013 ACRES
LOT 1, BLOCK A
JOURDAN CROSSING PH. C, SEC. 2

DATE: JULY 27, 2012

BY: PJG
CHK: PJG
PAGE 4 OF 4



BAKER-AICKLEN
& ASSOCIATES, INC.

Engineers • Surveyors • GIS • Planning

507 WEST LIBERTY AVE.
ROUND ROCK, TEXAS 78664
(512) 244-9620

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

110% of County Average Weekly Wage for all Jobs

Year	Period	Wages
2011	2Q	973
2011	3Q	1010
2011	4Q	1080
2012	1Q	1063

Average= \$1,031.50 average weekly salary
 X 1.1 (110%)
\$1,143.45 110% of County Average Weekly Wage for all Jobs

110% of County Average Weekly Wage for manufacturing Jobs

Year	Period	Wages
2011	2Q	1734
2011	3Q	1711
2011	4Q	1743
2012	1Q	1895

Average= \$1,770.75 average weekly salary
 X 1.1 (110%)
\$1,947.83 110% of County Average Weekly Wage for all Jobs

**110 % of County Average Weekly Wage for Manufacturing Jobs in Region
 (Capital State Planning Region)**

\$26.46 per hour
 X 40 hr per week
 \$ 1058.40 average weekly salary
 X 1.10 (110%)
\$1164.24

\$55,047 annual
 X 1.10 (110%)
\$60,551.70 110% of County Average Weekly Wage for all Jobs in Region

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

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

Source: Texas Occupational Employment and Wages

Data published: July 2012

Data published annually, next update will be summer 2013

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

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

Data intended for TAC 313 purposes only.

Quarterly Employment and Wages (QCEW)

Page 1 of 1 (40 results/page)

 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2011	1st Qtr	Travis County	Total All	00	0	10	Total, All Industries	\$1,001
2011	2nd Qtr	Travis County	Total All	00	0	10	Total, All Industries	\$973
2011	3rd Qtr	Travis County	Total All	00	0	10	Total, All Industries	\$1,010
2011	4th Qtr	Travis County	Total All	00	0	10	Total, All Industries	\$1,080
2012	1st Qtr	Travis County	Total All	00	0	10	Total, All Industries	\$1,063
2012	1st Qtr	Travis County	Total All	31	2	31-33	Manufacturing	\$1,895
2011	4th Qtr	Travis County	Total All	31	2	31-33	Manufacturing	\$1,743
2011	3rd Qtr	Travis County	Total All	31	2	31-33	Manufacturing	\$1,711
2011	2nd Qtr	Travis County	Total All	31	2	31-33	Manufacturing	\$1,734
2011	1st Qtr	Travis County	Total All	31	2	31-33	Manufacturing	\$1,860

Explanation of Benefits

In addition to the annual salary, each qualified position will receive at least 80% of Medical Insurance, Dental Insurance, Vision Insurance, Life Insurance, 401 K savings plan, Flexible Spending , Vacation and Holiday Pay, and Employee Assistance Program.

SAS Benefit Contact Information

Keep this contact sheet handy for future reference

SAS BENEFIT PLANS	PLAN NUMBER	PHONE	WEBSITE
Medical <ul style="list-style-type: none"> United Healthcare Healthy Choice United Healthcare PPO United Healthcare Network Plan 	717584	(800) 470-1642	www.myuhc.com
Dental <ul style="list-style-type: none"> United Healthcare 	616899	(877) 816-3596	www.myuhcdental.com
Vision <ul style="list-style-type: none"> Vision Service Provider (VSP) 	N/A	(800) 877-7195	www.vsp.com
Employee Assistance Program (EAP) <ul style="list-style-type: none"> United Behavioral Health 	N/A	(800) 622-7276	www.liveandworkwell.com Access code: Samsung
Flexible Spending Accounts <ul style="list-style-type: none"> United Healthcare 	N/A	(866) 755-2648	www.myuhc.com
Life Insurance / AD&D, Short & Long Term Disability <ul style="list-style-type: none"> Prudential 	50623	Group Life: (800) 524-0542 Disability: (800) 842-1718	www.prudential.com/link2.benefits
Home / Auto Insurance <ul style="list-style-type: none"> MetLife 	N/A	(800)GET-MET8	www.metlife.com
401(k) Plan / Roth 401(k) Plan <ul style="list-style-type: none"> Fidelity 	N/A	(800) 835-5095	www.netbenefits.com
Identify Theft Shield/Prepaid Legal Plan <ul style="list-style-type: none"> ID Theft Solutions of America 	N/A	(800) 735-4850	www.idtsoa.com
Collegebound 529 Plan <ul style="list-style-type: none"> Alliance Bernstein 	N/A	(800) 227-2900	https://corporate.collegeboundfund.com/cbfcorporate/login.aspx User ID: SAMSUNG Password: COLLEGE

This Benefit Guide is intended to provide a high level overview of your SAS benefit plans. Samsung Austin Semiconductor reserves the right to modify, change, or discontinue any benefit at its sole discretion, at any time with or without notice.

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

[Obtain a certification](#) for filings with the Secretary of State.

It takes up to two weeks for this search to update when payment is made through the mail or at a taxpayer service office. This agency may manually issue a Certificate of Account Status (good standing) when an entity makes a payment to bring its account current. The paper certificate issued by our office is valid and represents the entity's status with our office as of the date of the certificate.

Certification of Account Status

Officers And Directors Information

Entity Information:

**SAMSUNG AUSTIN
SEMICONDUCTOR, LLC**
12100 SAMSUNG BLVD STE 100
AUSTIN, TX 78754-1902

Status:

**TEMPORARY GOOD STANDING
through January 14, 2013**

Registered Agent:

C T CORPORATION SYSTEM
350 N. ST. PAUL ST. STE. 2900
DALLAS, TX 75201

Registered Agent Resignation Date:

State of Formation:

DE

File Number:

0800527862

SOS Registration Date:

August 5, 2005

Taxpayer Number:

32017943922

texas.gov | Statewide Search from the Texas State Library | State Link Policy | Texas Homeland Security

Susan Combs, Texas Comptroller • Window on State Government • Contact Us
Privacy and Security Policy | Accessibility Policy | Link Policy | Public Information Act | Compact with Texans

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



November 27, 2012

Kevin Brackmeyer
Superintendent
Manor Independent School District
10335 US Hwy 290 E
Manor, Texas 78653

Dear Superintendent Brackmeyer:

On August 31, 2012, the Comptroller received the completed application for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted in August 20, 2012 to the Manor Independent School District (Manor Park ISD) by Samsung Austin Semiconductor, LLC. This letter presents the results of the comptroller's review of the application:

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

Manor ISD is currently classified as a non-rural school district in Category 2 according to the provisions of Chapter 313. Therefore, the applicant properly applied under the provisions of Subchapter B, applicable to non-rural school districts. The amount of proposed qualified investment (\$3.52 billion) is consistent with the proposed appraised value limitation sought (\$80 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. Samsung Austin Semiconductor, LLC is proposing the construction of a manufacturing facility in Travis County. Samsung Austin Semiconductor, LLC is an active franchise taxpayer in good standing, as required by Tax Code Section 313.024(a).

As required by Section 313.024(h), the Comptroller has determined that the property, as described by the application, meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter B.

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

Our review of the application assumes the truth and accuracy of the statements in the application and that, if the application is approved, the applicant would perform according to the provisions of the agreement reached with the school district. Our recommendation does not address whether the applicant has complied with all Chapter 313 requirements. The school district is responsible for verifying that all requirements of the statute have been fulfilled. Additionally, Section 313.025 requires the school district to determine if the evidence supports making specific findings that the information in the application is

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

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

Note that any new building or other improvement existing as of the application review start date of August 31, 2012, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2).

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

1. The applicant must provide the Comptroller a copy of the proposed limitation on appraised value agreement no later than 10 days prior to the meeting scheduled by the district to consider approving the agreement, so that the Comptroller may review it for compliance with the statutes and the Comptroller's rules as well as consistency with the application;
2. The Comptroller providing written confirmation that it received and reviewed the draft agreement and affirming the recommendation made in this letter;
3. The district must approve and execute a limitation agreement that has been reviewed by this office within a year from the date of this letter; and
4. Section 313.025 requires the district to provide to the Comptroller a copy of the signed limitation agreement within 7 days after execution.
5. The district providing the Comptroller all the documents necessary to establish that a reinvestment zone has been created that includes the qualified property identified in the application, as required by Section 313.021(2) of the Tax Code. When that zone has been created, please forward to our office maps and legal descriptions for the zone as well as detailed maps showing that all proposed qualified property will be located inside the reinvestment zone. The agency will not undertake the review required in #1 above until this information is submitted and is satisfactory.

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

Sincerely,



Martin A. Hubert
Deputy Comptroller

Enclosure

cc: Robert Wood

Attachment D

Economic Analysis

Economic Impact for Chapter 313 Project

Applicant	Samsung Austin Semiconductor LLC
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Manor ISD
2009-10 Enrollment in School District	7,173
County	Travis
Total Investment in District	\$4,000,000,000
Qualified Investment	\$3,520,000,000
Limitation Amount	\$80,000,000
Number of total jobs committed to by applicant	25
Number of qualifying jobs committed to by applicant	25
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$1,164
Minimum Weekly Wage Required Tax Code, 313.021(5)(B)	\$1,164
Minimum Annual Wage committed to by applicant for qualified jobs	\$60,552
Investment per Qualifying Job	\$160,000,000
Estimated 15 year M&O levy without any limit or credit:	\$108,469,110
Estimated gross 15 year M&O tax benefit	\$91,809,429
Estimated 15 year M&O tax benefit (<i>after</i> deductions for estimated school district revenue protection--but not including any deduction for supplemental payments or extraordinary educational expenses):	\$83,604,841
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$19,928,079
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$24,864,269
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	77.1%
Percentage of tax benefit due to the limitation	78.3%
Percentage of tax benefit due to the credit.	21.7%

This presents the Comptroller's economic impact evaluation of Samsung Austin Semiconductor, LLC (the project) applying to Manor 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 25 new jobs when fully operational. All 25 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 Capital Area Council of Governments Region, where Travis County is located was \$55,407 in 2011. The annual average manufacturing wage for 2011-2012 for Travis County is \$92,079. That same year, the county annual average wage for all industries was \$53,638. In addition to a salary of \$60,552, each qualifying position will receive at least 80% of medical insurance, dental insurance, vision insurance, life insurance, 401 (k) savings plan, flexible spending, vacation and holiday pay, and employee assistance program. The project's total investment is \$4 billion, resulting in a relative level of investment per qualifying job of \$160 million.

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

According to Samsung Austin Semiconductor, LLC's application, "The company has the ability and is being recruited this project both at the company's primary manufacturing site in Korea and at a new manufacturing site China, as well as the SAS plant in Austin."

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

During the past two years, one project in the Capital 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 Samsung Austin Semiconductor, LLC project requires appear to be in line with the focus and themes of the plan. Texas identified manufacturing and research and development as two 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 Samsung Austin Semiconductor'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 Samsung Austin Semiconductor, LLC

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2012	515	648	1163	\$50,301,750	\$33,698,250	\$84,000,000
2013	483	642	1125	\$46,342,500	\$39,657,500	\$86,000,000
2014	25	89	114	\$1,575,000	\$14,425,000	\$16,000,000
2015	25	243	268	\$1,575,000	\$22,425,000	\$24,000,000
2016	25	446	471	\$1,575,000	\$36,425,000	\$38,000,000
2017	25	511	536	\$1,575,000	\$44,425,000	\$46,000,000
2018	25	513	538	\$1,575,000	\$47,425,000	\$49,000,000
2019	25	475	500	\$1,575,000	\$47,425,000	\$49,000,000
2020	25	420	445	\$1,575,000	\$44,425,000	\$46,000,000
2021	25	368	393	\$1,575,000	\$41,425,000	\$43,000,000
2022	25	313	338	\$1,575,000	\$38,425,000	\$40,000,000
2023	25	283	308	\$1,575,000	\$35,425,000	\$37,000,000
2024	25	260	285	\$1,575,000	\$33,425,000	\$35,000,000
2025	25	239	264	\$1,575,000	\$32,425,000	\$34,000,000
2026	25	196	221	\$1,575,000	\$29,425,000	\$31,000,000
2027	25	172	197	\$1,575,000	\$27,425,000	\$29,000,000

Source: CPA, REMI, Samsung Austin Semiconductor, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.65 billion in 2011. Manor ISD's ad valorem tax base in 2011 was \$2.4 billion. The statewide average wealth per WADA was estimated at \$346,165 for fiscal 2011-2012. During that same year, Manor ISD's estimated wealth per WADA was \$219,328. 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, Travis County, City of Austin, Travis County Healthcare District, and Austin Community College, with all property tax incentives sought being granted using estimated market value from Samsung Austin Semiconductor, LLC's application. Samsung Austin Semiconductor, LLC has applied for both a value limitation under Chapter 313, Tax Code and has an existing tax abatement agreement with the county, city, and healthcare district. Table 3 illustrates the estimated tax impact of the Samsung Austin Semiconductor, LLC 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	Tax Rate ¹	Manor ISD I&S Levy	Manor ISD M&O Levy	Manor ISD M&O and I&S Tax Levies (Before Credit Credited)	Manor ISD M&O and I&S Tax Levies (After Credit Credited)	Travis County Tax Levy	City of Austin Tax Levy	Travis County Healthcare District Tax Levy	Austin Community College Tax Levy	Estimated Total Property Taxes
			0.4750	1.0400				0.4855	0.4811	0.0789	0.0948	
2013	\$100,000,000	\$100,000,000		\$475,000	\$1,040,000	\$1,515,000	\$1,515,000	\$97,100	\$0	\$15,780	\$94,800	\$1,722,680
2014	\$2,111,000,000	\$2,111,000,000		\$10,027,250	\$21,954,400	\$31,981,650	\$31,981,650	\$2,049,781	\$0	\$333,116	\$2,001,228	\$36,365,775
2015	\$2,232,000,000	\$2,232,000,000		\$10,602,000	\$832,000	\$11,434,000	\$11,434,000	\$2,167,272	\$0	\$352,210	\$2,115,936	\$16,069,418
2016	\$1,791,650,000	\$80,000,000		\$8,510,338	\$832,000	\$9,342,338	\$6,295,138	\$1,739,692	\$0	\$282,722	\$1,698,484	\$10,016,036
2017	\$1,263,802,500	\$80,000,000		\$6,003,062	\$832,000	\$6,835,062	\$3,954,647	\$1,227,152	\$1,520,038	\$199,428	\$1,198,085	\$8,099,350
2018	\$844,482,125	\$80,000,000		\$4,011,290	\$832,000	\$4,843,290	\$2,527,205	\$1,434,986	\$1,015,701	\$233,204	\$800,569	\$6,011,665
2019	\$569,859,806	\$80,000,000		\$2,706,834	\$832,000	\$3,538,834	\$1,726,678	\$968,334	\$685,399	\$157,367	\$540,227	\$4,078,005
2020	\$398,230,835	\$80,000,000		\$1,891,596	\$832,000	\$2,723,596	\$1,331,931	\$676,694	\$478,972	\$109,971	\$377,523	\$2,975,091
2021	\$264,996,210	\$80,000,000		\$1,258,732	\$832,000	\$2,090,732	\$1,025,491	\$450,295	\$318,724	\$73,179	\$251,216	\$2,118,905
2022	\$186,646,779	\$80,000,000		\$886,572	\$832,000	\$1,718,572	\$845,288	\$317,160	\$224,489	\$51,543	\$176,941	\$1,615,420
2023	\$153,749,762	\$153,749,762		\$730,311	\$1,598,998	\$2,329,309	-\$23,062	\$261,259	\$184,923	\$42,458	\$145,755	\$611,332
2024	\$141,937,297	\$141,937,297		\$674,202	\$1,476,148	\$2,150,350	-\$21,291	\$241,187	\$170,715	\$39,196	\$134,557	\$564,364
2025	\$131,896,703	\$131,896,703		\$626,509	\$1,371,726	\$1,998,235	-\$19,785	\$224,125	\$158,639	\$36,423	\$125,038	\$524,441
2026	\$123,362,197	\$123,362,197		\$585,970	\$1,282,967	\$1,868,937	\$1,868,937	\$209,623	\$148,374	\$34,066	\$116,947	\$2,377,948
2027	\$116,107,868	\$116,107,868		\$551,512	\$1,207,522	\$1,759,034	\$1,759,034	\$197,296	\$139,649	\$32,063	\$110,070	\$2,238,113
						Total	\$66,200,861	\$12,261,957	\$5,045,623	\$1,992,726	\$9,887,377	\$95,388,544

Assumes School Value Limitation and Tax Abatements with the County, City, and Healthcare District.

Source: CPA, Samsung Austin Semiconductor, LLC

¹Tax Rate per \$100 Valuation

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives

Year	Estimated Taxable value for I&S	Estimated Taxable value for M&O	Tax Rate ¹	Manor ISD I&S Levy	Manor ISD M&O Levy	Manor ISD M&O and I&S Tax Levies	Travis County Tax Levy	City of Austin Tax Levy	Travis County Healthcare District Tax Levy	Austin Community College Tax Levy	Estimated Total Property Taxes	
			0.4750	1.0400			0.4855	0.4811	0.0789	0.0948		
2013	\$100,000,000	\$100,000,000		\$475,000	\$1,040,000	\$1,515,000	\$485,500	\$481,100	\$78,900	\$94,800	\$2,655,300	
2014	\$2,111,000,000	\$2,111,000,000		\$10,027,250	\$21,954,400	\$31,981,650	\$10,248,905	\$10,156,021	\$1,665,579	\$2,001,228	\$56,053,383	
2015	\$2,232,000,000	\$2,232,000,000		\$10,602,000	\$23,212,800	\$33,814,800	\$10,836,360	\$10,738,152	\$1,761,048	\$2,115,936	\$59,266,296	
2016	\$1,791,650,000	\$1,791,650,000		\$8,510,338	\$18,633,160	\$27,143,498	\$8,698,461	\$8,619,628	\$1,413,612	\$1,698,484	\$47,573,682	
2017	\$1,263,802,500	\$1,263,802,500		\$6,003,062	\$13,143,546	\$19,146,608	\$6,135,761	\$6,080,154	\$997,140	\$1,198,085	\$33,557,748	
2018	\$844,482,125	\$844,482,125		\$4,011,290	\$8,782,614	\$12,793,904	\$4,099,961	\$4,062,804	\$666,296	\$800,569	\$22,423,534	
2019	\$569,859,806	\$569,859,806		\$2,706,834	\$5,926,542	\$8,633,376	\$2,766,669	\$2,741,596	\$449,619	\$540,227	\$15,131,487	
2020	\$398,230,835	\$398,230,835		\$1,891,596	\$4,141,601	\$6,033,197	\$1,933,411	\$1,915,889	\$314,204	\$377,523	\$10,574,223	
2021	\$264,996,210	\$264,996,210		\$1,258,732	\$2,755,961	\$4,014,693	\$1,286,557	\$1,274,897	\$209,082	\$251,216	\$7,036,444	
2022	\$186,646,779	\$186,646,779		\$886,572	\$1,941,127	\$2,827,699	\$906,170	\$897,958	\$147,264	\$176,941	\$4,956,032	
2023	\$153,749,762	\$153,749,762		\$730,311	\$1,598,998	\$2,329,309	\$746,455	\$739,690	\$121,309	\$145,755	\$4,082,517	
2024	\$141,937,297	\$141,937,297		\$674,202	\$1,476,148	\$2,150,350	\$689,106	\$682,860	\$111,989	\$134,557	\$3,768,861	
2025	\$131,896,703	\$131,896,703		\$626,509	\$1,371,726	\$1,998,235	\$640,358	\$634,555	\$104,066	\$125,038	\$3,502,253	
2026	\$123,362,197	\$123,362,197		\$585,970	\$1,282,967	\$1,868,937	\$598,923	\$593,496	\$97,333	\$116,947	\$3,275,636	
2027	\$116,107,868	\$116,107,868		\$551,512	\$1,207,522	\$1,759,034	\$563,704	\$558,595	\$91,609	\$110,070	\$3,083,012	
						Total	\$158,010,290	\$50,636,301	\$50,177,393	\$8,229,051	\$9,887,377	\$276,940,410

Source: CPA, Samsung Austin Semiconductor, LLC

¹Tax Rate per \$100 Valuation

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

Attachment 2, provided by the district and reviewed by the Texas Education Agency, contains information relating to the financial impact of the proposed project on the finances of the district as well as the tax benefit of the value limitation. "Table 5" in this attachment shows the estimated 15 year M&O tax levy without the value limitation agreement would be \$108,469,110. The estimated gross 15 year M&O tax benefit, or levy loss, is \$91,809,429.

Attachment 3 is an economic overview of Travis County.

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



TEXAS EDUCATION AGENCY

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

Michael L. Williams
Commissioner

November 7, 2012

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

Dear Mr. Wood:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Samsung Austin Semiconductor project on the number and size of school facilities in Manor Independent School District (MISD). Based on the analysis prepared by Moak, Casey and Associates for the school district and a conversation with the MISD superintendent, Kevin Brackmeyer, the TEA has found that the precise impact of the Samsung Austin Semiconductor project on the number and size of school facilities in MISD cannot be determined at this time, as prospective project employees may choose to locate in a part of the Austin metropolitan area other than Manor. The project may increase MISD enrollment, but the impact on district facilities is not expected to be significant.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Al McKenzie", with a long horizontal flourish extending to the right.

Al McKenzie, Manager
State Funding Division

AM/bd

November 7, 2012

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

Dear Mr. Wood:

The Texas Education Agency (TEA) has analyzed the revenue gains that would be realized by the proposed Samsung Austin Semiconductor project for the Manor Independent School District (MISD). Projections prepared by the TEA State Funding Division confirm the analysis that was prepared by Moak, Casey and Associates and provided to us by your division. We believe their assumptions regarding the potential revenue gain are valid, and their estimates of the impact of the Samsung Austin Semiconductor project on MISD are correct.

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

Sincerely,



Al McKenzie, Manager
State Funding Division

AM/bd

Travis County

Population

- Total county population in 2010 for Travis County: 1,054,052 , up 2.6 percent from 2009. State population increased 1.8 percent in the same time period.
- Travis County was the state's 5th largest county in population in 2010 and the 24th fastest growing county from 2009 to 2010.
- Travis County's population in 2009 was 51.6 percent Anglo (above the state average of 46.7 percent), 8.0 percent African-American (below the state average of 11.3 percent) and 33.3 percent Hispanic (below the state average of 36.9 percent).
- 2009 population of the largest cities and places in Travis County:

Austin:	786,386	Pflugerville:	42,696
Lakeway:	11,467	Lago Vista:	6,445
Manor:	3,724	West Lake Hills:	3,224
Bee Cave:	3,110	Jonestown:	2,562
The Hills:	2,233	Rollingwood:	1,461

Economy and Income

Employment

- September 2011 total employment in Travis County: 528,843 , up 1.2 percent from September 2010. State total employment increased 0.9 percent during the same period.
(October 2011 employment data will be available November 18, 2011).
- September 2011 Travis County unemployment rate: 7.3 percent, up from 6.9 percent in September 2010. The statewide unemployment rate for September 2011 was 8.5 percent, up from 8.2 percent in September 2010.
- September 2011 unemployment rate in the city of:

Austin:	6.9 percent, up from 6.5 percent in September 2010.
Pflugerville:	6.3 percent, up from 5.5 percent in September 2010.

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

Income

- Travis County's ranking in per capita personal income in 2009: 29th with an average per capita income of \$40,544, down 3.6 percent from 2008. Statewide average per capita personal income was \$38,609 in 2009, down 3.1 percent from 2008.

Industry

- Agricultural cash values in Travis County averaged \$23.69 million annually from 2007 to 2010. County total agricultural values in 2010 were up 48.3 percent from 2009. Major agriculture related commodities in Travis County during 2010 included:
 - Sorghum
 - Other Beef
 - Horses
 - Corn
 - Nursery
- 2011 oil and gas production in Travis County: 2,705.0 barrels of oil and 0.0 Mcf of gas. In September 2011, there were 20 producing oil wells and 0 producing gas wells.

Taxes

Sales Tax - Taxable Sales

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

- Taxable sales in Travis County during the fourth quarter 2010: \$3.74 billion, up 7.2 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Austin:	\$3.33 billion, up 6.3 percent from the same quarter in 2009.
Pflugerville:	\$64.37 million, up 11.9 percent from the same quarter in 2009.
Lakeway:	\$22.77 million, up 8.9 percent from the same quarter in 2009.
Lago Vista:	\$4.80 million, down 3.3 percent from the same quarter in 2009.
Manor:	\$5.77 million, up 37.0 percent from the same quarter in 2009.
West Lake Hills:	\$32.55 million, up 4.0 percent from the same quarter in 2009.
Bee Cave:	\$85.25 million, up 9.2 percent from the same quarter in 2009.
Jonestown:	\$1.64 million, up 2.4 percent from the same quarter in 2009.
Rollingwood:	\$5.89 million, down 13.1 percent from the same quarter in 2009.
Mustang Ridge:	\$710,300.00, up 119.5 percent from the same quarter in 2009.
Sunset Valley:	\$69.45 million, up 6.2 percent from the same quarter in 2009.
Briarcliff:	\$229,913.00, down 10.8 percent from the same quarter in 2009.
Webberville:	\$221,401.00, up 13.3 percent from the same quarter in 2009.

Volente:	\$560,165.00, up 133.7 percent from the same quarter in 2009.
Creedmoor:	\$7.26 million, up 1.0 percent from the same quarter in 2009.

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

- Taxable sales in Travis County through the fourth quarter of 2010: \$13.93 billion, up 3.9 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Austin:	\$12.36 billion, up 3.4 percent from the same period in 2009.
Pflugerville:	\$233.79 million, up 13.1 percent from the same period in 2009.
Lakeway:	\$90.44 million, up 6.9 percent from the same period in 2009.
Lago Vista:	\$19.93 million, up 0.6 percent from the same period in 2009.
Manor:	\$20.22 million, up 9.6 percent from the same period in 2009.
West Lake Hills:	\$118.38 million, up 0.8 percent from the same period in 2009.
Bee Cave:	\$297.43 million, up 9.6 percent from the same period in 2009.
Jonestown:	\$6.83 million, down 2.0 percent from the same period in 2009.
Rollingwood:	\$23.81 million, down 23.7 percent from the same period in 2009.
Mustang Ridge:	\$2.92 million, up 122.1 percent from the same period in 2009.
Sunset Valley:	\$242.94 million, up 4.1 percent from the same period in 2009.
Briarcliff:	\$1.31 million, up 8.2 percent from the same period in 2009.
Webberville:	\$849,183.00, up 20.8 percent from the same period in 2009.
Volente:	\$3.21 million, up 44.1 percent from the same period in 2009.
Creedmoor:	\$29.13 million, down 2.7 percent from the same period in 2009.

Annual (2010)

- Taxable sales in Travis County during 2010: \$13.93 billion, up 3.9 percent from 2009.
- Travis County sent an estimated \$870.59 million (or 5.09 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:

Austin:	\$12.36 billion, up 3.4 percent from 2009.
Pflugerville:	\$233.79 million, up 13.1 percent from 2009.
Lakeway:	\$90.44 million, up 6.9 percent from 2009.
Lago Vista:	\$19.93 million, up 0.6 percent from 2009.
Manor:	\$20.22 million, up 9.6 percent from 2009.
West Lake Hills:	\$118.38 million, up 0.8 percent from 2009.
Bee Cave:	\$297.43 million, up 9.6 percent from 2009.
Jonestown:	\$6.83 million, down 2.0 percent from 2009.
Rollingwood:	\$23.81 million, down 23.7 percent from 2009.
Mustang Ridge:	\$2.92 million, up 122.1 percent from 2009.
Sunset Valley:	\$242.94 million, up 4.1 percent from 2009.
Briarcliff:	\$1.31 million, up 8.2 percent from 2009.
Webberville:	\$849,183.00, up 20.8 percent from 2009.
Volente:	\$3.21 million, up 44.1 percent from 2009.
Creedmoor:	\$29.13 million, down 2.7 percent from 2009.

Sales Tax – Local Sales Tax Allocations

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

Monthly

- Statewide payments based on the sales activity month of August 2011: \$505.22 million, up 13.9 percent from August 2010.
- Payments to all cities in Travis County based on the sales activity month of August 2011: \$14.53 million, up 17.1 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:

Austin:	\$12.52 million, up 16.5 percent from August 2010.
Pflugerville:	\$488,050.67, up 23.2 percent from August 2010.
Lakeway:	\$202,826.54, up 23.7 percent from August 2010.
Lago Vista:	\$20,330.63, down 3.2 percent from August 2010.
Manor:	\$28,388.63, up 13.7 percent from August 2010.
West Lake Hills:	\$214,257.74, up 38.9 percent from August 2010.
Bee Cave:	\$550,311.70, up 18.9 percent from August 2010.

Jonestown:	\$10,110.39, up 13.7 percent from August 2010.
The Hills Village*:	\$7,184.45, up 446.2 percent from August 2010.
Rollingwood:	\$37,568.60, down 13.2 percent from August 2010.
Mustang Ridge:	\$10,306.45, down 12.3 percent from August 2010.
Sunset Valley:	\$393,277.29, up 11.8 percent from August 2010.
Briarcliff:	\$1,823.72, down 51.1 percent from August 2010.
Webberville:	\$29,688.20, up 1637.7 percent from August 2010.
Volente:	\$4,075.10, up 9.1 percent from August 2010.
Creedmoor:	\$6,235.23, down 10.5 percent from August 2010.

Fiscal Year

- Statewide payments based on sales activity months from September 2010 through August 2011: \$6.08 billion, up 8.0 percent from the same period in 2010.
- Payments to all cities in Travis County based on sales activity months from September 2010 through August 2011: \$167.03 million, up 6.3 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:

Austin:	\$143.00 million, up 4.8 percent from fiscal 2010.
Pflugerville:	\$5.78 million, up 14.8 percent from fiscal 2010.
Lakeway:	\$2.41 million, up 10.3 percent from fiscal 2010.
Lago Vista:	\$283,038.01, up 4.2 percent from fiscal 2010.
Manor:	\$371,238.20, up 12.8 percent from fiscal 2010.
West Lake Hills:	\$2.85 million, up 50.5 percent from fiscal 2010.
Bee Cave:	\$6.39 million, up 12.3 percent from fiscal 2010.
Jonestown:	\$107,800.48, down 0.4 percent from fiscal 2010.
The Hills Village*:	\$76,717.67
Rollingwood:	\$465,002.71, down 3.7 percent from fiscal 2010.
Mustang Ridge:	\$183,165.97, up 115.1 percent from fiscal 2010.
Sunset Valley:	\$4.90 million, up 9.3 percent from fiscal 2010.
Briarcliff:	\$30,689.76, up 6.6 percent from fiscal 2010.
Webberville:	\$51,544.27, up 134.5 percent from fiscal 2010.
Volente:	\$42,405.61, up 18.0 percent from fiscal 2010.
Creedmoor:	\$66,608.39, up 11.9 percent from fiscal 2010.

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

- Statewide payments based on sales activity months through August 2011: \$3.99 billion, up 8.3 percent from the same period in 2010.
- Payments to all cities in Travis County based on sales activity months through August 2011: \$109.18 million, up 6.3 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:

Austin:	\$93.28 million, up 4.7 percent from the same period in 2010.
Pflugerville:	\$3.87 million, up 16.7 percent from the same period in 2010.
Lakeway:	\$1.59 million, up 10.7 percent from the same period in 2010.
Lago Vista:	\$185,814.37, up 3.4 percent from the same period in 2010.
Manor:	\$235,848.84, up 7.0 percent from the same period in 2010.
West Lake Hills:	\$1.89 million, up 51.3 percent from the same period in 2010.
Bee Cave:	\$4.16 million, up 12.2 percent from the same period in 2010.
Jonestown:	\$71,866.99, down 2.3 percent from the same period in 2010.
The Hills Village*:	\$55,592.41, up 829.7 percent from the same period in 2010.
Rollingwood:	\$308,470.74, down 1.8 percent from the same period in 2010.
Mustang Ridge:	\$120,524.04, up 59.6 percent from the same period in 2010.
Sunset Valley:	\$3.25 million, up 12.6 percent from the same period in 2010.
Briarcliff:	\$20,436.19, down 2.2 percent from the same period in 2010.
Webberville:	\$43,701.06, up 200.8 percent from the same period in 2010.
Volente:	\$32,079.69, up 14.8 percent from the same period in 2010.
Creedmoor:	\$37,433.93, down 8.1 percent from the same period in 2010.

12 months ending in August 2011

- Statewide payments based on sales activity in the 12 months ending in August 2011: \$6.08 billion, up 8.0 percent from the previous 12-month period.

- Payments to all cities in Travis County based on sales activity in the 12 months ending in August 2011: \$167.03 million, up 6.3 percent from the previous 12-month period.

- Payments based on sales activity in the 12 months ending in August 2011 to the city of:

Austin:	\$143.00 million, up 4.8 percent from the previous 12-month period.
Pflugerville:	\$5.78 million, up 14.8 percent from the previous 12-month period.
Lakeway:	\$2.41 million, up 10.3 percent from the previous 12-month period.
Lago Vista:	\$283,038.01, up 4.2 percent from the previous 12-month period.
Manor:	\$371,238.20, up 12.8 percent from the previous 12-month period.
West Lake Hills:	\$2.85 million, up 50.5 percent from the previous 12-month period.
Bee Cave:	\$6.39 million, up 12.3 percent from the previous 12-month period.
Jonestown:	\$107,800.48, down 0.4 percent from the previous 12-month period.
The Hills Village*:	\$76,717.67
Rollingwood:	\$465,002.71, down 3.7 percent from the previous 12-month period.
Mustang Ridge:	\$183,165.97, up 115.1 percent from the previous 12-month period.
Sunset Valley:	\$4.90 million, up 9.3 percent from the previous 12-month period.
Briarcliff:	\$30,689.76, up 6.6 percent from the previous 12-month period.
Webberville:	\$51,544.27, up 134.5 percent from the previous 12-month period.
Volente:	\$42,405.61, up 18.0 percent from the previous 12-month period.
Creedmoor:	\$66,608.39, up 11.9 percent from the previous 12-month period.

- **City Calendar Year-To-Date (RJ 2011)**

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

Austin:	\$119.92 million, up 5.0 percent from the same period in 2010.
Pflugerville:	\$4.88 million, up 16.2 percent from the same period in 2010.
Lakeway:	\$1.98 million, up 10.6 percent from the same period in 2010.
Lago Vista:	\$234,336.83, up 3.8 percent from the same period in 2010.
Manor:	\$310,344.35, up 15.4 percent from the same period in 2010.
West Lake Hills:	\$2.32 million, up 46.2 percent from the same period in 2010.
Bee Cave:	\$5.43 million, up 12.3 percent from the same period in 2010.
Jonestown:	\$89,762.00, down 2.4 percent from the same period in 2010.
The Hills Village*:	\$67,211.06
Rollingwood:	\$386,467.84, down 3.7 percent from the same period in 2010.
Mustang Ridge:	\$149,169.49, up 85.3 percent from the same period in 2010.
Sunset Valley:	\$4.16 million, up 11.3 percent from the same period in 2010.
Briarcliff:	\$25,047.00, up 0.4 percent from the same period in 2010.
Webberville:	\$47,714.24, up 156.5 percent from the same period in 2010.
Volente:	\$36,438.95, up 18.5 percent from the same period in 2010.
Creedmoor:	\$52,637.31, up 2.5 percent from the same period in 2010.

Annual (2010)

- Statewide payments based on sales activity months in 2010: \$5.77 billion, up 3.3 percent from 2009.
- Payments to all cities in Travis County based on sales activity months in 2010: \$160.55 million, up 5.3 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:

Austin:	\$138.82 million, up 4.9 percent from 2009.
Pflugerville:	\$5.22 million, up 7.0 percent from 2009.
Lakeway:	\$2.25 million, up 8.5 percent from 2009.
Lago Vista:	\$276,939.18, down 0.1 percent from 2009.
Manor:	\$355,828.86, up 3.1 percent from 2009.
West Lake Hills:	\$2.21 million, up 19.0 percent from 2009.
Bee Cave:	\$5.94 million, up 10.6 percent from 2009.
Jonestown:	\$109,459.53, up 2.2 percent from 2009.
The Hills Village*:	\$27,105.18, na percent from 2009.
Rollingwood:	\$470,695.96, down 7.8 percent from 2009.
Mustang Ridge:	\$138,176.98, up 373.1 percent from 2009.
Sunset Valley:	\$4.53 million, up 1.2 percent from 2009.
Briarcliff:	\$31,147.10, up 20.8 percent from 2009.

Webberville:	\$22,370.71, up 4.6 percent from 2009.
Volente:	\$38,278.98, up 26.0 percent from 2009.
Creedmoor:	\$69,912.75, up 12.9 percent from 2009.

*On 4/1/2010, the city of The Hills Village's local sales tax rate increased by 0.50 from 0.750 percent to 0.750 percent.

*On 10/1/2010, the city of The Hills Village's local sales tax rate increased by 0.00 from 0.750 percent to 0.750 percent.

Property Tax

- As of January 2009, property values in Travis County: \$120.11 billion, up 3.8 percent from January 2008 values. The property tax base per person in Travis County is \$117,048, above the statewide average of \$85,809. A negligible 0.0 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- Travis County's ranking in state expenditures by county in fiscal year 2010: 3rd. State expenditures in the county for FY2010: \$7.82 billion, up 0.1 percent from FY2009.
- In Travis County, 105 state agencies provide a total of 67,819 jobs and \$814.97 million in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):
 - University of Texas
 - Department of Public Safety
 - Department of Aging and Disability Services (Austin State School)
 - Health & Human Services Commission
 - Department of State Health Services

Higher Education

- Community colleges in Travis County fall 2010 enrollment:
 - Austin Community College, a Public Community College, had 41,582 students.
- Travis County is in the service area of the following:
 - Austin Community College with a fall 2010 enrollment of 41,582. Counties in the service area include:
 - Bastrop County
 - Blanco County
 - Caldwell County
 - Fayette County
 - Gillespie County
 - Gonzales County
 - Guadalupe County
 - Hays County
 - Lee County
 - Travis County
 - Williamson County
- Institutions of higher education in Travis County fall 2010 enrollment:
 - The University of Texas at Austin, a Public University (part of The University of Texas System), had 51,195 students.
 - St. Edward's University, an Independent University, had 5,441 students.
 - Huston-Tillotson College, an Independent Senior College/University, had 901 students.
 - Concordia University, an Independent University, had 2,665 students.

School Districts

- Travis County had 7 school districts with 194 schools and 138,449 students in the 2009-10 school year. (Statewide, the average teacher salary in school year 2009-10 was \$48,263. The percentage of students, statewide, meeting the 2010 TAKS passing standard for all 2009-10 TAKS tests was 77 percent.)
 - Austin ISD had 84,245 students in the 2009-10 school year. The average teacher salary was \$46,926. The percentage of students meeting the 2010 TAKS passing standard for all tests was 74 percent.
 - Del Valle ISD had 10,032 students in the 2009-10 school year. The average teacher salary was \$47,445. The percentage of students meeting the 2010 TAKS passing standard for all tests was 67 percent.
 - Eanes ISD had 7,487 students in the 2009-10 school year. The average teacher salary was \$51,039. The percentage of students meeting the 2010 TAKS passing standard for all tests was 97 percent.

- Lago Vista ISD had 1,224 students in the 2009-10 school year. The average teacher salary was \$47,094. The percentage of students meeting the 2010 TAKS passing standard for all tests was 88 percent.
- Lake Travis ISD had 6,546 students in the 2009-10 school year. The average teacher salary was \$49,060. The percentage of students meeting the 2010 TAKS passing standard for all tests was 94 percent.
- Manor ISD had 6,902 students in the 2009-10 school year. The average teacher salary was \$45,587. The percentage of students meeting the 2010 TAKS passing standard for all tests was 60 percent.
- Pflugerville ISD had 22,013 students in the 2009-10 school year. The average teacher salary was \$46,706. The percentage of students meeting the 2010 TAKS passing standard for all tests was 78 percent.

Attachment E

Summary of Financial Impact

**SUMMARY OF FINANCIAL IMPACT OF THE PROPOSED SAMSUNG
AUSTIN SEMICONDUCTOR PROJECT ON THE FINANCES OF THE
MANOR INDEPENDENT SCHOOL DISTRICT UNDER A
REQUESTED CHAPTER 313 PROPERTY VALUE LIMITATION**

September 11, 2012

Final Report

PREPARED BY



Estimated Impact of the Proposed Samsung Austin Semiconductor Project on the Finances of the Manor Independent School District under a Requested Chapter 313 Property Value Limitation

Introduction

Samsung Austin Semiconductor (Samsung) has requested that the Manor ISD Independent School District (MISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to MISD on August 20, 2012, Samsung proposes to invest \$2.2 billion to construct a new semiconductor project in MISD.

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

Under the provisions of Chapter 313, MISD may offer a minimum value limitation of \$80 million. The provisions of Chapter 313 call for the project to be fully taxable in the 2013-14 and 2014-15 school years, unless the District and the Company agree to an extension of the start of the two-year qualifying time period. For the purpose of this analysis, it is assumed that the qualifying time period will be the 2013-14 and 2014-15 school years. Beginning in the 2015-16 school year, the project would go on the local tax roll at \$80 million and remain at that level of taxable value for eight years for maintenance and operations (M&O) taxes.

The full taxable value of the project could be assessed for debt service taxes on voter-approved bond issues throughout the limitation period, with MISD currently levying a \$0.475 I&S tax rate. The full taxable value of the investment is expected to reach \$2.2 billion in the 2015-16 school year, with relatively rapid depreciation expected to reduce the taxable value of the project over the course of the value limitation agreement.

In the case of the Samsung 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. MISD would experience a revenue loss as a result of the implementation of the value limitation in the 2015-16 school year (-\$8.2 million).

Under the assumptions outlined below, the potential tax benefits under a Chapter 313 agreement could reach an estimated \$83.6 million over the course of the agreement. This amount is net of any anticipated revenue losses for the District.

School Finance Mechanics

Under the current school finance system, the state property values established by the Comptroller's Office that are used to calculate state aid and recapture lag by one year, a practical

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

The third year is often problematical financially for a school district that approves a Chapter 313 value limitation. The implementation of the value limitation often results in a revenue loss to the school district in the third year of the agreement that would not be reimbursed by the state, but require some type of compensation from the applicant under the revenue protection provisions of the agreement. In years 4-10, smaller or no revenue losses would be anticipated when the state M&O 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.

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

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

For the 2012-13 school year, the SB 1 changes called for smaller across-the-board reductions and funding ASATR-receiving target revenue districts at 92.35 percent of the level provided for under the existing funding formula. As a result, only 421 districts are expected to receive ASATR funds for the 2012-13 school year, while 603 districts will operate purely on the state formulas.

For the 2013-14 school year and beyond, the ASATR reduction percentage will be set in the General Appropriations Act. The recent legislative session also saw the adoption of a statement of legislative intent to no longer fund target revenue (through ASATR) by the 2017-18 school year. It is likely that ASATR state funding will be reduced in future years and eliminated by the 2017-18 school year, based on current state policy. Based on the estimates presented here, MISD would be expected to receive substantial ASATR funding in the 2015-16 school year to offset much of the initial financial impact of the \$80 million value limitation.

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 Samsung project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. This meets the statutory requirement under Section

313.027(f)(1) of the Tax Code to provide school district revenue protection language in the agreement.

Underlying Assumptions

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

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

Student enrollment counts are expected to increase by two percent annually under the estimates presented here. The District's local tax base reached \$2.3 billion for the 2012 tax year and is maintained for the forecast period in order to isolate the effects of the property value limitation. The existing Samsung Chapter 313 value limitation is also incorporated into these base estimates. An M&O tax rate of \$1.04 is used throughout this analysis. MISD has estimated state property wealth per WADA of approximately \$269,731 for the 2012-13 school year. The enrollment and property value assumptions for the 15 years that are the subject of this analysis are summarized in Table 1.

School Finance Impact

School finance models were prepared for MISD under the assumptions outlined above through the 2027-28 school year. Beyond the 2012-13 school year, no attempt was made to forecast the 88th percentile or Austin yield that influence future state funding beyond the projected level for that school year. In the analyses for other districts and applicants on earlier projects, these changes appeared to have little impact on the revenue associated with the implementation of the property value limitation, since the baseline and other models incorporate the same underlying assumptions.

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

A second model is developed which adds the Samsung value but imposes the proposed property value limitation effective in the third year, which in this case is the 2015-16 school year. The results of this model are identified as "Value Limitation Revenue Model" under the revenue protection provisions of the proposed agreement (see Table 3).

A summary of the differences between these models is shown in Table 4. The model results show approximately \$60 to \$70 million a year in annual net General Fund revenue, reflecting anticipated enrollment growth over the period subject to this analysis.

Under these assumptions, MISD would experience a revenue loss as a result of the implementation of the value limitation in the 2015-16 school year (-\$8,204,589). The revenue reduction results from the mechanics of the up to six cents beyond the compressed M&O tax rate equalized to the Austin yield or not subject to recapture, which reflect the one-year lag in values associated with the property value study.

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

One risk factor under the estimates presented here relates to the implementation of the value limitation in the 2015-16 school year. The formula loss of \$8.2 million cited above between the base and the limitation models is based on an assumption that Samsung would realize \$22.4 million in M&O tax savings in the 2015-16 school year, of which \$14.5 million will be offset by an estimated increase in ASATR funding. This estimate is reflected in Table 4.

In general, the ASATR offset poses little financial risk to the school district as a result of the adoption of the value limitation agreement. But a significant reduction of ASATR funding prior to the assumed 2017-18 school year elimination of these funds could reduce the residual tax savings to Samsung in the first year that the \$80 million value limitation takes effect.

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

Impact on the Taxpayer

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

Under the assumptions used here, the potential tax savings from the value limitation total \$71.9 over the life of the agreement. In addition, Samsung would be eligible for a tax credit for M&O taxes paid on value in excess of the value limitation in each of the first two qualifying years. The credit amount is paid out slowly through years 4-10 due to statutory limits on the scale of these payments over these seven years, with catch-up payments permitted in years 11-13. The tax credits are expected to total approximately \$19.9 million over the life of the agreement, with an estimated \$1.4 million in unpaid tax credits anticipated. MISD is to be reimbursed by the Texas Education Agency for the cost of these credits.

The key MISD revenue losses are expected to total approximately -\$8.2 million in the 2015-16 school year. In total, the potential net tax benefits (inclusive of tax credits but after hold-harmless payments are made) are estimated to total \$83.6 million over the life of the agreement. While legislative changes to ASATR funding could increase the hold-harmless amount owed in the initial year of the agreement, there would still be a substantial tax benefit to Samsung under the value limitation agreement for the remaining years that the limitation is in effect.

Facilities Funding Impact

The Samsung project remains fully taxable for debt services taxes, with MISD currently levying a \$0.475 I&S rate. The value of the Samsung project is expected to depreciate over the life of the agreement, but the initial project value added in the 2014-15 school year could potentially reduce the District's I&S tax rate to \$0.26 per \$100, with the I&S tax rate increasing as the value of the Samsung project is depreciated.

MISD is expected to show continued enrollment growth as part of the overall economic growth in the local economy. The Samsung project and related job growth could bolster enrollment in MISD, although prospective employees and their families have options as to where to locate in the Austin metropolitan area, making it difficult to assess the impact of the plant expansion on the local school-age population.

Conclusion

The proposed Samsung semiconductor project enhances the tax base of MISD. It reflects continued capital investment in keeping with the goals of Chapter 313 of the Tax Code.

Under the assumptions outlined above, the potential tax savings for the applicant under a Chapter 313 agreement could reach an estimated \$83.6 million. (This amount is net of any anticipated revenue losses for the District.) The additional taxable value also enhances the tax base of MISD in meeting its future debt service obligations.

Table 1 – Base District Information with Samsung Austin Semiconductor Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
Pre-Year 1	2012-13	6,998.00	9,038.92	\$1.0400	\$0.4750	\$2,373,821,135	\$2,373,821,135	\$2,438,077,568	\$2,438,077,568	\$269,731	\$269,731
1	2013-14	7,098.42	9,140.41	\$1.0400	\$0.3300	\$2,473,821,135	\$2,473,821,135	\$1,495,930,489	\$1,495,930,489	\$163,661	\$163,661
2	2014-15	7,200.28	9,271.58	\$1.0400	\$0.2600	\$4,484,821,135	\$4,484,821,135	\$1,595,930,489	\$1,595,930,489	\$172,132	\$172,132
3	2015-16	7,303.61	9,546.35	\$1.0400	\$0.2800	\$4,605,821,135	\$2,453,821,135	\$3,606,930,489	\$3,606,930,489	\$377,834	\$377,834
4	2016-17	7,408.41	9,683.34	\$1.0400	\$0.3300	\$4,752,137,802	\$3,040,487,802	\$3,727,930,489	\$1,575,930,489	\$384,984	\$162,747
5	2017-18	7,514.72	9,822.30	\$1.0400	\$0.3900	\$4,002,068,079	\$2,818,265,579	\$3,874,247,155	\$2,162,597,155	\$394,434	\$220,172
6	2018-19	7,622.56	9,963.25	\$1.0400	\$0.4500	\$3,434,599,556	\$2,670,117,431	\$3,124,177,433	\$1,940,374,933	\$313,570	\$194,753
7	2019-20	7,731.94	10,106.23	\$1.0400	\$0.4900	\$3,061,211,805	\$2,571,351,999	\$2,556,708,910	\$1,792,226,785	\$252,984	\$177,339
8	2020-21	7,842.89	10,251.25	\$1.0400	\$0.4900	\$2,823,739,273	\$2,505,508,378	\$2,183,321,159	\$1,693,461,353	\$212,981	\$165,196
9	2021-22	7,955.44	10,398.36	\$1.0400	\$0.4900	\$2,646,608,840	\$2,461,612,630	\$1,945,848,627	\$1,627,617,732	\$187,130	\$156,526
10	2022-23	8,069.60	10,547.58	\$1.0400	\$0.4900	\$2,538,995,577	\$2,432,348,798	\$1,768,718,194	\$1,583,721,984	\$167,689	\$150,150
11	2023-24	8,185.40	10,698.94	\$1.0400	\$0.4900	\$2,486,589,339	\$2,486,589,339	\$1,661,104,931	\$1,554,458,152	\$155,259	\$145,291
12	2024-25	8,302.86	10,852.48	\$1.0400	\$0.4900	\$2,461,770,727	\$2,461,770,727	\$1,608,698,693	\$1,608,698,693	\$148,233	\$148,233
13	2025-26	8,422.00	11,008.21	\$1.0400	\$0.4900	\$2,443,059,368	\$2,443,059,368	\$1,583,880,081	\$1,583,880,081	\$143,882	\$143,882
14	2026-27	8,542.86	11,166.18	\$1.0400	\$0.4900	\$2,428,744,352	\$2,428,744,352	\$1,565,168,722	\$1,565,168,722	\$140,170	\$140,170
15	2027-28	8,665.44	11,326.42	\$1.0400	\$0.4900	\$2,417,636,350	\$2,417,636,350	\$1,550,853,706	\$1,550,853,706	\$136,924	\$136,924

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

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

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2012-13	\$23,392,978	\$20,548,023	\$3,618,711	\$0	\$0	\$1,430,982	\$1,750,557	\$0	\$50,741,250
1	2013-14	\$24,398,731	\$30,266,949	\$0	\$0	\$0	\$1,492,505	\$3,976,447	\$0	\$60,134,632
2	2014-15	\$43,713,340	\$29,914,281	\$0	\$0	\$0	\$2,674,008	\$6,642,139	\$0	\$82,943,768
3	2015-16	\$44,875,483	\$11,526,038	\$0	\$0	\$0	\$2,745,097	\$1,611,939	\$0	\$60,758,557
4	2016-17	\$46,280,778	\$11,001,825	\$0	\$0	\$0	\$2,831,061	\$1,578,960	\$0	\$61,692,624
5	2017-18	\$39,076,748	\$10,238,991	\$0	\$0	\$0	\$2,390,381	\$1,243,970	\$0	\$52,950,090
6	2018-19	\$33,626,508	\$18,270,815	\$0	\$0	\$0	\$2,056,982	\$1,876,977	\$0	\$55,831,282
7	2019-20	\$30,040,313	\$24,522,825	\$0	\$0	\$0	\$1,837,609	\$2,518,461	\$0	\$58,919,208
8	2020-21	\$27,759,513	\$28,882,657	\$0	\$0	\$0	\$1,698,089	\$3,083,298	\$0	\$61,423,556
9	2021-22	\$26,058,267	\$31,920,506	\$0	\$0	\$0	\$1,594,021	\$3,514,369	\$0	\$63,087,163
10	2022-23	\$25,024,697	\$34,377,170	\$0	\$0	\$0	\$1,530,797	\$3,943,720	\$0	\$64,876,384
11	2023-24	\$24,521,363	\$36,162,872	\$0	\$0	\$0	\$1,500,007	\$4,293,894	\$0	\$66,478,136
12	2024-25	\$24,282,993	\$37,418,009	\$0	\$0	\$0	\$1,485,425	\$4,524,084	\$0	\$67,710,511
13	2025-26	\$24,103,280	\$38,413,413	\$0	\$0	\$0	\$1,474,432	\$4,671,012	\$0	\$68,662,137
14	2026-27	\$23,965,792	\$39,359,757	\$0	\$0	\$0	\$1,466,022	\$4,806,151	\$0	\$69,597,721
15	2027-28	\$23,859,105	\$40,273,964	\$0	\$0	\$0	\$1,459,496	\$4,932,826	\$0	\$70,525,391

Table 3-- “Value Limitation Revenue Model”--Project Value Added with Value Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2012-13	\$23,392,978	\$20,548,023	\$3,618,711	\$0	\$0	\$1,430,982	\$1,750,557	\$0	\$50,741,250
1	2013-14	\$24,398,731	\$30,266,949	\$0	\$0	\$0	\$1,492,505	\$3,976,447	\$0	\$60,134,632
2	2014-15	\$43,738,829	\$29,914,281	\$0	\$0	\$0	\$2,675,567	\$6,646,012	\$0	\$82,974,689
3	2015-16	\$24,232,130	\$11,526,038	\$14,463,467	\$0	\$0	\$1,482,314	\$870,424	\$0	\$52,574,374
4	2016-17	\$29,866,758	\$32,092,479	\$0	\$0	\$0	\$1,826,992	\$4,905,236	\$0	\$68,691,465
5	2017-18	\$27,732,429	\$27,014,000	\$0	\$0	\$0	\$1,696,432	\$2,924,271	\$0	\$59,367,132
6	2018-19	\$26,309,543	\$29,872,660	\$0	\$0	\$0	\$1,609,392	\$3,346,381	\$0	\$61,137,976
7	2019-20	\$25,360,953	\$32,015,124	\$0	\$0	\$0	\$1,551,366	\$3,694,828	\$0	\$62,622,270
8	2020-21	\$24,728,559	\$33,683,523	\$0	\$0	\$0	\$1,512,681	\$3,978,720	\$0	\$63,903,483
9	2021-22	\$24,306,963	\$35,039,325	\$0	\$0	\$0	\$1,486,892	\$4,209,842	\$0	\$65,043,021
10	2022-23	\$24,025,899	\$36,190,224	\$0	\$0	\$0	\$1,469,699	\$4,400,277	\$0	\$66,086,098
11	2023-24	\$24,546,851	\$37,208,062	\$0	\$0	\$0	\$1,501,566	\$4,696,273	\$0	\$67,952,752
12	2024-25	\$24,308,482	\$37,418,009	\$0	\$0	\$0	\$1,486,985	\$4,528,832	\$0	\$67,742,307
13	2025-26	\$24,128,769	\$38,413,413	\$0	\$0	\$0	\$1,475,991	\$4,675,952	\$0	\$68,694,124
14	2026-27	\$23,991,280	\$39,359,757	\$0	\$0	\$0	\$1,467,581	\$4,811,262	\$0	\$69,629,880
15	2027-28	\$23,884,594	\$40,273,964	\$0	\$0	\$0	\$1,461,055	\$4,938,096	\$0	\$70,557,709

Table 4 – Value Limit less Project Value with No Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
1	2013-14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	2014-15	\$25,489	\$0	\$0	\$0	\$0	\$1,559	\$3,873	\$0	\$30,921
3	2015-16	-\$20,643,353	\$0	\$14,463,467	\$0	\$0	-\$1,262,783	-\$741,515	\$0	-\$8,184,183
4	2016-17	-\$16,414,020	\$21,090,654	\$0	\$0	\$0	-\$1,004,069	\$3,326,276	\$0	\$6,998,842
5	2017-18	-\$11,344,319	\$16,775,009	\$0	\$0	\$0	-\$693,948	\$1,680,300	\$0	\$6,417,042
6	2018-19	-\$7,316,965	\$11,601,845	\$0	\$0	\$0	-\$447,589	\$1,469,403	\$0	\$5,306,694
7	2019-20	-\$4,679,360	\$7,492,299	\$0	\$0	\$0	-\$286,243	\$1,176,366	\$0	\$3,703,062
8	2020-21	-\$3,030,954	\$4,800,866	\$0	\$0	\$0	-\$185,408	\$895,422	\$0	\$2,479,927
9	2021-22	-\$1,751,304	\$3,118,819	\$0	\$0	\$0	-\$107,130	\$695,473	\$0	\$1,955,858
10	2022-23	-\$998,798	\$1,813,054	\$0	\$0	\$0	-\$61,098	\$456,557	\$0	\$1,209,715
11	2023-24	\$25,489	\$1,045,190	\$0	\$0	\$0	\$1,559	\$402,379	\$0	\$1,474,617
12	2024-25	\$25,489	\$0	\$0	\$0	\$0	\$1,559	\$4,749	\$0	\$31,797
13	2025-26	\$25,489	\$0	\$0	\$0	\$0	\$1,559	\$4,939	\$0	\$31,987
14	2026-27	\$25,489	\$0	\$0	\$0	\$0	\$1,559	\$5,112	\$0	\$32,159
15	2027-28	\$25,489	\$0	\$0	\$0	\$0	\$1,559	\$5,270	\$0	\$32,318
1	2013-14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

Year of Agreement	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	Tax Credits for First Two Years Above Limit	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits
Pre-Year 1	\$0	\$0	\$0	\$1.040	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	\$100,000,000	\$100,000,000	\$0	\$1.040	\$1,040,000	\$1,040,000	\$0	\$0	\$0	\$0	\$0
2	\$2,111,000,000	\$2,111,000,000	\$0	\$1.040	\$21,954,400	\$21,954,400	\$0	\$0	\$0	\$0	\$0
3	\$2,232,000,000	\$80,000,000	\$2,152,000,000	\$1.040	\$23,212,800	\$832,000	\$22,380,800	\$0	\$22,380,800	-\$8,204,589	\$14,176,211
4	\$1,791,650,000	\$80,000,000	\$1,711,650,000	\$1.040	\$18,633,160	\$832,000	\$17,801,160	\$3,047,200	\$20,848,360	\$0	\$20,848,360
5	\$1,263,802,500	\$80,000,000	\$1,183,802,500	\$1.040	\$13,143,546	\$832,000	\$12,311,546	\$2,880,415	\$15,191,961	\$0	\$15,191,961
6	\$844,482,125	\$80,000,000	\$764,482,125	\$1.040	\$8,782,614	\$832,000	\$7,950,614	\$2,316,085	\$10,266,699	\$0	\$10,266,699
7	\$569,859,806	\$80,000,000	\$489,859,806	\$1.040	\$5,926,542	\$832,000	\$5,094,542	\$1,812,157	\$6,906,699	\$0	\$6,906,699
8	\$398,230,895	\$80,000,000	\$318,230,895	\$1.040	\$4,141,601	\$832,000	\$3,309,601	\$1,391,666	\$4,701,267	\$0	\$4,701,267
9	\$264,996,210	\$80,000,000	\$184,996,210	\$1.040	\$2,755,961	\$832,000	\$1,923,961	\$1,065,241	\$2,989,201	\$0	\$2,989,201
10	\$186,646,779	\$80,000,000	\$106,646,779	\$1.040	\$1,941,127	\$832,000	\$1,109,127	\$873,285	\$1,982,411	\$0	\$1,982,411
11	\$153,749,762	\$153,749,762	\$0	\$1.040	\$1,598,998	\$1,598,998	\$0	\$2,352,371	\$2,352,371	\$0	\$2,352,371
12	\$141,937,297	\$141,937,297	\$0	\$1.040	\$1,476,148	\$1,476,148	\$0	\$2,171,641	\$2,171,641	\$0	\$2,171,641
13	\$131,896,703	\$131,896,703	\$0	\$1.040	\$1,371,726	\$1,371,726	\$0	\$2,018,020	\$2,018,020	\$0	\$2,018,020
14	\$123,362,197	\$123,362,197	\$0	\$1.040	\$1,282,967	\$1,282,967	\$0	\$0	\$0	\$0	\$0
15	\$116,107,868	\$116,107,868	\$0	\$1.040	\$1,207,522	\$1,207,522	\$0	\$0	\$0	\$0	\$0
Totals					\$108,469,110	\$36,587,760	\$71,881,350	\$19,928,079	\$91,809,429	-\$8,204,589	\$83,604,841
Tax Credit for Value Over Limit in First 2 Years							Year 1	Year 2	Max Credits		
							\$208,000	\$21,122,400	\$21,330,400		
							Credits Earned		\$21,330,400		
							Credits Paid		<u>\$19,928,079</u>		
							Excess Credits Unpaid		\$1,402,321		

***Note:** School District Revenue-Loss estimates are subject to change based on numerous factors, including legislative and Texas Education Agency administrative changes to school finance formulas, year-to-year appraisals of project values, and changes in school district tax rates. One of the most substantial changes to the school finance formulas related to Chapter 313 revenue-loss projections could be the treatment of Additional State Aid for Tax Reduction (ASATR). Legislative intent is to end ASATR in 2017-18 school year, although it does not appear to be a factor in these estimates beyond the 2015-16 school year. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.

Attachment F

Taxable Value of Property

CATEGORY	LOCAL TAX ROLL VALUE	2011 WTD MEAN RATIO	2011 PTAD VALUE ESTIMATE	2011 VALUE ASSIGNED
A. SINGLE-FAMILY RESIDENCES	1,117,992,078	N/A	1,117,992,078	1,117,992,078
B. MULTIFAMILY RESIDENCES	138,114,316	N/A	138,114,316	138,114,316
C. VACANT LOTS	37,327,515	N/A	37,327,515	37,327,515
D. RURAL REAL(TAXABLE)	109,910,190	N/A	109,910,190	109,910,190
F1. COMMERCIAL REAL	475,157,273	N/A	475,157,273	475,157,273
F2. INDUSTRIAL REAL	214,824,094	N/A	214,824,094	214,824,094
G. OIL,GAS,MINERALS	0	N/A	0	0
J. UTILITIES	22,875,115	N/A	22,875,115	22,875,115
L1. COMMERCIAL PERSONAL	364,088,836	N/A	364,088,836	364,088,836
L2. INDUSTRIAL PERSONAL	3,056,001,230	N/A	3,056,001,230	3,056,001,230
M. MOBILE HOMES	18,238,111	N/A	18,238,111	18,238,111
N. INTANGIBLE PERS/UNCERT	0	N/A	0	0
O. RESIDENTIAL INVENTORY	31,670,958	N/A	31,670,958	31,670,958
S. SPECIAL INVENTORY	1,631,148	N/A	1,631,148	1,631,148
SUBTOTAL	5,587,830,864		5,587,830,864	5,587,830,864
LESS TOTAL DEDUCTIONS	3,229,753,296		3,229,753,296	3,229,753,296
TOTAL TAXABLE VALUE	2,358,077,568		2,358,077,568	2,358,077,568 T2

CATEGORY D DETAIL	LOCAL TAX ROLL	RATIO	PTAD VALUE
MARKET VALUE NON-QUALIFIED ACRES & FARM/RANCH IMP	105,797,156	N/A	105,797,156
PROD VALUE QUALIFIED ACRES	4,113,034	N/A	4,113,034
TAXABLE VALUE	109,910,190		109,910,190

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 COMPTRROLLER TO CERTIFY ALTERNATIVE MEASURES OF SCHOOL DISTRICT WEALTH. THESE MEASURES ARE REPORTED FOR TAXABLE VALUES FOR MAINTENANCE AND OPERATIONS (M&O) TAX PURPOSES AND FOR INTEREST AND SINKING FUND (I&S) TAX PURPOSES. FOR DISTRICTS THAT HAVE NOT ENTERED INTO VALUE LIMITATION AGREEMENTS, T1 THROUGH T6 WILL BE THE SAME AS T7 THROUGH T12.

VALUE TAXABLE FOR M&O PURPOSES

T1	T2	T3	T4	T5	T6
2,424,477,106	2,358,077,568	2,424,477,106	2,358,077,568	2,360,667,865	2,360,667,865
	LOSS TO THE ADDITIONAL \$10,000 HOMESTEAD EXEMPTION		50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION		
	66,399,538		0		

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

VALUE TAXABLE FOR I&S PURPOSES

T7	T8	T9	T10	T11	T12
5,128,572,006	5,062,172,468	5,128,572,006	5,062,172,468	5,064,762,765	5,064,762,765

T7 = SCHOOL DISTRICT TAXABLE VALUE FOR I&S PURPOSES BEFORE THE LOSS TO THE ADDITIONAL \$10,000 HOMESTEAD EXEMPTION
 T8 = SCHOOL DISTRICT TAXABLE VALUE FOR I&S PURPOSES AFTER THE LOSS TO THE ADDITIONAL \$10,000 HOMESTEAD EXEMPTION
 AND THE TAX CEILING REDUCTION
 T9 = T7 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION
 T10 = T8 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION
 T11 = T8 BEFORE THE LOSS TO THE TAX CEILING REDUCTION
 T12 = T11 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION

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

**** END OF REPORT ****

Attachment G

Participation Agreement

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

by and between

MANOR INDEPENDENT SCHOOL DISTRICT

and

SAMSUNG AUSTIN SEMICONDUCTOR, LLC
(Texas Taxpayer ID # 32017943922)

TEXAS COMPTROLLER APPLICATION No. 243

Dated

December 17, 2012

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

STATE OF TEXAS §

COUNTY OF TRAVIS §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this “Agreement,” is executed and delivered by and between the **MANOR 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 **SAMSUNG AUSTIN SEMICONDUCTOR, LLC**, (*Texas Taxpayer ID # 32017943922*), 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 August 20, 2012, the Superintendent of Schools (hereinafter referred to as “Superintendent”) of the Manor 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 August 20, 2012 the Board of Trustees authorized the Superintendent to accept, on behalf of the District, the Application from Samsung Austin Semiconductor, LLC, and on August 20, 2012 the Superintendent acknowledged receipt of the Application and the requisite application fee as established pursuant to Texas Tax Code § 313.025(a)(1) and Local District Policy CCG (Local); and,

WHEREAS, on or about August 21, 2012, the Superintendent, acting as agent of the Board of Trustees, received supplemental Application materials from the Applicant concerning the previously submitted Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code; and,

WHEREAS, the Application, together with the supplemental materials, were delivered to the office of the Comptroller for review pursuant to Texas Tax Code §313.025(d); and,

WHEREAS, the Comptroller, via letter, has established August 31, 2012 as the completed Application date; and,

WHEREAS, on the Completed Application Date, there were existing improvements on the site described in **EXHIBIT 2**, below. These assets are currently on the assessment roll of Travis County under Accounts 766977, 753722, 437258, 792332 together with other assets part of Samsung Austin Semiconductor, LLC's plant (neither qualified property nor eligible to become qualified investment). It has been agreed by the parties that these assets are specifically excluded from this Agreement; and,

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

WHEREAS, the Comptroller reviewed the Application pursuant to Texas Tax Code §313.025(d), and on November 27, 2012 the Comptroller, via letter, recommended that the Application be approved; and,

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

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

WHEREAS, on December 14, 2012 the District received written notification, pursuant to 34 Texas Administrative Code §9.1055(e)(2)(A), that the Comptroller reviewed this Agreement, and reaffirmed the recommendation previously made on November 27, 2012 that the Application be approved; and,

WHEREAS, on December 17, 2012, 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 17, 2012, the Board of Trustees made factual findings pursuant to Texas Tax Code §313.025(f), including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) this Agreement is in the best interest of the District and the State of Texas; (iii) the Applicant is eligible for the limitation on appraised value of the Applicant's Qualified Property; and, (iv) each criterion referenced in Texas Tax Code §313.025(e) has been met; and,

WHEREAS, on December 17, 2012, the Board of Trustees determined that the Tax Limitation Amount requested by the 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,

Agreement for Limitation on Appraised Value

Between Manor Independent School District and Samsung Austin Semiconductor, LLC

Texas Comptroller Application No. 243

December 17, 2012

Page 2

WHEREAS, on December 17, 2012, 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 President and Secretary of the Board of Trustees to execute and deliver such Agreement to the Applicant;

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

ARTICLE I

AUTHORITY, TERM, DEFINITIONS, AND GENERAL PROVISIONS

Section 1.1. AUTHORITY

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

Section 1.2. TERM OF THE AGREEMENT

This Agreement shall commence and first become effective on the Commencement Date, as defined in Section 1.3, below. In the event that the Applicant makes a Qualified Investment in the amount defined in Section 2.6 below, between the Commencement Date and the end of the Qualifying Time Period, Applicant will be entitled to the Tax Limitation Amount defined in Section 1.3 below, for the following Tax Years: 2015, 2016, 2017, 2018, 2019, 2020, 2021, and 2022. The limitation on the local ad valorem property values for Maintenance and Operations purposes shall commence with the property valuations made as of January 1, 2015, the appraisal date for the third full Tax Year following the Commencement Date.

The period beginning with the Commencement Date of December 17, 2012 and ending on December 31, 2014 will be referred to herein as the “Qualifying Time Period,” as that term is defined in Texas Tax Code §313.021(4). Applicant shall not be entitled to a tax limitation during the Qualifying Time Period for the property described in its Application. However, during the Qualifying Time Period, Applicant shall, in accordance with the provisions of Tex. Tax. Code Chapter 313, Subchapter D and this Agreement, be entitled to accrue the rights to future tax credit payments.

Unless sooner terminated as provided herein, the limitation on the local ad valorem property values shall terminate on December 31, 2022. Except as otherwise provided herein, this Agreement will terminate in full on the Final Termination Date. The termination of this Agreement shall not (i) release any obligations, liabilities, rights and remedies arising out of any breach of, or failure to comply with, this Agreement occurring prior to such termination, or (ii) affect the right of a Party to enforce the payment of any amount to which such Party was entitled before such termination or to which such Party became entitled as a result of an event that occurred before such termination, so long as the right to such payment survives said termination.

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

Full Tax Year of Agreement	Date of Appraisal	School Year	Tax Year	Supplemental Payment Due Date	Summary Description of Provisions
Partial Year Commencing on date of Board approval (12/17/12)	January 1, 2012	2012-13	2012	January 31, 2013	Start of Qualifying Time Period beginning with Commencement Date (12/17/12). No limitation on value. First year for computation of Annual Limit.
1	January 1, 2013	2013-14	2013	January 31, 2014	Qualifying Time Period. No limitation on value. Possible Tax Credit in future years.
2	January 1, 2014	2014-15	2014	January 31, 2015	Qualifying Time Period. No limitation on value. Possible Tax Credit in future years.
3	January 1, 2015	2015-16	2015	January 31, 2016	\$ 80 million property value limitation.
4	January 1, 2016	2016-17	2016	January 31, 2017	\$ 80 million property value limitation. Possible Tax Credit due to Applicant.
5	January 1, 2017	2017-18	2017	January 31, 2018	\$ 80 million property value limitation. Possible Tax Credit due to Applicant.
6	January 1, 2018	2018-19	2018	January 31, 2019	\$ 80 million property value limitation. Possible Tax Credit due to Applicant.
7	January 1, 2019	2019-20	2019	January 31, 2020	\$ 80 million property value limitation. Possible Tax Credit due to Applicant.
8	January 1, 2020	2020-21	2020	January 31, 2021	\$ 80 million property value limitation. Possible Tax Credit due to Applicant.
9	January 1, 2021	2021-22	2021	January 31, 2022	\$ 80 million property value limitation. Possible Tax Credit due to Applicant.
10	January 1, 2022	2022-23	2022	January 31, 2023	\$ 80 million property value limitation. Possible Tax Credit due to Applicant.

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Between Manor Independent School District and Samsung Austin Semiconductor, LLC

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Full Tax Year of Agreement	Date of Appraisal	School Year	Tax Year	Supplemental Payment Due Date	Summary Description of Provisions
11	January 1, 2023	2023-24	2023	January 31, 2024	No tax limitation. Possible Tax Credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
12	January 1, 2024	2024-25	2024	January 31, 2025	No tax limitation. Possible Tax Credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
13	January 1, 2025	2025-26	2025	January 31, 2026	No tax limitation. Possible Tax Credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.

Section 1.3. DEFINITIONS

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

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

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

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

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

“*Annual Limit*” means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Texas Tax Code § 313.027(i). For purposes of this Agreement, the amount of the Annual Limit shall be calculated for each year by multiplying the District’s Average Daily Attendance for the completed school year immediately

preceding the applicable school year, as calculated pursuant to Texas Education Code § 42.005 times the greater of \$100, or any larger amount allowed by Texas Tax Code § 313.027(i), if such limit amount is increased for any future year of this Agreement. The Annual Limit shall first be computed for tax year 2012, which, by virtue of the Commencement Date is the first year of the Qualifying Time Period under this Agreement.

“Applicant” means Samsung Austin Semiconductor, LLC, *Texas Taxpayer Identification Number 32017943922*, the company listed in the Preamble of this Agreement who, on August 20, 2012, filed the Original Application and on August 20, 2012 filed supplemental Application materials 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 the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C, of the Texas Tax Code) filed with the District by the Applicant on August 20, 2012, which has been certified by the Comptroller’s office to constitute a complete final Application as of the date of August 31, 2012. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant for the purpose of obtaining this Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

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

“Appraisal District” means the Travis County Appraisal District.

“Board of Trustees” means the Board of Trustees of the Manor Independent School District.

“Commencement Date” means December 17, 2012, the date upon which this Agreement was approved by the District’s Board of Trustees.

“Completed Application Date” means August 31, 2012, the date upon which the Comptroller determined to be the date of its receipt of a completed Application for Appraised

Value Limitation on Qualified Property (Texas Tax Code, Chapter 313, Subchapter B or C), Comptroller Form 50-296, from the Applicant.

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

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

“County” means Travis County, Texas.

“Determination of Breach and Notice of Contract Termination” shall have the meaning assigned to such term in Section 7.8 of the Agreement.

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

“Final Termination Date” means December 31, 2025. However, any payment obligations of any Party arising under this Agreement prior to the Final Termination Date will survive until paid by the Party owing same.

“Force Majeure” means a failure caused by (a) provisions of law, or the operation or effect of rules, regulations or orders promulgated by any governmental authority having jurisdiction over the Applicant, the Applicant’s Qualified Property or the Applicant’s Qualified Investment or any upstream, intermediate or downstream equipment or support facilities as are necessary to the operation of the Applicant’s Qualified Property or the Applicant’s Qualified Investment; (b) any demand or requisition, arrest, order, request, directive, restraint or requirement of any government or governmental agency whether federal, state, military, local or otherwise; (c) the action, judgment or decree of any court; (d) floods, storms, hurricanes, evacuation due to threats of hurricanes, lightning, earthquakes, washouts, high water, fires, acts of God or public enemies, wars (declared or undeclared), blockades, epidemics, riots or civil disturbances, insurrections, strikes, labor disputes (it being understood that nothing contained in this Agreement shall require the Applicant to settle any such strike or labor dispute), explosions, breakdown or failure of plant, machinery, equipment, lines of pipe or electric power lines (or unplanned or forced outages or shutdowns of the foregoing for inspections, repairs or maintenance), inability to obtain, renew or extend franchises, licenses or permits, loss, interruption, curtailment or failure to obtain electricity, gas, steam, water, wastewater disposal, waste disposal or other utilities or utility services, inability to obtain or failure of suppliers to deliver equipment, parts or material, or inability of the Applicant to ship or failure of carriers to transport electricity from the Applicant’s facilities; or (e) any other cause (except financial),

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whether similar or dissimilar, over which the Applicant has no reasonable control and which forbids or prevents performance.

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

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

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

"Maintenance and Operations Revenue" or "M&O Revenue" means (i) those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Texas Education Code §45.002 and Article VII §3 of the Texas Constitution, plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 of the Texas Education Code or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace District M&O Revenue lost as a result of such similar agreements, less (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the Texas Education Code.

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

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

"New Jobs" means the total number of "new jobs," defined by 34 Texas Administrative Code §9.1051(14)(C), which the Applicant will create in connection with the project described in the Application and in the description of the Applicant's Qualified Investment and Qualified

Property as set forth in Section 2.3 below. In accordance with the requirements of Texas Tax Code §313.024(d), eighty percent (80%), of all New Jobs shall also be Qualifying Jobs, as defined below.

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

“Qualifying Jobs” means the number of New Jobs the Applicant will create in connection with the project which is the subject of its Application which meet the requirements of Texas Tax Code 313.021(3).

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

“Qualifying Time Period” means the period that begins on the Commencement Date of December 17, 2012 and ends on December 31, 2014.

“State” means the State of Texas.

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

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

“Tax Limitation Amount” means the maximum amount which may be placed as the Appraised Value on Qualified Property/Qualified Investment for years three (3) through ten (10)

of this Agreement pursuant to Texas Tax Code §313.054. That is, for each of the eight (8) Tax Years 2015, 2016, 2017, 2018, 2019, 2020, 2021, and 2022, 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) Eighty Million Dollars (\$80,000,000.00).

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

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

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

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

ARTICLE II

PROPERTY DESCRIPTION

Section 2.1. LOCATION WITHIN A QUALIFIED REINVESTMENT OR ENTERPRISE ZONE

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

Section 2.2. LOCATION OF QUALIFIED PROPERTY

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

Section 2.3. DESCRIPTION OF QUALIFIED INVESTMENT AND QUALIFIED PROPERTY

The Qualified Investment and/or Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 3**, which is attached hereto and incorporated herein by reference for all purposes (the "Applicant's Qualified Investment"). The Applicant's Qualified Investment shall be that property, described in **EXHIBIT 3** which is placed in service under the terms of the Application, during the Qualifying Time Period described in Section 1.2, above. The Applicant's Qualified Property shall be all property, described in **EXHIBIT 3**, including, but not limited to the Applicant's Qualified Investment, which (1) is owned by the Applicant; (2) is first placed in service after _____, 2012, the Completed Application Date established by the Comptroller; and (3) is used in connection with the activities described in the Application. Property which is not specifically described in **EXHIBIT 3** which is installed or placed in service on the Land after the Qualifying Period shall also be included with the Qualified Property and subject to the limitation on appraised value established by this Agreement. The District reserves the right to include additional property as part of the Applicant's Qualified Investment or the Applicant's Qualified Property for purposes of this Agreement, if pursuant to Texas Tax Code §313.027(e) and Section 8.3 of this Agreement or other provisions of the Texas Tax Code hereafter adopted, the Board of Trustees, by official action, provides that such other property is a part of the Applicant's Qualified Investment for purposes of this Agreement.

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

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

Notwithstanding the foregoing, any replacement property shall not be subject to the foregoing restrictions and shall be considered Qualified Property hereunder.

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

At the end of the Qualifying Time Period; at any other time when there is a material change in the Applicant's Qualified Property located on the Land described in **EXHIBIT 2**; or upon a reasonable request by the District, the Comptroller, or the Appraisal District, the

Applicant shall provide to the District, the Comptroller, and the Appraisal District a reasonably specific and detailed description of the material tangible personal property, buildings, or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Applicant's Qualified Property to which the Tax Limitation Amount applies, including maps or surveys of sufficient detail and description to locate all such described property within the boundaries of the real property which is subject to this Agreement.

Section 2.5. QUALIFYING USE

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

Section 2.6. LIMITATION ON APPRAISED VALUE

So long as the Applicant makes a Qualified Investment in the amount of Eighty Million Dollars (\$80,000,000.00), 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 2015, 2016, 2017, 2018, 2019, 2020, 2021, and 2022, 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) Eighty Million Dollars (\$80,000,000.00).

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

ARTICLE III

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 3.1. INTENT OF THE PARTIES

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

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

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

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

Where:

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

In making the calculations required by this Section 3.2:

- i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.
- ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property and/or the Applicant's Qualified Investment will be presumed to be one hundred percent (100%)
- iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue as calculated under this Section 3.2 results in a negative number, the negative number will be considered to be zero.
- iv. All calculations made for years three (3) through ten (10) of this Agreement under Section 3.2, Subsection ii, of this Agreement

relating to the definition of “New M&O Revenue” 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. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements or any other factors not contained in this Agreement.

Section 3.3. COMPENSATION FOR LOSS OF OTHER REVENUES

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

- (a) all non-reimbursed costs incurred by the District in paying or otherwise crediting to the account of the Applicant, any applicable Tax Credit to which the Applicant may be entitled pursuant to Chapter 313, Subchapter D of the Texas Tax Code, and for which the District does not receive reimbursement from the State pursuant to Texas Education 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 Applicant’s Qualified Investment that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the Applicant’s Qualified Investment.
- (c) any other loss of the District’s revenues which directly result from, or are reasonably attributable to any payment made by the Applicant to or on behalf of any third party beneficiary of this Agreement.

Section 3.4. CALCULATIONS TO BE MADE BY THIRD PARTY

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

Section 3.5. DATA USED FOR CALCULATIONS

The calculations for payments under this Agreement shall be initially based upon the valuations placed upon the Applicant’s Qualified Investment and/or the Applicant’s Qualified

Property by the Appraisal District in its annual certified tax 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 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, Article IV, and/or Section 5.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed, which fee shall be the sole responsibility of the District, subject to the limit of Section 3.7. 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 the Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement.

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. For no Tax Year during the term of this Agreement shall the Applicant be responsible for the payment of an aggregate amount of fees and expenses under this Section 3.7 and Section 3.6 which exceeds 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 thirty (30) days following the later of (i) receipt of the certification, or (ii) the date the Applicant is granted access to the books, records and other information in accordance with Section 3.6 for purposes of auditing or reviewing the information in connection with 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 District's Board of Trustees within thirty (30) days of the final determination of certification containing the calculations, without limitation of Applicant's other rights and remedies available hereunder, at law or in equity.

Section 3.9. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT

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

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

Section 3.10. EFFECT OF STATUTORY CHANGES

Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 5.1, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District reasonably determines that it will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, the Applicant shall make payments to the District, up to the revenue protection amount limit set forth in Section 5.1, that are necessary to offset any actual 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. Such payment shall be made no later than thirty (30) days following notice from the District of such determination.

ARTICLE IV

SUPPLEMENTAL PAYMENTS

Section 4.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS

(a) Amounts Exclusive of Indemnity Amounts

In addition to undertaking the responsibility for the payment of all of the amounts set forth under Article III, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the supplemental payments set forth in this Article IV, (the “Supplemental Payments”). The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313, Texas Tax Code, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the Applicant’s obligation to make Supplemental Payments under this Article IV is separate and independent of the obligation of the Applicant to pay the amounts described in Article III; provided, however, that all payments under Articles III and IV are subject to the limitations contained in Section 5.1, and that all payments under this Article IV are subject to the separate limitations contained in Section 4.2(b).

(b) Adherence to Statutory Limits on Supplemental Payments

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

Section 4.2. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT

(a) Calculating Annual Supplemental Payment Amount

Upon the execution of this Agreement, the Applicant shall be obligated to make annual Supplemental Payments to the Manor Independent School District on or before the dates, and in the amounts listed below.

<u>PAYMENT DUE DATE</u>	<u>PAYMENT AMOUNT</u>
January 31, 2013	Annual Limit defined in Section 1.3
January 31, 2014	Annual Limit defined in Section 1.3
January 31, 2015	Annual Limit defined in Section 1.3
January 31, 2016	Annual Limit defined in Section 1.3
January 31, 2017	Annual Limit defined in Section 1.3
January 31, 2018	Annual Limit defined in Section 1.3
January 31, 2019	Annual Limit defined in Section 1.3
January 31, 2020	Annual Limit defined in Section 1.3
January 31, 2021	Annual Limit defined in Section 1.3
January 31, 2022	Annual Limit defined in Section 1.3

(b) Application of Annual Limit

During the term of this Agreement, the District shall not be entitled to receive Supplemental Payments that exceed the lesser of: (i) the “Applicant’s Stipulated Supplemental Payment Amount as calculated under Subsection 4.2(a) above; or, (ii) the Aggregate Limit, as the term is defined in Section 1.3, above.

Section 4.3. DISTRICT’S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY

At any time during this Agreement, the Board of Trustees may, in its sole discretion, direct that the Applicant’s payment under this Article IV be made to the District’s educational foundation or to a similar entity. Such foundation or entity may only use such funds received under this Article IV to support the educational mission of the District and its students. Any designation of such foundation or entity must be made by recorded vote of the Board of Trustees at a properly posted public meeting of the Board of Trustees. Any such designation will become effective after such public vote and the delivery of notice of said vote in conformance with the provisions of Section 8.1, below. Such designation may be rescinded by the Board of Trustees,

by Board action, at any time, and any such rescission will become effective after delivery of notice of such action to the Applicant in conformance with the provisions of Section 8.1.

Any designation of a successor beneficiary under this Section shall not alter the Aggregate Limitation on Supplemental payments described in Section 4.2(b), above.

Notwithstanding the foregoing, any payments made by Applicant shall be made in the manner and to the party designated in this Agreement unless Applicant receives unambiguous written notice from the District at least 30 days before the effective date of the change that such payments are to be made to a different party.

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 2015 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 or its designee under Articles III and IV with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Sections 3.4 and 3.6, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles III and IV shall be reduced until such excess is eliminated.

Section 5.2. OPTION TO CANCEL AGREEMENT

In the event that any payment otherwise due from the Applicant to the District under Article III and/or Article IV with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 5.1 above, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to cancel this Agreement by notifying the District of its election in writing not later than the July 31 of the year next following the Tax Year with respect to which a reduction under Section 5.1 is applicable. Any cancellation of this Agreement under the foregoing provisions of this Section 5.2 shall be effective immediately prior to the second Tax Year next following the Tax Year in which the reduction giving rise to the option occurred. In addition to the foregoing, in the event the Applicant determines that it will not commence or complete construction of the Applicant's Qualified Investment, the Applicant shall have the option, during the Qualifying Time Period, to terminate this Agreement by notifying the District in writing of its exercise of such option. Any termination of this

Agreement under the immediately preceding sentence shall be effective immediately prior to the beginning of the Tax Year immediately following the Tax Year during which such notification is delivered to the District. Upon any termination this Agreement under this Section 5.2, this Agreement shall terminate and be of no further force or effect; provided, however, that the Parties' respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged.

ARTICLE VI

TAX CREDITS

Section 6.1. APPLICANT'S ENTITLEMENT TO TAX CREDITS

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

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

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

Section 6.3. COMPENSATION FOR LOSS OF TAX CREDIT PROTECTION REVENUES

If after the Applicant has actually received the benefit of a Tax Credit under Section 6.1, the District does not receive aid from the State pursuant to Texas Education Code §42.2515 or other similar or successor statute with respect to all or any portion of such Tax Credit for reasons other than the District's failure to comply with the requirements for obtaining such aid, then the District shall notify the Applicant in writing thereof and the circumstances surrounding the State's failure to provide such aid to the District. The Applicant shall pay to the District the amount of such Tax Credit for which the District did not receive such aid within thirty (30) calendar days after receipt of such notice. If the District receives aid from the State for all or any portion of a Tax Credit with respect to which the Applicant has made a payment to the District under this Section 6.3, then the District shall pay to the Applicant the amount of such aid within thirty (30) calendar days after the District's receipt thereof.

ARTICLE VII

ADDITIONAL OBLIGATIONS OF APPLICANT

Section 7.1. DATA REQUESTS

During the term of this Agreement, and upon the written request of one Party or by the Comptroller (the "Requesting Party"), the other Party shall provide the Requesting Party with all information reasonably necessary for the Requesting Party to determine whether the other Party is in compliance with its obligations, including any employment obligations which may arise under this Agreement. The Applicant shall allow authorized employees of the District, the Comptroller, and/or the Appraisal District to have access to the Applicant's Qualified Property and/or business records, in accordance with Texas Tax Code Section 22.07, during the term of this Agreement, in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property. All inspections will be made at a mutually agreeable time after the giving of not less than ten (10) days prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property. All inspections may be accompanied by one or more representatives of the Applicant, and shall be conducted in accordance with the Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District, the Comptroller, or the 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 or any other information that is not necessary for the District to determine the Applicant's compliance with this Agreement.

Section 7.2. REPORTS TO OTHER GOVERNMENTAL AGENCIES

The Applicant shall timely make any and all reports that are or may be required under the provisions of law or administrative regulation as a result of this Agreement, including but not limited to the annual report or certifications that may be required to be submitted by the Applicant to the Comptroller under the provisions of Texas Tax Code §313.032 and the provisions of Title 34, Part 1, Chapter 9, Subchapter F of the Texas Administrative Code. The Applicant shall forward a copy of all such required reports or certifications to the District contemporaneously with the filing thereof. Currently, the Comptroller requires an Annual Eligibility Report and the Biennial Progress Reports, Form 50-772 and 50-773 respectively, and an Application for Tax Credit, Form 50-300. The obligation to make all such required filings shall be a material obligation under this Agreement. The Applicant shall not be in default of any reporting obligation hereunder, unless the Applicant has received thirty (30) days prior notice of its reporting obligation from the District.

Section 7.3. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE

By entering into this Agreement, the Applicant warrants that:

- (a) it will abide by all of the terms of this Agreement;
- (b) it will Maintain Viable Presence in the District through the Final Termination Date of this Agreement; provided, however, that notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of this Agreement, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure, provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure; and,
- (c) it will meet the applicable minimum eligibility requirements under Texas Tax Code, Chapter 313, throughout the period from and including the Tax Year 2015 through and including the last Tax Year during the term of this Agreement with respect to which the Applicant receives the benefit of a Tax Credit.

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

(a) In the event of a Material Breach (hereinafter defined), except as provided in Section 5.2, after the notice and cure period provided by Section 7.8, then the District shall be entitled, as its sole and exclusive remedy, to the recapture of all ad valorem tax revenue lost as a result of this Agreement, as calculated in accordance with Section 7.5, on that recaptured ad valorem tax revenue. For purposes of this recapture calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Article III. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV.

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

Section 7.5. CALCULATION OF PENALTY AND INTEREST

In determining the amount of interest due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes owed less all credits under Section 7.4 for each Tax Year in which said breach has occurred and not been cured since the Commencement Date. The District shall calculate interest for each of said Tax Years at the rate of six percent (6%) per annum.

Section 7.6. MATERIAL BREACH OF AGREEMENT

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

- (a.) Applicant is determined to have failed to meet its obligations to have made accurate material representations of fact in the submission of its Application as is required by Section 8.13, below.
- (b.) Applicant fails to Maintain Viable Presence in the District, as required by Section 7.3 of this Agreement, through the Final Termination Date of this Agreement.
- (c.) Applicant fails to make any payment required under Articles III or IV of this Agreement on or before its due date.
- (d.) Applicant fails to create and maintain at least the number of New Jobs it committed to create and maintain as set forth on Schedule C, Column C of its Application.
- (e.) Applicant fails to create and maintain at least the number of New Jobs it committed to create and maintain as set forth on Schedule C, Column E of its Application.
- (f.) Applicant fails to comply with the requirement of Texas Tax Code §313.051(b) for 80 percent of all the New Jobs created to be Qualifying Jobs as defined in Texas Tax Code §313.021(3).
- (g.) Applicant makes any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement, in excess of the amounts set forth in Articles III and IV, above. Voluntary donations made by the Applicant to the District after the date of execution of this Agreement, and not mandated by this Agreement or made in recognition of or in consideration for this Agreement are not barred by this provision.

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

Section 7.7. LIMITED STATUTORY CURE OF MATERIAL BREACH

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

Section 7.8. DETERMINATION OF MATERIAL BREACH AND TERMINATION OF AGREEMENT

Prior to making a determination under Section 7.4 or Section 7.6 that the Applicant is in Material Breach of this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the Material Breach, and if cure is possible, the cure proposed by the District. After receipt of the notice, the Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that a Material Breach has not occurred and/or that it has cured or undertaken to cure any such Material Breach.

If the Board of Trustees is not reasonably satisfied with such response and/or that such Material Breach has been cured, then the Board of Trustees shall, after reasonable notice to the Applicant, conduct a hearing called and held for the purpose of determining whether such Material Breach has occurred and, if so, whether such Material Breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to whether or not a Material Breach has occurred, the date such Material Breach occurred, if any, and whether or not any such Material Breach has been cured. Except as otherwise provided in Section 7.7, in the event that the Board of Trustees determines that such a Material Breach has occurred and has not been cured, it shall also terminate this Agreement and determine the amount of recaptured taxes under Section 7.4 (net of all credits under Section 7.4), and the amount of any penalty and/or interest under Section 7.5 that are owed to the District.

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

Section 7.9. DISPUTE RESOLUTION

After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 7.8, the Applicant shall have ninety (90) days in which

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

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

In any event where a dispute between the District and the Applicant under this Agreement cannot be resolved by the Parties, after completing the procedures required above in this Section 7.9, 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. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of reasonable attorney's fees to the attorneys representing the District. In the event that the Applicant is a prevailing party in any such legal proceedings under this section, the District shall be responsible for the payment of the Applicant's reasonable attorney's fees.

Section 7.10. LIMITATION OF OTHER DAMAGES

Notwithstanding anything contained in this Agreement to the contrary, the District's damages for any default shall under no circumstances exceed the greater of either any amounts calculated under Sections 7.4 and 7.5 above, or the monetary sum of the difference between the payments and credits due and owing to the Applicant at the time of such default and the District

taxes that would have been lawfully payable to the District had this Agreement not been executed. In addition, the District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement.

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

Section 7.11. BINDING ON SUCCESSORS

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

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.1. INFORMATION AND NOTICES

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

Notices to the District shall be addressed as follows:

Kevin Brackmeyer, Interim Superintendent
MANOR INDEPENDENT SCHOOL DISTRICT
10335 US Highway 290 East
Manor, Texas 78653
Fax: (512) 278-4017
E-mail:

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:

Catherine Morse

General Counsel & Director of Public Affairs
SAMSUNG AUSTIN SEMICONDUCTOR, LLC
120100 Samsung Boulevard
Austin, Texas 789754
Fax: (512) 491-1510
E-mail: C.Morse@Samsung.com

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

Section 8.2. EFFECTIVE DATE, TERMINATION OF AGREEMENT

- (a) This Agreement shall be and become effective on the date of final approval of this Agreement by the Board of Trustees,
- (b) The obligation to Maintain Viable Presence under this Agreement shall remain in full force and effect through the Final Termination Date.
- (c) In the event that the Applicant fails to make a Qualified Investment in the amount of Eighty Million Dollars (\$80,000,000.00), or greater, during the Qualifying Time Period, this Agreement shall become null and void on December 31, 2014.

Section 8.3. AMENDMENTS TO AGREEMENT; WAIVERS

This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties. Waiver of any term, condition or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition or provision, or a waiver of any other term, condition or provision of this Agreement. By official action of the Board of Trustees, this Agreement may be amended to include, in the Applicant's Qualified Investment, additional or replacement Qualified Property or Qualified Investment not specified as subject to the appraised value limitation in Section 2.3, provided that the Applicant reports to the District, the Comptroller, and the Appraisal District, in the same format, style, and presentation as the Application, all relevant investment, value, and employment information that is related to the additional or replacement property. Any amendment of this Agreement adding additional or replacement Qualified Property or Qualified Investment pursuant to this Section 8.3 shall, (1) require that all property added by amendment be eligible property as defined by Texas Tax Code, §313.024; (2) clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and (3) define minimum eligibility requirements for the recipient of limited value. This Agreement may not be amended to extend the value limitation time period beyond its eight-year statutory term.

Section 8.4. ASSIGNMENT

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

Section 8.5. MERGER

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

Section 8.6. MAINTENANCE OF COUNTY APPRAISAL DISTRICT RECORDS

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

Section 8.7. GOVERNING LAW

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

Section 8.8. AUTHORITY TO EXECUTE AGREEMENT

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

Section 8.9. SEVERABILITY

If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision or condition cannot be so reformed, then such term, provision or condition (or such invalid, illegal or unenforceable

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

Section 8.10. PAYMENT OF EXPENSES

Except as otherwise expressly provided in this Agreement, or as covered by the application fee, (i) each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement, and (ii) in the event of a dispute between the Parties in connection with this Agreement, the prevailing Party in the resolution of any such dispute, whether by litigation or otherwise (with the exception of mediation under the first paragraph of Section 7.9), shall be entitled to full recovery of all attorneys' fees (including a reasonable hourly fee for in-house legal counsel), costs and expenses incurred in connection therewith, including costs of court, from the non-prevailing Party.

Section 8.11. INTERPRETATION

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

Section 8.12. EXECUTION OF COUNTERPARTS

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

Section 8.13. ACCURACY OF REPRESENTATIONS CONTAINED IN APPLICATION

The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the facts contained in the Application. The Parties acknowledge that certain information contained in the Application is not factual but rather the expression of the present intention or expectation of the Applicant which Applicant reserves the right without liability for breach of warranty or covenant to change and modify as the exigencies of its business dictate. The Applicant warrants that to the best of Applicant's knowledge all material representations of facts contained in the Application are true and correct. The parties further agree that the Application and all the attachments thereto are included by reference into this Agreement as if set forth herein in full.

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

Section 8.14. PUBLICATION OF DOCUMENTS

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

- a. Within seven (7) days of such document, the District shall submit a copy to the Comptroller for publication on the Comptroller's Internet website.
- b. The District shall provide on its website a link to the location of those documents posted on the Comptroller's website.
- c. This Section 8.14 does not require the publication of information that is confidential under Texas Tax Code §313.028.

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 17th day of December 2012.

SAMSUNG AUSTIN SEMICONDUCTOR, LLC

MANOR INDEPENDENT SCHOOL DISTRICT

By: 
CATHERINE MORSE
General Counsel & Director of Public
Affairs

By: 
DESIREE CORNELIUS FISHER
President
Board of Trustees

ATTEST:


MATILDY SAMARIPA, JR.
Secretary
Board of Trustees

EXHIBIT 1

DESCRIPTION OF QUALIFIED REINVESTMENT ZONE

The *Manor ISD-Samsung Reinvestment Zone* was originally created on December 17, 2012 by action of the Manor Independent School District Board of Trustees. A map of the *Manor ISD-Samsung Reinvestment Zone* is attached as the last page of this **EXHIBIT 1**.

As a result of the action of the Board of Trustees of the Manor Independent School District, *Manor ISD-Samsung Reinvestment Zone* includes 180.013 acres of land within Travis County, Texas, more specifically described in the Metes and Bounds legal description attached as the pages next following.

Agreement for Limitation on Appraised Value

Between Manor Independent School District and Samsung Austin Semiconductor, LLC
Texas Comptroller Application No. 243
December 17, 2012

DESCRIPTION

FOR A 180.013 ACRE TRACT OF LAND SITUATED IN THE SAMUEL CUSHING SURVEY NO. 70, ABSTRACT NO. 164, THE MARIQUITO CASTRO SURVEY NO. 50, ABSTRACT NO. 160 AND THE LUCAS MUNOS SURVEY NO. 55, ABSTRACT NO. 513, TRAVIS COUNTY, TEXAS, BEING ALL OF LOT 1, BLOCK A, JOURDAN CROSSING, PHASE C, SECTION 2, A SUBDIVISION ACCORDING TO THE PLAT RECORDED IN VOLUME 96, PAGE 230 OF THE PLAT RECORDS OF SAID COUNTY, AS CONVEYED TO SAMSUNG AUSTIN SEMICONDUCTOR, L.L.C. BY SPECIAL WARRANTY DEED, EXECUTED APRIL 16, 1996, AND RECORDED IN VOLUME 12666, PAGE 986 OF THE REAL PROPERTY RECORDS OF SAID COUNTY, SAID 180.013 ACRE TRACT, AS SHOWN ON THE ACCOMPANYING SKETCH, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a ½" iron rod found on a point being the north east corner of a called 120.000 acre tract in deed to Samsung Austin Semiconductor, L.L.C. recorded in Document No. 2000106442 of the Official Public Records of said County, also being the southeast corner of said Lot 1, for the southeast corner hereof;

THENCE with the north boundary line of said 120.000 acre tract, same being the south boundary line of said Lot 1, **N 63°08'37"W** for a distance of **2807.33 feet** to a 1" iron pipe found on a point being the northwest corner of said 120.000 acre tract, same being the southwest corner of said Lot 1, for the southwest corner hereof;

THENCE with the west boundary line of said Lot 1, the following three (3) courses and distances:

1. **N 20°22'00" E** for a distance of **929.98 feet** to a ½" iron rod found for an angle point hereof,
2. **N 27°48'01" E** for a distance of **1902.31 feet** to a ½" iron rod found for an angle point hereof, and
3. **N 79°30'49" E** for a distance of **62.03 feet** to a ½" iron rod found on a point in the south right-of-way line of Parmer Lane (200' right-of-way width), said point being the northwest corner of said Lot 1 for the northwest corner hereof;

THENCE with the south right-of-way line of said Parmer Lane, same being the north boundary line of said Lot 1, the following four (4) courses and distances:

1. **S 48°41'12" E** for a distance of **185.92 feet** to a TXDOT Type II concrete monument found for a point of curvature hereof,

2. With the arc of a curve to the left having a radius of **2009.86 feet**, an arc length of **395.55 feet**, a central angle of **011°16'34"** and a chord which bears **S 54°21'56" E** for a distance of **394.91 feet** to a TXDOT Type II concrete monument found, for a point of tangency hereof,
3. **S 59°59'51" E** for a distance of **2241.24 feet** to a ½" iron rod found for a point of curvature hereof, and
4. With the arc of a curve to the right having a radius of **25.00 feet**, an arc length of **37.90 feet**, a central angle of **086°51'41"** and a chord which bears **S 16°34'00" E** for a distance of **34.37 feet** to a ½" iron rod found on a point in the west right-of-way line of Samsung Boulevard (100' right-of-way width) same being the northeast corner of said Lot 1, for the northeast corner hereof;

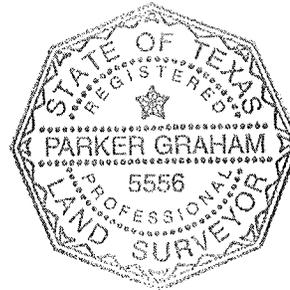
THENCE with east boundary line of said Lot 1, same being, in part, the west right-of-way line of said Samsung Boulevard, **S 26°51'24" W** for a distance of **2609.04 feet** to the **POINT OF BEGINNING** hereof and containing 180.013 acres of land.

Bearing basis is grid north for the Texas State Plane Coordinate System (Central Zone-4203, NAD83(CORS 96), per GPS survey performed during February, 2011.

Surveyed under the direct supervision of the undersigned during February, 2011:

 07-27-2012

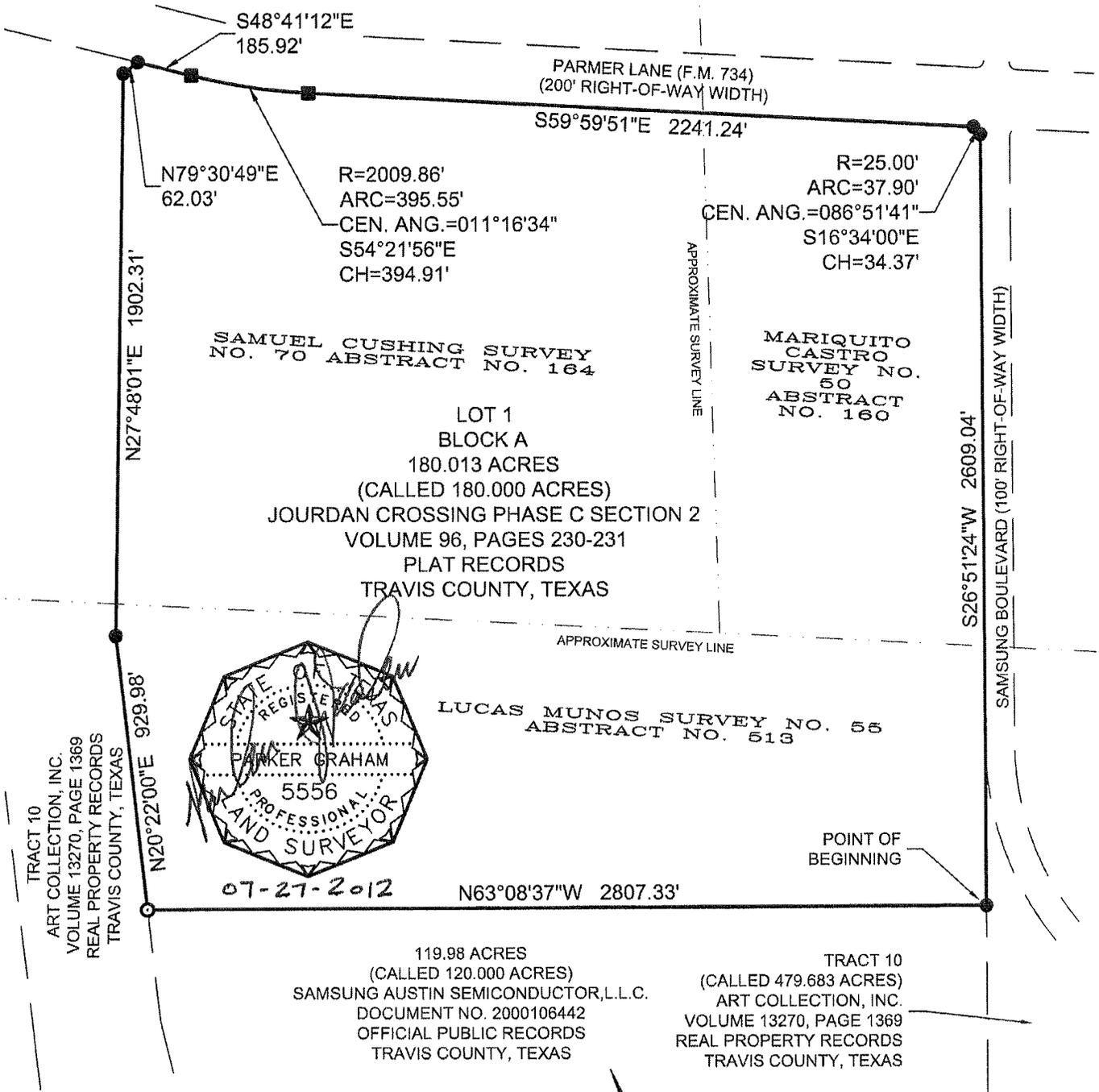
Parker J. Graham
Registered Professional Land Surveyor No. 5556
BAKER-AICKLEN & ASSOCIATES, INC.
405 Brushy Creek Road
Cedar Park, Texas 78613
(512) 260-3700



Job No.: 1621-2-006-11

Filename: W:\PROJECTS\SAMSUNG FAB 2006\180.013 ACRE TRACT SK-MB\LOT 1, BLK A JOURDAN CROSSING.DOC

SKETCH TO ACCOMPANY DESCRIPTION



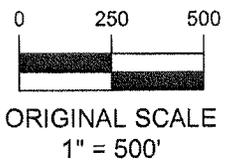
TRACT 10
 ART COLLECTION, INC.
 VOLUME 13270, PAGE 1369
 REAL PROPERTY RECORDS
 TRAVIS COUNTY, TEXAS

119.98 ACRES
 (CALLED 120.000 ACRES)
 SAMSUNG AUSTIN SEMICONDUCTOR, L.L.C.
 DOCUMENT NO. 2000106442
 OFFICIAL PUBLIC RECORDS
 TRAVIS COUNTY, TEXAS

TRACT 10
 (CALLED 479.683 ACRES)
 ART COLLECTION, INC.
 VOLUME 13270, PAGE 1369
 REAL PROPERTY RECORDS
 TRAVIS COUNTY, TEXAS

LEGEND

- 1/2" IRON ROD FOUND
- TXDOT TYPE II CONC. MONUMENT FOUND
- 1" IRON PIPE FOUND



<p> SAMSUNG 180.013 ACRES LOT 1, BLOCK A JOURDAN CROSSING PH. C, SEC. 2 </p>	<p> DATE: JULY 27, 2012 BY: PJG CHK: PJG PAGE 3 OF 4 </p>	<p>  BAKER-AICKLEN & ASSOCIATES, INC. 507 WEST LIBERTY AVE. ROUND ROCK, TEXAS 78664 (512) 244-9620 Engineers • Surveyors • GIS • Planning </p>
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EXHIBIT 2

LOCATION OF QUALIFIED INVESTMENT/QUALIFIED PROPERTY

Only the Qualified Property described in **EXHIBIT 3** which owned by the Applicant and located within the boundaries of both the Manor Independent School District and the *Manor ISD-Samsung Reinvestment Zone* will be included in and subject to this Agreement.

The proposed investment is an upgrade of semiconductor wafer fabrication area and installation of new production tool sets used in connection with the manufacturing, processing and fabrication in a cleanroom environment of semiconductor products, including construction of cleanroom facilities, utility additions, construction of support structures for the new production equipment to be installed, and installation of the new tool sets.

The Qualified Property/Qualified Investment specifically excludes Qualified Investment covered by the previous September 22, 2005 Agreement between Manor ISD and Applicant. Property owned by Applicant and located within the Reinvestment Zone on the Completed Application Date of August 31, 2012 carried was appraised by the Travis County Appraisal District as of January 1, 2012. The Appraisal District assigned the following Appraisal Account Numbers to the pre-existing property

- 766977
- 753722
- 437258
- 792332

The appraised value of the foregoing accounts as of January 1, 2012 was approximately \$2.9 Billion.

The map copied in the next following page of this Exhibit 2 shows the areas on Applicant's site where new construction described in the project Application (shaded in yellow) and reconstruction within existing buildings described in the project Application (shaded in green) will occur.

Site Plan



New Construction Area



H5 Conversion Construction Area



Fabrication Plant to Be Expanded

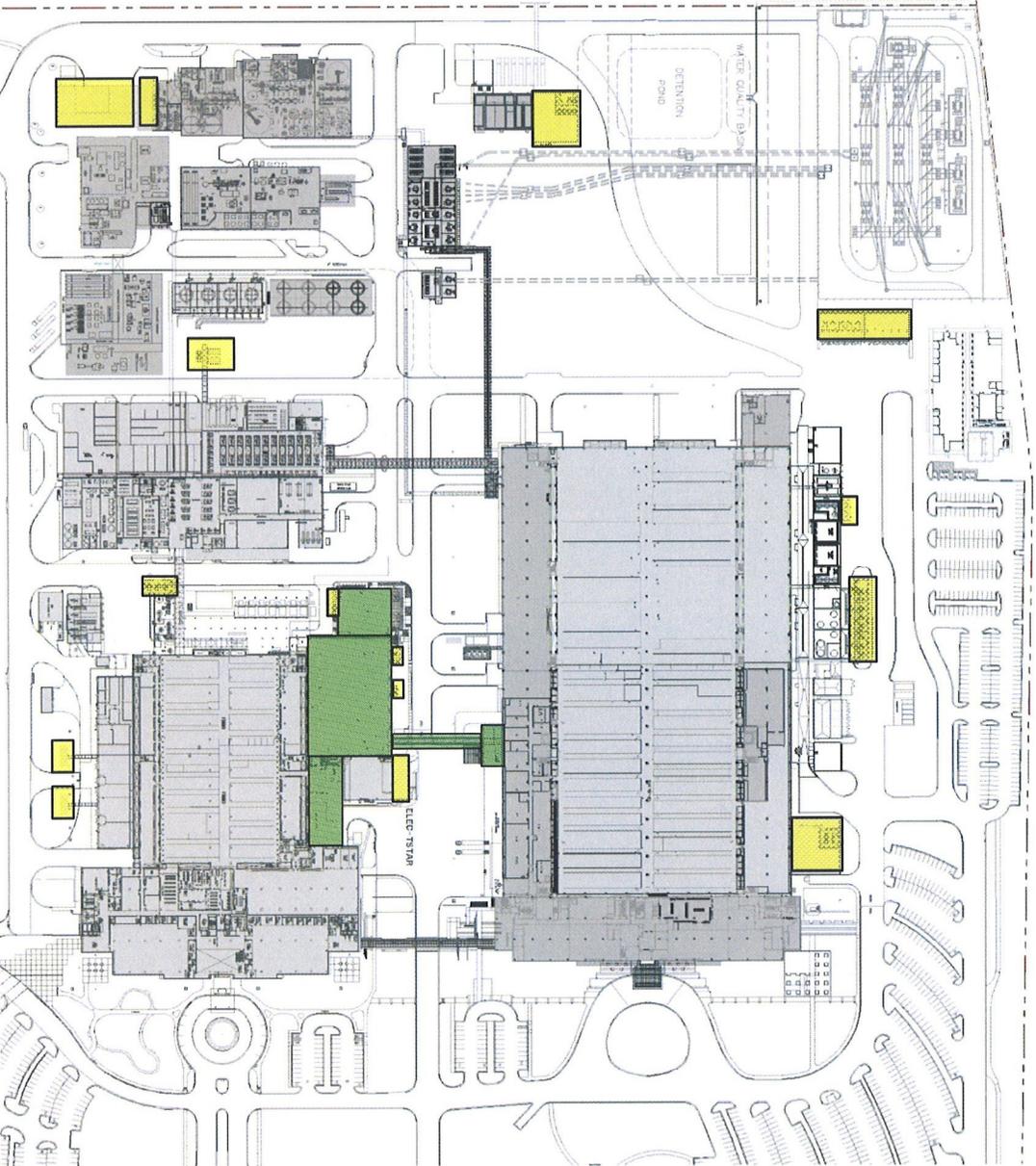


EXHIBIT 3

DESCRIPTION OF THE APPLICANT'S QUALIFIED INVESTMENT/ QUALIFIED PROPERTY

The proposed project will consist of a facility designed to manufacture semiconductor logic chips only. The project will consist of an expansion of the capacity of its 12-inch semiconductor fabrication plant with a \$3.9 billion investment. The expanded fabrication plant will produce advanced logic devices for Samsung's System LSI business. The proposed investment in the Austin campus will involve upgrading some of the manufacturing area and building many support utility buildings, as shown on the attached schematic, for the expanded plant.

The proposed investment is an upgrade of semiconductor wafer fabrication area and installation of new production tool sets used in connection with the manufacturing, processing and fabrication in a cleanroom environment of semiconductor products, including construction of cleanroom facilities, utility additions, construction of support structures for the new production equipment to be installed, and installation of the new tool sets.

The Qualified Property/Qualified Investment specifically excludes Qualified Investment covered by the previous September 22, 2005 Agreement between Manor ISD and Applicant.

Specifically included in this Agreement are the following:

1. process cooling water systems
2. HVAC systems
3. industrial waste treatment systems
4. process vacuum systems
5. security control systems
6. fire protection systems
7. shipping docks
8. chemical and ultra pure gas storage and distribution systems
9. piping, clean room systems
10. failure analysis laboratories
11. other systems useful for the design, development and manufacture of semiconductor products
12. machinery and equipment used to design, develop and manufacture semiconductor products, including assets and tools used in:
 - a. semiconductor device and circuit designing

- b. photolithography
- c. chemical mechanical polishing
- d. thin film deposition
- e. plasma etching
- f. surface preparation and clean-up
- g. ion implanting
- h. metal deposition
- i. rapid thermal processing
- j. furnaces
- k. testing and defect analysis
- l. water processing
- m. metrology and yield enhancing
- n. bonding and packaging
- o. designing

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. The facility will also require significant amounts of personal property.