

**Official Agenda and Meeting Notice
of the Board of the
Beaumont Independent School District
in the Board Room of the Beaumont ISD Administration Building**

Thursday, August 18, 2022

Regular Meeting

5:00 PM

The items on this agenda may be taken in any order.

As directed under the Texas Open Meetings Act, Texas Government Code, Chapter 551 (the "Act"), if during the course of the meeting covered by this Notice, the Board should determine that a closed session of the Board is required, then such closed session will be held by the Board at the date, hour, and place given in this Notice or as soon after the commencement of the meeting covered by this Notice as the Board may conveniently meet in closed session concerning any and all purposes permitted by the Act.

5:00 PM - (CALL TO ORDER)

- I. INTRODUCTION
 - A. ROLL CALL
 - 1. CLOSED SESSION (CLOSED TO PUBLIC) - BOARD WILL CONVENE IN CLOSED SESSION UNDER CHAPTER 551 OF THE TEXAS GOVERNMENT CODE, SECTIONS 551.071, 551.072, 551.073, 551.074, 551.076, 551.082 and 551.0821 AND/OR 551.087, TO DELIBERATE ON THE FOLLOWING:
 - a. LEGAL
 - 1. Pending or contemplated litigation matters and status report
 - 2. Matters on which the school district legal counsel's duties to the school district under the Texas Disciplinary Rules of Professional Conduct or the State Bar of Texas Clearly conflicts with the Texas Open Meetings Act
 - 1. 2023 Election
 - b. PERSONNEL
 - 1. Deliberation regarding the appointment, employment, evaluation, reassignment, duties, proposed terminations, terminations and suspensions, proposed nonrenewals, renewals, and resignation/retirements, discipline, and/or dismissal of a public officer or employee, including the superintendent, and/or hear complaints and grievances against public officers or employees
 - 1. Superintendent's recommendation to Propose Professional Employee's term Contract for Termination
 - c. REAL ESTATE
 - 1. Deliberation regarding the purchase, exchange, lease or value of real property
 - d. ECONOMIC DEVELOPMENT
 - 1. Deliberation regarding an offer of a financial or other incentive to a business prospect related to economic development negotiations
 - 1. Discuss the Beaumont 2022-003 Reinvestment Zone No.03
 - 2. Discuss the Application of OCI Clean Ammonia LLC and OCI Fuels USA Inc. (Comptroller Application Nos: 1741 and 1742) for an Appraised Values Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Property Tax Code
- II. **6:00 p.m. - PUBLIC HEARINGS**
 - A. Beaumont 2022-003 Reinvestment Zone No.03
 - B. Application of OCI Clean Ammonia LLC and OCI Fuels USA Inc. (Comptroller Application Nos: 1741 and 1742) for an Appraised Values Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Property Tax Code
 - C. Public Comments

III. **REGULAR OPEN BOARD MEETING**

- A. INTRODUCTION OF REGULAR MEETING
 - 1. United States and Texas Flags Pledges of Allegiance
 - 2. Recognitions
- B. STUDENT OUTCOMES
 - 1. Superintendent's Report
 - 2. Cabinet Report
 - a. Discipline Task Force Update - Randall Maxwell
- C. PUBLIC COMMENTS
- D. INFORMATION ITEMS
 - 1. Update on Personnel Activities
 - 2. Report for Tax Collections
 - 3. Report for General Fund Revenue and Expenditures
 - 4. Report for Campus Activities Funds and Donations
 - 5. Report - Quarterly Investment Report
 - 6. Discuss the cost of an additional 3% pay increase for non-administrative employees and compensation comparison in Region V
- E. CONSENT AGENDA
 - 1. Minutes of July 21, 2022, Regular Board Meeting.
 - 2. Approve BISD Memorial Stadium Concession Agreements with Booster Clubs for the 2022-2023 School Year
 - 3. Approve 2022-2023 T-TESS Certified Appraisers
 - 4. Approve revision of Board Policy FFA (Local)
 - 5. Approve Interlocal Cooperation Agreement to Provide Meals between Beaumont ISD and the Ehrhart School
 - 6. Approve increase for staff and visitor meals costs
 - 7. Approve Delegation of Contractual Authority to the Superintendent for Agreement to Purchase Attendance Credits from TEA
 - 8. Approve Memorandum of Understanding with Lamar State College-Orange regarding Maritime Program
 - 9. Approve Award of RFP #22.24 Charter Bus Services
 - 10. Approve the Annual Review of CDA (LOCAL)
 - 11. Approve Interlocal Cooperation Agreement to Provide Meals between Beaumont ISD and Responsive Ed - BCA
 - 12. Approve Interlocal Cost-Sharing Agreement for 2022-2023 school year with Communities in Schools of Southeast Texas
- F. ACTION ITEMS
 - 1. Action, if any, on items discussed in closed session.
 - 2. Approve Budget Amendments
 - 3. Approve Purchases of \$50K or More
 - 4. Approve resolution creating the Beaumont 2022-003 Reinvestment Zone No. 03
 - 5. Adopt Findings under the Texas Economic Development Act on the Application of OCI Clean Ammonia LLC and OCI Fuels USA Inc., (Comptroller Application No: 1741 and 1742), for an Appraised Value Limitation on Qualified Property for School District Maintenance and Operations Taxes
 - 6. Approve Agreements with OCI Clean Ammonia LLC and OCI Fuels USA Inc., (Comptroller Application No: 1741 and 1742), for an Appraised Value Limitation on Qualified Property for School District Maintenance and Operations Taxes
 - 7. Approve Amendment 001 to Agreement with Arbor Renewable Gasoline-Phase 1 LLC
 - 8. Discuss and if appropriate take action to approve an order authorizing the defeasance and optional redemption of certain outstanding maturities of the District's outstanding unlimited tax refunding bonds, Series 2016 and containing other matters related thereto
 - 9. Approve Resolution Relating to Disaster Pennies for Tax Year 2022



Board Exhibit Cover Sheet

Meeting Date: August 18, 2022

Agenda Item/Exhibit Number: **III.B.2.a.**

Agenda Item Title: Discipline Task Force Update on Phone Usage/Expectations for the 2022-23 school year.

Cabinet Level Presenter(s): Randall Maxwell

Additional Presenter(s): Dr. Valdez

Executive Summary: For the 2022-23 school year student phones will be required to be out of sight once the bell rings and will remain out of sight until the last bell of the day. The goal is to increase student engagement in the classroom, and maximize students attention in emergency situations.

Recommendation: Information only

Budget Impact* (if applicable): None

Funding Source (if applicable):

Compliance with Purchasing Guidelines (list applicable guidelines, including grant requirements): N/A

Policy Reference (if applicable, list policy/regulation):

Legal Review (if necessary, list attorney and firm): N/A



Cabinet Level Presenter's Signature

August 18, 2022
Date

*CFO Signature (required if there is a budget impact)

Date

General Counsel's Signature

Date



Board Exhibit Cover Sheet

Meeting Date: August 18, 2022

Agenda Item/Exhibit Number: **III.D.2.**

Agenda Item Title: Report – Tax Collections

Cabinet Level Presenter(s): Cheryl Hernandez

Additional Presenter(s):

Executive Summary: N/A

Recommendation: N/A

Budget Impact* (if applicable): N/A

Funding Source (if applicable): N/A

Compliance with Purchasing Guidelines (list applicable guidelines, including grant requirements):

Policy Reference (if applicable, list policy/regulation):

Legal Review (if necessary, list attorney and firm):

Cheryl Hernandez
Cabinet Level Presenter's Signature

8/8/22
Date

*CFO Signature (required if there is a budget impact) Date

General Counsel's Signature Date

Tax Collection Report
July 31, 2022

	Taxes Collected			
	7/31/22		7/31/21	
	M & O	I & S	M & O	I & S
Current	140,559.42	39,065.53	252,203.21	66,299.78
Delinquent	33,981.76	8,080.68	93,384.96	22,893.06
Penalties & Interest	76,910.35	19,135.91	92,530.57	21,728.45
Totals	251,451.53	66,282.12	438,118.74	110,921.29

	Current Taxes			
	Tax Levy	Collections for 07/31/2022	YTD Current Collections	Collected Percentage
	141,355,592.99	179,624.95	138,658,533.80	98.09%

Two Year Comparison	
Current Year as of 07/31/2022	Prior Year as of 07/31/2021
98.09%	98.32%

AGENDA:
August 18, 2022

GENERAL FUND

Budget vs. Expenditures

July 31, 2022

	Amended Budget	Month To Date	Year to Date Transactions	Outstanding Encumbrances
REVENUES				
Property Tax Collection (including delinquencies)	107,685,278	571,189	107,466,544	-
Sources of Misc Income (Foreign Trade Zone, Athletics...)	13,541,312	261,409	12,905,048	-
State Program Revenues	47,474,887	3,236,791	40,671,775	-
Federal Program Revenues	4,938,885	106,121	5,113,122	-
Other Financing Sources	516,295	8,203	551,757	-
Total Revenues	174,156,657	4,183,713	166,708,246	-
EXPENDITURES				
11 Classroom	87,061,557	1,117,195	1,117,195	301,286
12 Library	1,322,478	14,284	14,284	18,880
13 Staff Development	683,127	13,446	13,446	44,569
21 Asst Sups, Directors, Supervisors, Curriculum Coordinators	3,451,751	100,801	100,801	28,974
23 Principal, Asst. Principals, Office Clerical	10,386,929	155,716	155,716	58,944
31 Counselors	6,208,581	107,421	107,421	78,131
32 Social Workers	297,374	2,299	2,299	-
33 Nurses	1,911,928	32,599	32,599	4,220
34 Transportation	5,652,865	115,343	115,343	831,478
36 Extracurricular	5,899,350	94,028	94,028	266,736
41 Administration	7,061,088	230,050	230,050	314,841
51 Maintenance and Utilites	30,857,802	1,120,406	1,120,406	4,740,071
52 Police and Monitoring Services	3,381,056	51,073	51,073	62,621
53 Data Processing Personnel	6,000,690	67,435	67,435	1,170,833
61 Parent involment Liaisons, Day Car Workers	201,164	767	767	2,338
71 Debt Service	1,114,965	-	-	-
93 Fiscal Agent - Shared Service for Deaf Program	352,950	-	-	-
95 Juvenile Justice Alternative Ed Program	150,000	-	-	-
99 Other Intergovernmental Charges	1,353,765	-	-	-
Total Expenditures	173,349,420	3,226,760	3,226,760	7,923,923
Net increase (decrease)	(1,048,408)			



Board Exhibit Cover Sheet

Meeting Date: August 18, 2022

Agenda Item/Exhibit Number: **III.D.4.**

Agenda Item Title: Report – Campus Activity Funds and Donations

Cabinet Level Presenter(s): Cheryl Hernandez

Additional Presenter(s):

Executive Summary: N/A

Recommendation: N/A

Budget Impact* (if applicable): N/A

Funding Source (if applicable): N/A

Compliance with Purchasing Guidelines (list applicable guidelines, including grant requirements):

Policy Reference (if applicable, list policy/regulation):

Legal Review (if necessary, list attorney and firm):

Cheryl Hernandez
Cabinet Level Presenter's Signature

8/18/22
Date

*CFO Signature (required if there is a budget impact)

Date

General Counsel's Signature

Date

**CAMPUS ACTIVITY FUND
EXPLANATION OF AMENDMENTS
JULY 2022**

West Brook High School	\$ 555.00
Explanation: Car Registrations, Chromebook Fees, AP Exams	
Beaumont United High School	\$ 3,244.00
Explanation: Car Registrations, AP Fees, Chromebook Fees	
Smith Middle School	\$ -
Explanation:	
King Middle School	\$ -
Explanation:	
Marshall Middle School	\$ -
Explanation:	
Odom Academy	\$ -
Explanation:	
Vincent Middle School	\$ -
Explanation:	
Amelia Elementary	\$ -
Explanation:	
Caldwood Elementary	\$ -
Explanation:	
Curtis Elementary	\$ -
Explanation:	
Fletcher Elementary	\$ -
Explanation:	
Guess Elementary	\$ -
Explanation:	
Regina Howell Elementary	\$ 80.00
Explanation: Chromebook Fees	
Homer Drive Elementary	\$ 65.00
Explanation: Commissions/Vending Machines	
Pietzsch Elementary	\$ -
Explanation:	
Dishman Elementary	\$ -
Explanation:	
Blanchette Elementary	\$ -
Explanation:	
Martin Elementary	\$ -
Explanation:	

**CAMPUS ACTIVITY FUND
EXPLANATION OF AMENDMENTS, CONTINUED
JULY 2022**

Phalen Leadership Academy (Jones-Clark ES)	\$	-
Explanation:		
Charlton-Pollard Elementary	\$	-
Explanation:		
Fehl Price Classical Academy	\$	-
Explanation:		
Bingman Pre-K Center	\$	-
Explanation:		
Lucas Pre-K Center	\$	-
Explanation:		
Pathways Learning Center	\$	-
Explanation:		
Career and Technical Center	\$	-
Explanation:		
Brown Center	\$	-
Explanation:		
Transportation Dept	\$	-
Explanation:		
Maintenance Dept	\$	-
Explanation:		
Administration Building	\$	-
Explanation:		
Admin. Annex Building	\$	-
Explanation:		
Police Dept.	\$	-
Explanation:		
Early College H.S.	\$	52.00
Explanation: Dormant Account Transfer		
School for the Deaf (Deaf Ed.)	\$	-
Explanation:		

**CAMPUS ACTIVITY FUNDS
BUDGET CHANGE REPORT - JULY 2022**

		<u>Original Budget</u>	<u>Change</u>	<u>Amended Budget</u>
<u>Revenues</u>				
Local Revenue - Other Sources	461.00.5749.00	283,957	3,996	287,953
<u>Expenditures</u>				
	<u>School Leadership</u>			
West Brook High School	461.XX.6499.00.008.00.000	90,671	555	91,226
Beaumont United High School	461.XX.6499.00.014.00.000	17,871	3,244	21,115
Smith Middle School	461.XX.6499.00.042.00.000	391	-	391
King Middle School	461.XX.6499.00.043.00.000	7,034	-	7,034
Marshall Middle School	461.XX.6499.00.046.00.000	24,407	-	24,407
Odom Academy	461.XX.6499.00.047.00.000	24,076	-	24,076
Vincent Middle School	461.XX.6499.00.048.00.000	8,295	-	8,295
Amelia Elementary	461.XX.6499.00.101.00.000	1,581	-	1,581
Caldwood Elementary	461.XX.6499.00.104.00.000	2,850	-	2,850
Curtis Elementary	461.XX.6499.00.105.00.000	11,792	-	11,792
Fletcher Elementary	461.XX.6499.00.110.00.000	11,097	-	11,097
Guess Elementary	461.XX.6499.00.112.00.000	5,218	-	5,218
Regina Howell Elementary	461.XX.6499.00.118.00.000	12,743	80	12,823
Homer Drive Elementary	461.XX.6499.00.123.00.000	5,549	65	5,614
Pietzsch Elementary	461.XX.6499.00.125.00.000	4,039	-	4,039
Dishman Elementary	461.XX.6499.00.126.00.000	5,275	-	5,275
Blanchette Elementary	461.XX.6499.00.127.00.000	637	-	637
Martin Elementary	461.XX.6499.00.128.00.000	1,964	-	1,964
Phalen Leadership Academy (Jones-Clark)	461.XX.6499.00.129.00.000	15,872	-	15,872
Charlton-Pollard Elementary	461.XX.6499.00.130.00.000	5,269	-	5,269
Fehl Price Classical Academy	461.XX.6499.00.131.00.000	2,159	-	2,159
Bingman Pre-K Center	461.XX.6499.00.132.00.000	952	-	952
Lucas Pre-K Center	461.XX.6499.00.133.00.000	329	-	329
Pathways Learning Center	461.XX.6499.00.006.00.000	63	-	63
Career and Technical Center	461.XX.6499.00.009.00.000	9,546	-	9,546
Brown Center	461.XX.6499.00.012.00.000	1,884	-	1,884
Transportation Dept	461.XX.6499.00.811.00.000	104	-	104
Maintenance Dept	461.XX.6499.00.819.00.000	557	-	557
SSA Deaf Program	461.XX.6499.00.838.00.000	3,026	-	3,026
Administration Building	461.XX.6499.00.842.00.000	2,388	-	2,388
Admin. Annex Building	461.XX.6499.00.843.00.000	1,811	-	1,811
Police Dept.	461.XX.6499.00.850.00.000	185	-	185
Early College H.S.	461.XX.6499.00.013.00.000	4,322	52	4,374
	Total Expenditures	<u>283,957</u>	<u>3,996</u>	<u>287,953</u>
BUDGET CHANGE				
	Total Revenues	283,957	3,996	287,953
	Total Expenditures	<u>(283,957)</u>	<u>(3,996)</u>	<u>(287,953)</u>
	Adjusted Surplus	-	-	-



Board Exhibit Cover Sheet

Meeting Date: August 18, 2022

Agenda Item/Exhibit Number: **III.D.5.**

Agenda Item Title: Report – Quarterly Investment Report

Cabinet Level Presenter(s): Cheryl Hernandez

Additional Presenter(s):

Executive Summary: Section 2256.023 of the Public Funds Investment Act requires the investment officer to prepare and submit to the governing body of the entity, not less than quarterly, a written report of investment transactions for all funds covered by the Act for the preceding quarter.

Recommendation: N/A

Budget Impact* (if applicable): N/A

Funding Source (if applicable): N/A

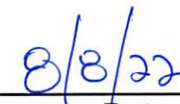
Compliance with Purchasing Guidelines (list applicable guidelines, including grant requirements):

Policy Reference (if applicable, list policy/regulation):

Legal Review (if necessary, list attorney and firm):



Cabinet Level Presenter's Signature



Date

*CFO Signature (required if there is a budget impact)

Date

General Counsel's Signature

Date

**QUARTERLY INVESTMENT REPORT
FOR THE QUARTER ENDED MAY 31, 2022**

Investment Program

The legal requirements and local authority for investment of District funds are detailed in Board Policy CDA (Legal) and CDA (Local) as adopted by the Board of Managers. The investments utilized by Beaumont ISD for the Quarter Ended May 31, 2022 included TexPool and Lone Star and Investment Pools.

Investment Position at May 31, 2022

<u>Investment</u>	<u>Book Value</u>	<u>Market Value</u>
Lone Star Investment Pool	\$ 122,656,568.88	\$ 122,656,568.88
TexPool	4,083,898.86	4,083,898.86
Total	<u>\$ 126,740,467.74</u>	<u>\$ 126,740,467.74</u>

Investment Activity

A summary of activity is listed below:

**Schedule of Transactions by Fund Group
Investments in Lone Star Investment Pool
Quarter Ended May 31, 2022**

<u>Investment</u>	<u>Carrying Amount 03/01/2022</u>	<u>Additions 03/01/2022- 05/31/2022</u>	<u>Deductions 03/01/2022- 05/31/2022</u>	<u>Carrying Amount 05/31/2022</u>
General Fund - Corporate Overnight Plus Fund	\$ 135,314,639.09	16,714,914.14	44,855,292.75	\$ 107,174,260.48
General Fund - Corporate Overnight Fund	2,167,778.55	2,713.80	858.75	2,169,633.60
General Fund - Government Overnight Fund	3,306,650.09	3,261,360.03	5,484,520.48	1,083,489.64
Total General Fund	<u>\$ 140,789,067.73</u>	<u>\$ 19,978,987.97</u>	<u>\$ 50,340,671.98</u>	<u>\$ 110,427,383.72</u>
Debt Service - Corporate Overnight Plus Fund	\$ 22,286,529.86	14,550.84	12,494,587.09	\$ 9,806,493.61
Debt Service - Corporate Overnight Fund	594,286.18	744.15	-	595,030.33
Debt Service - Government Overnight Fund	942,678.51	884,982.71	-	1,827,661.22
Total Debt Service Fund	<u>\$ 23,823,494.55</u>	<u>\$ 900,277.70</u>	<u>12,494,587.09</u>	<u>\$ 12,229,185.16</u>
Total Lone Star Investments	<u>\$ 164,612,562.28</u>	<u>\$ 20,879,265.67</u>	<u>\$ 62,835,259.07</u>	<u>\$ 122,656,568.88</u>

**Schedule of Transactions by Fund Group
Investments in Texpool
Quarter Ended May 31, 2022**

<u>Type</u>	<u>Carrying Amount 03/01/2022</u>	<u>Additions 03/01/2022- 05/31/2022</u>	<u>Deductions 03/01/2022- 05/31/2022</u>	<u>Carrying Amount 05/31/2022</u>
General Fund	\$ 3,934,672.74	\$ 3,579.54	\$ -	\$ 3,938,252.28
Debt Service Fund	145,514.17	132.41	-	145,646.58
Total Investments	<u>\$ 4,079,728.88</u>	<u>\$ 3,711.95</u>	<u>\$ -</u>	<u>\$ 4,083,898.86</u>


Cheryl Hernandez, CFO


Stacey Fitch, Comptroller



Trustee Request for Agenda Item(s)


Developing Board Meeting Agendas: *Agendas for Board meetings in Beaumont ISD are prepared by the Superintendent with consultation from the Board President. Two Trustees may request that an item be placed on the agenda. The Superintendent will include all Trustee-requested topics that have been submitted by noon of the 12 seventh calendar day before regular meetings and noon on the third calendar day before special meetings. Action items will be presented to the Board President at the Agenda Review meeting before the regular scheduled Board meeting. Matters which do not appear on the agenda will not come up for action of the Board except in emergency situations. [BE] The Superintendent may pull agenda items at anytime.*

Meeting Date: 21 July 2022

Agenda Topic(s) Requested: Instruct the superintendent to find out how much it would cost to give an additional 3% pay raise to all non-administrative BISD employees and report back with that information no later than the next regularly scheduled board meeting

- Open Meeting
- Closed Meeting

Additional Information: _____



Trustee 1

Kevin Reece
Trustee 2

Please fill out required information and return to the Superintendent accordingly.

Additional 3% for all employees except anyone on ADMIN pay scale

	19X	205	211	224	225	240	224	255	263	281	282	289	315	435	446	Total
Cost of \$1600 increase- Teachers	\$3,104,664.48	\$210,493.20	\$212,593.75	\$112,379.10	\$6,835.68	\$185,291.53	\$10,253.52	\$7,568.96	\$1,817.84	\$43,002.12	\$158,510.15	\$6,976.96	\$3,834.08	\$22,729.28	\$22,444.88	\$4,109,395.53
Cost of 3% additional for non-admin	\$629,637.41	\$59,391.53	\$31,637.71	\$28,568.13	\$2,720.76	\$71,993.22	\$2,830.53	\$0.00	\$0.00	\$15,292.91	\$43,618.59	\$0.00	\$0.00	\$789.78	\$7,234.65	\$893,715.22
Cost of \$1600 and 3%	\$3,734,301.89	\$269,884.73	\$244,231.46	\$140,947.23	\$9,556.44	\$257,284.75	\$13,084.05	\$7,568.96	\$1,817.84	\$58,295.03	\$202,128.74	\$6,976.96	\$3,834.08	\$23,519.06	\$29,679.53	\$5,003,110.75
		199 Other Funds	Total													
Cost of \$1600 increase- Teachers	\$3,104,664.48	\$1,004,731.05	\$4,109,395.53													
Cost of 3% additional for non-admin	\$629,637.41	\$264,077.81	\$893,715.22													
Cost of \$1600 and 3%	\$3,734,301.89	\$1,268,808.86	\$5,003,110.75													

Notes:

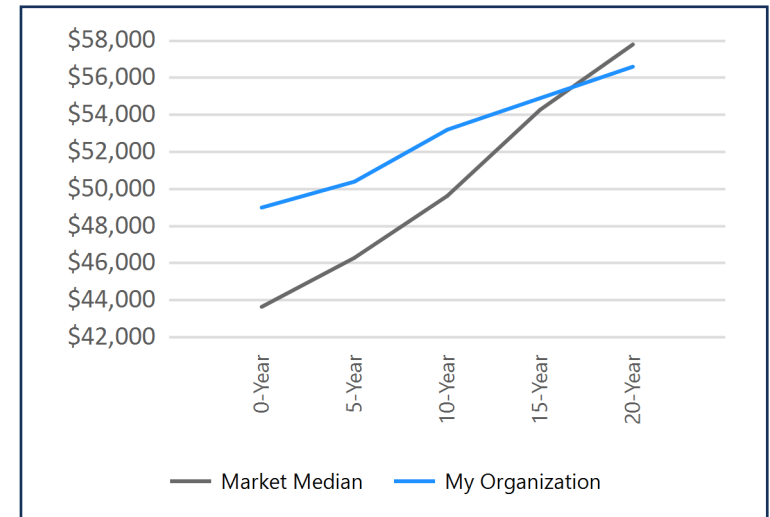
The total cost for all funds for an additional 3% increase is \$5,003,110.75 which includes all teachers and non-administrative staff.
 General Fund would have to pick up the increase for grants that do not have any funds available to increase salaries
 Partner schools have already been given their budgets and personnel. They will have to adjust their spending to accomodate the increase.
 This will cause equity issues and compression within the career path.
 The district has already supplanted approximately \$2 million with general fund personnel through the ESSER grants that will end in 2023.

Salary Report of: Teacher

Beaumont ISD

Summary

	My Organization	Market Median	Comparison to Market (%)	Dollar Difference (\$)
Number of Districts		15		
Number of Teachers	991	171		
0-Year Salary	\$49,000	\$43,646	112.3%	\$5,354
5-Year Salary	\$50,400	\$46,291	108.9%	\$4,109
10-Year Salary	\$53,200	\$49,630	107.2%	\$3,570
15-Year Salary	\$54,900	\$54,273	101.2%	\$627
20-Year Salary	\$56,600	\$57,800	97.9%	(\$1,200)
Highest Salary on Schedule	\$65,600	\$62,750	104.5%	\$2,850
Average Salary	\$51,727	\$52,673	98.2%	(\$946)



Data Selection Criteria

Enrollment: All

ESC Region: 05

Effective School Year: 2021-22

Specific Organization Names Selected? No

Salary Report of: Teacher

Beaumont ISD

Salary Summary and Details

Organization	ESC	Enroll	Teacher Count	0-Year Salary	5-Year Salary	10-Year Salary	15-Year Salary	20-Year Salary	Highest Salary On Schedule	Max Years Credit	Highest Actual Salary	Average Salary
My Organization	05	17,089	991	\$49,000	\$50,400	\$53,200	\$54,900	\$56,600	\$65,600	31	\$70,350	\$51,727
Market Group		2,223	171	\$43,646	\$46,291	\$49,630	\$54,273	\$57,800	\$62,750	30	\$68,342	\$52,673
Comparison to Market (%)				112.3%	108.9%	107.2%	101.2%	97.9%	104.5%		102.9%	98.2%
Dollar Difference (\$)				\$5,354	\$4,109	\$3,570	\$627	(\$1,200)	\$2,850		\$2,008	(\$946)
Market Group Minimum		211	22	\$34,160	\$39,980	\$45,800	\$51,641	\$54,875	\$58,040	20	\$58,040	\$47,563
Market Group Maximum		7,843	524	\$50,500	\$54,250	\$57,250	\$59,750	\$62,750	\$75,285	38	\$78,250	\$59,889

Organization	ESC	Enroll	Teacher Count	0-Year Salary	5-Year Salary	10-Year Salary	15-Year Salary	20-Year Salary	Highest Salary On Schedule	Max Years Credit	Highest Actual Salary	Average Salary
Bridge City ISD	05	3,018	194	\$45,000	\$47,193	\$51,003	\$54,273	\$57,760	\$61,187	25	\$67,937	\$51,767
Brookeland ISD	05	372	39	\$34,160	\$39,980	\$47,430	\$53,310	\$58,040	\$58,040	20	\$58,040	\$50,123
Buna ISD	05	1,501	111	\$38,938	\$41,955	\$45,800	\$51,859	\$55,925	\$63,800	30	\$68,342	\$47,563
Burkeville ISD	05	237	25	\$43,762	\$48,253	\$54,462	\$59,119	\$62,415	\$62,415	20	\$62,415	\$54,462
Chester ISD	05	211	22	\$37,660	\$42,880	\$49,630	\$54,710	\$58,540	\$58,540	20	\$68,632	\$51,691
Hamshire-Fannett ISD	05	1,893	158	\$40,000					\$59,700	30	\$63,893	\$52,721
Jasper ISD	05	2,159	171	\$43,000	\$45,250	\$49,590	\$54,960	\$59,010	\$62,994	30	\$62,994	\$53,883
Liberty ISD	05	2,223	156	\$50,500	\$52,000	\$53,800	\$55,800	\$57,800	\$64,100	35	\$76,765	\$54,675
Lumberton ISD	05	4,195	268	\$41,750	\$45,500	\$49,250	\$53,000	\$56,750	\$62,750	28	\$71,024	\$49,807
Nederland ISD	05	4,995	376	\$50,400	\$54,250	\$57,250	\$59,750	\$62,750	\$62,750	20	\$78,250	\$59,889

Salary Report of: Teacher

Beaumont ISD

Organization	ESC	Enroll	Teacher Count	0-Year Salary	5-Year Salary	10-Year Salary	15-Year Salary	20-Year Salary	Highest Salary On Schedule	Max Years Credit	Highest Actual Salary	Average Salary
Orangefield ISD	05	1,841	130	\$43,646	\$46,291	\$48,791	\$51,641	\$55,931	\$59,631	25	\$68,821	\$49,291
Port Arthur ISD	05	7,843	524	\$50,000	\$50,600	\$51,875	\$53,375	\$54,875	\$65,808	38	\$69,682	\$52,673
Port Neches-Groves ISD	05	5,036	362	\$50,000	\$53,000	\$55,900	\$58,400	\$61,500	\$75,285	33	\$75,285	\$55,900
Silsbee ISD	05	2,730	202	\$41,500	\$43,350	\$47,250	\$52,250	\$56,650	\$61,450	30	\$61,450	\$51,563
Vidor ISD	05	4,230	334	\$43,785					\$66,712	30	\$66,712	\$54,105

Salary Report of: Teacher

Beaumont ISD

Degree and Teaching Field Stipend Summary and Details

Organization	ESC	Enroll	Master's Degree		Special Education		Teaching Field					
			General	Subject-Field	General	Self-Contained	Bilingual	Foreign Language	ESL-General	ESL-Dual Language	Secondary Math	Secondary Science
My Organization	05	17,089	\$1,500				\$5,000				\$1,500	\$1,500
Market Group		2,223	\$1,000	\$1,480	\$2,000	\$2,250	\$2,250	\$2,500	\$550	\$1,750	\$2,500	\$3,000
Comparison to Market (%)			150.0%				222.2%				60.0%	50.0%
Dollar Difference (\$)			\$500				\$2,750				(\$1,000)	(\$1,500)
Market Group Minimum		211	\$1,000	\$1,480	\$1,100	\$1,100	\$500	\$1,100	\$250	\$500	\$1,100	\$1,900
Market Group Maximum		7,843	\$1,500	\$1,480	\$3,000	\$3,000	\$7,000	\$3,000	\$3,000	\$3,000	\$5,000	\$7,000

Organization	ESC	Enroll	Master's Degree		Special Education		Teaching Field					
			General	Subject-Field	General	Self-Contained	Bilingual	Foreign Language	ESL-General	ESL-Dual Language	Secondary Math	Secondary Science
Bridge City ISD	05	3,018	\$1,250				\$1,500					
Brookeland ISD	05	372	\$1,000			\$2,500		\$2,500			\$2,500	\$2,500
Buna ISD	05	1,501	\$1,000						\$450			
Burkeville ISD	05	237									\$2,500	\$2,500
Chester ISD	05	211	\$1,500								\$3,000	\$3,000
Hamshire-Fannett ISD	05	1,893	\$1,000				\$500		\$500	\$500		
Jasper ISD	05	2,159	\$1,000				\$7,000		\$250		\$2,500	\$7,000
Liberty ISD	05	2,223	\$1,000		\$2,000	\$2,000	\$6,000				\$5,000	\$5,000
Lumberton ISD	05	4,195	\$1,000									

Salary Report of: Teacher

Beaumont ISD

Organization	ESC	Enroll	Master's Degree		Special Education		Teaching Field					
			General	Subject-Field	General	Self-Contained	Bilingual	Foreign Language	ESL-General	ESL-Dual Language	Secondary Math	Secondary Science
Nederland ISD	05	4,995	\$1,000		\$1,100	\$1,100	\$1,000	\$1,100			\$1,100	\$1,900
Orangefield ISD	05	1,841	\$1,500						\$1,500			
Port Arthur ISD	05	7,843		\$1,480	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$5,000	\$5,000
Port Neches-Groves ISD	05	5,036	\$1,000						\$600			
Silsbee ISD	05	2,730	\$1,500									
Vidor ISD	05	4,230	\$1,000									

Salary Report of: Teacher

Beaumont ISD

Leadership Roles and Other Incentives Summary and Details

Organization	ESC	Enroll	Dept. Chair/Grade Leader			Mentor Teacher	Other Incentives		
			High School	Middle School	Elementary School		Signing Bonus	Hard-to-Staff Campus	National Board Cert.
My Organization	05	17,089	\$1,000	\$750			\$2,000		
Market Group		2,223	\$1,000	\$1,000	\$1,000	\$1,000		\$5,000	
Comparison to Market (%)			100.0%	75.0%					
Dollar Difference (\$)			\$0	(\$250)					
Market Group Minimum		211	\$480	\$480	\$320	\$400		\$5,000	
Market Group Maximum		7,843	\$2,000	\$1,500	\$1,500	\$2,500		\$5,000	

Organization	ESC	Enroll	Dept. Chair/Grade Leader			Mentor Teacher	Other Incentives		
			High School	Middle School	Elementary School		Signing Bonus	Hard-to-Staff Campus	National Board Cert.
Bridge City ISD	05	3,018	\$1,000	\$1,000	\$1,000				
Brookeland ISD	05	372	\$1,000	\$1,000	\$1,000	\$2,500			
Buna ISD	05	1,501	\$1,200	\$1,200	\$1,200	\$1,000			
Burkeville ISD	05	237							
Chester ISD	05	211							
Hamshire-Fannett ISD	05	1,893	\$1,000	\$1,000	\$1,000				
Jasper ISD	05	2,159	\$800	\$600	\$500	\$500			
Liberty ISD	05	2,223	\$500	\$500	\$500	\$1,000			
Lumberton ISD	05	4,195	\$1,000	\$1,000	\$1,000	\$1,000			

Salary Report of: Teacher

Beaumont ISD

Organization	ESC	Enroll	Dept. Chair/Grade Leader			Mentor Teacher	Other Incentives		
			High School	Middle School	Elementary School		Signing Bonus	Hard-to-Staff Campus	National Board Cert.
Nederland ISD	05	4,995			\$900				
Orangefield ISD	05	1,841	\$1,200	\$1,200	\$1,200	\$600			
Port Arthur ISD	05	7,843	\$480	\$480	\$320	\$400			
Port Neches-Groves ISD	05	5,036	\$500			\$500			
Silsbee ISD	05	2,730	\$2,000	\$1,500	\$1,500	\$2,000		\$5,000	
Vidor ISD	05	4,230	\$1,500	\$1,500	\$1,500	\$1,000			

Salary Report of: Teacher

Beaumont ISD

Teacher Substitutes

Organization	ESC	Enroll	Short-Term			Long-Term	
			Non-Degreed	Degreed	Degree-Certified	Degreed	Degreed-Certified
My Organization	05	17,089	\$90	\$95		\$120	
Market Group		2,223	\$70	\$80	\$85	\$90	\$118
Comparison to Market (%)			128.6%	118.8%		133.3%	
Dollar Difference (\$)			\$20	\$15		\$30	
Market Group Minimum		211	\$60	\$60	\$75	\$70	\$80
Market Group Maximum		7,843	\$90	\$95	\$105	\$130	\$241

Organization	ESC	Enroll	Short-Term			Long-Term	
			Non-Degreed	Degreed	Degree-Certified	Degreed	Degreed-Certified
Bridge City ISD	05	3,018	\$70	\$75	\$75	\$75	\$241
Brookeland ISD	05	372	\$60	\$75	\$75	\$90	\$90
Buna ISD	05	1,501	\$70		\$80	\$90	\$105
Burkeville ISD	05	237	\$75		\$105	\$85	\$115
Chester ISD	05	211	\$60	\$60	\$75	\$75	\$80
Hamshire-Fannett ISD	05	1,893	\$60	\$70	\$80	\$70	\$80
Jasper ISD	05	2,159	\$75	\$80	\$100	\$105	\$125
Liberty ISD	05	2,223	\$65	\$80	\$85		\$150
Lumberton ISD	05	4,195	\$60	\$70	\$80	\$105	\$120

Salary Report of: Teacher

Beaumont ISD

Organization	ESC	Enroll	Short-Term			Long-Term	
			Non-Degreed	Degreed	Degree-Certified	Degreed	Degreed-Certified
Nederland ISD	05	4,995	\$75	\$90	\$90	\$125	\$150
Orangefield ISD	05	1,841	\$70			\$80	\$120
Port Arthur ISD	05	7,843					
Port Neches-Groves ISD	05	5,036	\$65	\$85	\$85	\$130	\$140
Silsbee ISD	05	2,730	\$90	\$90	\$90	\$100	\$115
Vidor ISD	05	4,230	\$85	\$95	\$105	\$105	\$115

Beaumont ISD
2022-2023 New Hire Guide for
Teachers, Reading & Math Coaches, RN's, Librarians, 504/RTI Elem Coord
\$50,000 starting, \$1200 GPI

Continuing Teachers, Content Coaches, Librarians, Nurses, 504/RTI Coordinators will receive an increase of \$1200

The salaries listed below are based on 10-month employment for the 2022-2023 school year. Salary plans are determined on an annual basis and salary advancement is not guaranteed. Pay increases are based on the annual pay raise budget approved by the Board of Trustees.

Years of Experience	Bachelor New Hire	Master New Hire	Doctorate New Hire
0	\$50,000	\$51,500	\$53,000
1	\$50,200	\$51,700	\$53,200
2	\$50,500	\$52,000	\$53,500
3	\$50,700	\$52,200	\$53,700
4	\$51,000	\$52,500	\$54,000
5	\$51,300	\$52,800	\$54,300
6	\$51,600	\$53,100	\$54,600
7	\$52,700	\$54,200	\$55,700
8	\$53,500	\$55,000	\$56,500
9	\$53,800	\$55,300	\$56,800
10	\$54,100	\$55,600	\$57,100
11	\$54,400	\$55,900	\$57,400
12	\$54,700	\$56,200	\$57,700
13	\$55,200	\$56,700	\$58,200
14	\$55,500	\$57,000	\$58,500
15	\$55,800	\$57,300	\$58,800
16	\$56,100	\$57,600	\$59,100
17	\$56,400	\$57,900	\$59,400
18	\$56,900	\$58,400	\$59,900
19	\$57,200	\$58,700	\$60,200
20	\$57,500	\$59,000	\$60,500
21	\$57,800	\$59,300	\$60,800
22	\$58,100	\$59,600	\$61,100
23	\$58,600	\$60,100	\$61,600
24	\$59,400	\$60,900	\$62,400
25	\$59,700	\$61,200	\$62,700
26	\$60,000	\$61,500	\$63,000
27	\$61,000	\$62,500	\$64,000
28	\$61,900	\$63,400	\$64,900
29	\$62,800	\$64,300	\$65,800
30	\$63,700	\$65,200	\$66,700
31	\$64,600	\$66,100	\$67,600

*** Adjunct Teacher: \$45,000 yearly



Board Exhibit Cover Sheet

Meeting Date: August 18, 2022

Agenda Item/Exhibit Number: **III.E.2.**

Agenda Item Title: Approve BISD Memorial Stadium Concession Agreements with Booster Clubs for the 2022-2023 School Year

Cabinet Level Presenter(s): Lance Campbell

Additional Presenter(s): Ron Jackson, Cheryl Hernandez

Executive Summary: Beaumont ISD permits the booster clubs for Beaumont United and West Brook to operate the concession stands at Memorial Stadium during the games that the high school and its feeder pattern play at the stadium. This agreement outlines the terms of operation including a mandatory \$500 deposit and fee in the amount of 10% of the net proceeds.

Recommendation: Approve Booster Club Concession Agreements

Budget Impact* (if applicable):

Funding Source (if applicable):

Compliance with Purchasing Guidelines (list applicable guidelines, including grant requirements):

Policy Reference (if applicable, list policy/regulation):

Legal Review (if necessary, list attorney and firm):

Cabinet Level Presenter's Signature

8-12-22

Date

*CFO Signature (required if there is a budget impact)

Date

General Counsel's Signature

Date

BEAUMONT UNITED HIGH SCHOOL BOOSTER CLUB CONCESSION AGREEMENT

This "Concession Agreement" between the Beaumont Independent School District located in Beaumont, Jefferson Count, Texas (District) and the BEAUMONT UNITED HIGH SCHOOL BOOSTER CLUB, a non-profit organization operating in Beaumont, Jefferson County, Texas (Club).

WITNESSES

District hereby grants to the Club the right to operate concessions for the sale of merchandise such as candy, gum, peanuts, popcorn and other food selections, non-alcoholic beverages, cushions, and other concession items at the facility, for the period of August 22, 2022 through May 26, 2023 upon the following terms and conditions:

1. Club has the right to operate concession outlets when Beaumont United High School or its feeder middle schools are the home football team at the facility. When Beaumont United High School or its feeder middle schools' opponent is a school affiliated with the District, Club will have the right to operate the home-side concession outlet. If the opposing school's booster club does not enforce its right to operate the visitor side concession, the Club may operate both the home and visitor concession. When more than one booster club works the concession outlets, each booster club is entitled to the funds earned at its respective concession outlet consistent with Section 6 herein.
2. All concessions and equipment used in connection with the use of the facility are and shall remain the property of the Club, with the exception of those concession facilities constructed or provided with District materials. Club will be required to thoroughly clean the concession stands and equipment following each event. Pepsi delivers and restocks its products in the concession facilities prior to and following each event at Memorial Stadium. The District will invoice Club for all Pepsi product provided by the District and sold during its use of the concession stand on a monthly basis. Payment must be made within fifteen days of receipt of the invoice. Invoices will be provided via electronic mail and regular mail to the addresses indicated in this agreement. The District reserves the right to discontinue or change the beverage provider in the concession facilities at any time during the term of this agreement.
3. The District retains the right to operate concession outlets at the facility if the home team is not affiliated with District consistent with Section 1 herein. Club shall have no interest in proceeds received in the instances described in this paragraph.
4. Concession stands shall be operated in accordance with the rules, regulations and policies of the District, local ordinances and the laws of the State of Texas and the United States of America.
5. Payments are due on or before September 16, 2022. Checks shall be made payable to the Beaumont Independent School District and hand delivered to the Business Office of the Administration Building, 3395 Harrison Avenue, Beaumont, Texas 77706. The Club shall deliver to the District with the executed copies of this Agreement, a good faith deposit in the amount of five hundred dollars (\$500.00) on or before September 16, 2022. All or any portion of the deposit shall be made available unconditionally to the District for payment of delinquent concession fees, or for correcting any default or breach of the Agreement by Club. If at the end of this Agreement Club has performed all the Provisions of the Agreement, the deposit or any remaining balance shall be returned to the Club without interest. If the Club fails or refuses to pay a deposit as required by this Agreement, the District may terminate this Agreement immediately upon breach.

6. In exchange for the rights described above, Club will pay to the District ten percent (10%) of the net income from concession operations. Payment shall be made directly to the Business Office of the Beaumont Independent School District, Beaumont, Texas, in two payments: within two (2) weeks following the conclusion of the last fall semester event, and within two (2) weeks following the conclusion of the last spring semester event.

It is specifically understood by and between the parties that the net income returned from the operations by Club are to be expended by the Club for the support of appropriate student activities at the school referred to above, and that District has entered into this agreement as a means to ensuring such support.

7. Failure of Club, or any member agent, or representative of Club, to adhere strictly to the provisions of this Agreement relating to clean-up activities, payment of percentage of net income, expenditure of retained income for proper student activities and other pertinent conditions shall be grounds of termination of the Agreement upon written notice from the District Business Office.
8. District shall have the right to audit receipts, disbursements, and related financial records of Club pertaining to concession operations at any time upon written request from District Business Office.
9. This Agreement is non-assignable. Should a dispute arise regarding this Agreement, the parties submit to the exclusive jurisdiction of Jefferson Count, Texas.

INWITNESS WHEREOF, the parties hereto execute this Concession Agreement in duplicate original at Beaumont, Jefferson Count, Texas this the _____ day of _____, 2022.

Beaumont Independent School District

By: _____
President
Board of Trustees

ATTEST: _____
Secretary
Board of Trustees

Contact:
3395 Harrison Avenue
Beaumont, Texas 77706
spier@bmtisd.com
(409) 617-5001

Beaumont United High School Booster Club

By: _____
Club President

ATTEST: _____
Club Treasurer

Contact:
Address: _____
City, State, Zip: _____
Email: _____
Phone: _____

WEST BROOK HIGH SCHOOL BOOSTER CLUB CONCESSION AGREEMENT

This "Concession Agreement" between the Beaumont Independent School District located in Beaumont, Jefferson Count, Texas (District) and the WEST BROOK HIGH SCHOOL BOOSTER CLUB, a non-profit organization operating in Beaumont, Jefferson County, Texas (Club).

WITNESSES

District hereby grants to the Club the right to operate concessions for the sale of merchandise such as candy, gum, peanuts, popcorn and other food selections, non-alcoholic beverages, cushions, and other concession items at the facility, for the period of August 22, 2022 through May 26, 2023 upon the following terms and conditions:

1. Club has the right to operate concession outlets when West Brook High School or its feeder middle schools are the home football team at the facility. When West Brook High School or its feeder middle schools' opponent is a school affiliated with the District, Club will have the right to operate the home-side concession outlet. If the opposing school's booster club does not enforce its right to operate the visitor side concession, the Club may operate both the home and visitor concession. When more than one booster club works the concession outlets, each booster club is entitled to the funds earned at its respective concession outlet consistent with Section 6 herein.
2. All concessions and equipment used in connection with the use of the facility are and shall remain the property of the Club, with the exception of those concession facilities constructed or provided with District materials. Club will be required to thoroughly clean the concession stands and equipment following each event. Pepsi delivers and restocks its products in the concession facilities prior to and following each event at Memorial Stadium. The District will invoice Club for all Pepsi product provided by the District and sold during its use of the concession stand on a monthly basis. Payment must be made within fifteen days of receipt of the invoice. Invoices will be provided via electronic mail and regular mail to the addresses indicated in this agreement. The District reserves the right to discontinue or change the beverage provider in the concession facilities at any time during the term of this agreement.
3. The District retains the right to operate concession outlets at the facility if the home team is not affiliated with District consistent with Section 1 herein. Club shall have no interest in proceeds received in the instances described in this paragraph.
4. Concession stands shall be operated in accordance with the rules, regulations and policies of the District, local ordinances and the laws of the State of Texas and the United States of America.
5. Payments are due on or before September 16, 2022. Checks shall be made payable to the Beaumont Independent School District and hand delivered to the Business Office of the Administration Building, 3395 Harrison Avenue, Beaumont, Texas 77706. The Club shall deliver to the District with the executed copies of this Agreement, a good faith deposit in the amount of five hundred dollars (\$500.00) on or before September 16, 2022. All or any portion of the deposit shall be made available unconditionally to the District for payment of delinquent concession fees, or for correcting any default or breach of the Agreement by Club. If at the end of this Agreement Club has performed all the Provisions of the Agreement, the deposit or any remaining balance shall be returned to the Club without interest. If the Club fails or refuses to pay a deposit as required by this Agreement, the District may terminate this Agreement immediately upon breach.

6. In exchange for the rights described above, Club will pay to the District ten percent (10%) of the net income from concession operations. Payment shall be made directly to the Business Office of the Beaumont Independent School District, Beaumont, Texas, in two payments: within two (2) weeks following the conclusion of the last fall semester event, and within two (2) weeks following the conclusion of the last spring semester event.

It is specifically understood by and between the parties that the net income returned from the operations by Club are to be expended by the Club for the support of appropriate student activities at the school referred to above, and that District has entered into this agreement as a means to ensuring such support.

7. Failure of Club, or any member agent, or representative of Club, to adhere strictly to the provisions of this Agreement relating to clean-up activities, payment of percentage of net income, expenditure of retained income for proper student activities and other pertinent conditions shall be grounds of termination of the Agreement upon written notice from the District Business Office.

8. District shall have the right to audit receipts, disbursements, and related financial records of Club pertaining to concession operations at any time upon written request from District Business Office.

9. This Agreement is non-assignable. Should a dispute arise regarding this Agreement, the parties submit to the exclusive jurisdiction of Jefferson Count, Texas.

INWITNESS WHEREOF, the parties hereto execute this Concession Agreement in duplicate original at Beaumont, Jefferson Count, Texas this the _____ day of _____, 2022.

Beaumont Independent School District

West Brook High School Booster Club

By: _____
President
Board of Trustees

By: _____
Club President

ATTEST: _____
Secretary
Board of Trustees

ATTEST: _____
Club Treasurer

Contact:
3395 Harrison Avenue
Beaumont, Texas 77706
spier@bmtisd.com
(409) 617-5001

Contact:
Address: _____
City, State, Zip: _____
Email: _____
Phone: _____



Board Exhibit Cover Sheet

Meeting Date: August 18, 2022

Agenda Item/Exhibit Number: **III.E.3.**

Agenda Item Title: 2022-2023 T-TESS Certified Appraisers

Cabinet Level Presenter(s): Dr. Anita Frank

Additional Presenter(s):

Executive Summary: The District shall appraise teachers annually using the Texas Teacher Evaluation and Support System (T-TESS) in accordance with law and administrative regulations. Each year the Board shall approve a list of certified appraisers who can appraise a teacher in place of the teacher's supervisor.

Recommendation: The Board approves the 2022-2023 T-TESS Certified Appraisers

Budget Impact* (if applicable): N/A

Funding Source (if applicable): N/A

Compliance with Purchasing Guidelines (list applicable guidelines, including grant requirements): N/A

Policy Reference (if applicable, list policy/regulation): DNB Legal and Local

Legal Review (if necessary, list attorney and firm): N/A


Cabinet Level Presenter's Signature

8/11/2022

Date

*CFO Signature (required if there is a budget impact)

Date

General Counsel's Signature

Date



**Beaumont Independent School District
T-TESS Certified Appraisers
2022-2021**

Last Name	First Name	Certification Status	Certification Year
Adams	Karolarnica	Certified	2022-2023
Angelo	Jenny	Certified	2022-2023
Barbay	D'Lana	Certified	2022-2023
Bennett	Dalana	Certified	2022-2023
Bowser	Joseph	Certified	2022-2023
Bridges	Desmond	Certified	2022-2023
Burch	Silvia	Certified	2022-2023
Carr	Shana	Certified	2022-2023
Carter	Janna	Certified	2022-2023
Chavis	Tara	Certified	2022-2023
Cisneros	Billie	Certified	2022-2023
Cobb	Lachandra	Certified	2022-2023
Collins	Audrey	Certified	2022-2023
Corona	Julie	Certified	2022-2023
Courville	Kerri	Certified	2022-2023
Culpepper	Erica	Certified	2022-2023
Drake	Yvette	Certified	2022-2023
DuPont	Yvonne	Certified	2022-2023
Fontenot	Rolander	Certified	2022-2023
Frank	Anita	Certified	2022-2023
Fulton	Linda	Certified	2022-2023
Gatica	Dolores	Certified	2022-2023
Gerard	Stennie	Certified	2022-2023
Green	Reginald	Certified	2022-2023
Guidry	Velma	Certified	2022-2023
Guillory	Gloria	Certified	2022-2023
Harrell-Bodle	Mona	Certified	2022-2023
Hayes	Stephanie	Certified	2022-2023
Hendrix	Sharon	Certified	2022-2023
Jackson	Kevin	Certified	2022-2023
Jackson	Shundria	Certified	2022-2023
Jameson	Frank	Certified	2022-2023
Jenkins	Sylvia	Certified	2022-2023
Johnston	April	Certified	2022-2023
Jones	Peyton	Certified	2022-2023
Kenebrew	Patricia	Certified	2022-2023
Kinney	David	Certified	2022-2023
Landry	Victoria	Certified	2022-2023
Lavergne	Kourtney	Certified	2022-2023

Last Name	First Name	Certification Status	Certification Year
Lee	Adrienne	Certified	2022-2023
Levy	Barbara	Certified	2022-2023
Lewis	Dana	Certified	2022-2023
Liedy	Betty	Certified	2022-2023
Ling	Stephanie	Certified	2022-2023
Little	Carolyn	Certified	2022-2023
Long	Tamara	Certified	2022-2023
Lund	Angela	Certified	2022-2023
Maclin	Valerie	Certified	2022-2023
Malbrough	Velvet	Certified	2022-2023
Maxwell	Randall	Certified	2022-2023
Menendez	Dannette	Certified	2022-2023
Moore	Ariane	Certified	2022-2023
Nelson	Kareem	Certified	2022-2023
Pace-White	Marilyn	Certified	2022-2023
Pharis	Melanie	Certified	2022-2023
Phillips	Nicholas	Certified	2022-2023
Pickens	Ronitha	Certified	2022-2023
Popillion	Charisma	Certified	2022-2023
Randle-Filer	Shyulanda	Certified	2022-2023
Reynolds	Monica	Certified	2022-2023
Rice	Calvin	Certified	2022-2023
Rochelle	Lori	Certified	2022-2023
Saveat	Jada	Certified	2022-2023
Saveat-Easley	Rodney	Certified	2022-2023
Segarst- Porter	Shermadiea	Certified	2022-2023
Shaffer	Denise	Certified	2022-2023
Shelton	Michael	Certified	2022-2023
Smith	Steven	Certified	2022-2023
Tatmon	Mellow	Certified	2022-2023
Tripplett	Cheryl	Certified	2022-2023
Valdez	Diana	Certified	2022-2023
Whitfield	Petula	Certified	2022-2023
Will	Sheree	Certified	2022-2023
Wood	James	Certified	2022-2023



Board Exhibit Cover Sheet

Meeting Date: August 18, 2022

Agenda Item/Exhibit Number: **III.E.4.**

Agenda Item Title Approve revision of Board Policy FFA (Local)

Cabinet Level Presenter(s): Jenny Angelo

Additional Presenter(s): Tiffany Eckenrod

Executive Summary: Proposed revision defines the staff members responsible for the implementation of the District's wellness program.

Recommendation: Approve revision of Board Policy FFA (Local)

Budget Impact* (if applicable): N/A

Funding Source (if applicable):

Compliance with Purchasing Guidelines (list applicable guidelines, including grant requirements):

Policy Reference (if applicable, list policy/regulation):

Legal Review (if necessary, list attorney and firm):


Cabinet Level Presenter's Signature

August 11, 2022
Date

*CFO Signature (required if there is a budget impact) Date

General Counsel's Signature Date

	<p>The District shall support the general wellness of all students by implementing measurable goals to promote sound nutrition and student health and to reduce childhood obesity.</p> <p>[See EHAA for information regarding the District's coordinated school health program.]</p>
<p>Development, Implementation, and Review of Guidelines and Goals</p>	<p>The local school health advisory council (SHAC), on behalf of the District, shall review and consider evidence-based strategies and techniques and shall develop nutrition guidelines and wellness goals as required by law. In the development, implementation, and review of these guidelines and goals, the SHAC shall permit participation by parents, students, representatives of the District's food service provider, physical education teachers, school health professionals, members of the Board, school administrators, and members of the public.</p> <p>[See BDF for required membership of the SHAC.]</p>
<p>Wellness Plan</p>	<p>The SHAC shall develop a wellness plan to implement the District's nutrition guidelines and wellness goals. The wellness plan shall, at a minimum, address:</p> <ol style="list-style-type: none">1. Strategies for soliciting involvement by and input from persons interested in the wellness plan and policy;2. Objectives, benchmarks, and activities for implementing the wellness goals;3. Methods for measuring implementation of the wellness goals;4. The District's standards for foods and beverages provided, but not sold, to students during the school day on a school campus; and5. The manner of communicating to the public applicable information about the District's wellness policy and plan. <p>The SHAC shall review and revise the plan on a regular basis and recommend revisions to the wellness policy when necessary.</p>
<p>Nutrition Guidelines</p>	
<p>Foods and Beverages Sold</p>	<p>The District's nutrition guidelines for reimbursable school meals and all other foods and beverages sold or marketed to students during the school day shall be designed to promote student health and reduce childhood obesity and shall be at least as restrictive as federal regulations and guidance. [See CO]</p>
<p>Foods and Beverages Provided</p>	<p>The District shall establish standards for all foods and beverages provided, but not sold, to students during the school day. These standards shall be addressed in the District's wellness plan.</p>

Wellness Goals

Nutrition Promotion
and Education

The District shall implement, in accordance with law, a coordinated school health program with a nutrition education component. [See EHAA] The District's nutrition promotion activities shall encourage participation in the National School Lunch Program, the School Breakfast Program, and any other supplemental food and nutrition programs offered by the District.

The District establishes the following goals for nutrition promotion:

1. The District's food service staff, teachers, and other District personnel shall consistently promote healthy nutrition messages in cafeterias, classrooms, and other appropriate settings.
2. The District shall share educational nutrition information with families and the general public to promote healthy nutrition choices and positively influence the health of students.

The District establishes the following goal for nutrition education: The District shall deliver nutrition education that fosters the adoption and maintenance of healthy eating behaviors.

Physical Activity

The District shall implement, in accordance with law, a coordinated health program with physical education and physical activity components and shall offer at least the required amount of physical activity for all grades. [See BDF, EHAA, EHAB, and EHAC]

The District establishes the following goals for physical activity:

1. The District shall provide an environment that fosters safe, enjoyable, and developmentally appropriate fitness activities for all students, including those who are not participating in physical education classes or competitive sports.
2. The District shall provide appropriate staff development and encourage teachers to integrate physical activity into the academic curriculum where appropriate.
3. The District shall make appropriate training and other activities available to District employees in order to promote enjoyable, lifelong physical activity for District employees and students.
4. The District shall encourage parents to support their children's participation, to be active role models, and to include physical activity in family events.

STUDENT WELFARE
WELLNESS AND HEALTH SERVICES

FFA
(LOCAL)

Other School-Based Activities	<p>The District establishes the following goals to create an environment conducive to healthful eating and physical activity and to promote and express a consistent wellness message through other school-based activities:</p> <ol style="list-style-type: none">1. The District shall allow sufficient time for students to eat meals in cafeteria facilities that are clean, safe, and comfortable.2. The District shall promote wellness for students and their families at suitable District and campus activities.
Implementation	<p>The Supervisor Coordinator of Health and Physical Education, Director of Child Nutrition, Health Services Coordinator, Parent Involvement Coordinator and the Instructional Materials Coordinator shall oversee the implementation of this policy and the development and implementation of the wellness plan and appropriate administrative procedures.</p>
Evaluation	<p>The District shall comply with federal requirements for evaluating this policy and the wellness plan.</p>
Public Notification	<p>The District shall annually inform and update the public about the content and implementation of the wellness policy, including posting on its website copies of the wellness policy, the wellness plan, and the required implementation assessment.</p>
Records Retention	<p>The District shall retain all the required records associated with the wellness policy, in accordance with law and the District's records management program. [See CPC and FFA(LEGAL)]</p>



Board Exhibit Cover Sheet

Meeting Date: August 18, 2022

Agenda Item/Exhibit Number: **III.E.5.**

Agenda Item Title: Approve Interlocal Cooperation Agreement to Provide Meals between Beaumont ISD and the Ehrhart School

Cabinet Level Presenter(s): Cheryl Hernandez

Additional Presenter(s): Tiffany Eckenrod

Executive Summary: Beaumont ISD works in collaboration with neighboring school and governmental entities. The Ehrhart school, a public charter school, does not have the necessary facilities to provide its students with appropriate meals. The proposed interlocal cooperation agreement provides for BISD Child Nutrition Department to assist Ehrhart with meal service. BISD is not subsidizing Ehrhart's meal service, and the school will pay Beaumont ISD for the child nutrition services provided.

Recommendation: Approve Interlocal Cooperation Agreement to Provide Meals between Beaumont ISD and the Ehrhart School

Budget Impact* (if applicable): N/A

Funding Source (if applicable): N/A

Compliance with Purchasing Guidelines (list applicable guidelines, including grant requirements): N/A

Policy Reference (if applicable, list policy/regulation): N/A

Legal Review (if necessary, list attorney and firm):



Cabinet Level Presenter's Signature



Date

*CFO Signature (required if there is a budget impact)

Date

General Counsel's Signature

Date

INTERLOCAL COOPERATION AGREEMENT TO PROVIDE MEALS
Between Beaumont ISD and The Ehrhart School

Meal Provider: Beaumont ISD 3395 Harrison Avenue, Beaumont, TX 77706
--

Receiving Sponsor: The Ehrhart School 3380 Fannin Street Suite A, Beaumont, TX 77701
--

Pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, this agreement is made on this August 08, 2022 between **Beaumont Independent School District (BISD)**, a Texas Independent School District, and **The Ehrhart School** a Texas Open-Enrollment Charter School, and is created for the purpose of providing:

Breakfast and Lunch meals under The School Breakfast Program and The National School Lunch Program.

It is hereby agreed that:

A. Statement of Work

BISD will provide meals to Ehrhart that comply with the nutrition standards established by the United States Department of Agriculture (USDA) for the National School Lunch Program. Ehrhart will be responsible for claiming reimbursement from the appropriate State agency for all meals served to children enrolled in Ehrhart schools.

Both BISD and Ehrhart will comply with all applicable Federal, State and local statutes and regulations with regard to the preparation and consumption of meals which meet the National School Lunch Program meal requirements, including, but not limited to, all applicable regulations relating to the overt identification of needy pupils, the nutritional content of meals, and nondiscrimination. All records maintained by BISD and Ehrhart relating to the agreement will be open to inspection by applicable Federal, State, and local authorities in accordance with applicable statutes and regulations.

Additional details on BISD operating procedures can be found in Beaumont ISD Board Policy.

A.1. Meal Ordering and Meal Components

- a. The number of meals prepared by BISD will be determined by the quantity ordered by Ehrhart. Ehrhart will notify BISD, by emailing Tiffany Eckenrod, Director of Child Nutrition at teckenr@bmtisd.com and Michelle Johnson, Assistant Director of Child Nutrition at mjohns5@bmtisd.com, of the quantity needed for the follow operational day, no later than the previous operating day at 9:00 a.m. Should the contact person change, BISD will notify Ehrhart in writing. Failure to timely provide notice of meal orders may result in BISD being unable to supply meals or an increase in the rate of meals provided. Meal counts will be provided to Ehrhart staff at the pickup location in writing on a calendar to confirm pickup totals.
- b. BISD will provide the following in sufficient quantity for the number of meals ordered:
 - Entrees
 - Sides, including fruit will be provided
 - Milk – White Milk (1% and Fat Free) Chocolate Milk (Fat Free)
 - Serving utensils (prepackaged with napkin)
 - Paper boats for meal service
 - Styrofoam trays for meal service
 - Condiments as designed with the meal
- c. **Field Trips:** BISD will provide Ehrhart with sack/boxed lunches for field trips when requested at the standard order time. Ehrhart will be responsible for the proper cold storage of these items until served.
- d. **Straight Serve (traditional service):** BISD will provide breakfast and lunch meals following a Straight Serve system designed to provide all students participating in The Programs a portion of each component per meal

service period. Fruits and vegetables provided during lunch service are intended to be consumed during the specified meal and shall not be used for other programs and activities. Foods will be provided in bulk quantity and Ehrhart will be responsible for service of each component.

- e. **USDA Commodities** BISD will receive commodities that have been assigned and/or selected by Ehrhart Schools with delivery to the specified BISD location, with the exception of bottled oil and goods to make fresh breads/pastries. BISD will accept and deduct the invoiced charges, including shipping.
- f. **Special Scheduling:** Special scheduling of meal pick-up will require two weeks advance notice. Fees may apply.
- g. **Pricing and Fees:** Refer to Section C - Meal Price and associated assumptions and Section D - Fees.

A.2. Pick-up and Service of Meals

- a. Ehrhart will pick-up meals from the preparation site. Pick-up times have been arranged for 9:00 a.m. each day. Ehrhart will be responsible for pick-up and storage of the supplies.
 - Preparation site will be:
 - Beaumont ISD Administration Annex
4315 Concord
Beaumont, TX 77703
- b. Ehrhart will provide all personnel necessary to pick-up, serve, and supervise the consumption of meals.
- c. Ehrhart will check the order upon pick-up and will notify BISD of an issue at that time, in order to provide maximum time to remedy the issue.

A.3. Care of Meals

- a. BISD will be responsible for the condition and care of meals until Ehrhart picks up the goods and, thereafter, Ehrhart will be responsible for maintaining the proper temperature of the meal components until they are consumed.
- b. Ehrhart will be responsible for providing refrigeration units and hot holding units to hold meals at food safe temperatures.

A.4. Holidays

BISD will not provide food service on the days BISD is closed pursuant to BISD's calendar and subject to amendment. The current calendar is enclosed and marked Exhibit B. Should the calendar be amended, BISD will notify Ehrhart in writing.

A.5. Monthly Menu Planning

- a. No later than one (1) week prior to the end of each month, BISD will provide to Ehrhart a monthly menu describing the meals to be served for the following month. BISD will provide menu documentation no later than one (1) week in advance of service upon written request. This will include:
 - Monthly Menu Portion Detail to demonstrate compliance with Meal Patterns: National School Lunch Program.
 - Carbohydrate Report to assist parents and staff in ordering for students with diabetes.
 - Allergen Report tracking the eight commonly recognized allergen components (wheat, dairy, eggs, soy, shellfish, fish, peanuts, tree nuts) as defined by the Food Allergen labeling and Consumer Protection Act of 2004 (FALCPA) to assist staff in ordering for special meal accommodations.
- b. Menu changes or substitutions may be required due to unforeseen circumstances; in the event a substitution is required, BISD will communicate the need in writing.
- c. Students with special dietary needs must have on file a signed statement by a medical doctor or a recognized medical authority. BISD can provide a dairy-free meal alternative, soy-free meal alternative, and is capable of modifying texture. BISD is not capable of providing items outside of those we source (i.e., nutritional supplements), or changing the nutritional profile of individual menu items. These types of accommodations

must be addressed at the school level, by Ehrhart.

A.6. Records and Audit

- a. Ehrhart will conduct the free and reduced-price application process, including the distribution, review, approval, and verification of applications for the sites belonging to Ehrhart. All applications and eligibility requirements will be handled at the site by Ehrhart. Ehrhart is responsible for all point of service meal counts and completion of all documents required by the applicable Child Nutrition Program, including making claims for reimbursements.
- b. BISD will maintain all necessary records on the nutritional components and quantities of the meals picked up by Ehrhart and will make said records available for inspection by Ehrhart and/or State and Federal authorities upon written request. BISD will retain records relating to this Agreement for the time period provided for by the applicable records retention schedule.
- c. BISD will provide to Ehrhart document requisition support in the event of an audit by the State Department of Education, or local governing entity for reimbursable Child Nutrition Programs, including Administrative Review circumstances. Ehrhart shall be responsible for notifying BISD, in writing, within three (3) business days of receiving any information from a State Agency of an audit, technical assistance or other action. Ehrhart shall be responsible for forwarding the complete written notification from the governing entity so that BISD is positioned to best support the requisition request and tailor the support to exactly what is required. Typical document requisition in a formal audit includes support with menus, production records, recipes, labels, and product formulation statements.

A.7. Licenses and Permits

- a. BISD will prepare meals at a site that maintains the appropriate state and local health certifications for the facility and will maintain certification at all times.
- b. Ehrhart shall have state or local health certifications as required for each of their school sites and shall maintain certification for the duration of the Agreement.

B. Agreement Period

This agreement will begin August 10, 2022 and will end June 2, 2023, unless terminated as provided herein. All extension of this Agreement shall be subject to the terms and conditions specified herein. This Agreement may be extended by written mutual consent of the parties, contingent upon approval of BISD's Board of Trustees, as may be required.

C. Meal Price

BISD will charge Ehrhart the following:

Meal	# of Full Serving Days	Average Minimum # Meals per Day	Price per Meal
Breakfast	174	100	\$1.95
Lunch	174	280	\$3.25

C.1 Assumptions

- a. Menu patterns follow the National School Lunch Program for grades K-8 and the Pre-K pattern for Lunch period only. Pre-K students are co-mingled at Breakfast.
- b. There shall be no competitive food and beverage sales during the meal service times for lunch or snack. Competitive foods are defined as all foods not provided by BISD during the assigned meal period for the duration of the contract. Six (6) competitive days are allowed. However, Ehrhart shall notify BISD in advance of any decrease in meals pursuant to Section D.4. Suspended service shall result in damages paid to BISD in the amount equal to the average minimum number of meals per day multiplied by the number of days of suspended service multiplied by the price per meal affected.
- c. Ehrhart and its representatives, including, but not limited to, principals, teachers, and staff, shall fully cooperate

with BISD in the implementation of this Agreement.

- d. Legislation, regulations, and reimbursement rates that create changes in the nonprofit food service will be observed. Any modification to this Agreement will be noticed in writing.
- e. Changes to meal components and quantities required by the National School Lunch Act or the National School Lunch Program shall result in an appropriate adjustment.
- f. BISD meals are not intended or labeled for retail sale.

C.2 Economic Price Adjustment and Price Negotiation

At the end of each term, the contract may be renewed in which the meal price will be adjusted, at a maximum, no more than 50% of the Consumer Price Index for all Urban Consumers for Food Away from Home.

D. Fees

D.1. Calendar Management

- a. Ehrhart shall provide BISD with a calendar for the school year no later than ten (10) days prior to the beginning of service. Failure of Ehrhart to provide BISD with the calendar ten (10) days prior to the beginning of service will result in a \$250 rush fee. At a minimum, the calendar shall provide the following:
 - Field trip days
 - Early release days
 - Testing days
 - Days in which meal participation is expected to be less than 50% of the norm
 - Days in which meals will not be ordered and the reason
- b. Ehrhart shall notify BISD of additional events not captured on the initial calendar in which mealtimes or normal operations may be affected for the following month. For example, Ehrhart shall notify BISD by September 1 for events occurring in October.

D.2. New Order Placement after Deadline

- a. New orders placed after the stated deadline will be charged the following:
 - First time orders placed after the deadline will not incur an additional charge.
 - Late order placements occurring the second and third time will incur a \$50 charge.
 - Late order placements occurring on/after the fourth incident will incur a \$100 charge.
- b. As a valued partner, BISD will do its best to accommodate the request. All late orders are subject to product availability. BISD may provide alternative meal if the requested meal is not available.

D.3. Order Increase

- a. Order increases made after the stated deadline will be charged the full applicable meal price listed in Section C plus an additional \$50.
- b. BISD will do its best to accommodate the request. Order increases are subject to product availability. BISD may provide an alternative meal if the requested meal is not available.

D.4. Order Cancellation or Decrease

Because our food is prepared fresh daily, BISD reserves the right to charge either a portion or the full price per meal for any order cancellations or decreases.

- a. BISD understands that extenuating circumstances may occur in which Ehrhart shall have a need to decrease the number of meals ordered. BISD will partner with Ehrhart to accommodate order decreases that occur after

the stated deadline in which meals are not needed within 48 hours. The order decrease shall not exceed 25% of the original order.

Order decreases occurring on/after the fourth incident will incur the full applicable meal price listed in Section C.

- b. For cancellations and decreases that occur after the stated deadline, and within 48 hours of when meals are to be delivered:
- First, second, and third time order cancellations and decreases will be charged 50% of the applicable meal price listed in Section C.
 - Fourth time order cancellations and decreases will be charged the full applicable meal price listed in Section C.

D.5. Convenience Fee

BISD reserves the right to charge a convenience fee of up to 10% per meal for changes after the stated deadline that affect operations, but do not result in an increase or decrease in the number of meals originally ordered. An example of this may be changing regular lunch meals ordered to fieldtrip lunches.

D.6. Supplies

As stated in Section A, BISD will provide the necessary utensils, napkins, paper supplies and condiments in sufficient quantity for the number of meals ordered. Any depletion of supplies outside the meal program will be charged to Ehrhart at full case value.

E. Payment Terms

BISD will issue itemized invoices for the full cost of the lunch plus any additional items ordered, including, but not limited to, snack items, additional utensils, supplies, etc., and any other applicable fees. Ehrhart shall submit payment to BISD as required by BISD on the submitted invoice within thirty (30) days of receipt of a BISD invoice.

BISD reserves the right to charge up to a seven (7) percent interest rate (compounded monthly) on any balance left unpaid on an invoice. No food service account funds shall be used for payment of interest or late fees. Failure to pay an invoice is considered a material breach of this agreement.

Should Ehrhart receive meals that are spoiled or unwholesome at the time of pick-up, do not meet the specifications, or do not otherwise meet the requirement of the Agreement, Ehrhart should notify BISD in writing, specifying the number of meals effected, no later than twenty-four hours after the date the meal was received. Ehrhart shall keep evidence of food items for inspection by BISD. Should BISD find that the meals were spoiled or unwholesome at the time of pick-up, did not meet specifications, or did not otherwise meet the requirements of the Agreement; the price of those meals will be deducted from Ehrhart's invoice.

The parties agree and acknowledge that each party paying for the performance of governmental functions or services pursuant to this Agreement must make those payments from current revenues available to the paying party.

F. Hold Harmless

To the extent permitted by law, each party will hold the other party, its trustees, employees, and agents harmless from and against all liability, loss, expense, or reasonable claims for injury or damages arising out of the performance of this Agreement to the extent that the claim arises from the negligence, willful act, breach of contract, or violation of law by a party, its officers, employees, or agents.

G. Limitation of Liability

In the event either party incurs any expenses, damages or other liabilities in connection with the performance or non-performance of any term or provision hereof, such party's liability to the other party shall not exceed the payments actually paid to BISD over the previous twelve months. In no event will either party be liable for any special, incidental, consequential or indirect damages or damages for lost profits arising in any way out of this Agreement, however caused and on any theory of liability. The foregoing limitation of liability and exclusion of certain damages shall apply regardless of the failure of essential purpose of any remedies available to either party.

H. Immunity

Nothing in this Agreement shall be construed as a waiver or relinquishment of any government immunities or defenses on behalf of BISD or Ehrhart or its officers, trustees, employees, and agents as a result of the execution of this Agreement or performance of the functions or obligations described herein under federal or Texas laws.

I. Insurance

Ehrhart will keep and maintain commercial general liability insurance in an amount no less than one million dollars (\$1,000,000) for each occurrence and two million dollars (\$2,000,000) in the aggregate. If requested, Ehrhart will provide BISD with proof evidencing insurance in the amount and specifying that the coverage will not be canceled or modified without thirty (30) days prior written notice to BISD.

BISD will keep and maintain commercial general liability insurance in an amount no less than one million dollars (\$1,000,000) for each occurrence and two million dollars (\$2,000,000) in the aggregate for any liability resulting from incidents of improper product preparation or contamination and will provide Ehrhart with a certificate, upon written request.

J. Termination

1. Either party may terminate this agreement for cause:

- a. Upon fifteen (15) days written notice of a material breach to the other party if such breach remains uncured at the expiration of such period; or
- b. Immediately if either party becomes insolvent or becomes the subject of any other proceeding, receivership, liquidation or assignment for the benefit of creditors.

2. Either party may terminate this agreement for convenience at any time by giving sixty (60) days written notification to the other party, setting forth the reason and the effective date of termination. Upon such termination, Ehrhart and BISD shall make settlement of all amounts due hereunder as follows.

3. The following shall occur upon termination, whether by cause or convenience:

- a. BISD shall be paid according to the invoice issued to Ehrhart for all meals and services provided through the effective termination date of service.
- b. Ehrhart shall pay BISD all outstanding balances, not in dispute, within fifteen (15) days of the effective date of termination.
- c. For payments in dispute, Ehrhart and BISD shall determine on a case-by-case basis the most equitable solution to both parties.
- d. The total sum to be paid to BISD shall not exceed the total agreement price plus settlement costs, reduced by the amount of payments otherwise made, and the agreement price of work not terminated.
- e. Ehrhart will return all equipment owned by BISD immediately upon termination of service.

K. Force Majeure

Neither BISD nor Ehrhart shall be liable to the other for any delay in, or failure of performance of, any covenant or promise contained in this Agreement, nor shall any delay or failure constitute default or give rise to any liability for damages if, and only to the extent that, such delay or failure is caused by "force majeure". As used in this Agreement, "force majeure" means acts of God; acts of the public enemy; acts of a governmental entity in its sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes or other labor disputes, freight embargoes, or illegality.

If any of the above causes an inability for BISD to provide meals, Ehrhart will not be responsible for the cost of unsupplied meals. However, BISD may suggest an alternative meal solution e.g., delivery from a local sandwich shop, in which case, Ehrhart shall be fully responsible for payment of the alternate meal solution unless otherwise noted. Ehrhart shall also be fully responsible for meals received but damaged by any of the above causes.

L. Severability

In the event that any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

M. Survival of Certain Terms

Notwithstanding anything herein to the contrary, the parties understand and agree that all terms and conditions of this Agreement and the exhibits and/or attachments here to which may require continued performance, compliance, or effect beyond the termination or expiration date of the Agreement shall survive such termination or expiration date and shall be enforceable as provided herein.

N. Modification and Amendment

This agreement is subject to such modifications as may be required by changes in Federal or State law, or their implementing regulations. Any such required modification shall automatically be incorporated into and be part of this agreement on the effective date of such change as if fully set forth herein. Except as provided above, no modification of this Agreement shall be effective unless agreed to in writing by both parties in an amendment to this Agreement that is properly executed and approved in accordance with applicable law.

O. Cooperation of the Parties

BISD and Ehrhart agree to cooperate fully, to work in good faith, and to mutually assist each other in the performance of this Agreement. In connection herewith, the parties shall meet to resolve problems associated with this Agreement. Neither party will unreasonably withhold its approval of any act or request of the other to which the party's approval is necessary or desirable.

Any material changes to contract requests will require a formal contract revision or addendum and prices will be adjusted accordingly.

P. Assignment

Neither this Agreement nor any duties or obligations under it shall be assignable by BISD without the prior written acknowledgment and authorization of Ehrhart, not to be unreasonably withheld.

Q. Governing Law

This Contract shall be governed by and construed in accordance with the laws of the State of Texas without regard to its conflicts of laws provisions. The mandatory and exclusive venue for the adjudication or resolution of any dispute arising out of or relating to this Contract shall be a court of competent jurisdiction in Jefferson County, Texas.

R. Section Headings

The section headings or titles are for convenience only and shall have no substantive effect in the interpretation of the agreement.

S. No Third-Party Beneficiaries

Nothing in this Agreement shall be deemed or construed to create any third-party beneficiaries or otherwise give any third party any claim or right of action against any party to this Agreement.

T. No Waiver

No failure on the part of either party at any time to require the performance by the other party of any term hereof shall be taken or held to be a waiver of such term or in any way affect such party's right to enforce such term, and no waiver on the part of either party of any term of this Agreement shall be taken or held to be a waiver of any other term hereof or the breach thereof. No waiver of any of the provisions of this Agreement shall be binding unless in writing and signed by duly authorized representatives of the parties hereto.

U. Counterparts

This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all counterparts together shall constitute a single agreement. Documents executed, scanned and transmitted electronically and electronic signatures shall be deemed original signatures for purposes of this Agreement and all matters related thereto, with such scanned and electronic signatures having the same legal

effect as original signatures.

V. Entire Agreement

This Agreement, including any attached and incorporated addenda, exhibits, attachments, and documents contain the entire agreement of the parties relative to the purpose(s) of this Agreement and supersede any other representations, agreements, arrangements, negotiations, or understandings, oral or written, between the parties to this Agreement.

W. Authorization

Each party acknowledges that the governing body of each party to this Agreement has authorized and approved this Agreement.

X. Relationship of the Parties

It is the intention of the parties that Ehrhart is independent of BISD and not an employee, agent, joint venturer, or partner of BISD and nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee, agent, joint venturer, or partner, between BISD and Ehrhart or BISD and any of Ehrhart's representatives. Ehrhart is solely responsible for the supervision, daily direction and control, and payment, payment of salary (including withholding of income taxes and any other required withholdings), insurance, worker's compensation, and like requirements of Ehrhart employees, agents, volunteers, and representatives.

The parties hereto are fully authorized and have executed this agreement:

Name and Title of BISD Official	Telephone Number
Signature of BISD Official	Date
Name and Title of Ehrhart Official Mike Sims Superintendent	Telephone Number 409-239-3817
Signature of Ehrhart Official M J Sims	Date 8-11-2022

Attached Exhibits:

- A. Inclement Weather Policy
- B. BISD Calendar

**EXHIBIT A:
INCLEMENT WEATHER POLICY**

BISD's operational contingency for the occurrence of weather-related delays and cancellations are outlined below.

A. Inclement Situations

1. Forecasts Calling for Next Day Inclement Weather

Ehrhart must contact the BISD's designated contact via telephone or email (in non-urgent cases) to report possible weather interruptions.

Ehrhart Initiating Weather Closure Process- BISD will offer to refund the cost of the meals ordered *if cancelled by 5AM the day of service.*

2. Local Announcement that School(s) will Remain Closed for Consecutive Days

Ehrhart must contact BISD each day of closure by 9 AM to determine plans for the following day and to discuss the upcoming menus for the when classes resume. The same weather-related order cancellation and refund policy above (Section A1) applies. Menus are subject to change.

B. Communication to School Administrators


To best serve students' needs, all communication to BISD regarding cancellation of planned meal services must be made in email or writing to the designated BISD contact. BISD team will work with Ehrhart closely to ensure coordinated pick-up in these circumstances.

JULY							AUGUST							SEPTEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
					1	2		1	2	3	4	5	6					1	2	3
3	4	5	6	7	8	9	7	8	9	10	11	12	13	4	5	6	7	8	9	10
10	11	12	13	14	15	16	14	15	16	17	18	19	20	11	12	13	14	15	16	17
17	18	19	20	21	22	23	21	22	23	24	25	26	27	18	19	20	21	22	23	24
24	25	26	27	28	29	30	28	29	30	31				25	26	27	28	29	30	
31																				

OCTOBER							NOVEMBER							DECEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1			1	2	3	4	5					1	2	3
2	3	4	5	6	7	8	6	7	8	9	10	11	12	4	5	6	7	8	9	10
9	10	11	12	13	14	15	13	14	15	16	17	18	19	11	12	13	14	15	16	17
16	17	18	19	20	21	22	20	21	22	23	24	25	26	18	19	20	21	22	23	24
23	24	25	26	27	28	29	27	28	29	30				25	26	27	28	29	30	31
30	31																			

JANUARY							FEBRUARY							MARCH						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7				1	2	3	4				1	2	3	4
8	9	10	11	12	13	14	5	6	7	8	9	10	11	5	6	7	8	9	10	11
15	16	17	18	19	20	21	12	13	14	15	16	17	18	12	13	14	15	16	17	18
22	23	24	25	26	27	28	19	20	21	22	23	24	25	19	20	21	22	23	24	25
29	30	31					26	27	28					26	27	28	29	30	31	

APRIL							MAY							JUNE						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1		1	2	3	4	5	6					1	2	3
2	3	4	5	6	7	8	7	8	9	10	11	12	13	4	5	6	7	8	9	10
9	10	11	12	13	14	15	14	15	16	17	18	19	20	11	12	13	14	15	16	17
16	17	18	19	20	21	22	21	22	23	24	25	26	27	18	19	20	21	22	23	24
23	24	25	26	27	28	29	28	29	30	31				25	26	27	28	29	30	
30																				



Beaumont ISD
Preparing Our Next Generation

**Beaumont ISD
Administration Building**
3395 Harrison Avenue
Beaumont, Texas 77706
(409) 617-5000 • Fax (409) 617-5184
bmtisd.com

GRADING PERIODS
 1st grading period: Aug. 10 - Oct. 12
 2nd grading period: Oct. 17 - Dec. 16
 3rd grading period: Jan. 4 - March 10
 4th grading period: March 20 - May 26

- - First/Last Day of School
- - Staff Development or Teacher Work Days
- - Teacher Work Day
- ◐ - End of Grading Period
- ◐ - Half Day/Early Release
- - Staff/Student Holiday
- - New Teacher Orientation
- - Intersession Days



The Ehrhart School 2022-2023 Calendar



174 Instructional Days

77,700 Instructional Minutes

July 2022				
M	T	W	T	F
				1
4	5	6	7	8
11	12	13	14	15
18	19	20	21	22
25	26	27	28	29

August 2022				
M	T	W	T	F
NT	NT/SD	SD	SD	WD
SD	WD	10	11	12
15	16	17	18	19
22	23	24	25	26
29	30	31		

September 2022				
M	T	W	T	F
			1	2
H	6	7	8	9
12	13	14	15	16
19	20	21	22	23
26	27	28	29	30

October 2022				
M	T	W	T	F
3	4	5	6	7
10	11	12	13	14
SD	[18	19	20	21
24	25	26	27	28
31				

November 2022				
M	T	W	T	F
	1	2	3	4
7	8	9	10	11
14	15	16	17	ER
H	H	H	H	H
28	29	30		

December 2022				
M	T	W	T	F
			1	2
5	6	7	8	9
12	13	14	15	ER
H	H	H	H	H
H	H	H	H	H

Grading Periods	Number of Days
Semester 1 (81 days)	
August 10 - October 7	42
October 18 - December 16	39
Semester 2 (93 days)	
January 4 - March 10	41
March 20 - June 2	52

Teacher/Student Holidays	Dates
Labor Day	September 5, 2022
Intercession 1	October 10 - 14, 2022
Thanksgiving	November 21 - 25, 2022
Christmas	December 19 - 30, 2022
MLK	January 16, 2023
Intercession 2	February 6 - 10, 2023
Spring Break	March 13 - 17, 2023
Good Friday/Easter Monday	April 7/April 10, 2023
Memorial Day	May 29, 2023

STAAR/TELPAS Test	Testing Dates
Grades 5 and 8 Math	April 4
Grades 5 and 8 Reading	April 5
Grade 8 Science	May 4
Grade 8 Social Studies	May 5
Grades 3, 4, 6 and 7 Math	May 9
Grades 5 and 8 Math Retest	May 9
Grades 3, 4, 6 and 7 Reading	May 10
Grades 5 and 8 Reading Retest	May 10
Grade 5 Science	May 11
Grades 5 and 8 Math Retest	June 20
Grades 5 and 8 Reading Retest	June 21
TELPAS	February 20 - March 31

Legend	
First Day of School	August 10, 2022
Last Day of School	June 2, 2023
New Teacher Orientation	NT
Teacher Workday	WD
Staff Development	SD
School Holidays	H
Grading Period Begins	[
Grading Period Ends]
Early Release Days	ER
STAAR Test Dates	⚙️
Teacher Exchange Days	◯

Teacher Information	Dates
Staff Development	Oct 17; Jan 2; Feb 20
Teacher Workday	January 3 and June 5
Teacher Exchange Day	November 21 and 22
Required Teacher Days	187

January 2023				
M	T	W	T	F
SD	WD	[4	5	6
9	10	11	12	13
H	17	18	18	19
23	24	25	26	27
30	31			

February 2023				
M	T	W	T	F
		1	2	3
6	7	8	9	10
13	14	15	16	17
SD	21	22	23	24
27	28			

March 2023				
M	T	W	T	F
		1	2	3
6	7	8	9	10
13	14	15	16	17
[20	21	22	23	24
27	28	29	30	31

April 2023				
M	T	W	T	F
3	4	5	6	H
H	11	12	13	14
17	18	19	20	21
24	25	26	27	28

May 2023				
M	T	W	T	F
1	2	3	4	5
8	9	10	11	12
15	16	17	18	19
22	23	24	25	26
H	30	31		

June 2023				
M	T	W	T	F
			1	ER
WD	6	7	8	9
12	13	14	15	16
19	20	21	22	23
26	27	28	29	30

Minutes based on school start 7:50 and ends 3:20 = 450 daily minutes

ER 7:50 - 12:00 = 250 daily minutes



Board Exhibit Cover Sheet

Meeting Date: August 18, 2022

Agenda Item/Exhibit Number: **III.E.7.**

Agenda Item Title: Approve Delegation of Contractual Authority to the Superintendent for Agreement to Purchase Attendance Credits from TEA

Cabinet Level Presenter(s): Cheryl Hernandez

Additional Presenter(s):

Executive Summary Board action is required to delegate contractual authority to obligate the school district under Texas Education Code (TEC) 11.1511(c)(4) to the superintendent, solely for the purpose of obligating the district under TEC, 48.257 and TEC, Chapter 49, Subchapters A and D, and the rules adopted by the commissioner of education as authorized under TEC, 49.006. This includes approval of the *Agreement for the Purchase of Attendance Credit (Netting Chapter 48 Funding)*.

Recommendation: Approve Delegation of Contractual Authority to the Superintendent for Agreement to Purchase Attendance Credits from TEA

Budget Impact* (if applicable):

Funding Source (if applicable):

Compliance with Purchasing Guidelines (list applicable guidelines, including grant requirements):

Policy Reference (if applicable, list policy/regulation):

Legal Review (if necessary, list attorney and firm):


Cabinet Level Presenter's Signature


Date

*CFO Signature (required if there is a budget impact)

Date

General Counsel's Signature

Date



Board Exhibit Cover Sheet

Meeting Date: August 18, 2022

Agenda Item/Exhibit Number: **III.E.8.**

Agenda Item Title Approve Memorandum of Understanding with Lamar State College-Orange Regarding Maritime Program

Cabinet Level Presenter(s): Jenny Angelo

Additional Presenter(s): Donna Prudhomme

Executive Summary: BISD will partner with LSCO to provide courses in its Maritime program.

Recommendation: Approve Memorandum of Understanding with Lamar State College-Orange regarding Maritime Program.

Budget Impact* (if applicable): N/A

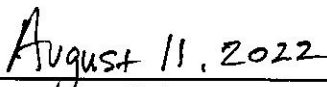
Funding Source (if applicable):

Compliance with Purchasing Guidelines (list applicable guidelines, including grant requirements):

Policy Reference (if applicable, list policy/regulation):

Legal Review (if necessary, list attorney and firm):


Cabinet Level Presenter's Signature


Date

*CFO Signature (required if there is a budget impact) Date

General Counsel's Signature Date



Board Exhibit Cover Sheet

Meeting Date: August 18, 2022

Agenda Item/Exhibit Number: **III.E.9.**

Agenda Item Title: Award recommended vendor for RFP # 22.24 Charter Bus Services.

Cabinet Level Presenter(s): Cheryl Hernandez

Additional Presenter(s): Beau Carroll

Executive Summary: An RFP was issued for charter bus services to assist with the transportation needs of the district. There were 21 invitations sent to prospective companies. We received 3 responses.

Recommendation: Approve Avalon Motor Coaches as an awarded vendor for RFP #22.24.

Budget Impact* (if applicable): \$150,000.00

Funding Source (if applicable): General Fund

Compliance with Purchasing Guidelines (list applicable guidelines, including grant requirements):
Ch. 44.031

Policy Reference (if applicable, list policy/regulation): CH (LOCAL)

Legal Review (if necessary, list attorney and firm):

Cheryl Hernandez
Cabinet Level Presenter's Signature

8/10/22
Date

*CFO Signature (required if there is a budget impact)

Date

General Counsel's Signature

Date

Beaumont ISD RFP #22.24 Charter Bus Services		Avalon Motor Coaches	Tour-Rific	Western Motor Coaches
Description		Points	Points	incomplete Points
Price (50)		50.00	40.00	
Reputation of Vendor Services (10)		10.00	8.00	
Meets district needs (20)		15.00	15.00	
Minority, woman, or veteran owned (5)		0.00	5.00	
Past relationship with district (15)		15.00	0.00	
CARROLL		90.00	68.00	0.00
BROWN		87.00	55.00	0.00
Average		88.50	61.50	0.00

Bid Evaluators:
 Beau Carroll
 Doris Brown

Audited by:
 Carrie Sarver

Investment Authority

The Superintendent or other person designated by Board resolution shall serve as the investment officer of the District and shall invest District funds as directed by the Board and in accordance with the District's written investment policy and generally accepted accounting procedures. All investment transactions except investment pool funds and mutual funds shall be settled on a delivery versus payment basis.

**Approved
Investment
Instruments**

From those investments authorized by law and described further in CDA(LEGAL) under Authorized Investments, the Board shall permit investment of District funds, including bond proceeds and pledged revenue to the extent allowed by law, in only the following investment types, consistent with the strategies and maturities defined in this policy:

1. Obligations of, or guaranteed by, governmental entities as permitted by Government Code 2256.009.
2. Certificates of deposit and share certificates as permitted by Government Code 2256.010.
3. Fully collateralized repurchase agreements permitted by Government Code 2256.011.
4. A securities lending program as permitted by Government Code 2256.0115.
5. Banker's acceptances as permitted by Government Code 2256.012.
6. Commercial paper as permitted by Government Code 2256.013.
7. No-load mutual funds, except for bond proceeds, and no-load money market mutual funds, as permitted by Government Code 2256.014.
8. A guaranteed investment contract as an investment vehicle for bond proceeds, provided it meets the criteria and eligibility requirements established by Government Code 2256.015.
9. Public funds investment pools as permitted by Government Code 2256.016.

Collateralization

Collateralization shall be required on two types of investments: certificates of deposit and repurchase agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level for repurchase agreements shall be 102 percent of market value of principle and accrued interest. Certificates of deposit may only be purchased from the current depository and are collateralized under that agreement.

The District has chosen to limit collateral to those items that are listed as approved investment instruments. The District reserves the right to refuse any collateral it considers unacceptable. Collateral shall always be held by an independent third party with whom the District has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) shall be supplied to the District and retained. The District grants the right of collateral substitution, with prior notice and consent of the District.

Safety

The primary goal of the investment program is to ensure safety of principal, to maintain liquidity, and to maximize financial returns within current market conditions in accordance with this policy. Investments shall be made in a manner that ensures the preservation of capital in the overall portfolio, and offsets during a 12-month period any market price losses resulting from interest-rate fluctuations by income received from the balance of the portfolio. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio.

Investment Management

In accordance with Government Code 2256.005(b)(3), the quality and capability of investment management for District funds shall be in accordance with the standard of care, investment training, and other requirements set forth in Government Code Chapter 2256.

Liquidity and Maturity

Any internally created pool fund group of the District shall have a maximum dollar weighted maturity of 180 days. The maximum allowable stated maturity of any other individual investment owned by the District shall not exceed one year from the time of purchase. The Board may specifically authorize a longer maturity for a given investment, within legal limits.

The District's investment portfolio shall have sufficient liquidity to meet anticipated cash flow requirements.

Diversity

The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from overconcentration of assets in a specific class of investments, specific maturity, or specific issuer.

Monitoring Market Prices

The investment officer shall monitor the investment portfolio and shall keep the Board informed of significant changes in the market value of the District's investment portfolio. Information sources may include financial/investment publications and electronic media, available software for tracking investments, depository banks, commercial or investment banks, financial advisers, and representatives/advisers of investment pools or money market funds. Monitoring shall be done at least quarterly, as required by law, and more often as economic conditions warrant by using appropriate reports, indices, or benchmarks for the type of investment.

**Monitoring Rating
Changes**

In accordance with Government Code 2256.005(b), the investment officer shall develop a procedure to monitor changes in investment ratings and to liquidate investments that do not maintain satisfactory ratings.

Funds / Strategies

Investments of the following fund categories shall be consistent with this policy and in accordance with the applicable strategy defined below. All strategies described below for the investment of a particular fund should be based on an understanding of the suitability of an investment to the financial requirements of the District and consider preservation and safety of principal, liquidity, marketability of an investment if the need arises to liquidate before maturity, diversification of the investment portfolio, and yield.

Operating Funds

Investment strategies for operating funds (including any commingled pools containing operating funds) shall have as their primary objectives preservation and safety of principal, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements.

Custodial Funds

Investment strategies for custodial funds shall have as their primary objectives preservation and safety of principal, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements.

Debt Service Funds

Investment strategies for debt service funds shall have as their primary objective sufficient investment liquidity to timely meet debt service payment obligations in accordance with provisions in the bond documents. Maturities longer than one year are authorized provided legal limits are not exceeded.

**Capital Project
Funds**

Investment strategies for capital project funds shall have as their primary objective sufficient investment liquidity to timely meet capital project obligations. Maturities longer than one year are authorized provided legal limits are not exceeded.

**Safekeeping and
Custody**

The District shall retain clearly marked receipts providing proof of the District's ownership. The District may delegate, however, to an investment pool the authority to hold legal title as custodian of investments purchased with District funds by the investment pool.

**Sellers of
Investments**

Prior to handling investments on behalf of the District, a broker/dealer or a qualified representative of a business organization must submit required written documents in accordance with law. [See Sellers of Investments, CDA(LEGAL)]

Representatives of brokers/dealers shall be registered with the Texas State Securities Board and must have membership in the Securities Investor Protection Corporation (SIPC), and be in good standing with the Financial Industry Regulatory Authority (FINRA).

**Soliciting Bids for
CDs**

In order to get the best return on its investments, the District may solicit bids for certificates of deposit in writing, by telephone, or electronically, or by a combination of these methods.

Interest Rate Risk

To reduce exposure to changes in interest rates that could adversely affect the value of investments, the District shall use final and weighted-average-maturity limits and diversification.

The District shall monitor interest rate risk using weighted average maturity and specific identification.

Internal Controls

A system of internal controls shall be established and documented in writing and must include specific procedures designating who has authority to withdraw funds. Also, they shall be designed to protect against losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the District. Controls deemed most important shall include:

1. Separation of transaction authority from accounting and recordkeeping and electronic transfer of funds.
2. Avoidance of collusion.
3. Custodial safekeeping.
4. Clear delegation of authority.
5. Written confirmation of telephone transactions.
6. Documentation of dealer questionnaires, quotations and bids, evaluations, transactions, and rationale.
7. Avoidance of bearer-form securities.

These controls shall be reviewed by the District's independent auditing firm.

Annual Review

The Board shall review this investment policy and investment strategies not less than annually and shall document its review in writing, which shall include whether any changes were made to either the investment policy or investment strategies.

Annual Audit

In conjunction with the annual financial audit, the District shall perform a compliance audit of management controls on investments and adherence to the District's established investment policies.



Board Exhibit Cover Sheet

Meeting Date: August 18, 2022

Agenda Item/Exhibit Number: **III.E.11.**

Agenda Item Title: Approve Interlocal Cooperation Agreement to Provide Meals between Beaumont ISD and the Responsive Education - BCA

Cabinet Level Presenter(s): Cheryl Hernandez

Additional Presenter(s): Tiffany Eckenrod

Executive Summary: Beaumont ISD works in collaboration with neighboring school and governmental entities. Responsive Education - BCA school, a public charter school, does not have the necessary facilities to provide its students with appropriate meals. The proposed interlocal cooperation agreement provides for BISD Child Nutrition Department to assist Responsive Education - BCA with meal service. BISD is not subsidizing Responsive Education – BCA’s meal service, and the school will pay Beaumont ISD for the child nutrition services provided.

Recommendation: Approve Interlocal Cooperation Agreement to Provide Meals between Beaumont ISD and the Responsive Education - BCA.

Budget Impact* (if applicable): N/A

Funding Source (if applicable): N/A

Compliance with Purchasing Guidelines (list applicable guidelines, including grant requirements): N/A

Policy Reference (if applicable, list policy/regulation): N/A

Legal Review (if necessary, list attorney and firm):

Cheryl Hernandez
Cabinet Level Presenter's Signature

8/11/22
Date

*CFO Signature (required if there is a budget impact)

Date

General Counsel's Signature

Date

INTERLOCAL COOPERATION AGREEMENT TO PROVIDE MEALS
Between Beaumont ISD and Responsive Ed Texas, d/b/a "Beaumont Classical Academy"

Meal Provider: Beaumont ISD 3395 Harrison Avenue, Beaumont, TX 77706
--

Receiving Sponsor: Responsive Ed Texas, d/b/a "Beaumont Classical Academy" Charter School 10255 Eastex Freeway # 100, Beaumont, TX 77708
--

Pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, this agreement is made on August 2, 2022 between **Beaumont Independent School District (BISD)**, a Texas Independent School District, and **Responsive Ed Texas, d/b/a "Beaumont Classical Academy" (BCA)**, a Texas Open-Enrollment Charter School, and is created for the purpose of providing:

Lunch under the National School Lunch Program.

It is hereby agreed that:

A. Statement of Work

BISD will provide meals to BCA that comply with the nutrition standards established by the United States Department of Agriculture (USDA) for the National School Lunch Program. BCA will be responsible for claiming reimbursement from the appropriate State agency for all meals served to children enrolled in BCA schools.

Both BISD and BCA will comply with all applicable Federal, State and local statutes and regulations with regard to the preparation and consumption of meals which meet the National School Lunch Program meal requirements, including, but not limited to, all applicable regulations relating to the overt identification of needy pupils, the nutritional content of meals, and nondiscrimination. All records maintained by BISD and BCA relating to the agreement will be open to inspection by applicable Federal, State, and local authorities in accordance with applicable statutes and regulations.

Additional details on BISD operating procedures can be found in Beaumont ISD Board Policy.

A.1. Meal Ordering and Meal Components

- a. The number of meals prepared by BISD will be determined by the quantity ordered by BCA. BCA will notify BISD, by communicating with Beaumont ISD Guess Elementary Café Manager, of the quantity needed for two weeks at a time, no later than two weeks prior to the next week of service. Should the contact person change, BISD will notify BCA in writing. Failure to timely provide notice may result in BISD being unable to supply meals or an increase in the rate of meals provided. Meal counts will be provided to BCA staff at the Guess Elementary pickup location, in writing, on a calendar to confirm pickup totals.
- b. BISD will provide the following in sufficient quantity for the number of meals ordered:
 - Entrees
 - Sides, including fruit will be provided
 - Milk – White Milk (1% and Fat Free) Chocolate Milk (Fat Free)
 - Serving utensils (prepackaged with napkin)
 - Paper boats for meal service
 - Styrofoam trays for meal service
 - Condiments as designed with the meal
- c. **Field Trips:** BISD will provide BCA with sack/boxed lunches for field trips when requested at the standard order time. BCA will be responsible for the proper cold storage of these items until served.

- d. **Offer vs. Serve:** BISD will provide lunch meals following Offer vs. Serve (OVS), a system designed to reduce waste and give students greater flexibility and choice. BCA will monitor lunch fruit and vegetable quantities to ensure there is enough fruit and vegetables for all students who wish to partake, while reducing the amount of unnecessary waste and/or leftovers. Fruits and vegetables provided during lunch service are intended to be consumed during the specified meal and shall not be used for other programs and activities.
- e. **Special Scheduling:** Special scheduling of meal pick-up will require two weeks advance notice. Fees may apply.
- f. **Pricing and Fees:** Refer to Section C - Meal Price and associated assumptions and Section D – Fees.

A.2. Pick-up and Service of Meals

- a. BCA will pick-up meals from the preparation site. Pick-up times will be arranged in writing in advance. BCA will be responsible for pick-up and storage of the supplies.
- b. BCA will provide all personnel necessary to pick-up, serve, and supervise the consumption of meals.
- c. BCA will check the order upon pick-up and will notify BISD of an issue at that time, in order to provide maximum time to remedy the issue.

A.3. Care of Meals

- a. BISD will be responsible for the condition and care of meals until BCA picks up the goods and, thereafter, BCA will be responsible for maintaining the proper temperature of the meal components until they are consumed.
- b. BCA will be responsible for providing refrigeration units and hot holding units to hold meals at food safe temperatures.

A.4. Holidays

BISD will not provide food service on the days BISD is closed pursuant to BISD's calendar and subject to amendment. The current calendar is enclosed and marked Exhibit B. Should the calendar be amended, BISD will notify BCA in writing.

BISD has mandatory training on August 9, 2022, and will not be able to provide meals on that day. BISD will be closed for Winter Break on December 19 and 20, 2022 and will not be able to provide meals on those days.

Should BCA use intersession days built into their calendar, BCA will provide BISD with thirty (30) days' written notice to ensure adequate time for planning.

A.5. Monthly Menu Planning

- a. No later than one (1) week prior to the end of each month, BISD will provide to BCA a monthly menu describing the meals to be served for the following month. BISD will provide menu documentation no later than one (1) week in advance of service upon written request. This will include:
 - Monthly Menu Portion Detail to demonstrate compliance with Meal Patterns: National School Lunch Program.
 - Carbohydrate Report to assist parents and staff in ordering for students with diabetes.
 - Allergen Report tracking the eight commonly recognized allergen components (wheat, dairy, eggs, soy, shellfish, fish, peanuts, tree nuts) as defined by the Food Allergen Labeling and Consumer Protection Act of 2004 (FALCPA) to assist staff in ordering for special meal accommodations.
- b. Menu changes or substitutions may be required due to unforeseen circumstances; in the event a substitution is required, BISD will communicate the need in writing.

- c. Students with special dietary needs must have on file a signed statement by a medical doctor or a recognized medical authority. BISD can provide a dairy-free meal alternative, soy-free meal alternative, and is capable of modifying texture. BISD is not capable of providing items outside of those we source (i.e., nutritional supplements), or changing the nutritional profile of individual menu items. These types of accommodations must be addressed at the school level, by BCA.

A.6. Records and Audit

- a. BCA will conduct the free and reduced-price application process, including the distribution, review, approval, and verification of applications for the sites belonging to BCA. All applications and eligibility requirements will be handled at the site by BCA. BCA is responsible for all point of service meal counts and completion of all documents required by the applicable Child Nutrition Program, including making claims for reimbursements.
- b. BISD will maintain all necessary records on the nutritional components and quantities of the meals picked up by BCA and will make said records available for inspection by BCA and/or State and Federal authorities upon written request. BISD will retain records relating to this Agreement for the time period provided for by the applicable records retention schedule.
- c. BISD will provide to BCA document requisition support in the event of an audit by the State Department of Education, or local governing entity for reimbursable Child Nutrition Programs, including Administrative Review circumstances. BCA shall be responsible for notifying BISD, in writing, within three (3) business days of receiving any information from a State Agency of an audit, technical assistance or other action. BCA shall be responsible for forwarding the complete written notification from the governing entity so that BISD is positioned to best support the requisition request and tailor the support to exactly what is required. Typical document requisition in a formal audit includes support with menus, production records, recipes, labels and product formulation statements.

A.7. Licenses and Permits

- a. BISD will prepare meals at a site that maintains the appropriate state and local health certifications for the facility and will maintain certification at all times.
- b. BCA shall have state or local health certifications as required for each of their school sites and shall maintain certification for the duration of the Agreement.

B. Agreement Period

This agreement will begin August 8, 2022 and will end June 6, 2023, unless terminated as provided herein. All extension of this Agreement shall be subject to the terms and conditions specified herein. This Agreement may be extended by written mutual consent of the parties, contingent upon approval of BISD's Board of Trustees, as may be required.

C. Meal Price

BISD will charge BCA the following:

Meal	# of Full Serving Days	Average Minimum # Meals per Day	Price per Meal
Lunch	180	200	\$3.10

C.1 Assumptions

- a. Menu patterns follow the National School Lunch Program for grades K-5.
- b. There shall be no competitive food and beverage sales during the meal service times for lunch or snack. Competitive foods are defined as all foods not provided by BISD during the assigned meal period for the duration of the contract. Six (6) competitive days are allowed. However, BCA shall notify BISD in advance of any decrease in meals pursuant to Section D.4. Suspended service shall result in damages paid to BISD in

the amount equal to the average minimum number of meals per day multiplied by the number of days of suspended service multiplied by the price per meal affected.

- c. BCA and its representatives, including, but not limited to, principals, teachers, and staff, shall fully cooperate with BISD in the implementation of this Agreement.
- d. Legislation, regulations, and reimbursement rates that create changes in the nonprofit food service will be observed. Any modification to this Agreement will be noticed in writing.
- e. Changes to meal components and quantities required by the National School Lunch Act or the National School Lunch Program shall result in an appropriate adjustment.
- f. BISD meals are not intended or labeled for retail sale.

C.2 Economic Price Adjustment and Price Negotiation

At the end of each term, the contract may be renewed in which the meal price will be adjusted, at a maximum, no more than 50% of the Consumer Price Index for all Urban Consumers for Food Away from Home.

D. Fees

D.1. Calendar Management

- a. BCA shall provide BISD with a calendar for the school year no later than ten (10) days prior to the beginning of service. Failure of BCA to provide BISD with the calendar ten (10) days prior to the beginning of service will result in a \$250 rush fee. At a minimum, the calendar shall provide the following:
 - Field trip days
 - Early release days
 - Testing days
 - Days in which meal participation is expected to be less than 50% of the norm
 - Days in which meals will not be ordered and the reason
- b. BCA shall notify BISD of additional events not captured on the initial calendar in which mealtimes or normal operations may be affected for the following month. For example, BCA shall notify BISD by September 1 for events occurring in October.

D.2. New Order Placement after Deadline

- a. New orders placed after the stated deadline will be charged the following:
 - First time orders placed after the deadline will not incur an additional charge.
 - Late order placements occurring the second and third time will incur a \$50 charge.
 - Late order placements occurring on/after the fourth incident will incur a \$100 charge.
- b. As a valued partner, BISD will do its best to accommodate the request. All late orders are subject to product availability. BISD may provide alternative meal if the requested meal is not available.

D.3. Order Increase

- a. Order increases made after the stated deadline will be charged the full applicable meal price listed in Section C plus an additional \$50.
- b. BISD will do its best to accommodate the request. Order increases are subject to product availability. BISD may provide an alternative meal if the requested meal is not available.

D.4. Order Cancellation or Decrease

Because our food is prepared fresh daily, BISD reserves the right to charge either a portion or the full price per meal for any order cancellations or decreases.

- a. BISD understands that extenuating circumstances may occur in which BCA shall have a need to decrease the number of meals ordered. BISD will partner with BCA to accommodate order decreases that occur after the stated deadline in which meals are not needed within 48 hours. The order decrease shall not exceed 25% of the original order.

Order decreases occurring on/after the fourth incident will incur the full applicable meal price listed in Section C.

- b. For cancellations and decreases that occur after the stated deadline, and within 48 hours of when meals are to be delivered:
- First, second, and third time order cancellations and decreases will be charged 50% of the applicable meal price listed in Section C.
 - Fourth time order cancellations and decreases will be charged the full applicable meal price listed in Section C.

D.5. Convenience Fee

BISD reserves the right to charge a convenience fee of up to 10% per meal for changes after the stated deadline that affect operations, but do not result in an increase or decrease in the number of meals originally ordered. An example of this may be changing regular lunch meals ordered to fieldtrip lunches.

D.6. Supplies

As stated in Section A, BISD will provide the necessary utensils, napkins, paper supplies and condiments in sufficient quantity for the number of meals ordered. Any depletion of supplies outside the meal program will be charged to BCA at full case value.

E. Payment Terms

BISD will issue itemized invoices for the full cost of the lunch plus any additional items ordered, including, but not limited to, snack items, additional utensils, supplies, etc., and any other applicable fees. BCA shall submit payment to BISD as required by BISD on the submitted invoice within thirty (30) days of receipt of a BISD invoice.

BISD reserves the right to charge up to a seven (7) percent interest rate (compounded monthly) on any balance left unpaid on an invoice. No food service account funds shall be used for payment of interest or late fees. Failure to pay an invoice is considered a material breach of this agreement.

Should BCA receive meals that are spoiled or unwholesome at the time of pick-up, do not meet the specifications, or do not otherwise meet the requirement of the Agreement, BCA should notify BISD in writing, specifying the number of meals effected, no later than twenty-four hours after the date the meal was received. BCA shall keep evidence of food items for inspection by BISD. Should BISD find that the meals were spoiled or unwholesome at the time of pick-up, did not meet specifications, or did not otherwise meet the requirements of the Agreement; the price of those meals will be deducted from BCA's invoice.

The parties agree and acknowledge that each party paying for the performance of governmental functions or services pursuant to this Agreement must make those payments from current revenues available to the paying party.

F. Hold Harmless

To the extent permitted by law, each party will hold the other party, its trustees, employees, and agents harmless from and against all liability, loss, expense, or reasonable claims for injury or damages arising out of the performance of this Agreement to the extent that the claim arises from the negligence, willful act, breach of contract, or violation of law by a party, its officers, employees, or agents.

G. Limitation of Liability

In the event either party incurs any expenses, damages or other liabilities in connection with the performance or non-performance of any term or provision hereof, such party's liability to the other party shall not exceed the payments actually paid to BISSD over the previous twelve months. In no event will either party be liable for any special, incidental, consequential or indirect damages or damages for lost profits arising in any way out of this Agreement, however caused and on any theory of liability. The foregoing limitation of liability and exclusion of certain damages shall apply regardless of the failure of essential purpose of any remedies available to either party.

H. Immunity

Nothing in this Agreement shall be construed as a waiver or relinquishment of any government immunities or defenses on behalf of BISSD or BCA or its officers, trustees, employees, and agents as a result of the execution of this Agreement or performance of the functions or obligations described herein under federal or Texas laws.

I. Insurance

BCA will keep and maintain commercial general liability insurance in an amount no less than one million dollars (\$1,000,000) for each occurrence and two million dollars (\$2,000,000) in the aggregate. If requested, BCA will provide BISSD with proof evidencing insurance in the amount and specifying that the coverage will not be canceled or modified without thirty (30) days prior written notice to BISSD.

BISSD will keep and maintain commercial general liability insurance in an amount no less than one million dollars (\$1,000,000) for each occurrence and two million dollars (\$2,000,000) in the aggregate for any liability resulting from incidents of improper product preparation or contamination and will provide BCA with a certificate, upon written request.

J. Termination

1. Either party may terminate this agreement for cause:
 - a. Upon fifteen (15) days written notice of a material breach to the other party if such breach remains uncured at the expiration of such period; or
 - b. Immediately if either party becomes insolvent or becomes the subject of any other proceeding, receivership, liquidation or assignment for the benefit of creditors.
2. Either party may terminate this agreement for convenience at any time by giving sixty (60) days written notification to the other party, setting forth the reason and the effective date of termination. Upon such termination, BCA and BISSD shall make settlement of all amounts due hereunder as follows.
3. The following shall occur upon termination, whether by cause or convenience:
 - a. BISSD shall be paid according to the invoice issued to BCA for all meals and services provided through the effective termination date of service.
 - b. BCA shall pay BISSD all outstanding balances, not in dispute, within fifteen (15) days of the effective date of termination.
 - c. For payments in dispute, BCA and BISSD shall determine on a case-by-case basis the most equitable solution to both parties.
 - d. The total sum to be paid to BISSD shall not exceed the total agreement price plus settlement costs, reduced by the amount of payments otherwise made, and the agreement price of work not terminated.
 - e. BCA will return all equipment owned by BISSD immediately upon termination of service.

K. Force Majeure

Neither BISD nor BCA shall be liable to the other for any delay in, or failure of performance of, any covenant or promise contained in this Agreement, nor shall any delay or failure constitute default or give rise to any liability for damages if, and only to the extent that, such delay or failure is caused by "force majeure". As used in this Agreement, "force majeure" means acts of God; acts of the public enemy; acts of a governmental entity in its sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes or other labor disputes, freight embargoes, or illegality.

If any of the above causes an inability for BISD to provide meals, BCA will not be responsible for the cost of unsupplied meals. However, BISD may suggest an alternative meal solution e.g., delivery from a local sandwich shop, in which case, BCA shall be fully responsible for payment of the alternate meal solution unless otherwise noted. BCA shall also be fully responsible for meals received but damaged by any of the above causes.

L. Severability

In the event that any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

M. Survival of Certain Terms

Notwithstanding anything herein to the contrary, the parties understand and agree that all terms and conditions of this Agreement and the exhibits and/or attachments here to which may require continued performance, compliance, or effect beyond the termination or expiration date of the Agreement shall survive such termination or expiration date and shall be enforceable as provided herein.

N. Modification and Amendment

This agreement is subject to such modifications as may be required by changes in Federal or State law, or their implementing regulations. Any such required modification shall automatically be incorporated into and be part of this agreement on the effective date of such change as if fully set forth herein. Except as provided above, no modification of this Agreement shall be effective unless agreed to in writing by both parties in an amendment to this Agreement that is properly executed and approved in accordance with applicable law.

O. Cooperation of the Parties

BISD and BCA agree to cooperate fully, to work in good faith, and to mutually assist each other in the performance of this Agreement. In connection herewith, the parties shall meet to resolve problems associated with this Agreement. Neither party will unreasonably withhold its approval of any act or request of the other to which the party's approval is necessary or desirable.

Any material changes to contract requests will require a formal contract revision or addendum and prices will be adjusted accordingly.

P. Assignment

Neither this Agreement nor any duties or obligations under it shall be assignable by BISD without the prior written acknowledgment and authorization of BCA, not to be unreasonably withheld.

Q. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Texas without regard to its conflicts of laws provisions. The mandatory and exclusive venue for the adjudication or resolution of any dispute arising out of or relating to this Agreement shall be a court of competent jurisdiction in Jefferson County, Texas.

R. Section Headings

The section headings or titles are for convenience only and shall have no substantive effect in the interpretation of the agreement.

S. No Third-Party Beneficiaries

Nothing in this Agreement shall be deemed or construed to create any third-party beneficiaries or otherwise give any third party any claim or right of action against any party to this Agreement.

T. No Waiver

No failure on the part of either party at any time to require the performance by the other party of any term hereof shall be taken or held to be a waiver of such term or in any way affect such party's right to enforce such term, and no waiver on the part of either party of any term of this Agreement shall be taken or held to be a waiver of any other term hereof or the breach thereof. No waiver of any of the provisions of this Agreement shall be binding unless in writing and signed by duly authorized representatives of the parties hereto.

U. Counterparts

This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all counterparts together shall constitute a single agreement. Documents executed, scanned and transmitted electronically and electronic signatures shall be deemed original signatures for purposes of this Agreement and all matters related thereto, with such scanned and electronic signatures having the same legal effect as original signatures.

V. Entire Agreement

This Agreement, including any attached and incorporated addenda, exhibits, attachments, and documents contain the entire agreement of the parties relative to the purpose(s) of this Agreement and supersede any other representations, agreements, arrangements, negotiations, or understandings, oral or written, between the parties to this Agreement.


W. Authorization

Each party acknowledges that the governing body of each party to this Agreement has authorized and approved this Agreement.

X. Relationship of the Parties

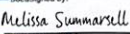
It is the intention of the parties that BCA is independent of BISD and not an employee, agent, joint venturer, or partner of BISD and nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee, agent, joint venturer, or partner, between BISD and BCA or BISD and any of BCA's representatives. BCA is solely responsible for the supervision, daily direction and control, and payment, payment of salary (including withholding of income taxes and any other required withholdings), insurance, worker's compensation, and like requirements of BCA employees, agents, volunteers, and representatives.

The parties hereto are fully authorized and have executed this agreement:

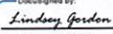
Name and Title of BISD Official	Telephone Number
Signature of BISD Official	Date
Name and Title of BCA Official Robert Davison, COO of ResponsiveEd Texas	Telephone Number 972-316-3663
Signature of BCA Official 	Date 8/11/2022

Attached Exhibits:

- A. Inclement Weather Policy
- B. BISD Calendar

DocuSigned by:

Melissa Summarsell
Director of Child Nutrition
ResponsiveEd Texas

8/11/2022

DocuSigned by:

Approved as to Form
Lindsey Gordon
General Counsel
ResponsiveEd

8/11/2022

**EXHIBIT A:
INCLEMENT WEATHER POLICY**

BISD's operational contingency for the occurrence of weather-related delays and cancellations are outlined below.

A. Inclement Situations

1. Forecasts Calling for Next Day Inclement Weather

BCA must contact the BISD's designated contact via telephone or email (in non-urgent cases) to report possible weather interruptions.

BCA Initiating Weather Closure Process- BISD will offer to refund the cost of the meals ordered *if cancelled by 5AM the day of service.*

2. Local Announcement that School(s) will Remain Closed for Consecutive Days

BCA must contact BISD each day of closure by 9 AM to determine plans for the following day and to discuss the upcoming menus for the when classes resume. The same weather-related order cancellation and refund policy above (Section A1) applies. Menus are subject to change.

B. Communication to School Administrators

To best serve students' needs, all communication to BISD regarding cancellation of planned meal services must be made in email or writing to the designated BISD contact. BISD team will work with BCA closely to ensure coordinated pick-up in these circumstances.

JULY							AUGUST							SEPTEMBER						
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OCTOBER							NOVEMBER							DECEMBER						
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9	10	11	12	13	14	15	13	14	15	16	17	18	19	11	12	13	14	15	16	17
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JANUARY							FEBRUARY							MARCH						
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Beaumont ISD
Administration Building
3395 Harrison Avenue
Beaumont, Texas 77706
(409) 617-5000 • Fax (409) 617-5184
bmtisd.com

GRADING PERIODS
 1st grading period: Aug. 10 - Oct. 12
 2nd grading period: Oct. 17 - Dec. 16
 3rd grading period: Jan. 4 - March 10
 4th grading period: March 20 - May 26

- - First/Last Day of School
- - Staff Development or Teacher Work Days
- - Teacher Work Day
- ◐ - End of Grading Period
- ◐ - Half Day/Early Release
- - Staff/Student Holiday
- - New Teacher Orientation
- - Intersession Days



JULY						
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SEPTEMBER						
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DECEMBER						
Gratefulness						
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25	26	27	28	29	30	31

Grading Periods	Reporting Periods	Days
1st 08/08/22 - 10/14/22	1st 08/08/22 - 09/23/22	34
2nd 10/17/22 - 12/20/22	2nd 09/26/22 - 11/04/22	24
3rd 01/09/23 - 03/24/23	3rd 11/07/22 - 01/06/23	27
4th 03/27/23 - 06/06/23	4th 01/09/23 - 02/17/23	29
	5th 02/20/23 - 04/07/23	28
	6th 04/10/23 - 06/06/23	38
	Total School Days	180

Begin Time: 8:00 AM	End Time: 3:45 PM
465 minutes	
Holidays	
Labor Day	September 05, 2022
Staff & Student Holiday	October 07, 2022
Thanksgiving Break	November 21-25, 2022
Christmas Break	Dec 21, 2022-Jan 04, 2023
Student Holidays	January 05-06, 2023
Martin Luther King, Jr. Day	January 16, 2023
Presidents' Day	February 20, 2023
Spring Break	March 13-17, 2023
Good Friday	April 07, 2023
Bad Weather Day	April 10, 2023
Student Holiday	April 21, 2023
Bad Weather Day	May 26, 2023
Memorial Day	May 29, 2023
Early Release Days	
End Time: 12:00 Noon	440 April 10, 2023 (Monday)
October 21, 2022	May 26, 2023 (Friday)
November 08, 2022	
December 20, 2022	
February 17, 2023	
March 31, 2023 (Awards)	
June 06, 2023	
Bad Weather Make-up Days *	
Professional Development Days 📁	
January 05, 2023 (Data Digs)	
April 21, 2023 (STAAR Testing Training)	
Intersession Days	
September 26-30, 2022	
October 01, 2022	
November 05, 2022	
December 03, 2022	
February 04, 2023	
June 12-30, 2023	
Staff Work Days	
August 01-05, 2022	
January 06, 2023	
June 07-08, 2023	
Ignite Work Days	
July 18-29, 2022	
Tax Free Weekend: August 05-07, 2022	

State Testing Dates
STAAR
Dec 06-09, 2022 (EOC only)
April 18-21, 2023 - 3-8 Reading, English I, English II
April 25-28, 2023 - Science, Social Studies, Biology, US History
May 02-05, 2023 - 3-8 Math, Algebra 1
TELPAS Testing Window
Feb 20 - March 31, 2023

JANUARY						
Compassion						
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Wisdom						
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APRIL						
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MAY						
Courage						
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Board Exhibit Cover Sheet

Meeting Date: August 18, 2022

Agenda Item/Exhibit Number: **III.E.12.**

Agenda Item Title: Approve Interlocal Cost-Sharing Agreement for 2022-2023 school year with Communities in Schools of Southeast Texas

Cabinet Level Presenter(s): Cheryl Hernandez

Additional Presenter(s): Jenny Angelo

Executive Summary: The District has partnered with Communities in Schools to provide intensive case-management and family support to at-risk students during the academic year.

Recommendation: Approve Interlocal Cost-Sharing Agreement for 2022-2023 school year with Communities in Schools of Southeast Texas.

Budget Impact* (if applicable): \$660,000

Funding Source (if applicable):

Compliance with Purchasing Guidelines (list applicable guidelines, including grant requirements):

Policy Reference (if applicable, list policy/regulation):

Legal Review (if necessary, list attorney and firm):

Cheryl Hernandez
Cabinet Level Presenter's Signature

8/11/22
Date

*CFO Signature (required if there is a budget impact)

Date

General Counsel's Signature

Date



**COMMUNITIES IN SCHOOLS OF SOUTHEAST TEXAS
and
BEAUMONT INDEPENDENT SCHOOL DISTRICT**

2022-2023 Cost Share Agreement for Communities In Schools Services

SECTION I: Introduction

This cost share agreement is made and entered into by and between Communities In Schools of Southeast Texas (CISSET), a private non-profit corporation, and the Beaumont Independent School District (the District). The Parties agree to enter into a cooperative effort to provide school-based support services to students and their families in order to increase their level of academic success. The Parties have severally and collectively agreed and by the execution hereof are bound to the mutual obligations and to the performances and accomplishments of the tasks hereinafter described.

SECTION 2: Service Description

CISSET is a thoroughly evaluated dropout prevention program with a foundation of integrated student support systems. CISSET will provide intensive case-management and family support to at-risk students during the academic year. The CIS model relies heavily on a three-tiered approach: school-wide prevention, targeted and individualized early intervention services.

- **Tier I** – Schoolwide or large group activity given to a group of students and others to address a schoolwide goal or need. Schoolwide prevention services are coordinated with campus administration to provide education and tools to prepare youth and families to make healthy and informed decisions.
- **Tier II** – Targeted services given to students and/or families/guardians with a common goal or need, commonly received in a group setting.
- **Tier III** – Intensive, individualized services typically provided in a one-on-one setting to a CIS enrolled student and/or a family/guardian to address a highly-specific need.

Targeted and individualized intervention services consist of a thorough assessment of student behavior, attendance and academic needs and strengths. The assessment can identify possible abuse, drug and alcohol use, family crisis or mental health concerns. CISSET staff members consult with school personnel, parents and school administration to identify youth that will benefit from additional support and engage those students in an individualized service plan.

The CIS framework does not rely solely on the skills of the site coordinator, but on accessing community resources that specialize in areas of grief and loss counseling, substance abuse, mental health assessment and services and basic needs. CIS has working relationships with numerous community agencies and programs that collaborate to provide student and family support through schools.

SECTION 3: Partner Performance

- A. CISSET shall, in satisfactory performance of this agreement, perform and/or assume responsibility for the following functions of the Beaumont ISD:

1. Provide overall management and supervision of CISSET programs.
 2. CISSET will follow national, state and local policies of the various funders and affiliations, and ethical standards for service provision, under applicable state and local laws. Further, CISSET will follow the written district or school policies concerning student service delivery where written district or school policies are more restrictive than the policies noted above, except as otherwise herein noted or mutually agreed in writing.
 3. Maintenance of files on students served containing all relevant data requisite to the case and to project criteria. Case records will only be released in accordance with the Confidentiality of Mental Health Information statutes under Texas Civil Law, and adhere to FERPA and state privacy and security requirements.
 4. Supervision and oversight of project staff in accordance with CISSET personnel policies and consistent with state and federal laws. Project staff members remain employees of CISSET. Individuals repositioned by other organizations to a CISSET project remain employees of the assigning organization, but each organization's actions are carried out under the auspices of CISSET and in accordance with the mutually agreed upon service delivery plan. If a project staff member resigns or is terminated for any reason, CISSET will arrange for qualified personnel to cover an extended absence to maintain quality services. CISSET will be given at least ten business days to find a replacement. CISSET will make reasonable efforts to replace the assigned personnel. If CISSET is unsuccessful in providing qualified personnel, the agency will refund Beaumont ISD on a pro-rata basis. CISSET staff cannot fulfill additional duties (administrative, clerical, classroom or otherwise) that would usually be assigned to district employees. CISSET staff cannot service as substitute teachers.
 5. Administrative, logistical and technical support to ensure the success of service delivery initiatives.
 6. Notification to the Principals and appropriate legal authorities of cases presented to its staff that involve suicidal ideation, violent behavior, child abuse, sexual abuse/harassment and legal custody. CISSET will assist in the resolution of such cases if requested by the principal.
 7. A report that will include a demographic profile of participants and outcomes. This report may include an account of resources brought to the district by CISSET as well as overall numbers of students participating in various CISSET activities. The district may request other reports.
- B. In support of this agreement, the Beaumont Independent School District shall provide and/or assume responsibility for the following:
1. A total of \$660,000 for managerial and operating costs associated with the implementation of CIS programming on twenty-three campuses for the 2022-2023 academic year. Campuses are: **Beaumont United High School, West Brook High School, Amelia Elementary, Blanchette Elementary, Bingman Head Start, Caldwood Elementary, Charlton-Pollard Elementary, Curtis Elementary, Dishman Elementary, Fletcher Elementary, Guess Elementary, Homer Elementary, Lucas Pre-K Center, Martin Elementary, Pietzsch-MacArthur Elementary, Regina-Howell Elementary, Marshall Middle School, Odom Academy, Vincent Middle School, Early College High School, Smith Middle School, Pathways Learning Center and Paul Brown Learning Center.**
 2. Programmatic and office space; availability of a copier, internet access and a separate, direct telephone line for use by CISSET on each campus.
 3. Access to records such as grades, attendance, test scores and free/reduced lunch status, including limited access to the district data system for documentation of at-risk status and progress towards case-management goals of students participating in CIS programs.

4. Responsibility for all cases involving suicidal ideation, violent behavior, child abuse, sexual abuse/harassment or legal custody. The principal will provide CISSET updated information on the makeup, responsibilities and procedures of the Student Assistance Program.
5. Notification in writing of all developments, policy changes or other issues arising within the district or school which affect or have the potential to affect the provisions of this MOU or the operation of CIS programs.
6. Sufficient time each year for a brief CISSET overview and up-dates to the District's Trustees.
7. Inclusion of CISSET in the District Improvement Plan where appropriate and as agreed upon with the CISSET Executive Director (note: TEA provides a significant portion of the CISSET funding and requires that CISSET be included in the District Improvement Plan).

SECTION 4: Termination

- A. Either of the parties hereto shall have the right in such party's sole discretion and at such party's sole option to terminate this agreement at any time prior to the date of completion upon thirty (30) days written notice. Notification shall promptly be made in writing of such determination, the reasons for such termination and the effective date of such termination.
- B. Upon termination or receipt of notice to terminate, whichever occurs first, CISSET shall cancel, withdraw or otherwise terminate any outstanding orders or contracts and shall cease to incur costs, the District shall not be liable to CISSET or to the creditors for costs incurred after the date of termination of this agreement. Funds will be reimbursed to the District on a prorated basis (per month for the time period of September 1 through May 31).

SECTION 5: Signatures

This agreement constitutes the full and total understanding and agreement of the parties and any modification, amendment or alteration hereto must be agreed in writing by all parties hereto. This Agreement is and will be governed by the laws of the State of Texas.

The term of this agreement shall be from September 1, 2022 through August 31, 2023 and will be reviewed annually on or before July 1, 2023. Either party may cancel this MOU if thirty days written notification is provided to the other party at the addresses indicated below.

IN WITNESS WHEREOF this agreement is signed this _____ day of _____ 2022.

By: _____
(Superintendent Signature)

Dr. Shannon Allen, Superintendent
 Beaumont Independent School District
 3395 Harrison Ave.
 Beaumont, TX 77706

By: _____
(Executive Director Signature)

Latrisa Goodman, Executive Director
 Communities In Schools of Southeast Texas
 350 Pine Street, Suite 500
 Beaumont, Texas 77701



Board Exhibit Cover Sheet

Meeting Date: August 18, 2022

Agenda Item/Exhibit Number: **III.F.2.**

Agenda Item Title: Approve Budget Amendments

Cabinet Level Presenter(s): Cheryl Hernandez

Additional Presenter(s):

Executive Summary:

Recommendation: Approve budget amendments GF-2 , CP-1, and accept amendments SR-4, SR-5, SR-6, and SR-7

Budget Impact* (if applicable):

Funding Source (if applicable):

Compliance with Purchasing Guidelines (list applicable guidelines, including grant requirements):

Policy Reference (if applicable, list policy/regulation):

Legal Review (if necessary, list attorney and firm):

Cheryl Hernandez
Cabinet Level Presenter's Signature

8/8/22
Date

*CFO Signature (required if there is a budget impact)

Date

General Counsel's Signature

Date

2022-2023 BUDGET AMENDMENT NUMBER GF-2

	<u>Current Budget</u>	<u>Change</u>	<u>Amended Budget</u>
<u>Expenditures</u>			
199.11.6399.49.801.11.000	138,000	(30,000)	108,000
199.21.6399.49.801.99.000	8,000	30,000	38,000
199.11.6399.04.112.30.000	18,750	(3,500)	15,250
199.31.6411.04.112.30.000	-	3,500	3,500
199.11.6399.04.101.30.000	28,796	(8,500)	20,296
199.23.6395.04.101.30.000	-	2,000	2,000
199.23.6399.04.101.30.000	-	5,000	5,000
199.23.6411.04.101.30.000	-	1,000	1,000
199.31.6411.04.101.30.000	-	500	500
199.11.6399.01.101.11.000	3,750	(850)	2,900
199.23.6495.01.101.99.000	-	850	850
199.11.6112.87.999.11.000	250,000	(211,860)	38,140
199.99.6213.70.703.99.000	1,353,765	200,000	1,553,765
199.95.6219.77.845.99.000	150,000	11,860	161,860
199.99.8911.00.000.00.000	-	550,000	550,000
199.31.6299.59.738.99.000	-	90,000	90,000
199.52.6395.69.850.99.000	7,800	40,000	47,800
199.41.6395.57.825.99.000	-	444	444
199.36.6399.42.849.99.000	28,141	5,583	33,724
199.13.6399.42.849.11.000	-	258	258
199.36.6399.42.014.99.236	1,500	998	2,498
199.36.6499.XX.014.99.XXX	1,318	774	2,092
199.36.6499.41.014.91.204	4,000	1,740	5,740
199.11.6399.52.807.22.000	90,761	4,339	95,100
199.21.6399.52.807.22.000	7,000	4,339	11,339
199.23.6639.01.008.99.000	37,230	23,135	60,365
199.36.6395.02.008.99.281	1,000	506	1,506
199.41.6499.72.701.99.000	56,000	25,000	81,000
199.41.6399.72.701.99.000	4,652	44,450	49,102
199.41.6411.70.726.99.000	11,000	200	11,200
199.41.6299.70.726.99.000	2,500	16,305	18,805
197.36.6399.41.042.91.402	1,000	840	1,840
199.51.6299.80.819.99.000	1,332,719	626,914	1,959,633
199.51.6319.80.819.99.608	210,789	15,150	225,939
199.51.6299.80.819.99.608	600,000	35,699	635,699
199.51.6299.80.819.99.601	125,000	18,414	143,414
199.51.6299.80.819.99.902	100,000	34,966	134,966
199.51.6299.80.006.99.000	-	483,987	483,987
199.51.6219.80.819.99.000	105,000	9,448	114,448
199.51.6299.80.819.99.602	300,000	23,937	323,937
199.51.6319.80.819.99.610	50,000	4,816	54,816
199.51.6XXX.07.819.99.XXX	2,231,888	467,986	2,699,874
		-	
Total Expenditures		<u>2,530,228</u>	
Net Change in the General Fund Budget		<u>(2,530,228)</u>	

2022-2023 BUDGET CHANGE

Total Revenues/Other Sources	172,301,012		172,301,012
Total Expenditures	<u>173,349,420</u>	<u>2,530,228</u>	<u>175,879,648</u>
2022-2023 Adjusted	(1,048,408)	(2,530,228)	(3,578,636)

Explanations of August Budget Amendments

General Fund GF-2

- Transfer \$30,000 from instructional general supplies to instructional leadership general supplies – Curriculum Dept (801).
- Transfer \$3,500 from instructional general supplies to guidance & counseling employee travel (funds were not originally allocated in function 31) – Guess ES (112).
- Transfer a total of \$9,350 from instructional general supplies to school leadership general supplies, fixed assets, employee travel, membership dues and guidance & counseling employee travel (funds were not originally allocated in functions 23 & 31) – Amelia ES (101).
- Transfer a total of \$211,860 from instructional general supplies for cost increases for:
 - Tax Appraisal & Collections - \$200,000
 - Payments to JJAEP - \$11,860
- Increase Operating Transfers Out \$550,000 to Capital Projects to fund the new intake pre-fab building at Bingman Head Start.
- Increase Leadership Development & Student Discipline budget \$90,000 for crisis prevention training for two people at each campus.
- Increase Police Dept budget \$40,000 to purchase eight metal detectors.
- Increase for purchased orders carried from FY 2021-22 for items not yet received or services performed on projects in progress:
 - Textbooks - \$444
 - Fine Arts - \$6,839
 - Beaumont United HS - \$2,514
 - Career & Technical Education - \$8,678
 - West Brook HS – \$23,641
 - Superintendent’s Office - \$69,450
 - Business Administration - \$16,505
 - Smith MS Athletics - \$840
 - Maintenance Dept - \$1,721,317

CP-1

- Record an increase in Capital Projects Operating Transfers In.
- Increase Capital Projects budget for the new intake pre-fab building at Bingman Head Start.

SR-4

- Fund 211.SAP School Action Planning Grant moving funds to cover maintenance projects for redesign.

SR-5

- Fund 282 ESSER III Grant Reallocating funds to purchase supplies.

SR-6

- Fund 263 Title III Reallocating funds to purchase instructional supplies.

SR-7

- Fund 211.SAC School Action Fund Continuation Grant reclass monies to purchase supplies for campus.

2022-2023 BUDGET AMENDMENT NUMBER CP-1

	<u>Current Budget</u>	<u>Change</u>	<u>Amended Budget</u>
<u>Revenues</u>			
650.00.7915.00.000.00.000	-	<u>550,000</u>	550,000
Total Revenues		550,000	
<u>Expenditures</u>			
650.81.6629.00.132.99.000	-	550,000	550,000
Total Expenditures		<u>550,000</u>	
Net Change in the Capital Projects Budget		<u><u>-</u></u>	
<hr/> <hr/>			
2022-2023 BUDGET CHANGE			
Total Revenues/Other Sources	-	550,000	550,000
Total Expenditures	<u>14,269,393</u>	<u>550,000</u>	<u>14,819,393</u>
2022-2023 Adjusted	(14,269,393)	-	(14,269,393)

2022-2023 BUDGET AMENDMENT NUMBER SR-4

	<u>Current Budget</u>	<u>Change</u>	<u>Amended Budget</u>
<u>Curriculum Development</u>			
211.13.6117.00.717.99.SAP	74,880	(33,000)	41,880
<u>Plant Maint / Operations</u>			
211.51.6299.00.717.99.SAP	17,000	33,000	50,000
Total Expenditures		<u>-</u>	
Net (Increase)Title I School Action Planning		<u><u>-</u></u>	
<hr/> <hr/>			
2022-2023 BUDGET CHANGE			
Total Revenues/Other Sources	303,000	-	303,000
Total Expenditures	<u>303,000</u>	-	<u>303,000</u>
2022-2023Adjusted	-	-	-

2022-2023 BUDGET AMENDMENT NUMBER SR-5

	<u>Current Budget</u>	<u>Change</u>	<u>Amended Budget</u>
<u>Curriculum Development</u>			
282.11.6399.00.830.24.000	815,070	(10,000)	805,070
<u>Plant Maint / Operations</u>			
282.21.6399.00.830.24.000	-	10,000	10,000
Total Expenditures		<u>-</u>	
Net (Increase) ESSER III		<u><u>-</u></u>	

2022-2023 BUDGET CHANGE

Total Revenues/Other Sources	38,072,811	-	38,072,811
Total Expenditures	<u>38,072,811</u>	-	<u>38,072,811</u>
2022-2023 Adjusted	-	-	-

2022-2023 BUDGET AMENDMENT NUMBER SR-6

	<u>Current Budget</u>	<u>Change</u>	<u>Amended Budget</u>
<u>Community Services</u>			
263.61.6399.00.809.25.000	45,445	(15,000)	30,445
<u>Instruction</u>			
263.11.6399.00.809.25.000	107,092	15,000	122,092
Total Expenditures		<u>-</u>	
Net (Increase) Title III		<u><u>-</u></u>	
<hr/> <hr/>			
2022-2023 BUDGET CHANGE			
Total Revenues/Other Sources	230,157	-	230,157
Total Expenditures	<u>230,157</u>	-	<u>230,157</u>
2022-2023 Adjusted	-	-	-

2022-2023 BUDGET AMENDMENT NUMBER SR-7

	<u>Current Budget</u>	<u>Change</u>	<u>Amended Budget</u>
<u>School Leadership</u>			
211.23.6395.00.717.30.SAC	230,783	(8,370)	222,413
<u>Plant Maint / Operations</u>			
211.51.6319.00.717.30.SAC	-	8,370	8,370
Total Expenditures		<u>-</u>	
Net (Increase)School Action Fund Continuation Grant		<u><u>-</u></u>	
<hr/> <hr/>			
2022-2023 BUDGET CHANGE			
Total Revenues/Other Sources	1,500,000	-	1,500,000
Total Expenditures	<u>1,500,000</u>	-	<u>1,500,000</u>
2022-2023Adjusted	-	-	-



Board Exhibit Cover Sheet

Meeting Date: August 18, 2022

Agenda Item/Exhibit Number: **III.F.3.**

Agenda Item Title: Approve Purchases over \$50,000.00

Cabinet Level Presenter(s): Cheryl Hernandez

Additional Presenter(s): D'Lana Barbay, Toni McPherson, Jenny Angelo, Tiffany Eckenrod, Peggy Haynes, Randall Maxwell, and Brandi Phillips.

Executive Summary: The attached list reflects the purchase over \$50,000.00.

Recommendation: Approve purchases in the amounts shown on the attached list.

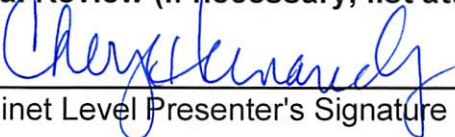
Budget Impact* (if applicable): General Fund: \$844,030.00
Capital Projects Fund: \$138,700.00
Federal Fund: \$998,498.41

Funding Source (if applicable): General Fund / Capital Projects Fund / Federal Fund

Compliance with Purchasing Guidelines (list applicable guidelines, including grant requirements): Ch. 44.031, EDGAR, 2 CFR 200

Policy Reference (if applicable, list policy/regulation): CH (LOCAL), CV (Legal)

Legal Review (if necessary, list attorney and firm): N/A



Cabinet Level Presenter's Signature



Date

*CFO Signature (required if there is a budget impact)

Date

General Counsel's Signature

Date



General Fund

Vendor	Department	Description/Justification of Purchase	Contract #	Cost
Region V	Curriculum	Juvenile Justice Alternative Education Program / Jefferson County Youth Academy.	Interlocal	\$161,860.00
Crisis Consultant Group	Student Discipline	Crisis Prevention and Intervention in-person training and national CPI certification for up to 45 employees.	CTPA #2022.150	\$90,000.00
Howard Technology Solutions	Information Technology	Microsoft A3 licenses for all full-time employees and all student licenses provided at no charge	TIPS #200105	\$89,100.00
TASB Risk Fund	Risk Management	Auto insurance and liability coverage for campuses	Interlocal	\$503,070.00
TOTAL				\$844,030.00

Capital Projects Fund

Vendor	Department	Description/Justification of Purchase	Contract #	Cost
Architectural Alliance	Maintenance & Operations	Architectural Fee for Security Vestibules projects at secondary campuses.	RFP #22.06	Not to Exceed \$138,700.00
TOTAL				\$138,700.00

Federal Fund

Vendor	Department (Fund Code)	Description/Justification of Purchase	Contract #	Cost
Region V	Curriculum (255)	Teacher Certification Program yearly application, service, and internship fees.	Interlocal	\$59,785.00
Hardie's Fresh Foods	Child Nutrition (240)	Fresh fruits and vegetables program. TDA released their award in July, confirming the increase from \$88,264.00 approved last month.	USDA	\$6,839.13
Houghton Mifflin Harcourt	Curriculum (255)	Blended coaching all year and 48 hours of in-person coaching / training to ensure implementation success	BuyBoard #653-21	\$111,600.00
Sabyr Consulting	Information Technology (281)	Yearly license renewal for Palo Alto firewalls: technical support, filtering, threat prevention, and WildFire subscription.	Region V #202110703	\$82,401.78
Accelerate Learning	Curriculum (255)	Renewal of STEMscopes Texas of Kinder-11 Biology Online.	TIPS #210301	\$77,872.50
Communities in Schools	Curriculum (282)	Placement of 22 fulltime coordinators on 23 district campuses.	Interlocal	\$660,000.00
TOTAL				\$998,498.41

**Region 5 Education Service Center
Jefferson County Juvenile Justice Alternative Education Program
2022-2023**

SERVICE ABSTRACT

Juvenile Justice Alternative Education Program

Jefferson County Youth Academy

Costs at sign-up are projected fees.

This is a Juvenile Justice Alternative Education Program under TEC 37.011. Region 5 ESC serves as the fiscal agent and instructional program monitor. Our field service agent coordinates and assists with this program. The following assistance will be provided:

- Oversee instructional program
- Hire and evaluate instructional staff
- Assist with coordination of services between district and county entities
- Schedule governance board meetings

ESC Contact: Marianne Kondo, 409-951-1839 or mkondo@esc5.net

Contract Options

09/01/2022 - 08/31/2023

Sign up for JJAEP

Option Total: \$161,860.00

Beaumont ISD desires to participate in Region 5 Education Service Center's Contract.

Name of Contact Person: __, Phone Number __

 Marcia Williams
Signature of Superintendent Assistant

 06/01/2022
Date

 Dr. Danny Lovett
Signature of Executive Director

 06/01/2022
Date

QUOTE ANALYSIS FORM

Form version 7.23.2019



INSTRUCTIONS FOR COMPLETION:

- 1) Vendor quotes must be in writing (i.e. Vendor Quotation form; Vendor email; Internet Quote, etc.).
- 2) All awards should be made to the vendor whose proposal offers the "best value" to Beaumont ISD.
- 3) Awards based on "best value" may consider various factors, including but not limited to:
 - (a) Price / Total Cost of Ownership, (b) Quality, (c) Availability, (d) Vendor/Product Reputation, (e) Vendor's Ability to Meet District Needs, (f) Client References, (g) Past Experience with Beaumont ISD, and/or (h) any other relevant factor that ensures best value to the District.
- 4) Upon consideration of all factors, if all quotes meet District needs, the award should be made to the lowest bidder.

Quote Analysis Summary

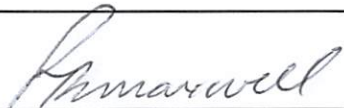
All awards should be made based on "Best Value" to the District. Please write a short summary below of each the vendor was chosen or denied.

Vendor Name:	Crisis Prevention Institute	Quote Total:	\$185,580.00
Summary:	Crisis Intervention and Prevention Training. Train the Trainer Program. National Instructor Certification for up to 45 people.		
Vendor Name:	Crisis Consulting Group	Quote Total:	\$90,000.00
Summary:	Crisis Intervention and Prevention Training. Train the Trainer Program. National Instructor Certification for up to 45 people.		
Vendor Name:	Crisis Intervention Team	Quote Total:	\$110,250.00
Summary:	Crisis Intervention and Prevention Training. Train the Trainer Program. National Instructor Certification for up to 45 people.		

Vendor Selected: Crisis Consulting Group

Selection Justification: Crisis Consulting Group provided the lowest quotes for the training and certification programs.

Name of Person Completing this Form: Randall Maxwell

Signature: 

NOTE: THE COMPLETED & SIGNED TABULATION FORM AND COPIES OF ALL QUOTES MUST BE ATTACHED TO THE REQUISITION.



PROPOSAL OF SERVICES

Date: 7/12/2022

Provided For: Beaumont ISD, TX

Crisis Consultant Group, LLC (CCG) will provide course instruction for the following courses as outlined in this proposal: **Crisis Prevention & Intervention (Train-the-Trainer) – Education**

Full course descriptions can be found at: [On-Location Training Course Descriptions](#)

- Live training curriculum will be provided live-taught, on-location, upon agreed date/time for employees (Participants) of the Company for the purpose of certification in selected training curriculum.
- Training will be provided via a cost-effective, small or large group format, to maximize competency, increase retention, and provide an engaging and empowering learning experience for Participants. All CCG Training certifications are good for 1-year.
- Participant certification will be provided based upon successful completion of required competencies as stipulated during training sessions and in accordance with Best Practices, and recommended industry guidelines from organizations such as: Joint Commission, CMS, CARF, OSHA, COA, NIOSH, and others.

Course Delivery

- All CCG courses are taught by highly experienced certified Master Level Instructors, all of whom have direct “front-line” work experience dealing with crisis situations and challenging persons in various workplace environments ranging from mental health and psychiatric settings, educational systems, correctional institutions, law enforcement organizations, military and combat environments, corporate and security settings, as well as medical treatment and human service providers.
- Costs outlined include applicable Participant materials necessary for attendance and completion of course provided. Master Instructor travel charges will be forwarded to client “as-is” without any additional cost or per diem rates, ensuring client expenditures remain minimal.

Company Information:

- The Crisis Consultant Group offers groundbreaking training in the field of Crisis Prevention and Intervention as well as general and advanced training for Active Shooter / Armed Intruder Response. Combining over six decades of experience, training, and dedication to the field of crisis intervention and hostile threat mitigation, CCG is a leader at improving the safety and security of companies all over the United States. CCG Instructors provide some of the most advanced theories and techniques when dealing with individuals in crisis. These methods and techniques have been proven effective in various workplace environments, while dealing with mildly aggressive, to highly aggressive and violent individuals.
- CCG is fully licensed and insured and is registered and certified as a Veteran Owned Small Business (VOSB) with the US Department of Veterans Affairs.
- The CCG training curriculum is currently taught and utilized across the nation, the USVI, Canada, and overseas, in a range of facilities from mental health centers, schools, corporate workplaces, correctional facilities, youth shelters, hospitals, law enforcement, and healthcare settings.
- CCG has become one of the foremost leaders in crisis intervention, workplace violence, and active shooter response training, with plans to extend further throughout the United States and internationally.



PRICING OPTIONS

Training Curriculum:	MULTI SESSION DISCOUNT?	GROUP SIZE	NUMBER OF STUDENTS/	COST PER SESSION	TOTAL
Crisis Prevention & Intervention – Advanced - Education	N/A	N/A	45	\$45,000	\$45,000.00

*2 sessions of approximately 20-25 trainers each not to exceed 45 total between both sessions.

PARTICIPANT HANDBOOK COSTS	0-199 COPIES*	200+ COPIES*
Train-the-Trainer Materials	Included	Included
CP&IT Beginner Handbook	\$10.00 ea	\$9.75 ea
CP&IT Advanced Handbook	\$10.50 ea	\$10.25 ea
CP&IT Annual Recertification Handbook	\$8.00 ea	\$7.75 ea

*Prices includes shipping and handling; Handbook costs are included in training for all participants for Beginner & Advanced courses; these costs reflect ongoing handbook cost for participants if train-the-trainer option is selected

TRAVEL COSTS
All Airfare/Lodging/Fuel/Meals/Parking are included.
Cost: N/A

PROPOSAL ACCEPTANCE AND VALIDITY
Upon approval of this Proposal an official Training Agreement (TA) will be forwarded to client for review, endorsement, and return to CCG. TA will show agreed upon training dates and location for services to be provided. Proposals are valid for 30 days from date noted on Page 1, unless otherwise agreed and noted below:
Extended Thru: 8/12/2022

PAYMENT TERMS
Initial deposit of 50% of total training services cost due upon training date confirmation with Company.
Payments may be made via direct invoice or mailed as follows:
Payment made out to: Crisis Consultant Group
Mailed to: Crisis Consultant Group 8005-C Creighton Parkway. #710, Mechanicsville VA 23111

Proprietary Materials.

All materials created, distributed, and/or delivered by CCG are fully US Copyright protected and are provided to the Company and/or its employees in connection with the training as agreed in conjunction with this Proposal. Training materials provided during services delivered in accordance with the Training Agreement shall be considered the intellectual property of Crisis Consultant Group, Inc, information of the Consultant, and shall not be copied, shared, sold, or distributed to any individual(s) or organization(s) outside of Company without expressed written consent and authorization.



REFERENCES

CHILDREN'S CENTER OF HAMDEN

Children's Center of Hamden is a private, nonprofit child care agency in Hamden, Connecticut that engages more than 150 highly skilled childcare workers, therapists and teachers to provide quality treatment, care and education in an encouraging and responsible setting. Their offerings include Residential/Inpatient Treatment Programs, Outpatient Treatment Programs, and Onsite School K-12.

Contact: Todd Johnson **Office:** (203) 214-2525 x298 **Email:** TJohnson@tccoh.org

NATIONAL CAPITAL TREATMENT & RECOVERY

Since 1962, National Capital Treatment & Recovery, Formerly Phoenix House Mid-Atlantic, has served more than 40,000 individuals struggling with substance use disorder and continues to be one of the foremost addiction treatment centers in the region. <https://www.natcapreatment.org/>

Contact: Alyssa DeGrace **Office:** 703.841.0703 x3232 **Email:** adegrace@natcapreatment.org

SPECTRUM RESOURCE CENTER & SCHOOL

Based in Ohio, The Learning Spectrum for over ten years has provided naturalistic Autism programs for children with ASD and families.

Contact: Cheryl Weber

Email: spectrum.cherylweber@gmail.com

JAMES LOGAN HIGH SCHOOL

James Logan High School is a public high school located in Union City, California. It is part of the New Haven Unified School District in the San Francisco Bay Area

Contact: Yvonne Hull

Email: yhull@nhusd.k12.ca.us

OTTO SPECHT SCHOOL

At the Otto Specht School, we work to discover each child's path to lifelong learning, offering a variety of educational programs designed to meet the needs of students with developmental delays, social and sensory sensitivities, and learning challenges. We have looked beyond both typical and special educational models to provide an *extraordinary* education to those who need it most.

Contact: Jeanette Rodriguez

Email: j.rodriguez@ottospecht.org



CALM EVERY STORM®

— Learn How. Know When. —

CRISIS CONSULTANT GROUP, INC

Crisis Consultant Group, Inc
8005-C Creighton Parkway
Mechanicsville, VA 23111

Web: www.crisisconsultantgroup.com
training@crisisconsultantgroup.com

Toll Free: 1-866-978-9990

PROPOSAL OF SERVICES

Date: 7/12/2022

Provided For: Beaumont ISD, TX

Crisis Consultant Group, LLC (CCG) will provide course instruction for the following courses as outlined in this proposal: **Crisis Prevention & Intervention (Train-the-Trainer) – Certification**

Full course descriptions can be found at: [On-Location Training Course Descriptions](#)

- Live training curriculum will be provided live-taught, on-location, upon agreed date/time for employees (Participants) of the Company for the purpose of certification in selected training curriculum.
- Training will be provided via a cost-effective, small or large group format, to maximize competency, increase retention, and provide an engaging and empowering learning experience for Participants. All CCG Training certifications are good for 1-year.
- Participant certification will be provided based upon successful completion of required competencies as stipulated during training sessions and in accordance with Best Practices, and recommended industry guidelines from organizations such as: Joint Commission, CMS, CARF, OSHA, COA, NIOSH, and others.

Course Delivery

- All CCG courses are taught by highly experienced certified Master Level Instructors, all of whom have direct “front-line” work experience dealing with crisis situations and challenging persons in various workplace environments ranging from mental health and psychiatric settings, educational systems, correctional institutions, law enforcement organizations, military and combat environments, corporate and security settings, as well as medical treatment and human service providers.
- Costs outlined include applicable Participant materials necessary for attendance and completion of course provided. Master Instructor travel charges will be forwarded to client “as-is” without any additional cost or per diem rates, ensuring client expenditures remain minimal.

Company Information:

- The Crisis Consultant Group offers groundbreaking training in the field of Crisis Prevention and Intervention as well as general and advanced training for Active Shooter / Armed Intruder Response. Combining over six decades of experience, training, and dedication to the field of crisis intervention and hostile threat mitigation, CCG is a leader at improving the safety and security of companies all over the United States. CCG Instructors provide some of the most advanced theories and techniques when dealing with individuals in crisis. These methods and techniques have been proven effective in various workplace environments, while dealing with mildly aggressive, to highly aggressive and violent individuals.
- CCG is fully licensed and insured and is registered and certified as a Veteran Owned Small Business (VOSB) with the US Department of Veterans Affairs.
- The CCG training curriculum is currently taught and utilized across the nation, the USVI, Canada, and overseas, in a range of facilities from mental health centers, schools, corporate workplaces, correctional facilities, youth shelters, hospitals, law enforcement, and healthcare settings.
- CCG has become one of the foremost leaders in crisis intervention, workplace violence, and active shooter response training, with plans to extend further throughout the United States and internationally.

SAFE

REALISTIC

EFFECTIVE

PROVEN

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CALM EVERY STORM[®]

Learn How. Know When.

CRISIS CONSULTANT GROUP, INC

Crisis Consultant Group, Inc
8005-C Creighton Parkway
Mechanicsville, VA 23111

Web: www.crisisconsultantgroup.com
training@crisisconsultantgroup.com

Toll Free: 1-866-978-9990

PRICING OPTIONS

Training Curriculum:	MULTI SESSION DISCOUNT?	GROUP SIZE	NUMBER OF STUDENTS/	COST PER SESSION	TOTAL
Crisis Prevention & Intervention – Advanced - Certification	N/A	N/A	45	\$45,000	\$45,000.00

*2 sessions of approximately 20-25 trainers each not to exceed 45 total between both sessions.

PARTICIPANT HANDBOOK COSTS	0-199 COPIES*	200+ COPIES*
Train-the-Trainer Materials	Included	Included
CP&IT Beginner Handbook	\$10.00 ea	\$9.75 ea
CP&IT Advanced Handbook	\$10.50 ea	\$10.25 ea
CP&IT Annual Recertification Handbook	\$8.00 ea	\$7.75 ea

*Prices includes shipping and handling; Handbook costs are included in training for all participants for Beginner & Advanced courses; these costs reflect ongoing handbook cost for participants if train-the-trainer option is selected

TRAVEL COSTS

All Airfare/Lodging/Fuel/Meals/Parking are included.

Cost: N/A

PROPOSAL ACCEPTANCE AND VALIDITY

Upon approval of this Proposal an official Training Agreement (TA) will be forwarded to client for review, endorsement, and return to CCG. TA will show agreed upon training dates and location for services to be provided. Proposals are valid for 30 days from date noted on Page 1, unless otherwise agreed and noted below:

Extended Thru: 8/12/2022

PAYMENT TERMS

Initial deposit of 50% of total training services cost due upon training date confirmation with Company.

Payments may be made via direct invoice or mailed as follows:

Payment made out to: **Crisis Consultant Group**

Mailed to: **Crisis Consultant Group 8005-C Creighton Parkway. #710, Mechanicsville VA 23111**

Proprietary Materials.

All materials created, distributed, and/or delivered by CCG are fully US Copyright protected and are provided to the Company and/or its employees in connection with the training as agreed in conjunction with this Proposal. Training materials provided during services delivered in accordance with the Training Agreement shall be considered the intellectual property of Crisis Consultant Group, Inc, information of the Consultant, and shall not be copied, shared, sold, or distributed to any individual(s) or organization(s) outside of Company without expressed written consent and authorization.

SAFE

REALISTIC

EFFECTIVE

PROVEN



QUOTE ANALYSIS FORM

Form version 7.23.2019

INSTRUCTIONS FOR COMPLETION:

- 1) Vendor quotes must be in writing (i.e. Vendor Quotation form; Vendor email; Internet Quote, etc.).
- 2) All awards should be made to the vendor whose proposal offers the "best value" to Beaumont ISD.
- 3) Awards based on "best value" may consider various factors, including but not limited to:
 - (a) Price / Total Cost of Ownership, (b) Quality, (c) Availability, (d) Vendor/Product Reputation, (e) Vendor's Ability to Meet District Needs, (f) Client References, (g) Past Experience with Beaumont ISD, and/or (h) any other relevant factor that ensures best value to the District.
- 4) Upon consideration of all factors, if all quotes meet District needs, the award should be made to the lowest bidder.

Quote Analysis Summary	
All awards should be made based on "Best Value" to the District. Please write a short summary below of each the vendor was chosen or denied.	
Vendor Name: CDW-G	Quote Total: \$ 126,720.00
Summary: This quote includes 2200 A3 licenses for Microsoft Office A3 for all full-time employees. This is a volume license. Also included is 20000 A3 student licenses that will provide Microsoft Office free with the purchase of the 2000 licenses.	
Vendor Name: SHI	Quote Total: \$ 121,836.00
Summary: This quote includes 2200 A3 licenses for Microsoft Office A3 for all full-time employees. This is a volume license. Also included is 20000 A3 student licenses that will provide Microsoft Office free with the purchase of the 2000 licenses.	
Vendor Name: Howard Technology	Quote Total: \$ 89,100.00
Summary: This quote includes 2200 A3 licenses for Microsoft Office A3 for all full-time employees. This is a volume license. Also included is 20000 A3 student licenses that will provide Microsoft Office free with the purchase of the 2000 licenses.	

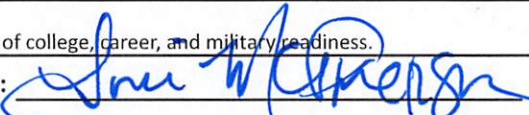
Vendor Selected: Howard Technology

Selection Justification: We have chosen Howard Technology Solutions as it is the most cost efficient solution to the district. Howard is on the DIR purchasing Co-op.

The licenses are good for one year and will provide Microsoft Office as an additional option to all users and students for school and personal

use. It will serve as an additional learning tool to help meet our goals of college, career, and military readiness.

Name of Person Completing this Form: Toni McPherson

Signature: 

NOTE: THE COMPLETED & SIGNED TABULATION FORM AND COPIES OF ALL QUOTES MUST BE ATTACHED TO THE REQUISITION.

Phone: 1.888.912.3151
 Fax: 1.601.399.5077
 Online: www.howardcomputers.com



Howard Computers
 P.O. Box 1588
 Laurel, MS 39441

Online Quotation

Quote No:	TD4 1228717.00	Quote Date:	August 17, 2022
Customer Name:	Toni Mcpherson	Phone Number:	409-617-5041
Company Name:	Beaumont ISD	Fax Number:	4096175202
Quote Name:	Microsoft O365		

Item 1

Category	Description	Qty.	Unit Price	Ext. Price
System Type:	Accessories			
1:	Ovs-Es Program Microsoft Office 365 (Plan A3) - Subscription License - 1 User - 12 Months - Price Level E - Academic, Volume, CompanyWide Non Platform - Microsoft Open Value Subscription MPN: HVH-00009	2200	\$40.50	\$89,100.00
2:	Ovs-Es Program Microsoft Office 365 (Plan A3) - Subscription License - 1 User - 12 Month - Academic, Volume, Student Use - Microsoft Open Value Subscription MPN: JNN-00001	20000	\$0.00	\$0.00

Sub-Total:	\$89,100.00
Shipping & Handling :	Included
Taxes:	Tax Exempt
Total for Item 1:	\$89,100.00

This quote will expire September 16, 2022.
 To expedite your order, please include your quote number with your Purchase Order.

Total for all pre-configured items

Sub-Total:	\$89,100.00
Shipping & Handling :	Included
Taxes:	Tax Exempt
Total:	\$89,100.00

Notes:

PRICING IS VALID FOR AUGUST 2022 ONLY OVS-ES - New Agreement - Faculty/Staff count = 2200 - Student count = 20000 - Level E Pricing *** 12 month subscription

Pricing and availability subject to change without notice. Packaging, Shipping, and Handling fees are not included unless specifically stated. Prices and lease payments do not include applicable taxes. Ship dates are approximations and are not guarantees. Quick ship items not available in Alaska, Hawaii, or outside the United States. Specific state laws may affect shipment of products.

Any order for kiosks must be canceled prior to 21 days from the scheduled date of shipment to avoid incurring a 50% cancellation fee. Any cancellation made within that 21-day window will automatically incur a charge equivalent to 50% of the total kiosk order being canceled.

Howard reserves the right to charge a 25% restocking fee for cancellation of a purchase order after Howard has commenced fulfillment of the order. Howard may, with notice, cancel any purchase order at any time without any liability to the Purchaser.

Howard reserves the right to charge the Purchaser full purchase price for delaying shipment of a purchase order for an extended period of time which then results in the cancellation of said order.

Given the current uncertainties related to international trade, Howard hereby reserves the right to unilaterally revise the prices quoted herein in the event its manufacturing or procurement costs for such goods increase due to the imposition by the United States or any other country of new or higher tariff(s) or of any other similar tax, fee or charge.

If Purchaser fails to pay any invoice in full within the time quoted herein, Howard may, without notice, accelerate the due date of all outstanding invoices and require that all outstanding invoices, including any interest thereon, be immediately due and payable in full.

Howard's product warranties and return policies and related information, which are available at <https://www.howardcomputers.com/support/warranties.cfm> and <https://www.howardcomputers.com/support/returnpolicy.cfm>, are fully adopted and incorporated herein by reference. These may also be obtained by calling 1-888-912-3151 or emailing webmaster@howardcomputers.com.

THIS QUOTATION IS EXPRESSLY LIMITED TO, AND EXPRESSLY MADE CONDITIONAL ON, PURCHASER'S ACCEPTANCE OF THE TERMS SET FORTH OR INCORPORATED HEREIN; HOWARD OBJECTS TO ANY DIFFERENT OR ADDITIONAL TERMS.



12007 Research Blvd. · Austin, TX 78759-2439 · P.O. Box 301 · Austin, TX 78767
800.482.7276 · tasbrmf.org

CONTRIBUTION INVOICE

Billing Address:	Invoice Date:	08/01/2022
BEAUMONT ISD	Account:	2123910
3395 HARRISON AVE	Invoice Number:	67862
BEAUMONT TX 77706-5009	Due Date:	9/1/2022

Reference Number	Description	Amount Due
513746	Data Breach/Privacy Liability	\$6,000.00
513778	School Liability	\$218,632.00
513717	Auto Physical Damage - Coll	\$31,551.00
513717	Auto Physical Damage - Comp	\$15,864.00
513717	Auto Liability	\$231,023.00
TOTAL CURRENT BALANCE DUE		<u>\$503,070.00</u>

Remit to:
TASB Risk Management Fund
P.O. Box 975111
Dallas, TX 75397-5111

Federal Tax ID Number 74-2499129
rmfobilling@tasb.org



**Estimate of Probable Construction Cost
 BISD Security Upgrades
 6-1-2022 Estimate Updated 7-26-2022 for 70 Days**

Early College High School

102 square feet x \$65/SF demolition/set-up	\$ 6,630
102 square feet x \$275/SF new construction/hardware	\$ 28,050
Ramp update	\$ 400
Technology video/sound/control allowance	\$ 6,000
Contractor Clean-up/Permits/Disposal	\$ 9,000
Subtotal	\$ 50,080
COST INDEX 70 DAYS ADD 14%	\$ 7,011
UPDATED COST	\$ 57,091

Beaumont United - 67 square feet

67 square feet x \$65/SF demolition/set-up	\$ 4,355
67 square feet x \$325/SF new construction/hardware (<i>arch opening cost adj.</i>)	\$ 21,775
Technology video/sound/control allowance	\$ 6,000
Contractor Clean-up/Permits/Disposal	\$ 9,000
Subtotal	\$ 41,130
COST INDEX 70 DAYS ADD 14%	\$ 5,758
UPDATED COST	\$ 46,888

King Middle School Main and Side Entrances

575 square feet x \$50/SF demolition/set-up	\$ 28,750
575 square feet x \$260/SF new construction/hardware	\$149,500
Technology video/sound/control allowance	\$ 6,000
(Technically difficult running power and technology to this door control devices)	
Contractor Clean-up Permits/Disposal	\$ 21,400
Subtotal	\$205,650
COST INDEX 70 DAYS ADD 14%	\$ 28,791
UPDATED COST	\$234,441

Marshall Middle School Main Wrapping to Side Entrance

840 square feet x \$50/SF demolition/set-up	\$ 42,000
834 square feet x \$260/SF new construction/hardware	\$216,840
Technology video/sound/control allowance	\$ 7,000
Window wall structural bracing	\$ 3,000
Contractor Clean-up Permits/Disposal	\$ 14,000
Subtotal	\$282,840
COST INDEX 70 DAYS ADD 14%	\$ 39,598
UPDATED COST	\$322,438

Odom Middle School

725 square feet x \$50/SF demolition/set-up	\$ 36,250
725 square feet x \$260/SF new construction/hardware/structural modifications	\$188,500
Window wall structural bracing	\$ 7,000
Technology video/sound/control allowance	\$ 8,000
Contractor Clean-up Permits/Disposal	\$ 37,000
Subtotal	\$276,750
COST INDEX 70 DAYS ADD 14%	\$ 38,745
UPDATED COST	\$315,495

Paul Brown Learning Center

81 square feet x 65/SF demolition/set-up	\$ 5,265
81 square feet x \$275/SF new construction/hardware	\$ 22,275
Technology video/sound/control allowance	\$ 6,000
Contractor Clean-up Permits/Disposal	\$ 6,000
Subtotal	\$ 39,540
COST INDEX 70 DAYS ADD 14%	\$ 5,536
UPDATED COST	\$ 45,076

Smith Middle School

89 square feet x \$65/SF demolition/set-up	\$ 5,785
89 square feet x \$275/SF new construction/hardware	\$ 24,475
630 square feet demolition canopy/walk x \$20/sf	\$ 12,600
630 square feet x \$45/SF new sloped concrete walk/canopy system	\$ 28,350
Technology video/sound/control allowance	\$ 6,000
Contractor Clean-up Permits/Disposal	\$ 11,000
Subtotal	\$ 88,210
COST INDEX 70 DAYS ADD 14%	\$ 12,349
UPDATED COST	\$100,559

South Park Middle School

117 square feet x \$65/SF demolition/set-up	\$ 7,605
117 square feet x \$275/SF new construction/hardware	\$ 32,175
Technology video/sound/control allowance	\$ 6,000
Contractor Clean-up Permits/Disposal	\$ 6,000
Subtotal	\$ 51,780
COST INDEX 70 DAYS ADD 14%	\$ 7,249
UPDATED COST	\$ 59,029

Vincent Middle School

248 square feet x \$65/SF demolition/set-up	\$ 16,120
248 square feet x \$275/SF new construction/hardware	\$ 68,200
560 square feet x \$30/SF demo and new ramps with handrails	\$ 16,800
Step removal and reconstruction (2 sets)	\$ 7,000
Concrete saw-cut edge, repairs and stainless cover/caulked	\$ 4,000
Technology video/sound/control allowance	\$ 6,000
Contractor Clean-up Permits/Disposal	\$ 11,000
Subtotal	\$129,120
COST INDEX 70 DAYS ADD 14%	\$ 18,077
UPDATED COST	\$147,197

WEST BROOK HIGH SCHOOL

408 square feet x \$65/SF demolition/set-up	\$ 26,520
408 square feet x \$275/SF new construction/hardware	\$112,200
2,281 square feet x \$25/SF demo and new sloped main entry with handrails	\$ 57,025
Step removal and reconstruction	\$ 1,500
Technology video/sound/control allowance	\$ 7,000
Contractor Clean-up Permits/Disposal	\$ 11,000
Subtotal	\$215,245
COST INDEX 70 DAYS ADD 14%	\$ 30,134
UPDATED COST	\$245,379

TOTAL MATERIAL INSTALLATION	\$1,573,593
CONTINGENCY ALLOWANCE TO BE USED ONLY AS AUTHORIZED	\$ 50,000
CONTRACTOR PROFIT/BOND 7%	\$ 110,152
TOTAL ESTIMATED CONSTRUCTION COST	\$1,733,745

ADDITIONAL COST

• ABATEMENT OF HAZARDOUS MATERIALS	
• Estimated Architectural Fee 8% x \$1,685,065	\$ 138,700

Note: The design for this project commenced January 25, 2019, and later placed on-hold.

REGION 5 EDUCATION SERVICE CENTER
Teacher Certification Program

350 PINE STREET STE 500, BEAUMONT TX 77701-0000
(409) 951-1881 FAX: (409) 951-1835

Quote #TCP061522
Requested by: D'Lana Barbay

Beaumont ISD3

395 Harrison Avenue
Beaumont, TX 77706-5009

Page: 1 of 1

Quantity	Description	Unit Price	Amount
1.00	TCP Application Fee	\$1,280.00	\$1,280.00
1.00	TCP PreService Fee	\$49,400.00	\$49,400.00
1.00	TCP Internship Fee	\$9,105.00	\$9,105.00
		Balance Due:	\$59,785.00

Beaumont Independent School District
Child Nutrition Department
2022-23 POs Greater than \$50,000 for Board Approval

Vendor	Description	PO Amount
Borden Dairy Company	Milk	\$930,000.00
Gordon Food Service	Food	\$3,550,000.00
Gordon Food Service	Non-Food	\$565,000.00
Hardie's Fresh Foods	Produce	\$390,000.00
Hardie's Fresh Foods	Produce FFVP	\$95,103.13
	6341 food	\$4,965,103.13
	6342 non-food	\$565,000.00
	Total Presented	\$5,530,103.13

INFORMAL QUOTES TABULATION FORM

Form version 7.23.2019



INSTRUCTIONS FOR COMPLETION:

- 1) Purchases between \$10,000 and \$49,999.99 require at least three (3) vendor quotes.
- 2) Vendor quotes must be in writing (i.e. Vendor Quotation form; Vendor email; Internet Quote, etc.).
- 3) All awards should be made to the vendor whose proposal offers the "best value" to Beaumont ISD.
- 4) Awards based on "best value" may consider various factors, including but not limited to:
 - (a) Price / Total Cost of Ownership, (b) Quality, (c) Availability, (d) Vendor/Product Reputation, (e) Vendor's Ability to Meet District Needs, (f) Client References, (g) Past Experience with Beaumont ISD, and/or (h) any other relevant factor that ensures best value to the District.
- 5) Upon consideration of all factors, if all quotes meet District needs, the award should be made to the lowest bidder.


Informal Quote Tabulation Summary

All awards should be made based on "Best Value" to the District. Please write a short summary below of why the vendor was chosen or denied.

Vendor Name:	Houghton Mifflin Harcourt	Quote Total:	\$111,600.00	coaching all year and 48 hours in person coaching/training
Summary:	HMH will provide in depth support and training for Read 180. All staff will have blended coaching support (online and in person) with 48 hours on site. They will work with BISD to ensure implementation success. Formal quote obtained.			
Vendor Name:	Voyager Sopris	Quote Total:	\$190,000.00	online only
Summary:	LANGUAGE Live! Training and support is not at the same hands-on, in depth level as HMH. They would not provide on-site training or coaching services so we would have to provide all support. This would not meet the needs for this program. Quote obtained through e-mail pricing.			
Vendor Name:	Scholastic	Quote Total:	\$80,120.00	online and in person
Summary:	Scholastic provides hands on training for their programs and webinars for program overview and support. They do not provide a blended coaching model nor hands on support - only training is in person. This would not be the best fit for our needs. Internet pricing used.			

Vendor Selected: Houghton Mifflin Harcourt

Name of Person Completing this Form: Jenny Angelo

Signature: 
Date: 8/2/2022

NOTE: THE COMPLETED & SIGNED TABULATION FORM AND COPIES OF ALL QUOTES MUST BE ATTACHED TO THE REQUISITION.



Houghton Mifflin Harcourt

Proposal #008404372

Prepared For

Beaumont Ind School District

3395 Harrison Ave
Beaumont TX 77706

Attention:

Jenny Angelo
jangelo@bmtisd.com

For the Purchase of:

Read 180 PD - 1 Year

BuyBoard 653-21

Prepared By
Ian Moore

ian.moore@hnhco.com

Please submit this proposal with your purchase order.

Purchase orders or duly executed service agreements for **Professional Services** purchased, must be submitted at least 30 days before the service event date.

For greater detail, the complete Terms of Purchases may be reviewed here:

<http://www.hnhco.com/common/terms-conditions>

Send **Check Payments** to:
Houghton Mifflin Harcourt Publishing Company
14046 Collections Center Drive
Chicago, IL 60693

Attention:
Jenny Angelo
jangelo@bmtisd.com

HMH Confidential and Proprietary

Send **Orders** to:
k12orders@hnhco.com
FAX: 800-269-5232
HMH Orders
9400 Southpark Center Loop
Orlando, FL 32819-8647

Proposal for
Beaumont Ind School District

Expiration Date: 9/9/2022

ISBN	Title	Price	Quantity	Value of All Materials
Professional Development Services				
6003080 9781328028385	READ 180 Universal Blended Coaching Membership	\$19,500.00	4	\$78,000.00
3032672 9781328041286	READ 180 on SIM Follow-Up In Person 6-Hour	\$4,200.00	8	\$33,600.00
Total for Professional Development Services		\$111,600.00		

Total Savings:	\$0.00
Subtotal Purchase Amount:	\$111,600.00
Shipping & Handling:	\$0.00
Total Cost of Proposal (PO Amount):	\$111,600.00
Please add proper sales tax to your order	

Send **Check Payments** to:
 Houghton Mifflin Harcourt Publishing Company
 14046 Collections Center Drive
 Chicago, IL 60693

Attention:
 Jenny Angelo
 jangelo@bmisd.com

HMH Confidential and Proprietary

Send **Orders** to:
 k12orders@hmc.com
 FAX: 800-269-5232
 HMH Orders
 9400 Southpark Center Loop
 Orlando, FL 32819-8647

Total Cost of Proposal (PO Amount): \$111,600.00

Thank you for considering HMH as your partner. We are committed to providing an excellent experience and delivering ongoing, high-quality service to our customers. To meet these goals, we want to ensure you are aware of the below Terms of Purchase. These terms help us process your order quickly, efficiently, and accurately, ensuring successful delivery and implementation of our solutions.

- Please return this cost proposal with your signed purchase order that matches product, prices and shipping charges.
- Provide the exact address for *delivery* of print materials. The shipping address may be your district warehouse or individual school sites, but it is essential that this is accurate.
- Please supply the name of each important district point of contact for all aspects of the solution including their direct contact information (email/phone):
 - o Point of Contact for Print materials
 - o Point of Contact for Digital materials
 - o Point of Contact for Scheduling Professional Development
- Please confirm that we have the correct 'Ship to' and 'Sold to' information on the cost proposal.

Ship to:	Sold to:
Beaumont ISD	Beaumont SD
3395 Harrison Ave	
Beaumont, TX 77706-5009	Beaumont, TX 77704-0672
- Please provide funding start and end dates.
- Please note that all products and services will be billed upon the processing of your purchase order.
- Our payment terms are 30 days from the invoice date.
- Print subscription material quantities may be adjusted across grades for like products, to accommodate enrollment fluctuations, quantities cannot be adjusted between different programs or copyrights.
- Our shipping terms are FOB shipping point. The shipping term for your proposal is Destination.
- Should any of these Terms of Sale conflict with any preprinted terms on your purchase order, the HMH terms of service shall apply.

Thank you in advance for supplying us with the necessary information at time of purchase. Our goal is to ensure your success throughout the duration of this agreement, which starts with a highly successful delivery of our solution.

For greater detail, the complete Terms of Purchase may be reviewed here: <http://www.hmhco.com/common/terms-conditions>

Date of Proposal: 5/30/2022

Proposal Expiration Date: 9/8/2022



Houghton Mifflin Harcourt

Send **Check Payments** to:
Houghton Mifflin Harcourt Publishing Company
14046 Collections Center Drive
Chicago, IL 60693

Attention:
Jenny Angelo
jangelo@bmtisd.com

HMH Confidential and Proprietary

Send **Orders** to:
k12orders@hnhco.com
FAX: 800-269-5232
HMH Orders
9400 Southpark Center Loop
Orlando, FL 32819-8647

QUOTE ANALYSIS FORM

Form version 7.23.2019



INSTRUCTIONS FOR COMPLETION:

- 1) Vendor quotes must be in writing (i.e. Vendor Quotation form; Vendor email; Internet Quote, etc.).
- 2) All awards should be made to the vendor whose proposal offers the "best value" to Beaumont ISD.
- 3) Awards based on "best value" may consider various factors, including but not limited to:
 - (a) Price / Total Cost of Ownership, (b) Quality, (c) Availability, (d) Vendor/Product Reputation, (e) Vendor's Ability to Meet District Needs, (f) Client References, (g) Past Experience with Beaumont ISD, and/or (h) any other relevant factor that ensures best value to the District.
- 4) Upon consideration of all factors, if all quotes meet District needs, the award should be made to the lowest bidder.

Quote Analysis Summary

All awards should be made based on "Best Value" to the District. Please write a short summary below of each the vendor was chosen or denied.

Vendor Name:	Sabyr	Quote Total:	\$ 82,401.78
Summary:	These licenses are required for the extended security of our Palo Alto firewalls. Sabyr utilized the Region 5 Co-op.		
Vendor Name:	CDW-G	Quote Total:	\$ 102,253.08
Summary:	These licenses are required for the extended security of our Palo Alto firewalls. CDW-G utilized the TIPS Co-op.		
Vendor Name:	Layer 3	Quote Total:	\$ 107,750.49
Summary:	These licenses are required for the extended security for our Palo Alto firewalls. Layer 3 utilized the DIR Co-op.		

Vendor Selected: _____ Sabyr _____

Selection Justification: We are selecting Sabyr Consulting with the most cost-effective solution and as the local vendor. This is a necessary purchase for the

 continuity of our connectivity and security of our network.

Name of Person Completing this Form: _____ Toni McPherson _____ **Signature:** _____

NOTE: THE COMPLETED & SIGNED TABULATION FORM AND COPIES OF ALL QUOTES MUST BE ATTACHED TO THE REQUISITION.



Description	Rate	Qty	Line Total
Palo Alto PAN-SVC-PREM-5220-R Palo Alto Networks : Premium support renewal, PA-5220	\$9,653.39	2	\$19,306.78
Palo Alto PAN-PA-5220-ADVURL-HA2-R Palo Alto Networks : Subscription Advanced URL Filtering, 1-year, PA-5220, HA Pair Renewal	\$9,950.50	2	\$19,901.00
Palo Alto PAN-PA-5220-TP-HA2-R Palo Alto Networks : Threat prevention subscription for device in an HA pair renewal, PA-5220	\$7,199.00	2	\$14,398.00
Palo Alto PAN-PA-5220-WF-HA2-R Palo Alto Networks : WildFire subscription for device in an HA pair renewal, PA-5220	\$7,199.00	2	\$14,398.00
Palo Alto PAN-PA-5220-DNS-HA2-R Palo Alto Networks : DNS Security subscription for device in an HA pair renewal, PA-5220	\$7,199.00	2	\$14,398.00

Subtotal 82,401.78
Tax 0.00

Prepared For
Beaumont ISD
Beaumont, TX

Estimate Number
2383

Estimate Date
08/02/2022

INFORMAL QUOTES TABULATION FORM

Form version 7.23.2019



INSTRUCTIONS FOR COMPLETION:

- 1) Purchases between \$10,000 and \$49,999.99 require at least three (3) vendor quotes.
- 2) Vendor quotes must be in writing (i.e. Vendor Quotation form; Vendor email; Internet Quote, etc.).
- 3) All awards should be made to the vendor whose proposal offers the "best value" to Beaumont ISD.
- 4) Awards based on "best value" may consider various factors, including but not limited to:
 - (a) Price / Total Cost of Ownership, (b) Quality, (c) Availability, (d) Vendor/Product Reputation, (e) Vendor's Ability to Meet District Needs, (f) Client References, (g) Past Experience with Beaumont ISD, and/or (h) any other relevant factor that ensures best value to the District.
- 5) Upon consideration of all factors, if all quotes meet District needs, the award should be made to the lowest bidder.

Informal Quote Tabulation Summary

All awards should be made based on "Best Value" to the District. Please write a short summary below of why the vendor was chosen or denied.

Vendor Name:	STEMscopes	Quote Total:	\$77,872.50	Grades K - 8 and Biology
Summary:	STEMscopes provides a robust and TEKS aligned, 5E framework of Science standards based curriculum. It is available in an online format with easy access for teacher resources. It has been used successfully in BISD previously. Formal quote obtained.			
Vendor Name:	SAVVAS Learning Com.	Quote Total:	\$657,250.00	Grades K - 12 with all content
Summary:	SAVVAS is similar to STEMscopes but has multiple components that we would not utilize and is advertised as a complete K-12 curriculum. This would not meet the needs for this program and is cost prohibitive. Pricing obtained online.			
Vendor Name:	SUMMIT K12	Quote Total:	\$133,855.00	Grades K - 8 and Biology
Summary:	SUMMIT K12 is very similar to STEMscopes except it is not in a 5E format so our teachers would need to reformat lessons to ensure continuity. The program would not be the best fit for our needs and is costly by comparison. Formal quote obtained.			

Vendor Selected: _____ STEMscopes _____

Name of Person Completing this Form: _____ Patsy Magee _____

Signature: Patsy Magee
Date: 8/9/2022

NOTE: THE COMPLETED & SIGNED TABULATION FORM AND COPIES OF ALL QUOTES MUST BE ATTACHED TO THE REQUISITION.



STEMscopes Quote

Quote/Invoice Number: 00077893
 Account Name: Beaumont Independent School District
 Shipping Address: 3395 Harrison Ave
 Beaumont, Texas 77706-5009
 United States

MAIL PAYMENTS TO:
 Division: Accelerate Learning Inc.
 Company Address: PO BOX 732464
 Dallas, 75373-2464

Created Date: 5/23/2022
 Prepared By: Jasmine Blaylock

Start Date: 9/3/2022

Description: Beaumont ISD-RENEWAL 2022- Science Grades Kinder-Biology Online
 TIPS #210301

The quantity below represents the total number of students for each grade level.

Product Name	ISBN	Grade	Quantity	Years	List Price	Sales Price	Total Price
TX Grade 4 Online	978-1-93662-095-1	K-5	1,050.00	1 Year	\$5.25	\$5.25	\$5,512.50
TX Grade 5 Online	978-1-93662-094-4	K-5	1,000.00	1 Year	\$5.25	\$5.25	\$5,250.00
TX Grade K Online	978-1-93662-099-9	K-5	1,200.00	1 Year	\$5.25	\$5.25	\$6,300.00
TX Grade 1 Online	978-1-93662-096-2	K-5	1,250.00	1 Year	\$5.25	\$5.25	\$6,562.50
TX Grade 2 Online	978-1-93662-097-5	K-5	1,300.00	1 Year	\$5.25	\$5.25	\$6,825.00
TX Grade 3 Online	978-1-93662-096-8	K-5	1,250.00	1 Year	\$5.25	\$5.25	\$6,562.50
TX ReTEKS Grade 5 Online	978-1-63037-071-8	K-5	13.00	1 Year	\$495.00	\$495.00	\$6,435.00
TX HS Biology Online	978-1-93662-090-6	HS	950.00	1 Year	\$5.95	\$5.95	\$5,652.50
TX Grade 6 Online	978-1-93662-093-7	MS	1,200.00	1 Year	\$5.95	\$5.95	\$7,140.00
TX Grade 7 Online	978-1-93662-092-0	MS	1,250.00	1 Year	\$5.95	\$5.95	\$7,437.50
TX Grade 8 Online	978-1-93662-091-3	MS	1,300.00	1 Year	\$5.95	\$5.95	\$7,735.00
TX ReTEKS HS Biology Online	978-1-63037-313-9	HS	3.00	1 Year	\$995.00	\$995.00	\$2,985.00
TX ReTEKS Grade 8 Online	978-1-63037-073-2	MS	5.00	1 Year	\$695.00	\$695.00	\$3,475.00

Subtotal: \$77,872.50
 Shipping: \$0.00
 Order Total: \$77,872.50



PROPOSAL

Date
July 1, 2022

To
Beaumont ISD 3395 Harrison Avenue Beaumont, TX 77706

Quantity	Description	Rate	Amount
22	<p>Placement of 22 full-time Communities In Schools of Southeast Texas Site Coordinators on 23 Beaumont ISD campuses for the 2022-2023 academic year.</p> <ol style="list-style-type: none"> 1. Beaumont United High School – 1 FTE 2. West Brook High School – 1 FTE 3. Amelia Elementary – 1 FTE 4. Blanchette Elementary – 1 FTE 5. Bingman Head Start – .5 FTE 6. Caldwood Elementary – 1 FTE 7. Charlton-Pollard Elementary – 1 FTE 8. Curtis Elementary – 1 FTE 9. Dishman Elementary – 1 FTE 10. Fletcher Elementary – 1 FTE 11. Guess Elementary – 1 FTE 12. Homer Elementary – 1 FTE 13. Lucas Pre-K Center – .5 FTE 14. Martin Elementary – 1 FTE 15. Pietzsch-MacArthur Elementary – 1 FTE 16. Regina-Howell Elementary – 1 FTE 17. Marshall Middle School – 1 FTE 18. Odom Academy – 1 FTE 19. Vincent Middle School – 1 FTE 20. Early College High School – 1 FTE 21. Smith Middle School – 1 FTE 22. Pathways Learning Center – 1 FTE 23. Paul Brown Learning Center – 1 FTE <p>Service Description: CISSET is a thoroughly evaluated dropout prevention program with a foundation of integrated student support systems. CISSET will provide intensive case-management and family support to at-risk students during the academic year. The CIS model relies heavily on a three-tiered approach: school-wide prevention, targeted and individualized early intervention services.</p> <p>Tier I – Schoolwide or large group activity given to a group of students and others to address a schoolwide goal or need. Schoolwide prevention services are coordinated with campus administration to provide education and tools to prepare youth and families to make healthy and informed</p>	\$30,000	\$660,000

	<p>decisions.</p> <p>Tier II – Targeted services given to students and/or families/guardians with a common goal or need, commonly received in a group setting.</p> <p>Tier III – Intensive, individualized services typically provided in a one-on-one setting to a CIS enrolled student and/or a family/guardian to address a highly-specific need.</p> <p>Each campus listed above will have access to a Mental Health Professional (LPC, LMSW, LCSW and/or etc.) that will visit and provide mental health services on the campus as needed through group and/or individual counseling.</p>		
Balance Due	Total	\$660,000	



Board Exhibit Cover Sheet

Meeting Date: August 18, 2022

Agenda Item/Exhibit Number: **III.F.4.**

Agenda Item Title: Approve Resolution for Creation of the Beaumont 2022-003 Reinvestment Zone No.03

Cabinet Level Presenter(s): Cheryl Hernandez

Additional Presenter(s): Kevin O'Hanlon, O'Hanlon, Demerath & Castillo

Executive Summary: State law allows a school district to grant property value limitations for qualifying activities, such as manufacturing, that occur on property designated as a reinvestment zone for economic development purposes. Texas Tax Code §312.0025 specifically authorizes the board of trustees of an independent school district to create a reinvestment zone for the limited purpose of a district's entry into a tax limitation agreement.

Recommendation: Approve Resolution for Creation of the Beaumont 2022-003 Reinvestment Zone No.03 pursuant to Texas Tax Code §312.0025.

Budget Impact* (if applicable): N/A

Funding Source (if applicable): N/A

Compliance with Purchasing Guidelines (list applicable guidelines, including grant requirements): N/A

Policy Reference (if applicable, list policy/regulation): N/A

Legal Review (if necessary, list attorney and firm):

Cheryl Hernandez
Cabinet Level Presenter's Signature

8/8/22
Date

*CFO Signature (required if there is a budget impact)

Date

General Counsel's Signature

Date

BEAUMONT INDEPENDENT SCHOOL DISTRICT

RESOLUTION CREATING THE BEAUMONT 2022-003 REINVESTMENT ZONE NO. 03

WHEREAS, Section 312.0025 of the Texas Tax Code permits a school district to designate a reinvestment zone if that designation is reasonably likely to contribute to the expansion of primary employment in the reinvestment zone, or attract major investment in the reinvestment zone that would be a benefit to property in the reinvestment zone and to the school district and contribute to the economic development of the region of this state in which the school district is located; and,

WHEREAS, the Beaumont Independent School District (the "District") desires to encourage the development of primary employment and to attract major investment in the District and contribute to the economic development of the region in which the school district is located; and,

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

WHEREAS, the District caused to be published in a newspaper of general circulation in Jefferson County, Texas timely notice of a public hearing regarding the possible designation of the area described in the attached **Exhibit A** as a reinvestment zone for the purposes of Chapter 313 of the Texas Tax Code; and,

WHEREAS, the District wishes to create a reinvestment zone within the boundaries of the school district in Jefferson County, Texas as shown on the map attached as **Exhibit B**; and,

WHEREAS, the District has given written notice of the proposed action and the Public Hearing to all political subdivisions and taxing authorities having jurisdiction over the property proposed to be designated as the reinvestment zone, described in the attached **Exhibits A & B**; and,

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE BEAUMONT INDEPENDENT SCHOOL DISTRICT:

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

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

- (a) That the public hearing on the adoption of the *BEAUMONT 2022-003 REINVESTMENT ZONE NO. 03* has been called, held and conducted, and that notices of such hearing have been published and mailed to the respective presiding officers of the governing bodies of all taxing units overlapping the territory inside the proposed reinvestment zone; and,
- (b) That the boundaries of the *BEAUMONT 2022-003 REINVESTMENT ZONE NO. 03* be and, by the adoption of this Resolution, are declared and certified to be the area as described in the description attached hereto as “**Exhibit A**”; and,
- (c) That the map attached hereto as “**Exhibit B**” is declared to be and, by the adoption of this Resolution, is certified to accurately depict and show the boundaries of the *BEAUMONT 2022-003 REINVESTMENT ZONE NO. 03* which is described in **Exhibit A**; and further certifies that the property described in **Exhibit A** is inside the boundaries shown on **Exhibit B**; and,
- (d) That creation of the *BEAUMONT 2022-003 REINVESTMENT ZONE NO. 03* with boundaries as described in **Exhibit A** and **Exhibit B** will result in benefits to the Beaumont Independent School District and to land included in the zone, and that the improvements sought are feasible and practical; and,
- (e) That the *BEAUMONT 2022-003 REINVESTMENT ZONE NO. 03* described in **Exhibit A** and **Exhibit B** meets the criteria set forth in Texas Tax Code §312.0025 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, in that it is reasonably likely that the designation will contribute to the retention or expansion of primary employment, and/or will attract investment in the zone that will be a benefit to the property, and would contribute to economic development within the Beaumont Independent School District.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, the Beaumont Independent School District hereby creates a reinvestment zone under the provisions of Texas Tax Code §312.0025, encompassing the area described by the descriptions in **Exhibit A** and **Exhibit B**, and such reinvestment zone is hereby designated and shall hereafter be referred to as the *BEAUMONT 2022-003 REINVESTMENT ZONE NO. 03*.

SECTION 4. That the existence of the *BEAUMONT 2022-003 REINVESTMENT ZONE NO. 03* shall first take effect upon, August 18, 2022, the date of the adoption of this Resolution by the Board of Trustees and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of such adoption.

SECTION 5. That if any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section,

paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

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

PASSED, APPROVED AND ADOPTED on this 18th day of August 2022.

BEAUMONT INDEPENDENT SCHOOL DISTRICT

By: _____
President
Board of Trustees

ATTEST: _____
Secretary
Board of Trustees

EXHIBIT A

METES AND BOUNDS DESCRIPTION OF THE BEAUMONT 2022-003 REINVESTMENT ZONE NO. 03

Application for Appraised Value Limitation on Qualified Property
submitted to Beaumont ISD
by OCI Fuels USA

TAB 9 DESCRIPTION OF LAND

The project will be located adjacent to and surrounding assets of Applicant's affiliate OCI Beaumont LLC, an integrated methanol and ammonia production facility, depicted at Tab 11(e). The project site currently has no improvements.

Applicant and Jefferson County are finalizing the exact boundaries of the project area and reinvestment zone. Applicant will supplement this application with the County's order designating the reinvestment zone, but it is anticipated that the reinvestment zone will include all or parts of the following parcels:

PROPOSED PROJECT AREA			
Prop ID	OWNER	Legal Description	Value
386012	PARGI PROPERTY MANAGEMENT LTD	TR 3 28.128 AC WALKER-ARENA HIGHWAY 347	759,953
130639	PARGI PROPERTY MANAGEMENT LTD	PHUMPHREYS-ABS 32 TR 20 15C 14.770AC	374,621
130878	CHEMOURS COMPANY FC LLC	J S JOHNSON ABST 34 TRS 28&29 20 AC ARCO	272,123
130877	CHEMOURS COMPANY FC LLC	TR 20 AB 34 JS JOHNSTON 18.330AC	309,188
130873	CHEMOURS COMPANY FC LLC	TR 27 AB 34 JS JOHNSTON 5.2078AC	115,133
239229	NATGASOLINE LLC	LOT 5 DUPONT-BEAUMONT INDUSTRIAL SITE #1 REPLAT 48.764 AC	518,102
130577	CHEMOURS COMPANY FC LLC	PHUMPHREY ABS 32 TR 73 2.486 AC	52,988
255849	OCI BEAUMONT LLC	LOT 5 TR 2 DUPONT-BEAUMONT INDUSTRIAL SITE #1 REPLAT 19.000 AC	279,360
130543	CHEMOURS COMPANY FC LLC	PHUMPHREYS-ABS 32 TR 5-D 9.820 AC #503450-000020 COUNTY TR	61,940
239228	NATGASOLINE LLC	LOT 4 DUPONT-BEAUMONT INDUSTRIAL SITE #1 REPLAT 48.768AC	725,245
328977	TEXAM LLC	LOT 3F DUPONT-BEAUMONT INDUSTRIAL SITE#1 6.34 ACRES	98,270
30368	CHEMOURS COMPANY FC LLC	LOT 3 DUPONT-BEAUMONT INDUSTRIAL SITE #1 13.148AC # 501105-0	203,794
328983	OCI BEAUMONT LLC	LOT 3-G DUPONT-BEAUMONT INDUSTRIAL SITE#1 15.4760 AC	239,878
30368	CHEMOURS COMPANY FC LLC	LOT 2 DUPONT-BEAUMONT INDUSTRIAL SITE #2-PART # 505600-0001	185,121
239837	CHEMOURS COMPANY FC LLC	LOT 3E DUPONT-BEAUMONT INDUSTRIAL SITE #1 12.20 AC	189,100
130751	MASON MARSHA L	PHUMPHREYS-ABS 32 TR 113 8.410 AC	156,096
328348	HUNTER RE HOLDINGS LLC	PT TR 23-18A-1 22.328AC AB 32 PHUMPHREYS	108,520
130663	KERR TRACTOR SOUTHWEST LTD	PT TR 23 18A 12.878AC AB 32 PHUMPHREYS	86,880
130657	KERR TRACTOR SOUTHWEST LTD	PHUMPHREYS-ABS 32 TR 1 OF TR 18A PT TR 23 22.728 AC	126,128
130650	KERR TRACTOR SOUTHWEST LTD	PHUMPHREYS-ABS 32 TR 2 OF TR 18A PT TR 23 7.576 AC	65,210
130659	KERR TRACTOR SOUTHWEST LTD	PHUMPHREYS-ABS 32 TR 3A OF TR 18A PT TR 23 2.523 AC	34,020
130660	KERR TRACTOR SOUTHWEST LTD	PHUMPHREYS-ABS 32 TR 3B OF TR 18A PT TR 23 5.047 AC	51,570
130661	KERR TRACTOR SOUTHWEST LTD	PHUMPHREYS-ABS 32 TR 4 OF TR 18A PT TR 23 7.452 AC ABS 257	65,232
130662	KERR TRACTOR SOUTHWEST LTD	PHUMPHREYS-ABS 32 PT TR 23 TR 5 OF TR 18A 11.412 AC ABS 13	116,986
139592	KERR TRACTOR SOUTHWEST LTD	ABST 257 T & NO #1 TR 10 PT TR 18A 2.755 AC	52,345
411812	PARGI PROPERTY MANAGEMENT LTD	LT 9 MD-CITY BUSINESS PARK 4.312AC	169,048
411811	PARGI PROPERTY MANAGEMENT LTD	LT 8 MD-CITY BUSINESS PARK 9.998AC RETENTION POND	30,912
411810	PARGI PROPERTY MANAGEMENT LTD	LT 7 MD-CITY BUSINESS PARK 4.524AC	177,359
411808	MAGPRE3 LLC	LT 5 MD-CITY BUSINESS PARK 2.098AC	91,389
411808	MAGPRE3 LLC	LT 6 MD-CITY BUSINESS PARK 2.098AC	91,389
411807	MAGPRE3 LLC	LT 4 MD-CITY BUSINESS PARK 2.098AC	91,389
411813	PARGI PROPERTY MANAGEMENT LTD	LT 10 MD-CITY BUSINESS PARK 2.000AC	87,120
411814	BEAUMONT LAND LLC	LT 11 MD-CITY BUSINESS PARK 2.000AC	87,120
411815	BEAUMONT LAND LLC	LT 12 MD-CITY BUSINESS PARK 2.000AC	87,120
411816	BEAUMONT LAND LLC	LT 13 MD-CITY BUSINESS PARK 2.000AC	87,120
411817	BEAUMONT LAND LLC	LT 14 MD-CITY BUSINESS PARK 2.000AC	87,120
411818	BEAUMONT LAND LLC	LT 15 MD-CITY BUSINESS PARK 2.252AC	98,097

* The project area will include a 8.72 acre parcel out of the larger 405.55 ac tract. The value reflected here is extrapolated from the per acre value of the larger tract (\$9,153,727).

During application preparation, a search of property tax records confirmed that there are no improvements recorded in the tax accounts of the parcels that comprise the project area. See Tab 11 c. Parcel 328977 and 328983 are currently being used as a staging area for contractor equipment, which would be relocated. The project area would also include a portion of another parcel (30368), which is currently a parking lot. Parcel 130657 has a small portable storage building that would be removed (288 sq ft, appraised value \$2,000).

EXHIBIT B

SURVEY MAPS OF THE BEAUMONT 2022-003 REINVESTMENT ZONE NO. 03

Application for Appraised Value Limitation on Qualified Property
submitted to Beaumont ISD
by OCI Clean Ammonia LLC

Tab 11(g) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size.

Note that proposed reinvestment zone and proposed project boundaries are the same. The total area of the reinvestment zone/project boundaries is 415 acres.





Board Exhibit Cover Sheet

Meeting Date: August 18, 2022

Agenda Item/Exhibit Number: **III.F.5.**

Agenda Item Title: Adopt Findings under the Texas Economic Development Act on the Application of OCI Clean Ammonia LLC and OCI Fuels USA Inc., (Comptroller Application No: 1741 and 1742), for an Appraised Value Limitation on Qualified Property for School District Maintenance and Operations Taxes

Cabinet Level Presenter(s): Cheryl Hernandez

Additional Presenter(s): Kevin O'Hanlon, O'Hanlon, Demerath & Castillo

Executive Summary: The consultants have prepared Findings of Fact for the Board's consideration. The Findings are based upon the application submitted by the company, the economic impact analysis prepared by the Comptroller, the Comptroller's Certificate and the school finance impact report prepared by Moak Casey & Associates. The Findings are required by statute. Before the Board approves or denies an application under Chapter 313 of the Texas Tax Code, the Board must determine whether the information in the application is true and correct, finds that the applicant is eligible for the limitation on the appraised value of the person's qualified property, and determines that granting the application is in the best interest of the school district and this state. Additionally, the Findings establish an outline of all the materials presented to the Board for consideration.

- 1) The Application has been attested to by the Applicant that it is true and correct.
- 2) The property described in the Application meets the requirements of Tex. Tax Code §313.024 for eligibility for a limitation on appraised value.
- 3) According to the Texas Comptroller, the project proposed by the applicant is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue, including state tax revenue, school district maintenance and operations ad valorem tax revenue attributable to the project, and any other tax revenue attributable to the effect of the project on the economy of the state, in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement.
- 4) The Application Fee received was reasonable and only in such an amount as was necessary to cover the District's costs of processing the Application under consideration.
- 5) The number of jobs to be created and the wages to be paid comply with the requirements of statute; and, the Chapter 313 Tax Limitation Agreement contains all required provisions and information related to job creation requirements.
- 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.
- 7) The effects of the applicant's proposal, if approved, on the number or size of needed school district instructional facilities are addressed under current law and provisions in the Value Limitation Agreement that provide for costs associated with extraordinary education-related expenses.
- 8) The Board has developed a process to verify, either directly or through its consultants, the accuracy and completeness of information in annual eligibility reports and biennial progress reports regarding (1) the reported number of jobs created and (2) the reported amount invested in the property.
- 9) There are no undisclosed and accounted for conflicts of interest at the time of considering the agreement.
- 10) The Application is in the best interest of the District and the State.



Recommendation: Adopt Findings under the Texas Economic Development Act, as proposed by the District's Consultants and Counsel, on the Application of OCI Clean Ammonia LLC and OCI Fuels USA Inc., (Comptroller Application No: 1741 and 1742), for an Appraised Value Limitation on Qualified Property for School District Maintenance and Operations Taxes

Budget Impact* (if applicable): N/A

Funding Source (if applicable): N/A

Compliance with Purchasing Guidelines (list applicable guidelines, including grant requirements): N/A

Policy Reference (if applicable, list policy/regulation): N/A

Legal Review (if necessary, list attorney and firm):

Chrestmanandez
Cabinet Level Presenter's Signature

8/8/22
Date

*CFO Signature (required if there is a budget impact)

Date

General Counsel's Signature

Date

**FINDINGS OF THE
BEAUMONT INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
OCI CLEAN AMMONIA LLC (#1741)**

AUGUST 18, 2022

FINDINGS OF THE BEAUMONT INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
OCI CLEAN AMMONIA LLC (#1741)

STATE OF TEXAS §

COUNTY OF JEFFERSON §

On the 18th day of August 2022, a public meeting of the Board of Trustees of the Beaumont Independent School District (“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 OCI Clean Ammonia LLC (“Applicant”) 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. The Board of Trustees has considered the economic impact analysis and the project certification issued by the Texas Comptroller of Public Accounts. After hearing presentations from the District’s administrative staff, and from consultants retained by the District to advise the Board in this matter, and after considering the relevant documentary evidence, the Board of Trustees makes the following findings with respect to application from Applicant, and the economic impact of that application:

On March 24, 2022, the Superintendent of the District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts (“Comptroller”) received an Application from Applicant for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Application was determined to be complete as of April 29, 2022. A copy of the Application is attached as **Attachment A**.

The Applicant, (Texas Taxpayer Id. 32083622574), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**.

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

The Application was delivered to the Comptroller for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Jefferson Central Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054.

The Application was reviewed by the Comptroller pursuant to Texas Tax Code §313.026, and a Comptroller Certificate was issued on July 25, 2022 in which the Comptroller has determined, inter alia, that: 1) Application is subject to the provisions of Chapter 171, Texas Tax Code; 2) the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised values; 3) the proposed project is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period; and, 4) the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. A copy of the Certificate is attached to the findings as **Attachment C**.

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

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

The Texas Education Agency has evaluated the impact of the project on the District's facilities. TEA's determination is to be attached to these findings as **Attachment F**.

The Board has adopted the Texas Economic Development Agreement (Form 50-826) as promulgated by the Comptroller's Office. Form 50-826 has been altered only in accordance only the provisions of the template that the Comptroller permitted. The proposed Agreement is attached to these findings as **Attachment G**.

After review of the Comptroller's Certificate and economic analysis, and in consideration of its own studies the Board finds:

Board Finding Number 1.

The Board finds that the property described in the Application meets the requirements of Tex. Tax Code §313.024 for eligibility for a limitation on appraised value.

In support of Finding 1, the Application indicates that:

The Project will involve the construction of two (2) 3,000 MTPD ammonia units based on imported hydrogen (H₂) and nitrogen (N₂) (referred to as QP1 and QP2, respectively). The project also envisions installing a 2,200 MTPD urea synthesis plant next to the ammonia facilities, converting part of this ammonia together with carbon dioxide (CO₂) from over-the-fence to urea (referred to as QP3). This reaction takes place at elevated pressure in a pool reactor with high pressure stripper, carbamate condenser, and various other reactor/vessels.

The end-product is a urea solution of 72% urea in water that will be converted to Diesel Exhaust Fluid (DEF) in various concentrations. Alternatively, the urea can also be converted to a urea ammonium nitrate (UAN) fertilizer solution when mixing with ammonium nitrate solution. The latter is made by reacting ammonia and nitric acid (NA). To facilitate the UAN production, an NA plant will also be built with a capacity of 1,530 MTPD. For the storage of these fertilizer products, various storage tanks will also be built. (The DEF, UAN and NA plants referred to collectively as QP4).

The exact number and location of real and personal property improvements remains to be determined based ongoing siting analysis. All qualified property would be located in the project boundary.

Property used for manufacturing is eligible for a limitation under §313.024(b)(1).

Board Finding Number 2.

The project proposed by the applicant is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue, including state tax revenue, school district maintenance and operations ad valorem tax revenue attributable to the project, and any other tax revenue attributable to the effect of the project on the economy of the state, in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement (as detailed in Attachment B of the Comptroller's Certification).

Board Finding Number 3.

Based on the information certified by the Comptroller, the limitation on appraised value is a determining factor in the applicant's decision to

invest capital and construct the project in this state (as detailed in Attachment C of the Comptroller's Certification).

Board Finding Number 4.

The Board finds that the Application Fee received was reasonable and only in such an amount as was necessary to cover the District's costs of processing the Application under consideration.

In support of Finding 4, the Board reviewed the Application Fee payment included in the Application at Attachment A, the contract with the District's consultants and the internal costs for processing the application, if any.

Board Finding Number 5.

Based upon the Application and in the Comptroller's Economic Impact Evaluation and Certification, Attachment A, the Board finds that the number of jobs to be created and the wages to be paid comply with the requirements of statute; and, the Board further finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions and information related to job creation requirements, to wit: the provisions set forth in Subsections 9.1C&D of such Agreement.

In its Application, Applicant has committed to creating ten (10) new qualifying jobs. The average salary level committed to by Applicant for qualifying jobs is \$63,000 per year. The review of the application by the Comptroller's indicated that this amount—based on Texas Workforce Commission data—complies with current Tex. Tax Code §313.021(3) requirement that qualifying jobs must pay 110 percent of the county average manufacturing wage. As defined in Section 313.021 of the Tax Code, "Qualifying Job" means a permanent full-time job that:

- (A) requires at least 1,600 hours of work a year;
- (B) is not transferred from one area in this state to another area in this state;
- (C) is not created to replace a previous employee;
- (D) is covered by a group health benefit plan for which the business offers to pay at least 80 percent of the premiums or other charges assessed for employee-only coverage under the plan, regardless of whether an employee may voluntarily waive the coverage; and

(E) pays at least 110 percent of the county average weekly wage for manufacturing jobs in the county where the job is located.

Board Finding Number 6.

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

Board Finding Number 7.

The Applicant intends to create 10 non-qualifying jobs.

In its Application, Applicant has indicated that it intends to create 10 non-qualifying jobs. For any non-qualifying jobs the Applicant does create, the Applicant will be required to pay at least the county average wage of \$59,293 for all jobs in the county in accordance with the provisions of Tex. Tax Code §313.024(d).

Board Finding Number 8.

The revenue gains that will be realized by the school district if the Application is approved could 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 \$2.66 billion to the tax base that would be available for debt service purposes at the peak investment level for the 2028-29 school year. The additional I&S taxable value would provide a benefit to the District, which is currently ineligible for state assistance for facilities funding under the Instructional Facilities Allotment (IFA) or Existing Debt Allotment (EDA) programs.

Board Finding Number 9.

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 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 project. This finding is confirmed by the TEA evaluation of this project's impact on the number and size of school facilities in the District as stated in **Attachment F**.

Board Finding Number 10.

The Board finds that with the adoption of District Policy CCGB (Local), implemented in conformance with both Comptroller and Texas Education Agency Rules governing Chapter 313 Agreements, it has developed a process to verify, either directly or through its consultants, the accuracy and completeness of information in annual eligibility reports and biennial progress reports regarding (1) the reported number of jobs created and (2) the reported amount invested in the property.

Board Finding Number 11.

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

The Board has developed a written policy CCGB (Local) which requires, upon the filing of an Application under Tax Code Chapter 313, the retention of consultants in order to verify: (1) that Applicant's information contained in the Application as to existing facts is true and correct; (2) that Applicant's information contained in the Application with respect to projections of future events are commercially reasonable and within the ability of Applicant to execute; (3) that information related to job creation is commercially reasonable and within the ability of Applicant to execute; (4) that Applicant's representations concerning and economic incentives being offered, if any, and (5) the proposed project meets eligibility requirements.

As a part of its verification process the Board notes that the Chapter 313 Application for which these Findings are being made has been submitted by the Applicant under oath. Chapter 313 Applications are governmental records under Tex. Penal Code §37.01(2)(A); as a result, all statements contained therein are representations of fact within the meaning of Tex. Penal Code § 37.01(3). Since Board action upon the adoption of these Findings and the approval of the Chapter 313 Tax Limitation Agreement (**Attachment G**) is an “official proceeding,” a false statement on a Chapter 313 application constitutes perjury under Tex. Penal Code § 37.03.

The Board finds that sworn statements are routinely used as an acceptable verification method for reliance by fact finders in each of the three separate branches of government, including trials.

The consultants have prepared signed statements that the consultants have reviewed and verified the contents of the Application and have determined that the current statements of fact contained in the Application are true and correct. (**Attachment H**) The Board finds that reliance by the Board and its consultants upon verified statements of the Applicant, especially as to Applicant’s future intentions which cannot be objectively verified is reasonable and within the intent of Chapter 313, Texas Tax Code.

Board Finding Number 12.

The Board of Trustees has determined that the Tax Limitation Amount requested by Applicant is currently Thirty Million Dollars, which is consistent with the minimum values currently set out by Tax Code, § 313.052.

The Board finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**), in accordance with Comptroller’s Form 50-826, contains all required provisions and information related to the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement. According to the Texas Comptroller of Public Accounts’ School and Appraisal Districts’ Property Value Study 2020 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year (**Attachment E**), the total industrial value for the District is \$6.48 billion. Because the total industrial

value of the district is \$200 million or more, the District is classified as a Subchapter C, Category I District, which can offer a minimum value limitation of \$30 million.

Board Finding Number 13.

The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all necessary provisions and information related to establishing the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement.

The Board relies on the certifications of its consultants and the Comptroller's Approval of the Agreement form to make this Finding. (**Attachment I**)

Board Finding Number 14.

The Applicant (Taxpayer No. 32083622574) is eligible for the limitation on appraised value of qualified property as an active franchise-tax paying entity.

The Applicant, (Texas Taxpayer No. 32083622574), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**. The Board also finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**) contains all required provisions necessary for the Board to assess eligibility of any business to which an agreement is transferred.

Board Finding Number 15.

The project will be located within an area that is designated as a reinvestment zone, pursuant to Chapter 312 of the Texas Tax Code.

Board Finding Number 16.

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, and such provisions comply with the specific terms of Texas Tax Code, Chapter 313.

In support of this finding, the report of Moak, Casey & Associates, Inc. shows that the District will incur revenue losses while 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. The Agreement contains adequate revenue protection measures for the duration of the Agreement. In support of this Finding, the Board relies upon the recommendation of its consultants. (**Attachment H**)

Board Finding Number 17.

The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions necessary for the Board to assess performance standards and to require periodic deliverables that will enable it to hold businesses accountable for achieving desired results, to wit: the reporting requirements set forth in Article VIII of said Agreement.

Board Finding Number 18.

The Board finds that there are no conflicts of interest at the time of considering the agreement.

The Board finds that with the adoption of District Policies BBFA and BBFB, set forth at <https://pol.tasb.org/Home/Index/725>, that it has taken appropriate action to ensure that all District Trustees and the Superintendent, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

In addition, at the public hearing, the Board caused the statement set forth in **Attachment J** to be read into the public record and that only Board members audibly responding that no conflict of interest existed either deliberated or voted on the Tax Limitation Agreement, these Findings or any matter relating to the Application upon which these Findings have been premised.

The Board finds that with the adoption of District Policies DBD, DGA, DH, and BBFB that it has taken appropriate action to ensure that all District employees and/or consultants, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

Board Finding Number 19.

The Board directs that a link on its Web site to the Comptroller's Office's Web site where appraisal limitation related documents are made available to the public.

Board Finding Number 20.

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 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 District.

Dated the 18th day of August 2022.

BEAUMONT INDEPENDENT SCHOOL DISTRICT

By: _____
President, Board of Trustees

ATTEST:

By: _____
Secretary, Board of Trustees

**FINDINGS OF THE
BEAUMONT INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
OCI FUELS USA INC. (#1742)**

AUGUST 18, 2022

FINDINGS OF THE BEAUMONT INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
OCI FUELS USA INC. (#1742)

STATE OF TEXAS §

COUNTY OF JEFFERSON §

On the 18th day of August 2022, a public meeting of the Board of Trustees of the Beaumont Independent School District (“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 OCI Fuels USA Inc. (“Applicant”) 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. The Board of Trustees has considered the economic impact analysis and the project certification issued by the Texas Comptroller of Public Accounts. After hearing presentations from the District’s administrative staff, and from consultants retained by the District to advise the Board in this matter, and after considering the relevant documentary evidence, the Board of Trustees makes the following findings with respect to application from Applicant, and the economic impact of that application:

On March 24, 2022, the Superintendent of the District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts (“Comptroller”) received an Application from Applicant for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Application was determined to be complete as of April 29, 2022. A copy of the Application is attached as **Attachment A**.

The Applicant, (Texas Taxpayer Id. 32081158308), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**.

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

The Application was delivered to the Comptroller for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Jefferson Central Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054.

The Application was reviewed by the Comptroller pursuant to Texas Tax Code §313.026, and a Comptroller Certificate was issued on July 19, 2022 in which the Comptroller has determined, inter alia, that: 1) Application is subject to the provisions of Chapter 171, Texas Tax Code; 2) the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised values; 3) the proposed project is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period; and, 4) the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. A copy of the Certificate is attached to the findings as **Attachment C**.

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

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

The Texas Education Agency has evaluated the impact of the project on the District's facilities. TEA's determination is to be attached to these findings as **Attachment F**.

The Board has adopted the Texas Economic Development Agreement (Form 50-826) as promulgated by the Comptroller's Office. Form 50-826 has been altered only in accordance only the provisions of the template that the Comptroller permitted. The proposed Agreement is attached to these findings as **Attachment G**.

After review of the Comptroller's Certificate and economic analysis, and in consideration of its own studies the Board finds:

Board Finding Number 1.

The Board finds that the property described in the Application meets the requirements of Tex. Tax Code §313.024 for eligibility for a limitation on appraised value.

In support of Finding 1, the Application indicates that:

The project will convert bio-methanol into bio-gasoline for shipment into European markets. Once operating, the MTG facility production capacity will be 100,000 ton/year. The feedstock for the bio-methanol is produced from the renewable syngas facilities.

The proposed renewable syngas facilities would use syngas production equipment to convert biomass to bio synthesis gas. Dried biomass feedstock (local woodchips) is gasified in a gasifier system in the presence of oxygen and superheated steam. The renewable syngas produced from these proposed facilities will be used as a feedstock for the production of green/bio-methanol. Once operating, the green syngas facilities will produce renewable natural gas (RNG).

Using syngas produced by the gasification facilities described above, the company proposes to construct methanol synthesis loop(s) capable of producing at least 2,500 MTPD (~1 million tons per annum) of green bio-methanol.

Property used for manufacturing is eligible for a limitation under §313.024(b)(1).

Board Finding Number 2.

The project proposed by the applicant is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue, including state tax revenue, school district maintenance and operations ad valorem tax revenue attributable to the project, and any other tax revenue attributable to the effect of the project on the economy of the state, in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement (as detailed in Attachment B of the Comptroller's Certification).

Board Finding Number 3.

Based on the information certified by the Comptroller, the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state (as detailed in Attachment C of the Comptroller's Certification).

Board Finding Number 4.

The Board finds that the Application Fee received was reasonable and only in such an amount as was necessary to cover the District's costs of processing the Application under consideration.

In support of Finding 4, the Board reviewed the Application Fee payment included in the Application at Attachment A, the contract with the District's consultants and the internal costs for processing the application, if any.

Board Finding Number 5.

Based upon the Application and in the Comptroller's Economic Impact Evaluation and Certification, Attachment A, the Board finds that the number of jobs to be created and the wages to be paid comply with the requirements of statute; and, the Board further finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions and information related to job creation requirements, to wit: the provisions set forth in Subsections 9.1C&D of such Agreement.

In its Application, Applicant has committed to creating ten (10) new qualifying jobs. The average salary level committed to by Applicant for qualifying jobs is \$63,000 per year. The review of the application by the Comptroller's indicated that this amount—based on Texas Workforce Commission data—complies with current Tex. Tax Code §313.021(3) requirement that qualifying jobs must pay 110 percent of the county average manufacturing wage. As defined in Section 313.021 of the Tax Code, "Qualifying Job" means a permanent full-time job that:

- (A) requires at least 1,600 hours of work a year;
- (B) is not transferred from one area in this state to another area in this state;
- (C) is not created to replace a previous employee;
- (D) is covered by a group health benefit plan for which the business offers to pay at least 80 percent of the premiums or other charges assessed for employee-only coverage under the plan, regardless of whether an employee may voluntarily waive the coverage; and
- (E) pays at least 110 percent of the county average weekly wage for manufacturing jobs in the county where the job is located.

Board Finding Number 6.

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

Board Finding Number 7.

The Applicant does not intend to create any non-qualifying jobs.

In its Application, Applicant has indicated that it does not intend to create any non-qualifying jobs. For any non-qualifying jobs the Applicant does create, the Applicant will be required to pay at least the county average wage of \$59,293 for all jobs in the county in accordance with the provisions of Tex. Tax Code §313.024(d).

Board Finding Number 8.

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

In support of this finding, the analysis prepared by Moak, Casey & Associates projects that the project would initially add \$1.97 billion to the tax base that would be available for debt service purposes at the peak investment level for the 2028-29 school year. The additional I&S taxable value would provide a benefit to the District, which is currently ineligible for state assistance for facilities funding under the Instructional Facilities Allotment (IFA) or Existing Debt Allotment (EDA) programs.

Board Finding Number 9.

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 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 project. This finding is confirmed by the TEA evaluation of this project's impact on the number and size of school facilities in the District as stated in **Attachment F**.

Board Finding Number 10.

The Board finds that with the adoption of District Policy CCGB (Local), implemented in conformance with both Comptroller and Texas Education Agency Rules governing Chapter 313 Agreements, it has developed a process to verify, either directly or through its consultants, the accuracy and completeness of information in annual eligibility reports and biennial progress reports regarding (1) the reported number of jobs created and (2) the reported amount invested in the property.

Board Finding Number 11.

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

The Board has developed a written policy CCGB (Local) which requires, upon the filing of an Application under Tax Code Chapter 313, the retention of consultants in order to verify: (1) that Applicant's information contained in the Application as to existing facts is true and correct; (2) that Applicant's information contained in the Application with respect to projections of future events are commercially reasonable and within the ability of Applicant to execute; (3) that information related to job creation is commercially reasonable and within the ability of Applicant to execute; (4) that Applicant's representations concerning and economic incentives being offered, if any, and (5) the proposed project meets eligibility requirements.

As a part of its verification process the Board notes that the Chapter 313 Application for which these Findings are being made has been submitted by the Applicant under oath. Chapter 313 Applications are governmental records under Tex. Penal Code §37.01(2)(A); as a result, all statements contained therein are representations of fact within the meaning

of Tex. Penal Code § 37.01(3). Since Board action upon the adoption of these Findings and the approval of the Chapter 313 Tax Limitation Agreement (**Attachment G**) is an “official proceeding,” a false statement on a Chapter 313 application constitutes perjury under Tex. Penal Code § 37.03.

The Board finds that sworn statements are routinely used as an acceptable verification method for reliance by fact finders in each of the three separate branches of government, including trials.

The consultants have prepared signed statements that the consultants have reviewed and verified the contents of the Application and have determined that the current statements of fact contained in the Application are true and correct. (**Attachment H**) The Board finds that reliance by the Board and its consultants upon verified statements of the Applicant, especially as to Applicant’s future intentions which cannot be objectively verified is reasonable and within the intent of Chapter 313, Texas Tax Code.

Board Finding Number 12.

The Board of Trustees has determined that the Tax Limitation Amount requested by Applicant is currently Thirty Million Dollars, which is consistent with the minimum values currently set out by Tax Code, § 313.052.

The Board finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**), in accordance with Comptroller’s Form 50-826, contains all required provisions and information related to the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement. According to the Texas Comptroller of Public Accounts’ School and Appraisal Districts’ Property Value Study 2020 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year (**Attachment E**), the total industrial value for the District is \$6.48 billion. Because the total industrial value of the district is \$200 million or more, the District is classified as a Subchapter C, Category I District, which can offer a minimum value limitation of \$30 million.

Board Finding Number 13.

The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all necessary provisions and information related to establishing the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement.

The Board relies on the certifications of its consultants and the Comptroller's Approval of the Agreement form to make this Finding. (**Attachment I**)

Board Finding Number 14.

The Applicant (Taxpayer No. 32081158308) is eligible for the limitation on appraised value of qualified property as an active franchise-tax paying entity.

The Applicant, (Texas Taxpayer No. 32081158308), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**. The Board also finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**) contains all required provisions necessary for the Board to assess eligibility of any business to which an agreement is transferred.

Board Finding Number 15.

The project will be located within an area that is designated as a reinvestment zone, pursuant to Chapter 312 of the Texas Tax Code.

Board Finding Number 16.

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, and such provisions comply with the specific terms of Texas Tax Code, Chapter 313.

In support of this finding, the report of Moak, Casey & Associates, Inc. shows that the District will incur revenue losses while 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. The Agreement contains adequate revenue protection measures

for the duration of the Agreement. In support of this Finding, the Board relies upon the recommendation of its consultants. (**Attachment H**)

Board Finding Number 17.

The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions necessary for the Board to assess performance standards and to require periodic deliverables that will enable it to hold businesses accountable for achieving desired results, to wit: the reporting requirements set forth in Article VIII of said Agreement.

Board Finding Number 18.

The Board finds that there are no conflicts of interest at the time of considering the agreement.

The Board finds that with the adoption of District Policies BBFA and BBFB, set forth at <https://pol.tasb.org/Home/Index/725>, that it has taken appropriate action to ensure that all District Trustees and the Superintendent, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

In addition, at the public hearing, the Board caused the statement set forth in **Attachment J** to be read into the public record and that only Board members audibly responding that no conflict of interest existed either deliberated or voted on the Tax Limitation Agreement, these Findings or any matter relating to the Application upon which these Findings have been premised.

The Board finds that with the adoption of District Policies DBD, DGA, DH, and BBFB that it has taken appropriate action to ensure that all District employees and/or consultants, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

Board Finding Number 19.

The Board directs that a link on its Web site to the Comptroller's Office's Web site where appraisal limitation related documents are made available to the public.

Board Finding Number 20.

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 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 District.

Dated the 18th day of August 2022.

BEAUMONT INDEPENDENT SCHOOL DISTRICT

By: _____
President, Board of Trustees

ATTEST:

By: _____
Secretary, Board of Trustees



Board Exhibit Cover Sheet

Meeting Date: August 18, 2022

Agenda Item/Exhibit Number: **III.F.6.**

Agenda Item Title: Approve Agreements with OCI Clean Ammonia LLC and OCI Fuels USA Inc., (Comptroller Application No: 1741 and 1742), for an Appraised Value Limitation on Qualified Property for School District Maintenance and Operations Taxes

Cabinet Level Presenter(s): Cheryl Hernandez

Additional Presenter(s): Kevin O'Hanlon, O'Hanlon, Demerath & Castillo

Executive Summary: Under Texas Tax Code §313.027, the Board may enter into a written agreement for the implementation of a limitation on appraised value on the Applicant's Qualified Property. Under Board Policy CCG (Local), such Agreement must provide for protection from and/or compensation for any financial risks undertaken by the District in accepting the Application. The Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, drafted by the consultants, includes adequate and appropriate revenue protection provisions for the District. The Agreement also provides for the payment to the District of supplemental payments.

While there is often concern that a school district may be harmed by entering into a tax limitation agreement, 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. The Agreement, if enacted as is currently proposed, will not reduce the District's M&O revenues in future years. Furthermore, under Board Policy CCG (Local), such Agreement must provide for protection from and/or compensation for any financial risks undertaken by the District in accepting the Application. The Agreement drafted by the District's consultants, includes adequate and appropriate revenue protection provisions for the District.

In addition, the Agreement provides for the company to pay the costs of the maintenance of the Agreement. To the extent permitted by statute, the Agreement also addresses the concerns raised by the community to ensure that the Agreement is in the best interest of the District.

Recommendation: Approve Agreements with OCI Clean Ammonia LLC and OCI Fuels USA Inc., (Comptroller Application No: 1741 and 1742), for an Appraised Value Limitation on Qualified Property for School District Maintenance and Operations Taxes

Budget Impact* (if applicable): N/A

Funding Source (if applicable): N/A

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

by and between

BEAUMONT INDEPENDENT SCHOOL DISTRICT

and

OCI CLEAN AMMONIA LLC

(Texas Taxpayer ID #32083622574)

Comptroller Application #1741

Dated

August 18, 2022

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

STATE OF TEXAS §

COUNTY OF JEFFERSON §

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 **BEAUMONT 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 **OCI CLEAN AMMONIA LLC**, Texas Taxpayer Identification Number 32083622574 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.”

RECITALS

WHEREAS, on March 24, 2022, the Superintendent of Schools of the Beaumont Independent School District, acting as agent of the Board of Trustees of the District, received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the TEXAS TAX CODE;

WHEREAS, on March 24, 2022, the Board of Trustees has acknowledged receipt of the Application, and along with the requisite application fee as established pursuant to Section 313.025(a) of the TEXAS TAX CODE and Local District Policy CCG (Local), and agreed to consider the Application;

WHEREAS, the Application was delivered to the Texas Comptroller’s Office for review pursuant to Section 313.025 of the TEXAS TAX CODE;

WHEREAS, the District and the Texas Comptroller’s Office have determined that the Application is complete and April 29, 2022, is the Application Review Start Date as that term is defined by 34 TEXAS ADMIN. CODE Section 9.1051;

WHEREAS, pursuant to 34 TEXAS ADMIN. CODE Section 9.1054, the Application was delivered to the Jefferson County Appraisal District established in Jefferson County, Texas (the “Jefferson County Appraisal District”), pursuant to Section 6.01 of the TEXAS TAX CODE;

WHEREAS, the Texas Comptroller’s Office reviewed the Application pursuant to Section 313.025 of the TEXAS TAX CODE, conducted an economic impact evaluation pursuant to Section 313.026 of the TEXAS TAX CODE, and on July 25, 2022, issued a certificate for limitation on appraised value of the property described in the Application and provided the certificate to the District;

WHEREAS, the Board of Trustees has reviewed and carefully considered the economic impact evaluation and certificate for limitation on appraised value submitted by the Texas Comptroller’s Office pursuant to Section 313.025 of the TEXAS TAX CODE;

WHEREAS, on August 18, 2022, 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;

WHEREAS, on August 18, 2022, the Board of Trustees made factual findings pursuant to Section 313.025(f) of the TEXAS TAX CODE, including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) the Applicant is eligible for the limitation on appraised value of the Applicant’s Qualified Property; (iii) the project proposed by the Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the District’s maintenance and operations ad valorem tax revenue lost as a result of the Agreement before the 25th anniversary of the beginning of the limitation period; (iv) the limitation on appraised value is a determining factor in the Applicant’s decision to invest capital and construct the project in this State; and (v) this Agreement is in the best interest of the District and the State of Texas;

WHEREAS, on August 10, 2022, the Texas Comptroller’s Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes;

WHEREAS, on August 18, 2022, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary or in the event the Board President and Secretary are unavailable or have disclosed a conflict of interest, the Board of Trustees has authorized Board Vice President to execute and deliver such Agreement to the Applicant; and

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

ARTICLE I
DEFINITIONS

Section 1.1 DEFINITIONS. Wherever used in this Agreement, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning. Words

or terms defined in 34 TEXAS ADMIN. CODE Section 9.1051 and not defined in this Agreement shall have the meanings provided by 34 TEXAS ADMIN. CODE Section 9.1051.

“Act” means the Texas Economic Development Act set forth in Chapter 313 of the TEXAS TAX CODE, as amended.

“Agreement” means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented as approved pursuant to Sections 10.2 and 10.3.

“Applicant” means OCI Clean Ammonia LLC, (*Texas Taxpayer ID #32083622574*), the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include the Applicant’s assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

“Applicant’s Qualified Investment” means the Qualified Investment of the Applicant during the Qualifying Time Period and as more fully described in **EXHIBIT 3** of this Agreement.

“Applicant’s Qualified Property” means the Qualified Property of the Applicant to which the value limitation identified in the Agreement will apply and as more fully described in **EXHIBIT 4** of 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 March 24, 2022. 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 an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

“Application Approval Date” means the date that the Application is approved by the Board of Trustees of the District and as further identified in Section 2.3.B of this Agreement.

“Application Review Start Date” means the later date of either the date on which the District issues its written notice that the Applicant has submitted a completed Application or the date on which the Comptroller issues its written notice that the Applicant has submitted a completed Application and as further identified in Section 2.3.A of this Agreement.

“Appraised Value” shall have the meaning assigned to such term in Section 1.04(8) of the TEXAS TAX CODE.

“Appraisal District” means the Jefferson County Appraisal District.

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

“Commercial Operation” means the relevant property has been constructed, has received all necessary permits to operate, and has commenced commercial operations of receiving feedstocks and converting them into usable products for later sale or processing as intended by the final project design.

“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 in Chapter 34 TEXAS ADMIN. CODE Chapter 9, Subchapter F, together with any court or administrative decisions interpreting same.

“County” means Jefferson County, Texas.

“District” or “School District” means the Beaumont Independent School District, being a duly authorized and operating 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 the last date of the final year in which the Applicant is required to Maintain Viable Presence and as further identified in Section 2.3.E of this Agreement.

“Force Majeure” means acts of God, war, fires, explosions, hurricanes, floods, or other causes that are beyond the reasonable control of either party and that by exercise of due foresight such party could not reasonably have been expected to avoid, and which, by the exercise of all reasonable due diligence, such party is unable to overcome. Each Party must inform the other in writing with proof of receipt within 60 business days of the existence of such Force Majeure or otherwise waive this right as a defense.

“Land” means the real property described on **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes.

“Maintain Viable Presence” means (i) the operation during the term of this Agreement of the facility or facilities for which the tax limitation is granted; and (ii) the Applicant’s maintenance of jobs and wages as required by the Act and as set forth in its Application.

“Market Value” shall have the meaning assigned to such term in Section 1.04(7) of the TEXAS TAX CODE.

“New Qualifying Jobs” means the total number of jobs to be created by the Applicant after the Application Approval Date in connection with the project that is the subject of its Application that meet the criteria of Qualifying Job as defined in Section 313.021(3) of the TEXAS TAX CODE

and the Comptroller's Rules.

"New Non-Qualifying Jobs" means the number of Non-Qualifying Jobs, as defined in 34 TEXAS ADMIN. CODE Section 9.1051(14), to be created by the Applicant after the Application Approval Date in connection with the project which is the subject of its Application.

"Qualified Investment" has the meaning set forth in Section 313.021(1) of the TEXAS TAX CODE, as interpreted by the Comptroller's Rules.

"Qualified Property" has the meaning set forth in Section 313.021(2) of the TEXAS TAX CODE and as interpreted by the Comptroller's Rules and the Texas Attorney General, as these provisions existed on the Application Review Start Date.

"Qualifying Time Period" means the period defined in Section 2.3.C, during which the Applicant shall make investment on the Land where the Qualified Property is located in the amount required by the Act, the Comptroller's Rules, and this Agreement.

"State" means the State of Texas.

"Supplemental Payment" means any payments or transfers of things of value made to the 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 and that is not authorized pursuant to Sections 313.027(f)(1) or (2) of the TEXAS TAX CODE, and specifically includes any payments required pursuant to Article VI of this Agreement.

"Tax Limitation Amount" means the maximum amount which may be placed as the Appraised Value on the Applicant's Qualified Property for maintenance and operations tax assessment in each Tax Year of the Tax Limitation Period of this Agreement pursuant to *Section 313.054* of the TEXAS TAX CODE.

"Tax Limitation Period" means the Tax Years for which the Applicant's Qualified Property is subject to the Tax Limitation Amount and as further identified in Section 2.3.D of this Agreement.

"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.

Section 1.2 NEGOTIATED DEFINITIONS. Wherever used in Articles IV, V, and VI, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning or otherwise; provided however, if there is a conflict between a term defined in this section and a term defined in the Act, the Comptroller's Rules, or Section 1.1 of Agreement, the conflict shall be resolved by reference to Section 10.9.C.

“Annual Limit” means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Section 313.027(i) of the TEXAS TAX CODE. For purposes of this Agreement, and as further provided in Sections 6.2A and 6.2D, the amount of the Annual Limit shall be equal to the greater of \$50,000 or an amount calculated for each calendar year by multiplying by the District’s Average Daily Attendance, as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, for the prior school year (rounded to the nearest whole number) times \$100, or any larger amount allowed by Section 313.027(i) of the TEXAS TAX CODE, if such limitation is increased for any future year of this Agreement and such increase is effective for purposes of this Agreement. The Annual Limit shall first be computed for Tax Year 2022, which is the Tax Year that includes the date on which the Qualifying Time Period commences under this Agreement as provided in Section 2.3.C.i.

“Applicable School Finance Law” means Chapters 41, 42, 48, and 49 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 District, and the Constitution and general laws of the State applicable to the school districts of the State for each and every year of this Agreement, 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 includes any and all amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of Applicant’s ad valorem tax obligation to District, either with or without the limitation of property values made pursuant to this Agreement. For each year of this Agreement, the “Applicable School Finance Law” shall be interpreted to include all provisions made applicable for any calculations made for the specific year for which calculations are being made.

“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 Section 45.002 of the TEXAS EDUCATION CODE 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 the District’s 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.

“Net Aggregate Limit” means, for any Tax Year of this Agreement, the cumulative total of the Annual Limit amount for such Tax Year and all previous years of the Agreement, less all amounts previously paid by the Applicant to or on behalf of the District under Article VI, below.

“Net Tax Benefit” means, (i) the amount of maintenance and operations *ad valorem* taxes that the Applicant would have paid to the District for all Tax Years if this Agreement had not been entered into by the Parties, (ii) less the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas, for

all Tax Years of this Agreement, plus (B) any payments due to the District under Articles IV and V under this Agreement.

“New M&O Revenue” means the total State and local Maintenance and Operations Revenue that District would have actually received for such school year if calculated using prior year taxable values.

“Option to Terminate” means Applicant’s written notice to the District which: (i) in the event that Applicant determines that it will not commence or complete construction of the Applicant’s Qualified Investment prior to the beginning of the Tax Limitation Period notifies the District of Applicant’s unilateral determination to terminate this Agreement; or, (ii) with respect to each Tax Year of the Tax Limitation Period beginning after the first Tax Year of the Tax Limitation Period, where the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed 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 Applicant may exercise the Subsection (ii) option to terminate this Agreement by notifying the District of its election in writing not later than the July 31 of the year following the Tax Year where the payment otherwise due exceeded the amount of taxes that Applicant would have paid had it not entered into the Agreement. Any termination of this Agreement under Subsection (ii) of this provision s shall be effective immediately prior to the second Tax Year next following the Tax Year in which notice is given.

“Original M&O Revenue” means the total State and local Maintenance & Operations Revenue that the District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Qualified Property and/or Qualified Investment been subject to the ad valorem maintenance & operations tax at the tax rate actually adopted by the District for the applicable year. For purposes of this calculation, and as required by Tex. Educ. Code §48.256(d) as said statute existed on the date of this Agreement, the Third Party will base its calculations upon taxable values for the prior school year as certified by the County Appraisal District for all other taxable accounts in the District, save and except for the Qualified Property subject to this Agreement, plus the taxable value of the Qualified Property for the prior school year subject to this Agreement. (For clarification, the taxable value used by the District in calculating the taxes payable for Interest and Sinking Fund taxation purposes on Applicant’s Qualified Property will be used for the Qualified Property in lieu of the property’s M&O taxable value.)

“Revenue Protection Amount” means the amount to be paid by Applicant to compensate District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year starting in the year of the Application Review Start Date and ending on the Final Termination Date as set forth in Section 4.2 of this Agreement.

“*Unadjusted Tax Benefit*” means, for any Tax Year during the term of this Agreement, the total of all gross tax savings calculated for such Tax Year by multiplying (i) an amount equal to (a) the Taxable Value of the Applicant’s Qualified Property used for the District’s debt service (interest and sinking fund) property tax purposes for such Tax Year, minus (b) the Tax Limitation Amount (defined in Section 2.4, below, as Thirty Million Dollars (\$30,000,000.00), multiplied by (ii) the District’s maintenance and operations tax rate for such Tax Year.

ARTICLE II
AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

Section 2.1. 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 Section 313.027 of the TEXAS TAX CODE.

Section 2.2. PURPOSE. In consideration of the execution and subsequent performance of the terms and obligations by the Applicant pursuant to this Agreement, identified in Sections 2.5 and 2.6 and as more fully specified in this Agreement, the value of the Applicant’s Qualified Property listed and assessed by the County Appraiser for the District’s maintenance and operation ad valorem property tax shall be the Tax Limitation Amount as set forth in Section 2.4 of this Agreement during the Tax Limitation Period.

Section 2.3. TERM OF THE AGREEMENT.

A. The Application Review Start Date for this Agreement is April 29, 2022, which will be used to determine the eligibility of the Applicant’s Qualified Property and all applicable wage standards.

B. The Application Approval Date for this Agreement is August 18, 2022.

C. The Qualifying Time Period for this Agreement:

- i. Starts on January 2, 2025, a date not later than January 1 of the fourth Tax Year following the Application Approval Date for deferrals, as authorized by §313.027(h) of the TEXAS TAX CODE; and
- ii. Ends on December 31, 2027, the last day of the second complete Tax Year following the Qualifying Time Period start date.

D. The Tax Limitation Period for this Agreement:

- i. Starts on January 1, 2028, first complete Tax Year that begins after the date of the commencement of Commercial Operation; and
- ii. Ends on December 31, 2037.

E. The Final Termination Date for this Agreement is December 31, 2042.

F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and become effective on the Application Approval Date identified in Section 2.3.B. This Agreement, and the obligations and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Section 2.3.E, unless extended by the express terms of this Agreement.

Section 2.4. TAX LIMITATION. So long as the Applicant makes the Qualified Investment as required by Section 2.5, during the Qualifying Time Period, and unless this Agreement has been terminated as provided herein before such Tax Year, on January 1 of each Tax Year of the Tax Limitation Period, the Appraised Value of the Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

- A. the Market Value of the Applicant's Qualified Property; or
- B. \$30,000,000 based on Section 313.54 of the Texas Tax Code.

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the Application Approval Date, as set out by Section 313.052 of the TEXAS TAX CODE.

Section 2.5. TAX LIMITATION ELIGIBILITY. In order to be eligible and entitled to receive the value limitation identified in Section 2.4 for the Qualified Property identified in Article III, the Applicant shall:

- A. have completed the Applicant's Qualified Investment in the amount of \$30,000,000 during the Qualifying Time Period;
- B. have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and
- C. pay an average weekly wage of at least \$1,140.25 for all New Non-Qualifying Jobs created by the Applicant.

Section 2.6. TAX LIMITATION OBLIGATIONS. In order to receive and maintain the limitation authorized by Section 2.4, Applicant shall:

- A. provide payments to District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV;
- B. provide payments to the District that protect the District from the payment of extraordinary education- related expenses related to the project, as more fully specified in Article V;
- C. provide such Supplemental Payments as more fully specified in Article VI;
- D. create and Maintain Viable Presence on or with the Qualified Property and perform additional obligations as more fully specified in Article VIII of this Agreement; and
- E. No additional conditions are identified in the certificate for a limitation on appraised value by the Comptroller for this project.

ARTICLE III **QUALIFIED PROPERTY**

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE. At the time of the Application Approval Date, the Land is within an area designated either as an enterprise zone, pursuant to Chapter 2303 of the TEXAS GOVERNMENT CODE, or a reinvestment zone, pursuant to Chapter 311 or 312 of the TEXAS TAX CODE. The legal description, and information concerning the designation, of such zone is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

Section 3.2. LOCATION OF QUALIFIED PROPERTY AND INVESTMENT. The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described in **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes. The Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in **EXHIBIT 2** unless amended pursuant to the provisions of Section 10.2 of this Agreement.

Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY. The Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 4**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 4** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Property for purposes of this Agreement, unless by official action the Board of Trustees provides that such other property is a part of the Applicant's Qualified Property for purposes of this Agreement in compliance with Section 313.027(e) of the TEXAS TAX CODE, the Comptroller's Rules, and Section 10.2 of this Agreement.

Section 3.4. CURRENT INVENTORY OF QUALIFIED PROPERTY. In addition to the requirements of Section 10.2 of this Agreement, if there is a material change in the Qualified Property described in **EXHIBIT 4**, then within 60 days from the date commercial operation begins, the Applicant shall provide to the District, the Comptroller, the Appraisal District or the State Auditor's Office a specific and detailed description of the tangible personal property, buildings, and/or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Land to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property on the Land.

Section 3.5. QUALIFYING USE. The Applicant's Qualified Property described in Section 3.3 qualifies for a tax limitation agreement under Section 313.024(b)(1) of the TEXAS TAX CODE as a manufacturing plant.

ARTICLE IV

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES. It is the intent of the Parties that the District shall, in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue in each year of this Agreement for which this Agreement was, in any manner, a sole and direct producing cause. Such payments shall be independent of, and in addition to such other payments as set forth in Article V and Article VI in this Agreement. It is the intent of the Parties that the risk of any and all negative financial consequences to the District's total annual Maintenance and Operations Revenue, for which the execution of this Agreement was a sole and direct producing cause will be borne solely by Applicant and not by District.

The Parties hereto expressly understand and agree that, for all years to which this Agreement may apply, the calculation of negative financial consequences will be defined for each applicable year in

accordance with the Applicable School Finance Law, as defined in Section 1.2 above, and that such definition specifically contemplates that calculations made under this Agreement may well periodically change in accordance with changes made from time to time in the Applicable School Finance Law. The Parties further agree that the printouts and projections produced during the negotiations and approval of this Agreement are: i) for illustrative purposes only, are not intended to be relied upon, and have not been relied upon by the Parties as a prediction of future consequences to either Party to the Agreement; ii) are based upon current Applicable School Finance Law, which is subject to change by statute, by administrative regulation, or by judicial decision at any time; and, iii) may change in future years to reflect changes in the Applicable School Finance Law.

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT

A. Calculation of the Revenue Protection Amount.

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

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

Where:

1. *"Original M&O Revenue"* means the total State and local Maintenance & Operations Revenue that the District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Qualified Property and/or Qualified Investment been subject to the ad valorem maintenance & operations tax at the tax rate actually adopted by the District for the applicable year. For purposes of this calculation, and as required by Tex. Educ. Code §48.256(d) as said statute existed on the date of this Agreement, the Third Party will base its calculations upon taxable values for the prior school year as certified by the County Appraisal District for all other taxable accounts in the District, save and except for the Qualified Property subject to this Agreement, plus the taxable value of the Qualified Property for the prior school year subject to this Agreement. (For clarification, the taxable value used by the District in calculating the taxes payable for Interest and Sinking Fund taxation purposes on Applicant's Qualified Property will be used for the Qualified Property in lieu of the property's M&O taxable value.)
2. *"New M&O Revenue"* means the total State and local Maintenance & Operations Revenue that the District would have actually received for such

school year, if calculated using prior year taxable values.

- B. In making the calculations required by this Section 4.2 of this Agreement:
- i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law as that law exists for each year for which the calculation is made.
 - ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property 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 4.2 of this Agreement, results in a negative number, the negative number will be considered to be zero.
 - iv. For All calculations made for years during the Tax Limitation Period under Section 4.2 of this Agreement, Subsection ii of this subsection will reflect the Tax Limitation Amount for such year.

Section 4.3. CALCULATIONS TO BE MADE BY THIRD PARTY. All calculations under this Agreement shall be made annually by a qualified and experienced independent third party (the "Third Party") approved each year by the District. To the extent not inconsistent with a statutory change to Applicable School Finance Law, all calculations made by the Third Party under this Agreement shall be made using a methodology which isolates only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse District for other revenue losses created by other agreements or any other factors.

Section 4.4. 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 for each Tax Year 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 4.3. 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 4.5. DELIVERY OF CALCULATIONS. On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.3 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 4.2, Article VI, and/or Section 7.1 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, but subject to the provisions of Section 4.6, below. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's calculations, 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 until the Final Termination Date of this Agreement. 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 4.6. PAYMENT BY APPLICANT. The Applicant shall pay any amount determined by the Third Party 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 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 4.6 which exceeds Fifteen Thousand Dollars (\$15,000.00).

Section 4.7. RESOLUTION OF DISPUTES. 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 4.5 for purposes of auditing or reviewing the information in connection with the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the Board of Trustees within thirty (30) days of the final determination of certification containing the calculations and shall be without limitation of the Applicant's other rights and remedies available hereunder, at law or in equity.

Section 4.8. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT. If at the time the Third Party selected under Section 4.3 makes its calculations under this Agreement, the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property, and/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 Property 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 4.9. STATUTORY CHANGES AFFECTING M&O REVENUE. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1 of this Agreement, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, Applicant shall make payments to District within thirty (30) dates of receipt of written notice, up to the limit set forth in Section 7.1, that are necessary to offset any negative impact on District's Maintenance and Operations Revenue, as a sole and direct 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 District.

Section 4.10. REVENUE PROTECTION PAYMENT LIMITATION. In no event shall the Revenue Protection Payments calculated for a Tax Year of this Agreement under this Article IV exceed an amount equal to One Hundred Percent (100%) of the Applicant's Unadjusted Tax Benefit for such Tax Year. For each Tax Year of this Agreement, amounts otherwise due and owing by the Applicant to the District which, by virtue of the application of the payment limitation set forth in this Section 4.10, are not payable to the District for such Tax Year, shall be carried forward from year-to-year into subsequent Tax Years during the term of this Agreement, but shall be subject, in each subsequent Tax Year, to the limit set forth in this Section 4.10.

ARTICLE V

PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. EXTRAORDINARY EXPENSES. In addition to the amounts determined pursuant to Section 4.2 of this Agreement above, Applicant on an annual basis shall also indemnify and reimburse District for the following: all non-reimbursed costs, certified by District's external auditor to have been incurred by District for extraordinary education-related expenses related to the project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project during any project construction year. Applicant shall have the right to contest the findings of the District's external auditor in the same manner as described in Section 9.3 herein.

ARTICLE VI
SUPPLEMENTAL PAYMENTS

Section 6.1. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO ANNUAL PAYMENT LIMIT.

1. In any year during the term of this Agreement, the District shall be entitled to receive a payment in an amount equal to the lesser of:
 - (a) the Applicant's Stipulated Supplemental Payment Amount, defined as Fifteen Percent (15%) of the Applicant's Net Tax Benefit, as the term is defined in Section 1.2, above; or,
 - (b) the Net Aggregate Limit, as the term is defined in Section 1.2, above.

Each such payment shall be referred to herein as a "Supplemental Payment."

2. **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 VI 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 6.2. SUPPLEMENTAL PAYMENT LIMITATION.

Notwithstanding the foregoing:

A. the total of the Supplemental Payments made pursuant to this Article shall not exceed for any calendar year of this Agreement an amount equal to the greater of One Hundred Dollars (\$100.00) per student per year in average daily attendance, as defined by Section 42.005 of the TEXAS EDUCATION CODE, or Fifty Thousand Dollars (\$50,000.00) per year times the number of years beginning with the first complete or partial year of the Qualifying Time Period identified in Section 2.3.C and ending with the year for which the Supplemental Payment is being calculated minus all Supplemental Payments previously made by the Application;

B. Supplemental Payments may only be made during the period starting the first year of the Qualifying Time Period and ending December 31 of the third year following the end of the Tax Limitation Period.

C. the limitation in Section 6.2.A does not apply to amounts described by Section 313.027(f)(1)–(2) of the TEXAS TAX CODE as implemented in Articles IV and V of this Agreement.

D. For purposes of this Agreement, the calculation of the limit of the annual Supplemental Payment shall be the greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, based upon the District's Average Daily Attendance for the previous school year.

Section 6.3. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS

- A. All calculations required by this Article shall be calculated by the Third Party selected pursuant to Section 4.5, above.
- B. The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 4.8, above.
- C. The payment of all amounts due under this Article shall be made shall be paid on the dates set forth in Section 4.6 above.

Section 6.4. DISTRICT’S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY. At any time during this Agreement, the District’s Board of Trustees may, in its sole discretion, so long as such decision does not result in additional costs to the Applicant under this Agreement, direct that the Applicant’s payment obligations under Article VI of this agreement be made to its educational foundation, or to a similar entity. The alternative entity may only use such funds received under this Article to support the educational mission of the District and its students. Any designation of an alternative entity must be made by recorded vote of the District’s Board of Trustees at a properly posted public Board meeting. Any such designation will become effective after public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 10.1, below. Such designation may be rescinded, with respect to future payments only, by action of the District’s Board of Trustees at any time.

Any designation of a successor beneficiary under this Section shall not alter the Supplemental Payments calculated as described in Section 6.4, above.

ARTICLE VII
ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

Section 7.1. EFFECT OF OPTIONAL TERMINATION. Upon the exercise of the option to terminate, this Agreement shall terminate and be of no further force or effect; provided, however, that:

- A. 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; and
- B. the provisions of this Agreement regarding payments (including liquidated damages and tax payments), records and dispute resolution shall survive the termination or expiration of this Agreement.

ARTICLE VIII
ADDITIONAL OBLIGATIONS OF APPLICANT

Section 8.1. APPLICANT’S OBLIGATION TO MAINTAIN VIABLE PRESENCE. In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall Maintain Viable Presence in the District commencing at

the start of the Tax Limitation Period through the Final Termination Date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure, provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure.

Section 8.2. REPORTS. In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall submit all reports required from time to time by the Comptroller, listed in 34 TEXAS ADMIN. CODE Section 9.1052 and as currently located on the Comptroller's website, including all data elements required by such form to the satisfaction of the Comptroller on the dates indicated on the form or the Comptroller's website and starting on the first such due date after the Application Approval Date.

Section 8.3. COMPTROLLER'S REPORT ON CHAPTER 313 AGREEMENTS. During the term of this Agreement, both Parties shall provide the Comptroller with all information reasonably necessary for the Comptroller to assess performance under this Agreement for the purpose of issuing the Comptroller's report, as required by Section 313.032 of the TEXAS TAX CODE.

Section 8.4. DATA REQUESTS. Upon the written request of the District, the State Auditor's Office, the Appraisal District, or the Comptroller during the term of this Agreement, the Applicant, the District or any other entity on behalf of the District shall provide the requesting party with all information reasonably necessary for the requesting party to determine whether the Applicant is in compliance with its rights, obligations or responsibilities, including, but not limited to, any employment obligations which may arise under this Agreement.

Section 8.5. SITE VISITS AND RECORD REVIEW. The Applicant shall allow authorized employees of the District, the Comptroller, the Appraisal District, and the State Auditor's Office to have reasonable access to the Applicant's Qualified Property and business records from the Application Review Start Date through the Final Termination Date, 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.

A. All inspections will be made at a mutually agreeable time after the giving of not less than ninety-six (96) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property.

B. 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 proprietary, a trade secret, or is subject to a confidentiality agreement with any third party.

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; AUTHORITY OF STATE AUDITOR. By executing this Agreement, implementing the authority of, and accepting the benefits provided

by Chapter 313 of the TEXAS TAX CODE, the Parties agree that this Agreement and their performance pursuant to its terms are subject to review and audit by the State Auditor as if they are parties to a State contract and subject to the provisions of Section 2262.154 of the TEXAS GOVERNMENT CODE and Section 313.010(a) of the TEXAS TAX CODE. The Parties further agree to comply with the following requirements:

A. The District and the Applicant shall maintain and retain supporting documents adequate to ensure that claims for the Tax Limitation Amount are in accordance with applicable Comptroller and State of Texas requirements. The Applicant and the District shall maintain all such documents and other records relating to this Agreement and the State's property for a period of four (4) years after the latest occurring date of:

- i. date of submission of the final payment;
- ii. Final Termination Date; or
- iii. date of resolution of all disputes or payment.

B. During the time period defined under Section 8.6.A, the District and the Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to this Agreement; the Applicant's Application; and the Applicant's Qualified Property, Qualified Investment, New Qualifying Jobs, and wages paid for New Non- Qualifying Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by the Comptroller, State Auditor's Office, State of Texas or their authorized representatives. The Applicant and the District shall cooperate with auditors and other authorized Comptroller and State of Texas representatives and shall provide them with prompt access to all of such property as requested by the Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, the Applicant's or the District's failure to comply with this Section shall constitute a Material Breach of this Agreement.

C. In addition to and without limitation on the other audit provisions of this Agreement, the acceptance of tax benefits or funds by the Applicant or the District or any other entity or person directly under this Agreement acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, the Applicant or the District or other entity that is the subject of an audit or investigation by the State Auditor must provide the State Auditor with access to any information the State Auditor considers relevant to the investigation or audit. The Parties agree that this Agreement shall for its duration be subject to all rules and procedures of the State Auditor acting under the direction of the legislative audit committee.

D. The Applicant shall include the requirements of this Section 8.6 in its subcontract with any entity whose employees or subcontractors are subject to wage requirements under the Act, the Comptroller's Rules, or this Agreement, or any entity whose employees or subcontractors are included in the Applicant's compliance with job creation or wage standard requirement of the Act, the Comptroller's Rules, or this Agreement.

Section 8.7. FALSE STATEMENTS; BREACH OF REPRESENTATIONS. The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application, and any supplements or amendments thereto, without which the Comptroller would not have approved this Agreement and the District would not have executed

this Agreement. By signature to this Agreement, the Applicant:

A. represents and warrants that all information, facts, and representations contained in the Application are true and correct to the best of its knowledge;

B. agrees and acknowledges that the Application and all related attachments and schedules are included by reference in this Agreement as if fully set forth herein; and

C. acknowledges that if the Applicant submitted its Application with a false statement, signs this Agreement with a false statement, or submits a report with a false statement, or it is subsequently determined that the Applicant has violated any of the representations, warranties, guarantees, certifications, or affirmations included in the Application or this Agreement, the Applicant shall have materially breached this Agreement and the Agreement shall be invalid and void except for the enforcement of the provisions required by Section 9.2 of this Agreement.

ARTICLE IX

MATERIAL BREACH OR EARLY TERMINATION

Section 9.1. EVENTS CONSTITUTING MATERIAL BREACH OF AGREEMENT. The Applicant shall be in Material Breach of this Agreement if it commits one or more of the following acts or omissions (each a “Material Breach”):

A. The Application, any Application Supplement, or any Application Amendment on which this Agreement is approved is determined to be inaccurate as to any material representation, information, or fact or is not complete as to any material fact or representation or such application;

B. The Applicant failed to complete Qualified Investment as required by Section 2.5.A. of this Agreement during the Qualifying Time Period;

C. The Applicant failed to create and maintain the number of New Qualifying Jobs required by the Act;

D. The Applicant failed to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application;

E. The Applicant failed to pay at least the average weekly wage of all jobs in the county in which the jobs are located for all New Non-Qualifying Jobs created by the Applicant;

F. The Applicant failed to provide payments to the District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV of this Agreement;

G. The Applicant failed to provide the payments to the District that protect the District from the payment of extraordinary education-related expenses related to the project to the extent and in the amounts that the Applicant agreed to provide such payments in Article V of this Agreement;

H. The Applicant failed to provide the Supplemental Payments to the extent and in the amounts that the Applicant agreed to provide such Supplemental Payments in Article VI of this Agreement;

I. The Applicant failed to create and Maintain Viable Presence on or with the Qualified Property as more fully specified in Article VIII of this Agreement;

J. The Applicant failed to submit the reports required to be submitted by Section 8.2 to the satisfaction of the Comptroller;

K. The Applicant failed to provide the District or the Comptroller with all information

reasonably necessary for the District or the Comptroller to determine whether the Applicant is in compliance with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement;

L. The Applicant failed to allow authorized employees of the District, the Comptroller, the Appraisal District, or the State Auditor's Office to have access to the Applicant's Qualified Property or business records 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 under Sections 8.5 and 8.6;

M. The Applicant failed to comply with a request by the State Auditor's office to review and audit the Applicant's compliance with this Agreement;

N. The Applicant has made any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on Appraised Value made pursuant to Chapter 313 of the TEXAS TAX CODE, in excess of the amounts set forth in Articles IV, V and VI of this Agreement;

O. The Applicant failed to comply with the conditions included in the certificate for limitation issued by the Comptroller.

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

A. Prior to making a determination that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, the Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that it is not in breach of its obligations under this Agreement, or that it has cured or undertaken to cure any such breach.

B. If the Board of Trustees is not satisfied with such response or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to the Applicant, conduct a hearing called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to:

- i. whether or not a breach of this Agreement has occurred;
- ii. whether or not such breach is a Material Breach;
- iii. the date such breach occurred, if any;
- iv. whether or not any such breach has been cured; and

C. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall at that time determine:

- i. the amount of recapture taxes under Section 9.4.C (net of all credits under Section 9.4.C);
- ii. the amount of any penalty or interest under Section 9.4.E that are owed to the District; and
- iii. in the event of a finding of a Material Breach, whether to terminate this Agreement.

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

Section 9.3. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee’s Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have sixty (60) 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 thirty (30) days after the Applicant initiates mediation, 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 Jefferson 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.

B. In the event that any mediation is not successful in resolving the dispute or that payment is not received within the time period described for mediation in Section 9.3.A, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in a judicial proceeding in a state district court in Jefferson County, 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 contract, agreement or undertaking made by a Party pursuant to this Agreement.

C. If payments become due under this Agreement and are not received before the expiration of the sixty (60) days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney’s fees to the attorneys representing the District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax lien shall attach to the Applicant’s Qualified Property and the Applicant’s Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

Section 9.4. CONSEQUENCES OF EARLY TERMINATION OR OTHER BREACH BY APPLICANT.

A. In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 7.1 of this Agreement, the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of the notice of breach.

B. In the event that the District determines that the Applicant has failed to comply in any

material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the Applicant shall pay to the District liquidated damages, as calculated by Section 9.4.C, prior to, and the District may terminate the Agreement effective on the later of: (i) the expiration of the thirty (30) days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.

C. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem taxes for all of the Tax Years for which a tax limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 9.4.E. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Articles IV, V, and VI. 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.

D. In the event that the District determines that the Applicant has committed a Material Breach identified in Section 9.1, after the notice and mediation periods provided by Sections 9.2 and 9.3, then the District may, in addition to the payment of liquidated damages required pursuant to Section 9.4.C, terminate this Agreement.

E. In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes less all credits under Section 9.4.C owed for each Tax Year during the Tax Limitation Period. The District shall calculate penalty or interest for each Tax Year during the Tax Limitation Period in accordance with the methodology set forth in Chapter 33 of the TEXAS TAX CODE, as if the base amount calculated for such Tax Year less all credits under Section 9.4.C had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(a) of the TEXAS TAX CODE, or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(c) of the TEXAS TAX CODE, or its successor statute.

Section 9.5. LIMITATION OF OTHER DAMAGES. Notwithstanding anything contained in this Agreement to the contrary, in the event of default or breach of this Agreement by the Applicant, the District's damages for such a default shall under no circumstances exceed the amounts calculated under Section 9.4. 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 9.5 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT. Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make \$30,000,000 of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount

identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

Section 9.7. REMEDY FOR FAILURE TO CREATE AND MAINTAIN REQUIRED NEW QUALIFYING JOBS
Pursuant to Section 313.0276 of the TEXAS TAX CODE, for any full Tax Year that commences after the project has become operational, in the event that it has been determined that the Applicant has failed to meet the job creation or retention requirements defined in Sections 9.1.C, the Applicant shall not be deemed to be in Material Breach of this Agreement until such time as the Comptroller has made a determination to rescind this Agreement under Section 313.0276 of TEXAS TAX CODE, and that determination is final.

Section 9.8. REMEDY FOR FAILURE TO CREATE AND MAINTAIN COMMITTED NEW QUALIFYING JOBS

A. In the event that the Applicant fails to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application, an event constituting a Material Breach as defined in Section 9.1.D, the Applicant and the District may elect to remedy the Material Breach through a penalty payment.

B. Following the notice and mediation periods provided by Sections 9.2 and 9.3, the District may request the Applicant to make a payment to the State in an amount equal to: (i) multiplying the maintenance and operations tax rate of the school district for that Tax Year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the market value of the property identified on the Appraisal District's records for each tax year the Material Breach occurs.

C. In the event that there is no tax limitation in place for the tax year that the Material Breach occurs, the payment to the State shall be in an amount equal to: (i) multiplying the maintenance and operations tax rate of the School District for each tax year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the tax limitation amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the last Tax Year for which the Applicant received a tax limitation.

D. The penalty shall be paid no later than 30 days after the notice of breach and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE.

ARTICLE X.
MISCELLANEOUS PROVISIONS

Section 10.1. INFORMATION AND NOTICES.

A. 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 or email

transmission, with notice 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 or email 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.

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

Dr. Shannon Allen
Superintendent of Schools
Beaumont Independent School District
3395 Harrison Ave
Beaumont, TX 77706
Phone: (409) 617-5001
Mobile: NA
Facsimile: (409) 617-5184
Email: spier@bmtisd.com

C. Notices to the Applicant shall be addressed to its Authorized Representative as follows:

Beshoy Guirguis
Vice President
OCI Clean Ammonia LLC
2800 Post Oak Blvd, Suite 3150
Houston, Texas 77056
Phone: (713) 568-7351
Mobile: NA
Facsimile: (832) 747-9966
Email: beshoy.guirguis@oci.nl

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

D. A copy of any notice delivered to the Applicant shall also be delivered to any lender for which the Applicant has provided the District notice of collateral assignment information pursuant to Section 10.3.C, below.

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

A. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties and after completing the requirements of Section 10.2.B. 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.

B. By official action of the District's Board of Trustees, the Application and this Agreement may only be amended according to the following:

i. The Applicant shall submit to the District and the Comptroller:

a. a written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;

b. any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller;

c. and any additional information requested by the District or the Comptroller necessary to evaluate the amendment or modification;

ii. The Comptroller shall review the request and any additional information for compliance with the Act and the Comptroller's Rules and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by the Comptroller by the end of the 90-day period, the request is denied; and

iii. If the Comptroller has not denied the request, the District's Board of Trustees shall approve or disapprove the request before the expiration of 150 days after the request is filed.

C. Any amendment of the Application and this Agreement adding additional or replacement Qualified Property pursuant to this Section 10.2 of this Agreement shall:

i. require that all property added by amendment be eligible property as defined by Section 313.024 of the TEXAS TAX CODE;

ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and

D. The Application and this Agreement may not be amended to extend the value limitation time period beyond its ten-year statutory term.

E. The Comptroller determination made under Section 313.026(c)(2) of the TEXAS TAX CODE in the original certificate for a limitation satisfies the requirement of the Comptroller to make the same determination for any amendment of the Application and this Agreement, provided that the facts upon which the original determination was made have not changed.

F. The Applicant shall amend the Application and this Agreement to identify the changes in the information that was provided in the Application and was approved by the District and as considered by the Comptroller no earlier than 180 days and no later than 90 days prior to the start of the Qualifying Time Period as identified in Section 2.3.C.i of this Agreement.

i. The Applicant shall comply with written requests from the District or the Comptroller to provide additional information necessary to prepare a Comptroller certificate for a limitation for the conditions prior to the start of the Qualifying Time Period; and

ii. If the Comptroller provides its certificate for a limitation with conditions different from the existing agreement, the District shall hold a meeting and determine whether to amend this Agreement to include the conditions required by the Comptroller or terminate this Agreement; or

iii. If the Comptroller withdraws its certificate for a limitation based on the revised Application, the District shall terminate this Agreement.

Section 10.3. ASSIGNMENT.

A. Any assignment of any rights, benefits, obligations, or interests of the Parties in this Agreement, other than a collateral assignment purely for the benefit of creditors of the project, is considered an amendment to the Agreement and such Party may only assign such rights, benefits, obligations, or interests of this Agreement after complying with the provisions of Section 10.2 regarding amendments to the Agreement. Other than a collateral assignment to a creditor, this Agreement may only be assigned to an entity that is eligible to apply for and execute an agreement for limitation on appraised value pursuant to the provisions of Chapter 313 of the TEXAS TAX CODE and the Comptroller's Rules.

B. 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.

C. In the event of an assignment to a creditor, the Applicant must notify the District and the Comptroller in writing no later than 30 days after the assignment. This Agreement shall be binding on the assignee.

Section 10.4. 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 10.5. 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 a state district court in Jefferson County.

Section 10.6. 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 10.7. SEVERABILITY. If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal, or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision, or condition cannot be so reformed, then such term, provision, or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality, and enforceability of the remaining terms, provisions, and conditions contained herein (and any other application such term, provision, or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in an acceptable manner so as to effect the original intent of the Parties as closely as possible so that the transactions contemplated hereby are

fulfilled to the extent possible. As used in this Section 10.7, 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 10.8. PAYMENT OF EXPENSES. Except as otherwise expressly provided in this Agreement, or as covered by the application fee, each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement.

Section 10.9. INTERPRETATION.

A. 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.

B. 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.

C. The provisions of the Act and the Comptroller’s Rules are incorporated by reference as if fully set forth in this Agreement. In the event of a conflict, the conflict will be resolved by reference to the following order of precedence:

- i. The Act;
- ii. The Comptroller’s Rules as they exist at the time the Agreement is executed, except as allowed in the definition of Qualified Property in Section 1.1; and
- iii. This Agreement and its Attachments including the Application as incorporated by reference.

Section 10.10. 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 10.11. 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; and the approved and executed copy of this Agreement or any amendment thereto, as follows:

A. Within seven (7) days of receipt 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 does not require the publication of information that is confidential under Section 313.028 of the TEXAS TAX CODE.

Section 10.12. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS. The Applicant shall immediately notify the District and Comptroller's office in writing of any actual or anticipated change in the control or ownership of the Applicant and of any legal or administrative investigations or proceedings initiated against the Applicant related to the project regardless of the jurisdiction from which such proceedings originate.

Section 10.13. DUTY TO DISCLOSE. If circumstances change or additional information is obtained regarding any of the representations and warranties made by the Applicant in the Application or this Agreement, or any other disclosure requirements, subsequent to the date of this Agreement, the Applicant's duty to disclose continues throughout the term of this Agreement.

Section 10.14. CONFLICTS OF INTEREST.

A. The District represents that, after diligent inquiry, each local public official or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, has disclosed any conflicts of interest in obtaining or performing this Agreement and related activities, appropriately recused from any decisions relating to this Agreement when a disclosure has been made, and the performance of this Agreement will not create any appearance of impropriety. The District represents that it, the District's local public officials or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

B. The Applicant represents that, after diligent inquiry, each of its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, involved in the representation of the Applicant with the District has complied with the provisions of Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE. The Applicant represents that it and its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

C. The District and the Applicant each separately agree to notify the other Party and the Comptroller immediately upon learning of any conflicts of interest.

Section 10.15. PROVISIONS SURVIVING EXPIRATION OR TERMINATION. Notwithstanding the expiration or termination (by agreement, breach, or operation of time) of this Agreement, the provisions of this Agreement regarding payments (including liquidated damages and tax payments), reports, records, and dispute resolution of the Agreement shall survive the termination or expiration dates of this Agreement until the following occurs:

- A. all payments, including liquidated damage and tax payments, have been made;
- B. all reports have been submitted;
- C. all records have been maintained in accordance with Section 8.6.A; and

D. all disputes in controversy have been resolved.

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

A. This Agreement may be duly executed and delivered in person, by mail, or by facsimile or other electronic format (including portable document format (pdf) transmitted by e-mail). The executing Party must promptly deliver a complete, executed original or counterpart of this Agreement to the other executing Parties. This Agreement shall be binding on and enforceable against the executing Party whether or not it delivers such original or counterpart.

B. Delivery is deemed complete as follows:

- i. When delivered if delivered personally or sent by express courier service;
- ii. Three (3) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested;
- iii. When transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine; or
- iv. When the recipient, by an e-mail sent to the e-mail address for the executing Parties acknowledges having received that e-mail (an automatic “read receipt” does not constitute acknowledgment of an e-mail for delivery purposes).

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 18th day of August 2022.

OCI CLEAN AMMONIA LLC

**BEAUMONT INDEPENDENT
SCHOOL DISTRICT**

By: _____

Beshoy Guirguis

Vice President

By: _____

President,
Board of Trustees

ATTEST:

Secretary,
Board of Trustees

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

Application for Appraised Value Limitation on Qualified Property
submitted to Beaumont ISD
by OCI Fuels USA

**TAB 9
DESCRIPTION OF LAND**

The project will be located adjacent to and surrounding assets of Applicant's affiliate OCI Beaumont LLC an integrated methanol and ammonia production facility, depicted at Tab 11(e). The project site currently has no improvements.

Applicant and Jefferson County are finalizing the exact boundaries of the project area and reinvestment zone. Applicant will supplement this application with the County's order designating the reinvestment zone, but it is anticipated that the reinvestment zone will include all or parts of the following parcels:

PROPOSED PROJECT AREA			
Prop ID	OWNER	Legal Description	Value
386012	PARIGI PROPERTY MANAGEMENT LTD	TR 3 28.128 AC WALKER-ARENA HIGHWAY 347	759,953
130639	PARIGI PROPERTY MANAGEMENT LTD	P HUMPHREYS-ABS 32 TR 20 15C 14.770AC	374,621
130878	CHEMOURS COMPANY FC LLC	J S JOHNSON ABST 34 TRS 28&29 20 AC AIRCO	272,123
130877	CHEMOURS COMPANY FC LLC	TR 20 AB 34 JS JOHNSTON 18,330AC	309,188
130873	CHEMOURS COMPANY FC LLC	TR 27 AB 34 JS JOHNSTON 5,207&AC	115,133
239229	NATGASOLINE LLC	LOT 5 DUPONT-BEAUMONT INDUSTRIAL SITE#1 REPLAT 49.764 AC	518,102
130577	CHEMOURS COMPANY FC LLC	P HUMPHREY ABS 32 TR 73 2.486 AC	52,988
255849	OCI BEAUMONT LLC	LOT 5 TR 2 DUPONT-BEAUMONT INDUSTRIAL SITE#1 REPLAT 19.000 AC	279,360
130543	CHEMOURS COMPANY FC LLC	P HUMPHREYS-ABS 32 TR 5-D 9 820 AC #503450-000020 COUNTY TR	61,940
239228	NATGASOLINE LLC	LOT 4 DUPONT-BEAUMONT INDUSTRIAL SITE#1 REPLAT 46.796AC	725,245
328977	TEXAM LLC	LOT 3F DUPONT-BEAUMONT INDUSTRIAL SITE#1 6.34 ACRES	98,270
30366	CHEMOURS COMPANY FC LLC	LOT 3 DUPONT-BEAUMONT INDUSTRIAL SITE#1 13.148AC # 501105-0	203,794
328983	OCI BEAUMONT LLC	LOT 3-G DUPONT-BEAUMONT INDUSTRIAL SITE#1 15.4760 AC	238,878
30368 *	CHEMOURS COMPANY FC LLC	LOT 2 DUPONT-BEAUMONT INDUSTRIAL SITE#2-PART # 505600-0001	185,121
239837	CHEMOURS COMPANY FC LLC	LOT 3E DUPONT-BEAUMONT INDUSTRIAL SITE#1 12.20 AC	189,100
130751	MASON MARSHAL	P HUMPHREYS-ABS 32 TR 113 6.410 AC	156,096
326346	HUNTER RE HOLDINGS LLC	PT TR 23-19A-1 22.929AC AB 32 PHUMPHREYS	108,520
130663	KERR TRACTOR SOUTHWEST LTD	PT TR 23 19A 12.679AC AB 32 PHUMPHREYS	86,880
130657	KERR TRACTOR SOUTHWEST LTD	P HUMPHREYS-ABS 32 TR 1 OF TR 18A PT TR 23 22.728 AC	126,128
130656	KERR TRACTOR SOUTHWEST LTD	P HUMPHREYS-ABS 32 TR 2 OF TR 18A PT TR 23 7.576 AC	65,210
130659	KERR TRACTOR SOUTHWEST LTD	P HUMPHREYS-ABS 32 TR 3A OF TR 18A PT TR 23 2.523 AC	34,020
130660	KERR TRACTOR SOUTHWEST LTD	P HUMPHREYS-ABS 32 TR 3B OF TR 18A PT TR 23 5.047 AC	51,570
130661	KERR TRACTOR SOUTHWEST LTD	P HUMPHREYS-ABS 32 TR 4 OF TR 18A PT TR 23 7.452 AC ABS 257	65,232
130662	KERR TRACTOR SOUTHWEST LTD	P HUMPHREYS-ABS 32 PT TR 23 TR 5 OF TR 18A 11.412 AC ABS 13	116,986
139592	KERR TRACTOR SOUTHWEST LTD	ABST 257 T & NO #1 TR 10 PT TR 18A 2.755 AC	52,345
411812	PARIGI PROPERTY MANAGEMENT LTD	LT 9 MID-CITY BUSINESS PARK 4.312AC	169,048
411811	PARIGI PROPERTY MANAGEMENT LTD	LT 8 MID-CITY BUSINESS PARK 9.988AC RETENTION POND	30,912
411810	PARIGI PROPERTY MANAGEMENT LTD	LT 7 MID-CITY BUSINESS PARK 4.524AC	177,359
411808	MAGPIE 3 LLC	LT 5 MID-CITY BUSINESS PARK 2.098AC	91,369
411809	MAGPIE 3 LLC	LT 6 MID-CITY BUSINESS PARK 2.098AC	91,389
411807	MAGPIE 3 LLC	LT 4 MID-CITY BUSINESS PARK 2.098AC	91,389
411813	PARIGI PROPERTY MANAGEMENT LTD	LT 10 MID-CITY BUSINESS PARK 2.000AC	87,120
411814	BEAUMONT LAND LLC	LT 11 MID-CITY BUSINESS PARK 2.000AC	87,120
411815	BEAUMONT LAND LLC	LT 12 MID-CITY BUSINESS PARK 2.000AC	87,120
411816	BEAUMONT LAND LLC	LT 13 MID-CITY BUSINESS PARK 2.000AC	87,120
411817	BEAUMONT LAND LLC	LT 14 MID-CITY BUSINESS PARK 2.090AC	87,120
411818	BEAUMONT LAND LLC	LT 15 MID-CITY BUSINESS PARK 2.252AC	98,097

* The project area will include a 8.72 acre parcel out of the larger 405.55 ac tract. The value reflected here is extrapolated from the per acre value of the larger tract (\$9,153,727).

During application preparation, a search of property tax records confirmed that there are no improvements recorded in the tax accounts of the parcels that comprise the project area. See Tab 11 c. Parcel 328977 and 328983 are currently being used as a staging area for contractor equipment, which would be relocated. The project area would also include a portion of another parcel (30368), which is currently a parking lot. Parcel 130657 has a small portable storage building that would be removed (288 sq ft, appraised value \$2,000).

Tab 11(g) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size.

Note that proposed reinvestment zone and proposed project boundaries are the same. The total area of the reinvestment zone/project boundaries is 415 acres.



EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

All of the Applicant's Qualified Property and Applicant's Qualified Investment will be located within the boundaries of the *Reinvestment Zone* and the Beaumont Independent School District. The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described by the legal description and maps attached to **EXHIBIT 1 AND EXHIBIT 4**.

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

Applicant's Qualified Investment shall be all tangible personal property first placed in service after August 18, 2022, that is owned by the Applicant, as more fully described in Tab #7 of the Application and located within the boundaries of the Beaumont Independent School District and the *Reinvestment Zone* depicted by the maps attached to **EXHIBIT 1 AND EXHIBIT 4**.

TAB 7

DESCRIPTION OF QUALIFIED INVESTMENT

The project will be located adjacent to assets of Applicant's affiliate OCI Beaumont LLC, an integrated methanol and ammonia production facility depicted at Tab 11(e). Though the existing facilities are not owned or operated by Applicant, this project will interconnect with affiliate assets and will include a new Nitrogen Production Complex (Ammonia-Urea-Nitric Acid – UAN-DEF units), described in more detail below.

The project will include the following Qualified Investment:

The Applicant is currently evaluating the construction of a Nitrogen Production Complex in one of two locations adjacent to existing assets, either its fertilizer manufacturing facility in Wever, Iowa or its methanol/ammonia facility in Beaumont, Texas.

Construction is expected to take 24 to 30 months, with commissioning and start up to follow. The facilities are expected to be fully operational in 2027.

The project will involve the construction of two (2) 3,000 MTPD ammonia units based on imported hydrogen (H₂) and nitrogen (N₂) (referred to as QP1 and QP2, respectively).

The project also envisions installing a 2,200 MTPD urea synthesis plant next to the ammonia facilities, converting part of this ammonia together with carbon dioxide (CO₂) from over-the-fence to urea (referred to as QP3). This reaction takes place at elevated pressure in a pool reactor with high pressure stripper, carbamate condenser, and various other reactor/vessels.

The end-product is a urea solution of 72% urea in water that will be converted to Diesel Exhaust Fluid (DEF) in various concentrations. Alternatively, the urea can also be converted to a urea ammonium nitrate (UAN) fertilizer solution when mixing with ammonium nitrate solution. The latter is made by reacting ammonia and nitric acid (NA). To facilitate the UAN production, an NA plant will also be built with a capacity of 1,530 MTPD. For the storage of these fertilizer products, various storage tanks will also be built. (The DEF, UAN and NA plants referred to collectively as QP4).

Immediately below is a list of new property that will serve the entire Nitrogen Production Complex (all four units, QP1, QP2, QP3 AND QP4), followed by lists of new property unique to each unit:

- Site development
 - Includes removal of existing foliage (trees, shrubs or other vegetation)
 - Grading and leveling of land
 - Remediation of any wetlands in accordance with environmental regulations
 - Installation of access roads and entry into the site
 - Installation of civil supports (pilings, concrete slabs or other infrastructure)
 - Fencing
 - Lighting
- Utilities and offsite systems
 - Certain equipment or systems may be fabricated off-site (e.g. not at the proposed Beaumont location) to minimize CAPEX or streamline the construction process
 - Equipment such as skid-mounted valves, regulators, boilers, reactors, vessels, pipe-skids may be fabricated in a closed environment (such as a fabrication shop) and shipped to the site for final installation

Application for Appraised Value Limitation on Qualified Property
submitted to Beaumont ISD
by OCI Clean Ammonia LLC

- Electrical equipment
 - Electrical equipment responsible for supplying electrical power, and instrumentation for monitoring and operating the various systems within the proposed facility, including the following major components:
 - 69 kV power station with transformers to 12.47 kV
 - Electrical substation with transformers to 4 kV and lower, with various electrical switch gear
 - Emergency power diesel generator
 - Steam turbine power generator
 - Electrical systems / electric control centers
 - Instrumentation I/O connections and wire runs
 - Underground Piping/conduit
 - Interconnecting piping with natural gas, hydrogen, carbon dioxide and nitrogen providers
 - Connections to existing natural gas, hydrogen or nitrogen pipeline networks through subterraneous pipelines
 - Connection to the river for water intake
 - Connection to municipal potable water system
- Wastewater de-oiling system
- Storage tanks and loading infrastructure for ammonia and urea products
- Process control buildings
- Warehouse buildings
- Maintenance buildings

New property unique to each unit:

QP1 Ammonia Synthesis Plant 1

- | | |
|--|--|
| <ul style="list-style-type: none">• 3,000 MTPD ammonia synthesis loop• Cooling and separation system• Ammonia refrigeration unit• Electrical substation• Reactor• Pumps• Compressors (syngas, refrigeration)• Heat exchangers• Water scrubbing unit• Analyzer shelter | <ul style="list-style-type: none">• Flare system• Cooling water tower• Package boiler• Waste heat boiler• Steam/condensate system• Demineralized water unit• Demineralized water tank• Boiler feedwater system• Auxiliary boiler• Instrument/plant air system |
|--|--|

QP2 Ammonia Synthesis Plant 2

- | | |
|---|--|
| <ul style="list-style-type: none">• 3,000 MTPD ammonia synthesis loop• Cooling and separation system• Ammonia refrigeration unit• Electrical substation• Reactor• Pumps• Compressors (syngas, refrigeration)• Heat exchangers• Water scrubbing unit• Center control room | <ul style="list-style-type: none">• Analyzer shelter• Flare system• Waste heat boiler• Steam/condensate system• Demineralized water unit• Demineralized water tank• Boiler feedwater system• Auxiliary boiler• Instrument/plant air system |
|---|--|

Application for Appraised Value Limitation on Qualified Property
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by OCI Clean Ammonia LLC

QP3 Urea Synthesis Plant

- 2,200 MTPD urea synthesis loops
- HP stripper
- Carbamate condenser
- Electrical substation
- Reactor
- Pumps
- Compressors (CO₂)
- Heat exchangers
- Urea solution tank
- Flare system
- Waste heat boiler
- Boiler feedwater system
- Auxiliary boiler
- Steam/condensate system
- Package boiler
- Cooling water tower
- Demineralized water unit
- Instrument/plant air system

QP4 DEF, UAN and NA units

- Electrical substation
- Reactor
- Pumps
- Compressors (turbo expander)
- Heat exchangers
- UAN tank
- DEF tank
- Flare system
- Waste heat boiler
- Steam/condensate system
- Cooling water tower
- Boiler feedwater system
- Auxiliary boiler

The exact number and location of real and personal property improvements remains to be determined based ongoing siting analysis. All qualified property would be located in the project boundary.

For depiction of proposed facilities within the project boundaries see Tab 11.

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

Applicant's Qualified Property shall be all tangible personal property first placed in service after August 18, 2022, that is owned by the Applicant, as more fully described in Tab #8 of the Application and located within the boundaries of the Beaumont Independent School District and the *Reinvestment Zone* depicted by the maps attached to **EXHIBIT 1 AND EXHIBIT 4**.

Application for Appraised Value Limitation on Qualified Property
submitted to Beaumont ISD
by OCI Clean Ammonia LLC

TAB 8

DESCRIPTION OF QUALIFIED PROPERTY

The project will be located adjacent to assets of Applicant's affiliate OCI Beaumont LLC, an integrated methanol and ammonia production facility depicted at Tab 11(e). Though the existing facilities are not owned or operated by Applicant, this project will interconnect with affiliate assets and will include a new Nitrogen Production Complex (Ammonia-Urea-Nitric Acid – UAN-DEF units), described in more detail below.

The project will include the following Qualified Property:

The Applicant is currently evaluating the construction of a Nitrogen Production Complex in one of two locations adjacent to existing assets, either its fertilizer manufacturing facility in Wever, Iowa or its methanol/ammonia facility in Beaumont, Texas.

Construction is expected to take 24 to 30 months, with commissioning and start up to follow. The facilities are expected to be fully operational in 2027.

The project will involve the construction of two (2) 3,000 MTPD ammonia units based on imported hydrogen (H₂) and nitrogen (N₂) (referred to as QP1 and QP2, respectively).

The project also envisions installing a 2,200 MTPD urea synthesis plant next to the ammonia facilities, converting part of this ammonia together with carbon dioxide (CO₂) from over-the-fence to urea (referred to as QP3). This reaction takes place at elevated pressure in a pool reactor with high pressure stripper, carbamate condenser, and various other reactor/vessels.

The end-product is a urea solution of 72% urea in water that will be converted to Diesel Exhaust Fluid (DEF) in various concentrations. Alternatively, the urea can also be converted to a urea ammonium nitrate (UAN) fertilizer solution when mixing with ammonium nitrate solution. The latter is made by reacting ammonia and nitric acid (NA). To facilitate the UAN production, an NA plant will also be built with a capacity of 1,530 MTPD. For the storage of these fertilizer products, various storage tanks will also be built. (The DEF, UAN and NA plants referred to collectively as QP4).

Immediately below is a list of qualified property that will serve the entire Nitrogen Production Complex (all four units, QP1, QP2, QP3 AND QP4), together with the land owned by Applicant, followed by lists of qualified property unique to each unit:

- Site development
 - Includes removal of existing foliage (trees, shrubs or other vegetation)
 - Grading and leveling of land
 - Remediation of any wetlands in accordance with environmental regulations
 - Installation of access roads and entry into the site
 - Installation of civil supports (pilings, concrete slabs or other infrastructure)
 - Fencing
 - Lighting
- Utilities and offsite systems
 - Certain equipment or systems may be fabricated off-site (e.g. not at the proposed Beaumont location) to minimize CAPEX or streamline the construction process
 - Equipment such as skid-mounted valves, regulators, boilers, reactors, vessels, pipe-skids may be fabricated in a closed environment (such as a fabrication shop) and shipped to the site for final installation

Application for Appraised Value Limitation on Qualified Property
submitted to Beaumont ISD
by OCI Clean Ammonia LLC

- Electrical equipment
 - Electrical equipment responsible for supplying electrical power, and instrumentation for monitoring and operating the various systems within the proposed facility, including the following major components:
 - 69 kV power station with transformers to 12.47 kV
 - Electrical substation with transformers to 4 kV and lower, with various electrical switch gear
 - Emergency power diesel generator
 - Steam turbine power generator
 - Electrical systems / electric control centers
 - Instrumentation I/O connections and wire runs
 - Underground Piping/conduit
 - Interconnecting piping with natural gas, hydrogen, carbon dioxide and nitrogen providers
 - Connections to existing natural gas, hydrogen or nitrogen pipeline networks through subterraneous pipelines
 - Connection to the river for water intake
 - Connection to municipal potable water system
- Wastewater de-oiling system
- Storage tanks and loading infrastructure for ammonia and urea products
- Process control buildings
- Warehouse buildings
- Maintenance buildings

Qualified property unique to each unit:

QP1 Ammonia Synthesis Plant 1

- | | |
|--|--|
| <ul style="list-style-type: none">• 3,000 MTPD ammonia synthesis loop• Cooling and separation system• Ammonia refrigeration unit• Electrical substation• Reactor• Pumps• Compressors (syngas, refrigeration)• Heat exchangers• Water scrubbing unit• Analyzer shelter | <ul style="list-style-type: none">• Flare system• Cooling water tower• Package boiler• Waste heat boiler• Steam/condensate system• Demineralized water unit• Demineralized water tank• Boiler feedwater system• Auxiliary boiler• Instrument/plant air system |
|--|--|

QP2 Ammonia Synthesis Plant 2

- | | |
|---|--|
| <ul style="list-style-type: none">• 3,000 MTPD ammonia synthesis loop• Cooling and separation system• Ammonia refrigeration unit• Electrical substation• Reactor• Pumps• Compressors (syngas, refrigeration)• Heat exchangers• Water scrubbing unit• Center control room | <ul style="list-style-type: none">• Analyzer shelter• Flare system• Waste heat boiler• Steam/condensate system• Demineralized water unit• Demineralized water tank• Boiler feedwater system• Auxiliary boiler• Instrument/plant air system |
|---|--|

Application for Appraised Value Limitation on Qualified Property
submitted to Beaumont ISD
by OCI Clean Ammonia LLC

QP3 Urea Synthesis Plant

- 2,200 MTPD urea synthesis loops
- HP stripper
- Carbamate condenser
- Electrical substation
- Reactor
- Pumps
- Compressors (CO2)
- Heat exchangers
- Urea solution tank
- Flare system
- Waste heat boiler
- Boiler feedwater system
- Auxiliary boiler
- Steam/condensate system
- Package boiler
- Cooling water tower
- Demineralized water unit
- Instrument/plant air system

QP4 DEF, UAN and NA units

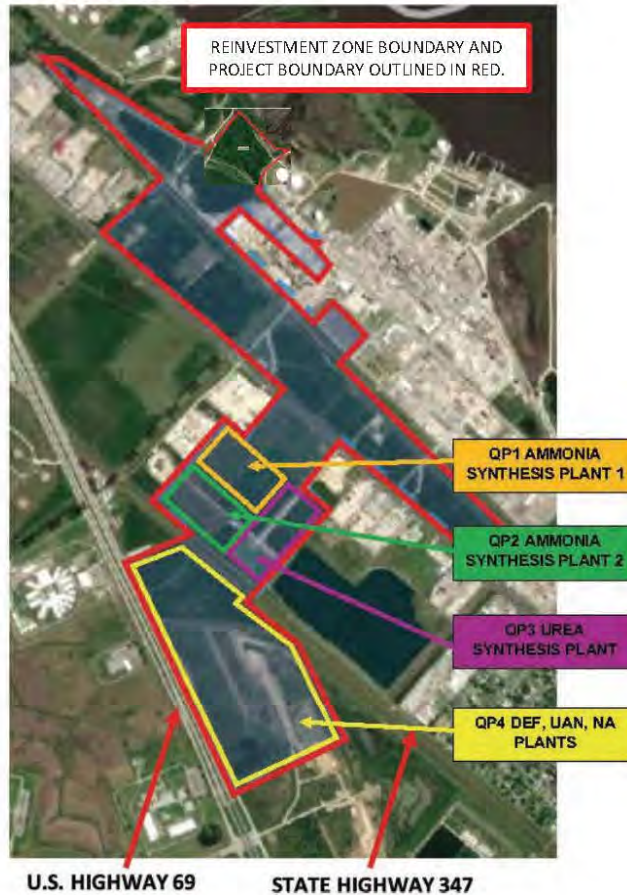
- Electrical substation
- Reactor
- Pumps
- Compressors (turbo expander)
- Heat exchangers
- UAN tank
- DEF tank
- Flare system
- Waste heat boiler
- Steam/condensate system
- Cooling water tower
- Boiler feedwater system
- Auxiliary boiler

The exact number and location of real and personal property improvements remains to be determined based on ongoing siting analysis. All qualified property would be located in the project boundary.

For depiction of proposed facilities within the project boundaries see Tab 11.

Tab 11(b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualified time period.

Applicant is evaluating the property to make determinations as to where within the project boundary the different components of the project will be situated. This determination will be made during a preliminary engineering evaluation of the properties and will be based on a number of considerations, including geotechnical analysis, as well as proximity to pipelines, utilities and interconnections. The project site currently has no improvements. Tangible personal property and buildings will be installed and constructed within the project boundaries.

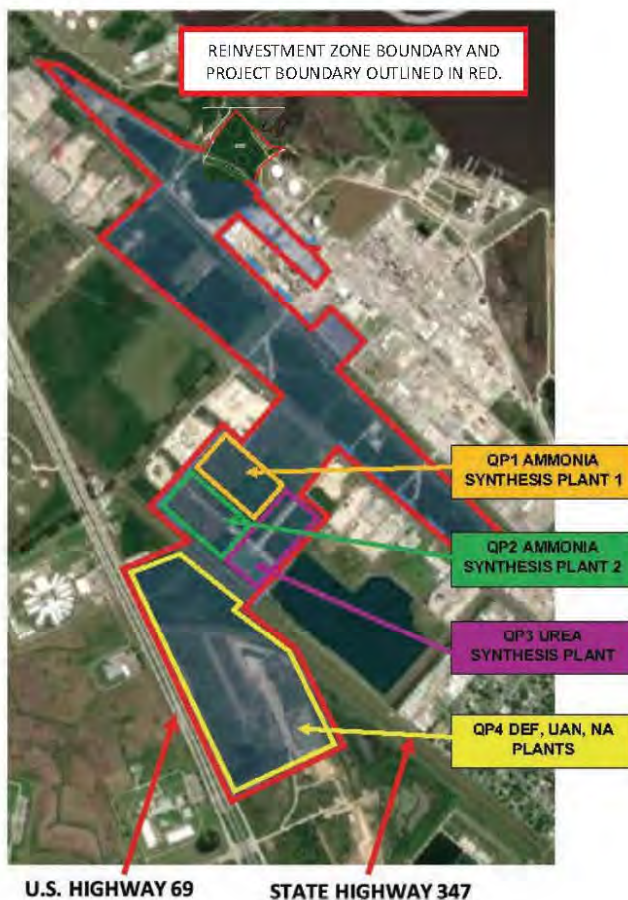


Tab 11(c) Qualified property including location of new buildings or new improvements

11(c)(1) Qualified property within project boundaries (area shaded blue)

Applicant is evaluating the property to make determinations as to where within the project boundary the different component of the project will be situated. This determination will be made during a preliminary engineering evaluation of the properties and will be based on a number of considerations, including geotechnical analysis, as well as proximity to pipelines, utilities and interconnections.

The project site currently has no improvements. Applicant is working to determine whether a lease or purchase of the property is most advantageous. If Applicant purchases the land, it could be qualified property.



Tab 11(c) Qualified property including location of new buildings or new improvements

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

by and between

BEAUMONT INDEPENDENT SCHOOL DISTRICT

and

OCI Fuels USA Inc.

(Texas Taxpayer ID #32081158308)

Comptroller Application #1742

Dated

August 18, 2022

*Texas Economic Development Act
Agreement Comptroller Form 50-
826 (October 2020)*

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

STATE OF TEXAS §

COUNTY OF JEFFERSON §

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 **BEAUMONT 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 **OCI FUELS USA INC.**, Texas Taxpayer Identification Number 32081158308 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.”

RECITALS

WHEREAS, on March 24, 2022, the Superintendent of Schools of the Beaumont Independent School District, acting as agent of the Board of Trustees of the District, received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the TEXAS TAX CODE;

WHEREAS, on March 24, 2022, the Board of Trustees has acknowledged receipt of the Application, and along with the requisite application fee as established pursuant to Section 313.025(a) of the TEXAS TAX CODE and Local District Policy CCG (Local), and agreed to consider the Application;

WHEREAS, the Application was delivered to the Texas Comptroller’s Office for review pursuant to Section 313.025 of the TEXAS TAX CODE;

WHEREAS, the District and the Texas Comptroller’s Office have determined that the Application is complete and April 29, 2022, is the Application Review Start Date as that term is defined by 34 TEXAS ADMIN. CODE Section 9.1051;

WHEREAS, pursuant to 34 TEXAS ADMIN. CODE Section 9.1054, the Application was delivered to the Jefferson County Appraisal District established in Jefferson County, Texas (the “Jefferson County Appraisal District”), pursuant to Section 6.01 of the TEXAS TAX CODE;

WHEREAS, the Texas Comptroller’s Office reviewed the Application pursuant to Section 313.025 of the TEXAS TAX CODE, conducted an economic impact evaluation pursuant to Section 313.026 of the TEXAS TAX CODE, and on July 19, 2022, issued a certificate for limitation on appraised value of the property described in the Application and provided the certificate to the District;

WHEREAS, the Board of Trustees has reviewed and carefully considered the economic impact evaluation and certificate for limitation on appraised value submitted by the Texas Comptroller’s Office pursuant to Section 313.025 of the TEXAS TAX CODE;

WHEREAS, on August 18, 2022, 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;

WHEREAS, on August 18, 2022, the Board of Trustees made factual findings pursuant to Section 313.025(f) of the TEXAS TAX CODE, including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) the Applicant is eligible for the limitation on appraised value of the Applicant’s Qualified Property; (iii) the project proposed by the Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the District’s maintenance and operations ad valorem tax revenue lost as a result of the Agreement before the 25th anniversary of the beginning of the limitation period; (iv) the limitation on appraised value is a determining factor in the Applicant’s decision to invest capital and construct the project in this State; and (v) this Agreement is in the best interest of the District and the State of Texas;

WHEREAS, on August 10, 2022, the Texas Comptroller’s Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes;

WHEREAS, on August 18, 2022, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary or in the event the Board President and Secretary are unavailable or have disclosed a conflict of interest, the Board of Trustees has authorized Board Vice President to execute and deliver such Agreement to the Applicant; and

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

ARTICLE I
DEFINITIONS

Section 1.1 DEFINITIONS. Wherever used in this Agreement, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning. Words or terms defined in 34 TEXAS ADMIN. CODE Section 9.1051 and not defined in this Agreement shall have the meanings provided by 34 TEXAS ADMIN. CODE Section 9.1051.

“Act” means the Texas Economic Development Act set forth in Chapter 313 of the TEXAS TAX CODE, as amended.

“Agreement” means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented as approved pursuant to Sections 10.2 and 10.3.

“Applicant” means OCI Fuels USA Inc., (*Texas Taxpayer ID #32081158308*), the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include the Applicant’s assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

“Applicant’s Qualified Investment” means the Qualified Investment of the Applicant during the Qualifying Time Period and as more fully described in **EXHIBIT 3** of this Agreement.

“Applicant’s Qualified Property” means the Qualified Property of the Applicant to which the value limitation identified in the Agreement will apply and as more fully described in **EXHIBIT 4** of 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 March 24, 2022. 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 an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

“Application Approval Date” means the date that the Application is approved by the Board of Trustees of the District and as further identified in Section 2.3.B of this Agreement.

“Application Review Start Date” means the later date of either the date on which the District issues its written notice that the Applicant has submitted a completed Application or the date on which the Comptroller issues its written notice that the Applicant has submitted a completed Application and as further identified in Section 2.3.A of this Agreement.

“Appraised Value” shall have the meaning assigned to such term in Section 1.04(8) of the TEXAS TAX CODE.

“Appraisal District” means the Jefferson County Appraisal District.

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

“Commercial Operation” means the relevant property has been constructed, has received all necessary permits to operate, and has commenced commercial operations of receiving feedstocks and converting them into usable products for later sale or processing as intended by the final project design.

“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 in Chapter 34 TEXAS ADMIN. CODE Chapter 9, Subchapter F, together with any court or administrative decisions interpreting same.

“County” means Jefferson County, Texas.

“District” or “School District” means the Beaumont Independent School District, being a duly authorized and operating 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 the last date of the final year in which the Applicant is required to Maintain Viable Presence and as further identified in Section 2.3.E of this Agreement.

“Force Majeure” means acts of God, war, fires, explosions, hurricanes, floods, or other causes that are beyond the reasonable control of either party and that by exercise of due foresight such party could not reasonably have been expected to avoid, and which, by the exercise of all reasonable due diligence, such party is unable to overcome. Each Party must inform the other in writing with proof of receipt within 60 business days of the existence of such Force Majeure or otherwise waive this right as a defense.

“Land” means the real property described on **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes.

“Maintain Viable Presence” means (i) the operation during the term of this Agreement of the facility or facilities for which the tax limitation is granted; and (ii) the Applicant’s maintenance of jobs and wages as required by the Act and as set forth in its Application.

“Market Value” shall have the meaning assigned to such term in Section 1.04(7) of the TEXAS TAX CODE.

“New Qualifying Jobs” means the total number of jobs to be created by the Applicant after the Application Approval Date in connection with the project that is the subject of its Application that meet the criteria of Qualifying Job as defined in Section 313.021(3) of the TEXAS TAX CODE and the Comptroller’s Rules.

“New Non-Qualifying Jobs” means the number of Non-Qualifying Jobs, as defined in 34 TEXAS ADMIN. CODE Section 9.1051(14), to be created by the Applicant after the Application Approval Date in connection with the project which is the subject of its Application.

“Qualified Investment” has the meaning set forth in Section 313.021(1) of the TEXAS TAX CODE, as interpreted by the Comptroller’s Rules.

“Qualified Property” has the meaning set forth in Section 313.021(2) of the TEXAS TAX CODE and as interpreted by the Comptroller’s Rules and the Texas Attorney General, as these provisions existed on the Application Review Start Date.

“Qualifying Time Period” means the period defined in Section 2.3.C, during which the Applicant shall make investment on the Land where the Qualified Property is located in the amount required by the Act, the Comptroller’s Rules, and this Agreement.

“State” means the State of Texas.

“Supplemental Payment” means any payments or transfers of things of value made to the 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 and that is not authorized pursuant to Sections 313.027(f)(1) or (2) of the TEXAS TAX CODE, and specifically includes any payments required pursuant to Article VI of this Agreement.

“Tax Limitation Amount” means the maximum amount which may be placed as the Appraised Value on the Applicant’s Qualified Property for maintenance and operations tax assessment in each Tax Year of the Tax Limitation Period of this Agreement pursuant to *Section 313.054* of the TEXAS TAX CODE.

“Tax Limitation Period” means the Tax Years for which the Applicant’s Qualified Property is subject to the Tax Limitation Amount and as further identified in Section 2.3.D of this Agreement.

“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.

Section 1.2 NEGOTIATED DEFINITIONS. Wherever used in Articles IV, V, and VI, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning or otherwise; provided however, if there is a conflict between a term defined in this section and a term defined in the Act, the Comptroller’s Rules, or Section 1.1 of Agreement, the conflict shall be resolved by reference to Section 10.9.C.

“Annual Limit” means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Section 313.027(i) of the TEXAS TAX CODE. For purposes of this Agreement, and as further provided in Sections 6.2A and 6.2D, the amount of the Annual Limit shall be equal to the greater of \$50,000 or an amount calculated for each calendar year by multiplying by the District’s Average Daily Attendance, as calculated pursuant to Section 42.005 of the

TEXAS EDUCATION CODE, for the prior school year (rounded to the nearest whole number) times \$100, or any larger amount allowed by Section 313.027(i) of the TEXAS TAX CODE, if such limitation is increased for any future year of this Agreement and such increase is effective for purposes of this Agreement. The Annual Limit shall first be computed for Tax Year 2022, which is the Tax Year that includes the date on which the Qualifying Time Period commences under this Agreement as provided in Section 2.3.C.i.

“Applicable School Finance Law” means Chapters 41, 42, 48, and 49 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 District, and the Constitution and general laws of the State applicable to the school districts of the State for each and every year of this Agreement, 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 includes any and all amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of Applicant’s ad valorem tax obligation to District, either with or without the limitation of property values made pursuant to this Agreement. For each year of this Agreement, the “Applicable School Finance Law” shall be interpreted to include all provisions made applicable for any calculations made for the specific year for which calculations are being made.

“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 Section 45.002 of the TEXAS EDUCATION CODE 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 the District’s 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.

“Net Aggregate Limit” means, for any Tax Year of this Agreement, the cumulative total of the Annual Limit amount for such Tax Year and all previous years of the Agreement, less all amounts previously paid by the Applicant to or on behalf of the District under Article VI, below.

“Net Tax Benefit” means, (i) the amount of maintenance and operations *ad valorem* taxes that the Applicant would have paid to the District for all Tax Years if this Agreement had not been entered into by the Parties, (ii) less the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas, for all Tax Years of this Agreement, plus (B) any payments due to the District under Articles IV and V under this Agreement.

“New M&O Revenue” means the total State and local Maintenance and Operations Revenue that District would have actually received for such school year if calculated using prior year taxable values.

“Option to Terminate” means Applicant’s written notice to the District which: (i) in the event that Applicant determines that it will not commence or complete construction of the Applicant’s Qualified Investment prior to the beginning of the Tax Limitation Period notifies the District of Applicant’s unilateral determination to terminate this Agreement; or, (ii) with respect to each Tax Year of the Tax Limitation Period beginning after the first Tax Year of the Tax Limitation Period, where the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed 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 Applicant may exercise the Subsection (ii) option to terminate this Agreement by notifying the District of its election in writing not later than the July 31 of the year following the Tax Year where the payment otherwise due exceeded the amount of taxes that Applicant would have paid had it not entered into the Agreement. Any termination of this Agreement under Subsection (ii) of this provision shall be effective immediately prior to the second Tax Year next following the Tax Year in which notice is given.

“Original M&O Revenue” means the total State and local Maintenance & Operations Revenue that the District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Qualified Property and/or Qualified Investment been subject to the ad valorem maintenance & operations tax at the tax rate actually adopted by the District for the applicable year. For purposes of this calculation, and as required by Tex. Educ. Code §48.256(d) as said statute existed on the date of this Agreement, the Third Party will base its calculations upon taxable values for the prior school year as certified by the County Appraisal District for all other taxable accounts in the District, save and except for the Qualified Property subject to this Agreement, plus the taxable value of the Qualified Property for the prior school year subject to this Agreement. (For clarification, the taxable value used by the District in calculating the taxes payable for Interest and Sinking Fund taxation purposes on Applicant’s Qualified Property will be used for the Qualified Property in lieu of the property’s M&O taxable value.)

“Revenue Protection Amount” means the amount to be paid by Applicant to compensate District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year starting in the year of the Application Review Start Date and ending on the Final Termination Date as set forth in Section 4.2 of this Agreement.

“Unadjusted Tax Benefit” means, for any Tax Year during the term of this Agreement, the total of all gross tax savings calculated for such Tax Year by multiplying (i) an amount equal to (a) the Taxable Value of the Applicant’s Qualified Property used for the District’s debt service (interest and sinking fund) property tax purposes for such Tax Year, minus (b) the Tax Limitation Amount (defined in Section 2.4, below, as Thirty Million Dollars (\$30,000,000.00)), multiplied by (ii) the District’s maintenance and operations tax rate for such Tax Year.

ARTICLE II
AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

Section 2.1. 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 Section 313.027 of the TEXAS TAX CODE.

Section 2.2. PURPOSE. In consideration of the execution and subsequent performance of the terms and obligations by the Applicant pursuant to this Agreement, identified in Sections 2.5 and 2.6 and as more fully specified in this Agreement, the value of the Applicant's Qualified Property listed and assessed by the County Appraiser for the District's maintenance and operation ad valorem property tax shall be the Tax Limitation Amount as set forth in Section 2.4 of this Agreement during the Tax Limitation Period.

Section 2.3. TERM OF THE AGREEMENT.

A. The Application Review Start Date for this Agreement is April 29, 2022, which will be used to determine the eligibility of the Applicant's Qualified Property and all applicable wage standards.

B. The Application Approval Date for this Agreement is August 18, 2022.

C. The Qualifying Time Period for this Agreement:

- i. Starts on January 2, 2025, a date not later than January 1 of the fourth Tax Year following the Application Approval Date for deferrals, as authorized by §313.027(h) of the TEXAS TAX CODE; and
- ii. Ends on December 31, 2027, the last day of the second complete Tax Year following the Qualifying Time Period start date.

D. The Tax Limitation Period for this Agreement:

- i. Starts on January 1, 2028, first complete Tax Year that begins after the date of the commencement of Commercial Operation; and
- ii. Ends on December 31, 2037.

E. The Final Termination Date for this Agreement is December 31, 2042.

F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and become effective on the Application Approval Date identified in Section 2.3.B. This Agreement, and the obligations and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Section 2.3.E, unless extended by the express terms of this Agreement.

Section 2.4. TAX LIMITATION. So long as the Applicant makes the Qualified Investment as required by Section 2.5, during the Qualifying Time Period, and unless this Agreement has been terminated as provided herein before such Tax Year, on January 1 of each Tax Year of the Tax Limitation Period, the Appraised Value of the Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

- A. the Market Value of the Applicant's Qualified Property; or
- B. \$30,000,000 based on Section 313.54 of the Texas Tax Code.

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the Application Approval Date, as set out by Section 313.052 of the TEXAS TAX CODE.

Section 2.5. TAX LIMITATION ELIGIBILITY. In order to be eligible and entitled to receive the value limitation identified in Section 2.4 for the Qualified Property identified in Article III, the Applicant shall:

A. have completed the Applicant's Qualified Investment in the amount of \$30,000,000 during the Qualifying Time Period;

B. have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and

C. pay an average weekly wage of at least \$1,140.25 for all New Non-Qualifying Jobs created by the Applicant.

Section 2.6. TAX LIMITATION OBLIGATIONS. In order to receive and maintain the limitation authorized by Section 2.4, Applicant shall:

A. provide payments to District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV;

B. provide payments to the District that protect the District from the payment of extraordinary education- related expenses related to the project, as more fully specified in Article V;

C. provide such Supplemental Payments as more fully specified in Article VI;

D. create and Maintain Viable Presence on or with the Qualified Property and perform additional obligations as more fully specified in Article VIII of this Agreement; and

E. No additional conditions are identified in the certificate for a limitation on appraised value by the Comptroller for this project.

ARTICLE III QUALIFIED PROPERTY

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE. At the time of the

Application Approval Date, the Land is within an area designated either as an enterprise zone, pursuant to Chapter 2303 of the TEXAS GOVERNMENT CODE, or a reinvestment zone, pursuant to Chapter 311 or 312 of the TEXAS TAX CODE. The legal description, and information concerning the designation, of such zone is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

Section 3.2. LOCATION OF QUALIFIED PROPERTY AND INVESTMENT. The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described in **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes. The Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in **EXHIBIT 2** unless amended pursuant to the provisions of Section 10.2 of this Agreement.

Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY. The Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 4**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 4** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified

Property for purposes of this Agreement, unless by official action the Board of Trustees provides that such other property is a part of the Applicant's Qualified Property for purposes of this Agreement in compliance with Section 313.027(e) of the TEXAS TAX CODE, the Comptroller's Rules, and Section 10.2 of this Agreement.

Section 3.4. CURRENT INVENTORY OF QUALIFIED PROPERTY. In addition to the requirements of Section 10.2 of this Agreement, if there is a material change in the Qualified Property described in **EXHIBIT 4**, then within 60 days from the date commercial operation begins, the Applicant shall provide to the District, the Comptroller, the Appraisal District or the State Auditor's Office a specific and detailed description of the tangible personal property, buildings, and/or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Land to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property on the Land.

Section 3.5. QUALIFYING USE. The Applicant's Qualified Property described in Section 3.3 qualifies for a tax limitation agreement under Section 313.024(b)(1) of the TEXAS TAX CODE as a manufacturing plant.

ARTICLE IV **PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES**

Section 4.1. INTENT OF THE PARTIES. It is the intent of the Parties that the District shall, in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue in each year of this Agreement for which this Agreement was, in any manner, a sole and direct producing cause. Such payments shall be independent of, and in addition to such other payments as set forth in Article V and Article VI in this Agreement. It is the intent of the Parties that the risk of any and all negative financial consequences to the District's total annual Maintenance and Operations Revenue, for which the execution of this Agreement was a sole and direct producing cause will be borne solely by Applicant and not by District.

The Parties hereto expressly understand and agree that, for all years to which this Agreement may apply, the calculation of negative financial consequences will be defined for each applicable year in accordance with the Applicable School Finance Law, as defined in Section 1.2 above, and that such definition specifically contemplates that calculations made under this Agreement may well periodically change in accordance with changes made from time to time in the Applicable School Finance Law. The Parties further agree that the printouts and projections produced during the negotiations and approval of this Agreement are: i) for illustrative purposes only, are not intended to be relied upon, and have not been relied upon by the Parties as a prediction of future consequences to either Party to the Agreement; ii) are based upon current Applicable School Finance Law, which is subject to change by statute, by administrative regulation, or by judicial decision at any time; and, iii) may change in future years to reflect changes in the Applicable School Finance Law.

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT

A. Calculation of the Revenue Protection Amount.

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

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

Where:

1. *"Original M&O Revenue"* means the total State and local Maintenance & Operations Revenue that the District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Qualified Property and/or Qualified Investment been subject to the ad valorem maintenance & operations tax at the tax rate actually adopted by the District for the applicable year. For purposes of this calculation, and as required by Tex. Educ. Code §48.256(d) as said statute existed on the date of this Agreement, the Third Party will base its calculations upon taxable values for the prior school year as certified by the County Appraisal District for all other taxable accounts in the District, save and except for the Qualified Property subject to this Agreement, plus the taxable value of the Qualified Property for the prior school year subject to this Agreement. (For clarification, the taxable value used by the District in calculating the taxes payable for Interest and Sinking Fund taxation purposes on Applicant's Qualified Property will be used for the Qualified Property in lieu of the property's M&O taxable value.)
2. *"New M&O Revenue"* means the total State and local Maintenance & Operations Revenue that the District would have actually received for such school year, if calculated using prior year taxable values.

B. In making the calculations required by this Section 4.2 of this Agreement:

- i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law as that law exists for each year for which the calculation is made.
- ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property 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 4.2 of this

Agreement, results in a negative number, the negative number will be considered to be zero.

- iv. For All calculations made for years during the Tax Limitation Period under Section 4.2 of this Agreement, Subsection ii of this subsection will reflect the Tax Limitation Amount for such year.

Section 4.3. CALCULATIONS TO BE MADE BY THIRD PARTY. All calculations under this Agreement shall be made annually by a qualified and experienced independent third party (the “Third Party”) approved each year by the District. To the extent not inconsistent with a statutory change to Applicable School Finance Law, all calculations made by the Third Party under this Agreement shall be made using a methodology which isolates only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse District for other revenue losses created by other agreements or any other factors.

Section 4.4. 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 for each Tax Year 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 4.3. 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 4.5. DELIVERY OF CALCULATIONS. On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.3 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 4.2, Article VI, and/or Section 7.1 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, but subject to the provisions of Section 4.6, below. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's calculations, 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 until the Final Termination Date of this Agreement. 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 4.6. PAYMENT BY APPLICANT. The Applicant shall pay any amount determined by the Third Party 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 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 4.6 which exceeds Fifteen Thousand Dollars (\$15,000.00).

Section 4.7. RESOLUTION OF DISPUTES. 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 4.5 for purposes of auditing or reviewing the information in connection with the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the Board of Trustees within thirty (30) days of the final determination of certification containing the calculations and shall be without limitation of the Applicant's other rights and remedies available hereunder, at law or in equity.

Section 4.8. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT. If at the time the Third Party selected under Section 4.3 makes its calculations under this Agreement, the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property, and/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 Property 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 4.9. STATUTORY CHANGES AFFECTING M&O REVENUE. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1 of this Agreement, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, Applicant shall make payments to District within thirty (30) dates of receipt of written notice, up to the limit set forth in Section 7.1, that are necessary to offset any negative impact on District's Maintenance and Operations Revenue, as a sole and direct 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 District.

Section 4.10. REVENUE PROTECTION PAYMENT LIMITATION. In no event shall the Revenue Protection Payments calculated for a Tax Year of this Agreement under this Article IV exceed an amount equal to One Hundred Percent (100%) of the Applicant's Unadjusted Tax Benefit for such Tax Year. For each Tax Year of this Agreement, amounts otherwise due and owing by the Applicant to the District which, by virtue of the application of the payment limitation set forth in this Section 4.10, are not payable to the District for such Tax Year, shall be carried forward from year-to-year into subsequent Tax Years during the term of this Agreement, but shall be subject, in each subsequent Tax Year, to the limit set forth in this Section 4.10.

ARTICLE V

PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. EXTRAORDINARY EXPENSES. In addition to the amounts determined pursuant to Section 4.2 of this Agreement above, Applicant on an annual basis shall also indemnify and reimburse District for the following: all non-reimbursed costs, certified by District's external auditor to have been incurred by District for extraordinary education-related expenses related to the project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project during any project construction year. Applicant shall have the right to contest the findings of the District's external auditor in the same manner as described in Section 9.3 herein.

ARTICLE VI

SUPPLEMENTAL PAYMENTS

Section 6.1. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO ANNUAL PAYMENT LIMIT.

1. In any year during the term of this Agreement, the District shall be entitled to receive a payment in an amount equal to the lesser of:
 - a. the Applicant's Stipulated Supplemental Payment Amount, defined as Thirty Percent (30%) of the Applicant's Net Tax Benefit, as the term is defined in Section 1.2, above unless such amount is adjusted in accordance with subsection (b), below; or,
 - b. in the event that OCI Fuels USA Inc., or its successors in interest commence Commercial Operations on the Project described in Texas Comptroller File No. 1741, the Applicant's Stipulated Supplemental Payment Amount set forth in Subsection (a), above, shall, for the remainder of this Agreement, be reduced from Thirty Percent (30%) to Fifteen Percent (15%) of the Applicant's Net Tax Benefit, as the term is defined in Section 1.2, above unless such amount is further adjusted in accordance with subsection (c), below; or,
 - c. the "Net Aggregate Limit", as the term is defined in Section 1.2, above.

2. 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 VI 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 6.2. SUPPLEMENTAL PAYMENT LIMITATION.

Notwithstanding the foregoing:

A. the total of the Supplemental Payments made pursuant to this Article shall not exceed for any calendar year of this Agreement an amount equal to the greater of One Hundred Dollars (\$100.00) per student per year in average daily attendance, as defined by Section 42.005 of the TEXAS EDUCATION CODE, or Fifty Thousand Dollars (\$50,000.00) per year times the number of years beginning with the first complete or partial year of the Qualifying Time Period identified in Section 2.3.C and ending with the year for which the Supplemental Payment is being calculated minus all Supplemental Payments previously made by the Application;

B. Supplemental Payments may only be made during the period starting the first year of the Qualifying Time Period and ending December 31 of the third year following the end of the Tax Limitation Period.

C. the limitation in Section 6.2.A does not apply to amounts described by Section 313.027(f)(1)–(2) of the TEXAS TAX CODE as implemented in Articles IV and V of this Agreement.

D. For purposes of this Agreement, the calculation of the limit of the annual Supplemental Payment shall be the greater of \$50,000 or \$100 multiplied by the District’s Average Daily Attendance as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, based upon the District’s Average Daily Attendance for the previous school year.

Section 6.3. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS

A. All calculations required by this Article shall be calculated by the Third Party selected pursuant to Section 4.5, above.

B. The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 4.8, above.

C. The payment of all amounts due under this Article shall be made shall be paid on the dates set forth in Section 4.6 above.

Section 6.4. DISTRICT’S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY. At any time during this Agreement, the District’s Board of Trustees may, in its sole discretion, so long as such decision does not result in additional costs to the Applicant under this Agreement, direct that the Applicant’s payment obligations under Article VI of this agreement be made to its educational foundation, or to a similar entity. The alternative entity may only use such funds received under this Article to support the educational mission of the District and its students. Any designation of an alternative entity must be made by recorded vote of the District’s Board of Trustees at a properly posted public Board meeting. Any such designation will become effective after public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 10.1, below. Such designation may be rescinded, with respect to future payments only, by action of the District’s Board of Trustees at any time.

Any designation of a successor beneficiary under this Section shall not alter the Supplemental Payments calculated as described in Section 6.4, above.

ARTICLE VII
ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

Section 7.1. EFFECT OF OPTIONAL TERMINATION. Upon the exercise of the option to terminate, this Agreement shall terminate and be of no further force or effect; provided, however, that:

A. 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; and

B. the provisions of this Agreement regarding payments (including liquidated damages and tax payments), records and dispute resolution shall survive the termination or expiration of this Agreement.

ARTICLE VIII
ADDITIONAL OBLIGATIONS OF APPLICANT

Section 8.1. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE. In order to receive

and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall Maintain Viable Presence in the District commencing at the start of the Tax Limitation Period through the Final Termination Date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure, provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure.

Section 8.2. REPORTS. In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall submit all reports required from time to time by the Comptroller, listed in 34 TEXAS ADMIN. CODE Section 9.1052 and as currently located on the Comptroller's website, including all data elements required by such form to the satisfaction of the Comptroller on the dates indicated on the form or the Comptroller's website and starting on the first such due date after the Application Approval Date.

Section 8.3. COMPTROLLER'S REPORT ON CHAPTER 313 AGREEMENTS. During the term of

this Agreement, both Parties shall provide the Comptroller with all information reasonably necessary for the Comptroller to assess performance under this Agreement for the purpose of issuing the Comptroller's report, as required by Section 313.032 of the TEXAS TAX CODE.

Section 8.4. DATA REQUESTS. Upon the written request of the District, the State Auditor's Office, the Appraisal District, or the Comptroller during the term of this Agreement, the Applicant, the District

or any other entity on behalf of the District shall provide the requesting party with all information reasonably necessary for the requesting party to determine whether the Applicant is in compliance with its rights, obligations or responsibilities, including, but not limited to, any employment obligations which may arise under this Agreement.

Section 8.5. SITE VISITS AND RECORD REVIEW. The Applicant shall allow authorized employees of the District, the Comptroller, the Appraisal District, and the State Auditor's Office to have reasonable access to the Applicant's Qualified Property and business records from the Application Review Start Date through the Final Termination Date, 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.

A. All inspections will be made at a mutually agreeable time after the giving of not less than ninety-six (96) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property.

B. 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 proprietary, a trade secret, or is subject to a confidentiality agreement with any third party.

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; AUTHORITY OF STATE AUDITOR.

By executing this Agreement, implementing the authority of, and accepting the benefits provided by Chapter 313 of the TEXAS TAX CODE, the Parties agree that this Agreement and their performance pursuant to its terms are subject to review and audit by the State Auditor as if they are parties to a State contract and subject to the provisions of Section 2262.154 of the TEXAS GOVERNMENT CODE and Section 313.010(a) of the TEXAS TAX CODE. The Parties further agree to comply with the following requirements:

A. The District and the Applicant shall maintain and retain supporting documents adequate to ensure that claims for the Tax Limitation Amount are in accordance with applicable Comptroller and State of Texas requirements. The Applicant and the District shall maintain all such documents and other records relating to this Agreement and the State's property for a period of four (4) years after the latest occurring date of:

- i. date of submission of the final payment;
- ii. Final Termination Date; or
- iii. date of resolution of all disputes or payment.

B. During the time period defined under Section 8.6.A, the District and the Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to this Agreement; the Applicant's Application; and the Applicant's Qualified Property, Qualified Investment, New Qualifying Jobs, and wages paid for New Non- Qualifying Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by the Comptroller, State Auditor's Office, State of Texas or their authorized

representatives. The Applicant and the District shall cooperate with auditors and other authorized Comptroller and State of Texas representatives and shall provide them with prompt access to all of such property as requested by the Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, the Applicant's or the District's failure to comply with this Section shall constitute a Material Breach of this Agreement.

C. In addition to and without limitation on the other audit provisions of this Agreement, the acceptance of tax benefits or funds by the Applicant or the District or any other entity or person directly under this Agreement acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, the Applicant or the District or other entity that is the subject of an audit or investigation by the State Auditor must provide the State Auditor with access to any information the State Auditor considers relevant to the investigation or audit. The Parties agree that this Agreement shall for its duration be subject to all rules and procedures of the State Auditor acting under the direction of the legislative audit committee.

D. The Applicant shall include the requirements of this Section 8.6 in its subcontract with any entity whose employees or subcontractors are subject to wage requirements under the Act, the Comptroller's Rules, or this Agreement, or any entity whose employees or subcontractors are included in the Applicant's compliance with job creation or wage standard requirement of the Act, the Comptroller's Rules, or this Agreement.

Section 8.7. FALSE STATEMENTS; BREACH OF REPRESENTATIONS. The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application, and any supplements or amendments thereto, without which the Comptroller would not have approved this Agreement and the District would not have executed this Agreement. By signature to this Agreement, the Applicant:

A. represents and warrants that all information, facts, and representations contained in the Application are true and correct to the best of its knowledge;

B. agrees and acknowledges that the Application and all related attachments and schedules are included by reference in this Agreement as if fully set forth herein; and

C. acknowledges that if the Applicant submitted its Application with a false statement, signs this Agreement with a false statement, or submits a report with a false statement, or it is subsequently determined that the Applicant has violated any of the representations, warranties, guarantees, certifications, or affirmations included in the Application or this Agreement, the Applicant shall have materially breached this Agreement and the Agreement shall be invalid and void except for the enforcement of the provisions required by Section 9.2 of this Agreement.

ARTICLE IX

MATERIAL BREACH OR EARLY TERMINATION

Section 9.1. EVENTS CONSTITUTING MATERIAL BREACH OF AGREEMENT. The Applicant shall be in Material Breach of this Agreement if it commits one or more of the following acts or omissions (each a "Material Breach"):

A. The Application, any Application Supplement, or any Application Amendment on which

this Agreement is approved is determined to be inaccurate as to any material representation, information, or fact or is not complete as to any material fact or representation or such application;

B. The Applicant failed to complete Qualified Investment as required by Section 2.5.A. of this Agreement during the Qualifying Time Period;

C. The Applicant failed to create and maintain the number of New Qualifying Jobs required by the Act;

D. The Applicant failed to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application;

E. The Applicant failed to pay at least the average weekly wage of all jobs in the county in which the jobs are located for all New Non-Qualifying Jobs created by the Applicant;

F. The Applicant failed to provide payments to the District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV of this Agreement;

G. The Applicant failed to provide the payments to the District that protect the District from the payment of extraordinary education-related expenses related to the project to the extent and in the amounts that the Applicant agreed to provide such payments in Article V of this Agreement;

H. The Applicant failed to provide the Supplemental Payments to the extent and in the amounts that the Applicant agreed to provide such Supplemental Payments in Article VI of this Agreement;

I. The Applicant failed to create and Maintain Viable Presence on or with the Qualified Property as more fully specified in Article VIII of this Agreement;

J. The Applicant failed to submit the reports required to be submitted by Section 8.2 to the satisfaction of the Comptroller;

K. The Applicant failed to provide the District or the Comptroller with all information reasonably necessary for the District or the Comptroller to determine whether the Applicant is in compliance with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement;

L. The Applicant failed to allow authorized employees of the District, the Comptroller, the Appraisal District, or the State Auditor's Office to have access to the Applicant's Qualified Property or business records 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 under Sections 8.5 and 8.6;

M. The Applicant failed to comply with a request by the State Auditor's office to review and audit the Applicant's compliance with this Agreement;

N. The Applicant has made any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on Appraised Value made pursuant to Chapter 313 of the TEXAS TAX CODE, in excess of the amounts set forth in Articles IV, V and VI of this Agreement;

O. The Applicant failed to comply with the conditions included in the certificate for limitation issued by the Comptroller.

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

A. Prior to making a determination that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the

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

B. If the Board of Trustees is not satisfied with such response or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to the Applicant, conduct a hearing called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to:

- i. whether or not a breach of this Agreement has occurred;
- ii. whether or not such breach is a Material Breach;
- iii. the date such breach occurred, if any;
- iv. whether or not any such breach has been cured; and

C. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall at that time determine:

- i. the amount of recapture taxes under Section 9.4.C (net of all credits under Section 9.4.C);
- ii. the amount of any penalty or interest under Section 9.4.E that are owed to the District; and
- iii. in the event of a finding of a Material Breach, whether to terminate this Agreement.

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

Section 9.3. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee’s Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have sixty (60) 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 thirty (30) days after the Applicant initiates mediation, 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 Jefferson 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.

B. In the event that any mediation is not successful in resolving the dispute or that payment is not received within the time period described for mediation in Section 9.3.A, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or

otherwise, in a judicial proceeding in a state district court in Jefferson County, 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 contract, agreement or undertaking made by a Party pursuant to this Agreement.

C. If payments become due under this Agreement and are not received before the expiration of the sixty (60) days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees to the attorneys representing the District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax lien shall attach to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

Section 9.4. CONSEQUENCES OF EARLY TERMINATION OR OTHER BREACH BY APPLICANT.

A. In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 7.1 of this Agreement, the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of the notice of breach.

B. In the event that the District determines that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the Applicant shall pay to the District liquidated damages, as calculated by Section 9.4.C, prior to, and the District may terminate the Agreement effective on the later of: (i) the expiration of the thirty (30) days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.

C. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem taxes for all of the Tax Years for which a tax limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 9.4.E. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Articles IV, V, and VI. 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.

D. In the event that the District determines that the Applicant has committed a Material Breach identified in Section 9.1, after the notice and mediation periods provided by Sections 9.2 and 9.3, then the District may, in addition to the payment of liquidated damages required pursuant to Section 9.4.C, terminate this Agreement.

E. In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes less all credits under Section 9.4.C owed for each Tax Year during the Tax Limitation Period. The District shall calculate penalty or interest for each Tax Year during the Tax Limitation Period in accordance with the methodology set forth in Chapter 33 of the TEXAS TAX CODE, as if the base amount calculated for such Tax Year less all credits under Section 9.4.C had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance

with the methodology set forth in Section 33.01(a) of the TEXAS TAX CODE, or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(c) of the TEXAS TAX CODE, or its successor statute.

Section 9.5. LIMITATION OF OTHER DAMAGES. Notwithstanding anything contained in this Agreement to the contrary, in the event of default or breach of this Agreement by the Applicant, the District's damages for such a default shall under no circumstances exceed the amounts calculated under Section 9.4. 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 9.5 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT.
Pursuant to

Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make \$30,000,000 of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

Section 9.7. REMEDY FOR FAILURE TO CREATE AND MAINTAIN REQUIRED NEW QUALIFYING JOBS

Pursuant to Section 313.0276 of the TEXAS TAX CODE, for any full Tax Year that commences after the project has become operational, in the event that it has been determined that the Applicant has failed to meet the job creation or retention requirements defined in Sections 9.1.C, the Applicant shall not be deemed to be in Material Breach of this Agreement until such time as the Comptroller has made a determination to rescind this Agreement under Section 313.0276 of TEXAS TAX CODE, and that determination is final.

Section 9.8. REMEDY FOR FAILURE TO CREATE AND MAINTAIN COMMITTED NEW QUALIFYING JOBS

A. In the event that the Applicant fails to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application, an event constituting a Material Breach as defined in Section 9.1.D, the Applicant and the District may elect to remedy the Material Breach through a penalty payment.

B. Following the notice and mediation periods provided by Sections 9.2 and 9.3, the District may request the Applicant to make a payment to the State in an amount equal to: (i) multiplying the maintenance and operations tax rate of the school district for that Tax Year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the market value of the property identified on the Appraisal District's records for each

tax year the Material Breach occurs.

C. In the event that there is no tax limitation in place for the tax year that the Material Breach occurs, the payment to the State shall be in an amount equal to: (i) multiplying the maintenance and operations tax rate of the School District for each tax year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the tax limitation amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the last Tax Year for which the Applicant received a tax limitation.

D. The penalty shall be paid no later than 30 days after the notice of breach and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE.

ARTICLE X. MISCELLANEOUS PROVISIONS

Section 10.1. INFORMATION AND NOTICES.

A. 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 or email transmission, with notice 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 or email 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.

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

Dr. Shannon Allen
Superintendent of Schools
Beaumont Independent School District
3395 Harrison Ave
Beaumont, TX 77706
Phone: (409) 617-5001
Mobile: NA
Facsimile: (409) 617-5184
Email: spier@bmtisd.com

C. Notices to the Applicant shall be addressed to its Authorized Representative as follows:

Beshoy Guirguis
Vice President
OCI Fuels USA
2800 Post Oak Blvd, Suite 3150
Houston, Texas 77056
Phone: (713) 568-7351
Mobile: NA
Facsimile: (832) 747-9966
Email: beshoy.guirguis@oci.nl

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

D. A copy of any notice delivered to the Applicant shall also be delivered to any lender for which the Applicant has provided the District notice of collateral assignment information pursuant to Section 10.3.C, below.

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

A. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties and after completing the requirements of Section 10.2.B. 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.

B. By official action of the District's Board of Trustees, the Application and this Agreement may only be amended according to the following:

i. The Applicant shall submit to the District and the Comptroller:

a. a written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;

b. any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller;

c. and any additional information requested by the District or the Comptroller necessary to evaluate the amendment or modification;

ii. The Comptroller shall review the request and any additional information for compliance with the Act and the Comptroller's Rules and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by the Comptroller by the end of the 90-day period, the request is denied; and

iii. If the Comptroller has not denied the request, the District's Board of Trustees shall approve or disapprove the request before the expiration of 150 days after the request is filed.

C. Any amendment of the Application and this Agreement adding additional or replacement Qualified Property pursuant to this Section 10.2 of this Agreement shall:

i. require that all property added by amendment be eligible property as defined by Section 313.024 of the TEXAS TAXCODE;

ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and

D. The Application and this Agreement may not be amended to extend the value limitation time period beyond its ten-year statutory term.

E. The Comptroller determination made under Section 313.026(c)(2) of the TEXAS TAX CODE in the original certificate for a limitation satisfies the requirement of the Comptroller to make the same determination for any amendment of the Application and this Agreement, provided that the facts upon which the original determination was made have not changed.

F. The Applicant shall amend the Application and this Agreement to identify the changes in the information that was provided in the Application and was approved by the District and as considered by the Comptroller no earlier than 180 days and no later than 90 days prior to the start of the

Qualifying Time Period as identified in Section 2.3.C.i of this Agreement.

i. The Applicant shall comply with written requests from the District or the Comptroller to provide additional information necessary to prepare a Comptroller certificate for a limitation for the conditions prior to the start of the Qualifying Time Period; and

ii. If the Comptroller provides its certificate for a limitation with conditions different from the existing agreement, the District shall hold a meeting and determine whether to amend this Agreement to include the conditions required by the Comptroller or terminate this Agreement; or

iii. If the Comptroller withdraws its certificate for a limitation based on the revised Application, the District shall terminate this Agreement.

Section 10.3. ASSIGNMENT.

A. Any assignment of any rights, benefits, obligations, or interests of the Parties in this Agreement, other than a collateral assignment purely for the benefit of creditors of the project, is considered an amendment to the Agreement and such Party may only assign such rights, benefits, obligations, or interests of this Agreement after complying with the provisions of Section 10.2 regarding amendments to the Agreement. Other than a collateral assignment to a creditor, this Agreement may only be assigned to an entity that is eligible to apply for and execute an agreement for limitation on appraised value pursuant to the provisions of Chapter 313 of the TEXAS TAX CODE and the Comptroller's Rules.

B. 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.

C. In the event of an assignment to a creditor, the Applicant must notify the District and the Comptroller in writing no later than 30 days after the assignment. This Agreement shall be binding on the assignee.

Section 10.4. 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 10.5. 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 a state district court in Jefferson County.

Section 10.6. 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 10.7. SEVERABILITY. If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal, or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case

consistent with the intention of the Parties, to such Law, and to the extent such term, provision, or condition cannot be so reformed, then such term, provision, or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality, and enforceability of the remaining terms, provisions, and conditions contained herein (and any other application such term, provision, or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in an acceptable manner so as to effect the original intent of the Parties as closely as possible so that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 10.7, 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 10.8. PAYMENT OF EXPENSES. Except as otherwise expressly provided in this Agreement, or as covered by the application fee, each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement.

Section 10.9. INTERPRETATION.

A. 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.

B. 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.

C. The provisions of the Act and the Comptroller’s Rules are incorporated by reference as if fully set forth in this Agreement. In the event of a conflict, the conflict will be resolved by reference to the following order of precedence:

- i. The Act;
- ii. The Comptroller’s Rules as they exist at the time the Agreement is executed, except as allowed in the definition of Qualified Property in Section 1.1; and
- iii. This Agreement and its Attachments including the Application as incorporated by reference.

Section 10.10. 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 10.11. 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; and the approved and executed copy of this Agreement or any amendment thereto, as follows:

A. Within seven (7) days of receipt 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 does not require the publication of information that is confidential under Section 313.028 of the TEXAS TAX CODE.

Section 10.12. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS. The Applicant shall immediately notify the District and Comptroller's office in writing of any actual or anticipated change in the control or ownership of the Applicant and of any legal or administrative investigations or proceedings initiated against the Applicant related to the project regardless of the jurisdiction from which such proceedings originate.

Section 10.13. DUTY TO DISCLOSE. If circumstances change or additional information is obtained regarding any of the representations and warranties made by the Applicant in the Application or this Agreement, or any other disclosure requirements, subsequent to the date of this Agreement, the Applicant's duty to disclose continues throughout the term of this Agreement.

Section 10.14. CONFLICTS OF INTEREST.

A. The District represents that, after diligent inquiry, each local public official or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, has disclosed any conflicts of interest in obtaining or performing this Agreement and related activities, appropriately recused from any decisions relating to this Agreement when a disclosure has been made, and the performance of this Agreement will not create any appearance of impropriety. The District represents that it, the District's local public officials or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

B. The Applicant represents that, after diligent inquiry, each of its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, involved in the representation of the Applicant with the District has complied with the provisions of Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE. The Applicant represents that it and its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

C. The District and the Applicant each separately agree to notify the other Party and the Comptroller immediately upon learning of any conflicts of interest.

Section 10.15. PROVISIONS SURVIVING EXPIRATION OR TERMINATION. Notwithstanding the expiration or termination (by agreement, breach, or operation of time) of this Agreement, the provisions of this Agreement regarding payments (including liquidated damages and tax payments), reports, records, and dispute resolution of the Agreement shall survive the termination or expiration dates of this Agreement until the following occurs:

- A. all payments, including liquidated damage and tax payments, have been made;
- B. all reports have been submitted;
- C. all records have been maintained in accordance with Section 8.6.A; and
- D. all disputes in controversy have been resolved.

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

A. This Agreement may be duly executed and delivered in person, by mail, or by facsimile or other electronic format (including portable document format (pdf) transmitted by e- mail). The executing Party must promptly deliver a complete, executed original or counterpart of this Agreement to the other executing Parties. This Agreement shall be binding on and enforceable against the executing Party whether or not it delivers such original or counterpart.

B. Delivery is deemed complete as follows:

- i. When delivered if delivered personally or sent by express courier service;
- ii. Three (3) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested;
- iii. When transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine; or
- iv. When the recipient, by an e-mail sent to the e-mail address for the executing Parties acknowledges having received that e-mail (an automatic “read receipt” does not constitute acknowledgment of an e-mail for delivery purposes).

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 18th day of August 2022.

OCI Fuels USA Inc.

**BEAUMONT INDEPENDENT
SCHOOL DISTRICT**

By: _____
Beshoy Guirguis
Vice President

By: _____
President, Board of Trustees

ATTEST:

Secretary, Board of Trustees

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

1742_Beaumont_OCI Fuels USA Inc. Supplement001
 Application for Appraised Value Limitation on Qualified Property
 submitted to Beaumont ISD
 by OCI Fuels USA

**TAB 9
 DESCRIPTION OF LAND**

The project will be located adjacent to and surrounding assets of Applicant's affiliate OCI Beaumont LLC, an integrated methanol and ammonia production facility, depicted at Tab 11(e). The project site currently has no improvements.

Applicant and Jefferson County are finalizing the exact boundaries of the project area and reinvestment zone. Applicant will supplement this application with the County's order designating the reinvestment zone, but it is anticipated that the reinvestment zone will include all or parts of the following parcels:

PROPOSED PROJECT AREA			
Prop ID	OWNER	Legal Description	Value
386012	PARIGI PROPERTY MANAGEMENT LTD	TR 3 28.128 AC WALKER-ARENA HIGHWAY 347	759,953
130639	PARIGI PROPERTY MANAGEMENT LTD	P HUMPHREYS-ABS 32 TR 20 15C 14.770AC	374,621
130878	CHEMOURS COMPANY FC LLC	J S JOHNSON ABST 34 TRS 28829 20 AC AIRCO	272,123
130877	CHEMOURS COMPANY FC LLC	TR 20 AB 34 JS JOHNSTON 18.330AC	309,188
130873	CHEMOURS COMPANY FC LLC	TR 27 AB 34 JS JOHNSTON 5.2078AC	115,133
239229	NATGASOLINE LLC	LOT 5 DUPONT-BEAUMONT INDUSTRIAL SITE#1 REPLAT 48.764 AC	518,102
130577	CHEMOURS COMPANY FC LLC	P HUMPHREY ABS 32 TR 73 2.486 AC	52,988
255849	OCI BEAUMONT LLC	LOT 5 TR 2 DUPONT-BEAUMONT INDUSTRIAL SITE#1 REPLAT 19.000 AC	279,360
130543	CHEMOURS COMPANY FC LLC	P HUMPHREYS-ABS 32 TR 5-D 9.820 AC #503450-000020 COUNTY TR	61,940
239228	NATGASOLINE LLC	LOT 4 DUPONT-BEAUMONT INDUSTRIAL SITE#1 REPLAT 46.796AC	725,245
328977	TEXAM LLC	LOT 3F DUPONT-BEAUMONT INDUSTRIAL SITE#1 6.34 ACRES	98,270
30366	CHEMOURS COMPANY FC LLC	LOT 3 DUPONT-BEAUMONT INDUSTRIAL SITE#1 13.148AC # 501105-0	203,794
328983	OCI BEAUMONT LLC	LOT 3-G DUPONT-BEAUMONT INDUSTRIAL SITE#1 15.4760 AC	239,878
30368 *	CHEMOURS COMPANY FC LLC	LOT 2 DUPONT-BEAUMONT INDUSTRIAL SITE#2-PART # 505600-0001	185,121
239837	CHEMOURS COMPANY FC LLC	LOT 3E DUPONT-BEAUMONT INDUSTRIAL SITE#1 12.20 AC	189,100
130751	MASON MARSHA L	P HUMPHREYS-ABS 32 TR 113 6.410 AC	156,096
326346	HUNTER RE HOLDINGS LLC	PT TR 23-19A-1 22.929AC AB 32 P HUMPHREYS	108,520
130663	KERR TRACTOR SOUTHWEST LTD	PT TR 23 19A 12.679AC AB 32 P HUMPHREYS	86,880
130657	KERR TRACTOR SOUTHWEST LTD	P HUMPHREYS-ABS 32 TR 1 OF TR 18A PT TR 23 22.728 AC	126,128
130658	KERR TRACTOR SOUTHWEST LTD	P HUMPHREYS-ABS 32 TR 2 OF TR 18A PT TR 23 7.576 AC	65,210
130659	KERR TRACTOR SOUTHWEST LTD	P HUMPHREYS-ABS 32 TR 3A OF TR 18A PT TR 23 2.523 AC	34,020
130660	KERR TRACTOR SOUTHWEST LTD	P HUMPHREYS-ABS 32 TR 3B OF TR 18A PT TR 23 5.047 AC	51,570
130661	KERR TRACTOR SOUTHWEST LTD	P HUMPHREYS-ABS 32 TR 4 OF TR 18A PT TR 23 7.452 AC ABS 257	65,232
130662	KERR TRACTOR SOUTHWEST LTD	P HUMPHREYS-ABS 32 PT TR 23 TR 5 OF TR 18A 11.412 AC ABS 13	116,986
139592	KERR TRACTOR SOUTHWEST LTD	ABST 257 T & NO#1 TR 10 PT TR 18A 2.755 AC	52,345
411812	PARIGI PROPERTY MANAGEMENT LTD	LT 9 MID-CITY BUSINESS PARK 4.312AC	169,048
411811	PARIGI PROPERTY MANAGEMENT LTD	LT 8 MID-CITY BUSINESS PARK 9.998AC RETENTION POND	30,912
411810	PARIGI PROPERTY MANAGEMENT LTD	LT 7 MID-CITY BUSINESS PARK 4.524AC	177,359
411808	MAGPIE3 LLC	LT 5 MID-CITY BUSINESS PARK 2.098AC	91,389
411809	MAGPIE3 LLC	LT 6 MID-CITY BUSINESS PARK 2.098AC	91,389
411807	MAGPIE3 LLC	LT 4 MID-CITY BUSINESS PARK 2.098AC	91,389
411813	PARIGI PROPERTY MANAGEMENT LTD	LT 10 MID-CITY BUSINESS PARK 2.000AC	87,120
411814	BEAUMONT LAND LLC	LT 11 MID-CITY BUSINESS PARK 2.000AC	87,120
411815	BEAUMONT LAND LLC	LT 12 MID-CITY BUSINESS PARK 2.000AC	87,120
411816	BEAUMONT LAND LLC	LT 13 MID-CITY BUSINESS PARK 2.000AC	87,120
411817	BEAUMONT LAND LLC	LT 14 MID-CITY BUSINESS PARK 2.000AC	87,120
411818	BEAUMONT LAND LLC	LT 15 MID-CITY BUSINESS PARK 2.252AC	98,097

* The project area will include a 8.72 acre parcel out of the larger 405.55 ac tract. The value reflected here is extrapolated from the per acre value of the larger tract (\$9,153,727).

During application preparation, a search of property tax records confirmed that there are no improvements recorded in the tax accounts of the parcels that comprise the project area. See Tab 11 c. Parcel 328977 and 328983 are currently being used as a staging area for contractor equipment, which would be relocated. The project area would also include a portion of another parcel (30368), which is currently a parking lot. Parcel 130657 has a small portable storage building that would be removed (288 sq ft, appraised value \$2,000).

Tab 11(g) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size.

Note that proposed reinvestment zone and proposed project boundaries are the same. The total area of the reinvestment zone/project boundaries is 415 acres.



EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

All of the Applicant's Qualified Property and Applicant's Qualified Investment will be located within the boundaries of the *Reinvestment Zone* and the Beaumont Independent School District. The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described by the legal description and maps attached to **EXHIBIT 1 AND EXHIBIT 4**.

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

Applicant's Qualified Investment shall be all tangible personal property first placed in service after April 29, 2022, that is owned by the Applicant, as more fully described in Tab #7 of the Application and located within the boundaries of the Beaumont Independent School District and *Reinvestment Zone* depicted by the maps attached to **EXHIBIT 1 AND EXHIBIT 4**.

*Texas Economic Development Act Agreement
Comptroller Form 50-826 (October 2020)*

TAB 7**QUALIFIED INVESTMENT**

The Applicant is currently evaluating the construction of a renewable methanol-to-gasoline (MTG) facility and a renewable syngas facility, which will feed methanol synthesis loops to make green/bio-methanol, either adjacent to an existing affiliate methanol/ammonia production facility in Beaumont, Texas or elsewhere on the U.S. Gulf Coast, or at its ongoing operations in the Middle East, North Africa or Europe.

Construction is expected to take 24 to 30 months, with commissioning and start up to follow. The facilities are expected to be fully operational in 2027.

The project will include the following Qualified Investment:

MTG FACILITY

The proposed facility would convert bio-methanol into bio-gasoline for shipment into European markets. Once operating, the MTG facility production capacity will be 100,000 ton/year. The feedstock for the bio-methanol is produced from the renewable syngas facilities, below.

Maps at Tab 11 label the projects QP1, QP2, QP3, QP4 and QP5. The "QP" is a reference to Qualified Property addressed at Tab 8. We use the QP reference throughout the application for consistency in referring to the five major project components.

RENEWABLE SYNGAS FACILITIES

The proposed renewable syngas facilities would use syngas production equipment to convert biomass to bio synthesis gas. Dried biomass feedstock (local woodchips) is gasified in gasifier system in the presence of oxygen and superheated steam. The renewable syngas produced from these proposed facilities will be used as a feedstock for the production of green/bio-methanol. Once operating, the green syngas facilities will produce renewable natural gas (RNG).

METHANOL SYNTHESIS FACILITIES

Using syngas produced by the gasification facilities described above, Company proposes to construct methanol synthesis loop(s) capable of producing at least 2,500 MTPD (~1 million tons per annum) of green bio-methanol.

Immediately below is a list of new property that will serve the entire project (all five units, QP1, QP2, QP3, QP4 and QP5), followed by lists of new property unique to each unit:

- Site development
 - Includes removal of existing foliage (trees, shrubs or other vegetation)
 - Grading and leveling of land
 - Remediation of any wetlands in accordance with environmental regulations
 - Installation of access roads and entry into the site
 - Installation of civil supports (pilings, concrete slabs or other infrastructure)
 - Fencing
 - Lighting
- Utilities and offsite systems
 - Certain equipment or systems may be fabricated off-site (e.g. not at the proposed Beaumont location) to minimize capex or streamline the construction process
 - Equipment such as skid mounted valves, regulators, boilers, reactors, vessels, pipe-skids may be fabricated in a closed environment (such as a fabrication shop) and shipped to the site for final installation

- Electrical equipment
 - Electrical equipment responsible for supplying electrical power, and instrumentation for monitoring and operating the various systems within the proposed facility, including the following major components:
 - 69 kV power station with transformers to 12.47 kV
 - Electrical substation with transformers to 4 kV and lower, with various electrical switch gear
 - Emergency power diesel generator
 - Electrical systems / electric control centers
 - Instrumentation I/O connections and wire runs
 - Underground Piping/conduit
- Interconnecting piping with natural gas, hydrogen, carbon dioxide and nitrogen providers
 - Connections to existing natural gas, hydrogen or nitrogen pipeline networks through subterranean pipelines
 - Connection to the river for water intake
 - Connection to municipal potable water system
- Process and final storage tanks and loading infrastructure for finished product
- Process control buildings
- Warehouse buildings
- Maintenance buildings

New property unique to each unit:

QP1 Methanol to Gasoline (MTG Facility)

New property necessary for the production of bio-gasoline includes:

- | | |
|--|---|
| • MTG reactor systems | • Distillation refining unit |
| • Synthesis loops | • Flare |
| • MTG product separation and recovery system | • Package boiler |
| • Heavy gasoline treatment systems | • Reboilers |
| • Cooling and separation system | • Process control systems |
| • Electrical substation | • Steam system |
| • MTG reactors | • Demineralized water unit |
| • Air coolers | • Demineralized water tank |
| • Pumps & valves | • Boiler feedwater system |
| • Compressors (recycle) | • Instrument air system |
| • Heat exchangers | • Pollution control equipment |
| • Cooling water towers | • Small MTG tank |
| • Condensers | • Potable water |
| | • Ancillary and eligible equipment necessary for operations |

QP2 1,000 MTPD Gasification Complex (Renewable Syngas Facilities)

New property necessary for the production of syngas includes:

- | | |
|-------------------------------|---------------------------------|
| • Biomass feeding systems | • Cooling and separation system |
| • Bed material feeding system | • Electrical substation |
| • Gasification reactor | • Compressors (syngas) |

-
- | | |
|---|--|
| <ul style="list-style-type: none"> • Syngas tar removal systems • Syngas cooler systems • Syngas filter systems • Syngas scrubber systems • Ash removal systems • Valves • Pumps • Heat exchangers • Ancillary and eligible equipment necessary for operations | <ul style="list-style-type: none"> • Gasifier systems • Torrefaction and purification unit • Biomass storage facility • Flare • Waste heat boiler • Steam system • Instrument air system • Potable water |
|---|--|

QP3 4,000 MTPD Gasification Complex (Renewable Syngas Facilities)

New property necessary for the production of syngas includes:

- | | |
|---|--|
| <ul style="list-style-type: none"> • Biomass feeding systems • Bed material feeding system • Gasification reactor • Cooling and separation system • Electrical substation • Compressors (syngas) • Syngas tar removal systems • Syngas cooler systems • Syngas filter systems • Syngas scrubber systems • Ash removal systems • Valves • Pumps • Heat exchangers • Torrefaction and purification unit • Biomass storage facility • Ancillary and eligible equipment necessary for operations | <ul style="list-style-type: none"> • Flare • Waste heat boiler • Steam system • Instrument air system • Potable water • Reactors (catalytic chemical reactors to facilitate methanol synthesis from syngas) • Heat exchangers • Flare • Package boiler • Cooling water tower • Demineralized water unit • Demineralized water tank • Instrument air system • Potable water |
|---|--|

QP4 Methanol Synthesis Plant 1 (Methanol Synthesis Facilities)

New property necessary for the production of bio-methanol includes:

- | | |
|---|--|
| <ul style="list-style-type: none"> • 2,500 – 5,000 MTPD methanol synthesis unit • Methanol reactor • Electrical substation • Pumps • Compressors (syngas, recycle) • Scrubbers • PSA/Membranes (Nitrogen generators) • Distillation column/tower (clean-up/distillation of end product) • Heat exchangers • Ancillary and eligible equipment necessary for operations | <ul style="list-style-type: none"> • Methanol tank • Flare • Waste heat boiler • Steam system • Cooling water tower • Boiler feedwater system • Instrument air system • Methanol refining system • Methanol crude tank • Potable water |
|---|--|

QP5 Methanol Synthesis Plant 2 (Methanol Synthesis Facilities)

New property necessary for the production of bio-methanol includes:

- 2,500 – 5,000 MTPD methanol synthesis unit
- Methanol reactor
- Electrical substation
- Pumps
- Compressors (syngas, recycle)
- Scrubbers
- PSA/Membranes (Nitrogen generators)
- Distillation column/tower (clean-up/distillation of end product)
- Heat exchangers
- Ancillary and eligible equipment necessary for operations
- Methanol tank
- Flare
- Waste heat boiler
- Steam system
- Cooling water tower
- Boiler feedwater system
- Instrument air system
- Methanol refining system
- Methanol crude tank
- Potable water

The exact number and location of real and personal property improvements remains to be determined based ongoing siting analysis. All qualified property would be located in the project boundary.

For depiction of proposed facilities within the project boundaries see Tab 11.

May 18, 2022

QP5 Methanol Synthesis Plant 2 (Methanol Synthesis Facilities)

New property necessary for the production of bio-methanol includes:

- 2,500 – 5,000 MTPD methanol synthesis unit
- Methanol reactor
- Electrical substation
- Pumps
- Compressors (syngas, recycle)
- Scrubbers
- PSA/Membranes (Nitrogen generators)
- Distillation column/tower (clean-up/distillation of end product)
- Heat exchangers
- Ancillary and eligible equipment necessary for operations
- Methanol tank
- Flare
- Waste heat boiler
- Steam system
- Cooling water tower
- Boiler feedwater system
- Instrument air system
- Methanol refining system
- Methanol crude tank
- Potable water

The exact number and location of real and personal property improvements remains to be determined based ongoing siting analysis. All qualified property would be located in the project boundary.

For depiction of proposed facilities within the project boundaries see Tab 11.

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

Applicant's Qualified Property shall be all tangible personal property first placed in service after August 18, 2022, that is owned by the Applicant, as more fully described in Tab #8 of the Application and located within the boundaries of the Beaumont Independent School District and the *Reinvestment Zone* depicted by the maps attached to **EXHIBIT 1 AND EXHIBIT 4**.

TAB 8**DESCRIPTION OF QUALIFIED PROPERTY**

The Applicant is currently evaluating the construction of a renewable methanol-to-gasoline (MTG) facility and a renewable syngas facility, which will feed methanol synthesis loops to make green/bio-methanol, either adjacent to an existing affiliate methanol/ammonia production facility in Beaumont, Texas or elsewhere on the U.S. Gulf Coast, or at its ongoing operations in the Middle East, North Africa or Europe.

Construction is expected to take 24 to 30 months, with commissioning and start up to follow. The facilities are expected to be fully operational in 2027.

The project will include the following Qualified Property:

MTG FACILITY

The proposed facility would convert bio-methanol into bio-gasoline for shipment into European markets. Once operating, the MTG facility production capacity will be 100,000 ton/year. The feedstock for the bio-methanol is produced from the renewable syngas facilities, below.

Maps at Tab 11 label the projects QP1, QP2, QP3, QP4 and QP5. The "QP" is a reference to Qualified Property addressed at Tab 8. We use the QP reference throughout the application for consistency in referring to the five major project components.

RENEWABLE SYNGAS FACILITIES

The proposed renewable syngas facilities would use syngas production equipment to convert biomass to bio synthesis gas. Dried biomass feedstock (local woodchips) is gasified in gasifier system in the presence of oxygen and superheated steam. The renewable syngas produced from these proposed facilities will be used as a feedstock for the production of green/bio-methanol. Once operating, the green syngas facilities will produce renewable natural gas (RNG).

METHANOL SYNTHESIS FACILITIES

Using syngas produced by the gasification facilities described above, Company proposes to construct methanol synthesis loop(s) capable of producing at least 2,500 MTPD (~1 million tons per annum) of green bio-methanol.

Immediately below is a list of qualified property that will serve the entire project (all five units, QP1, QP2, QP3, QP4 and QP5), together with the land owned by Applicant, followed by lists of qualified property unique to each unit:

- Site development
 - Includes removal of existing foliage (trees, shrubs or other vegetation)
 - Grading and leveling of land
 - Remediation of any wetlands in accordance with environmental regulations
 - Installation of access roads and entry into the site
 - Installation of civil supports (pilings, concrete slabs or other infrastructure)
 - Fencing
 - Lighting
- Utilities and offsite systems
 - Certain equipment or systems may be fabricated off-site (e.g. not at the proposed Beaumont location) to minimize capex or streamline the construction process
 - Equipment such as skid mounted valves, regulators, boilers, reactors, vessels, pipe-skids may be fabricated in a closed environment (such as a fabrication shop) and shipped to the site for final installation

- Electrical equipment
 - Electrical equipment responsible for supplying electrical power, and instrumentation for monitoring and operating the various systems within the proposed facility, including the following major components:
 - 69 kV power station with transformers to 12.47 kV
 - Electrical substation with transformers to 4 kV and lower, with various electrical switch gear
 - Emergency power diesel generator
 - Electrical systems / electric control centers
 - Instrumentation I/O connections and wire runs
 - Underground Piping/conduit
- Interconnecting piping with natural gas, hydrogen, carbon dioxide and nitrogen providers
 - Connections to existing natural gas, hydrogen or nitrogen pipeline networks through subterranean pipelines
 - Connection to the river for water intake
 - Connection to municipal potable water system
- Process and final storage tanks and loading infrastructure for finished product
- Process control buildings
- Warehouse buildings
- Maintenance buildings

Qualified property unique to each unit:

QP1 Methanol to Gasoline (MTG Facility)

New property necessary for the production of bio-gasoline includes:

- | | |
|---|--|
| <ul style="list-style-type: none"> • MTG reactor systems • Synthesis loops • MTG product separation and recovery system • Heavy gasoline treatment systems • Cooling and separation system • Electrical substation • MTG reactors • Air coolers • Pumps & valves • Compressors (recycle) • Heat exchangers • Cooling water towers • Condensers | <ul style="list-style-type: none"> • Distillation refining unit • Flare • Package boiler • Reboilers • Process control systems • Steam system • Demineralized water unit • Demineralized water tank • Boiler feedwater system • Instrument air system • Pollution control equipment • Small MTG tank • Potable water • Ancillary and eligible equipment necessary for operations |
|---|--|

QP2 1,000 MTPD Gasification Complex (Renewable Syngas Facilities)

New property necessary for the production of syngas includes:

- | | |
|--|--|
| <ul style="list-style-type: none"> • Biomass feeding systems • Bed material feeding system • Gasification reactor | <ul style="list-style-type: none"> • Cooling and separation system • Electrical substation • Compressors (syngas) |
|--|--|

-
- | | |
|---|--|
| <ul style="list-style-type: none"> • Syngas tar removal systems • Syngas cooler systems • Syngas filter systems • Syngas scrubber systems • Ash removal systems • Valves • Pumps • Heat exchangers • Ancillary and eligible equipment necessary for operations | <ul style="list-style-type: none"> • Gasifier systems • Torrefaction and purification unit • Biomass storage facility • Flare • Waste heat boiler • Steam system • Instrument air system • Potable water |
|---|--|

QP3 4,000 MTPD Gasification Complex (Renewable Syngas Facilities)

New property necessary for the production of syngas includes:

- | | |
|---|--|
| <ul style="list-style-type: none"> • Biomass feeding systems • Bed material feeding system • Gasification reactor • Cooling and separation system • Electrical substation • Compressors (syngas) • Syngas tar removal systems • Syngas cooler systems • Syngas filter systems • Syngas scrubber systems • Ash removal systems • Valves • Pumps • Heat exchangers • Torrefaction and purification unit • Biomass storage facility • Ancillary and eligible equipment necessary for operations | <ul style="list-style-type: none"> • Flare • Waste heat boiler • Steam system • Instrument air system • Potable water • Reactors (catalytic chemical reactors to facilitate methanol synthesis from syngas) • Heat exchangers • Flare • Package boiler • Cooling water tower • Demineralized water unit • Demineralized water tank • Instrument air system • Potable water |
|---|--|

QP4 Methanol Synthesis Plant 1 (Methanol Synthesis Facilities)

New property necessary for the production of bio-methanol includes:

- | | |
|---|--|
| <ul style="list-style-type: none"> • 2,500 – 5,000 MTPD methanol synthesis unit • Methanol reactor • Electrical substation • Pumps • Compressors (syngas, recycle) • Scrubbers • PSA/Membranes (Nitrogen generators) • Distillation column/tower (clean-up/distillation of end product) • Heat exchangers • Ancillary and eligible equipment necessary for operations | <ul style="list-style-type: none"> • Methanol tank • Flare • Waste heat boiler • Steam system • Cooling water tower • Boiler feedwater system • Instrument air system • Methanol refining system • Methanol crude tank • Potable water |
|---|--|

QP5 Methanol Synthesis Plant 2 (Methanol Synthesis Facilities)

New property necessary for the production of bio-methanol includes:

- 2,500 – 5,000 MTPD methanol synthesis unit
- Methanol reactor
- Electrical substation
- Pumps
- Compressors (syngas, recycle)
- Scrubbers
- PSA/Membranes (Nitrogen generators)
- Distillation column/tower (clean-up/distillation of end product)
- Heat exchangers
- Ancillary and eligible equipment necessary for operations
- Methanol tank
- Flare
- Waste heat boiler
- Steam system
- Cooling water tower
- Boiler feedwater system
- Instrument air system
- Methanol refining system
- Methanol crude tank
- Potable water

The exact number and location of real and personal property improvements remains to be determined based ongoing siting analysis. All qualified property would be located in the project boundary.

For depiction of proposed facilities within the project boundaries see Tab 11.

Tab 11(b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualified time period.

Applicant is evaluating the property to make determinations as to where within the project boundary the different components of the project will be situated. This determination will be made during a preliminary engineering evaluation of the properties and will be based on a number of considerations, including geotechnical analysis, as well as proximity to pipelines, utilities and interconnections. The project site currently has no improvements. Tangible personal property and buildings will be installed and constructed within the project boundaries.

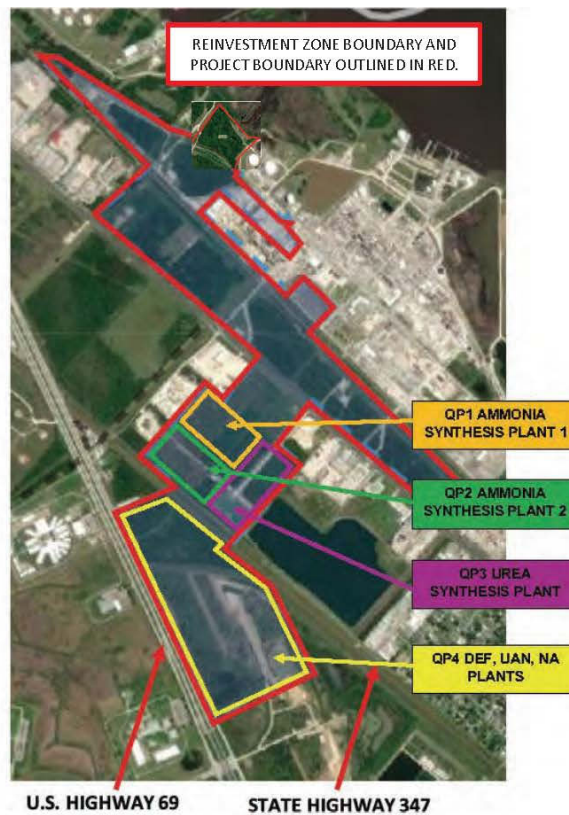


Tab 11(c) Qualified property including location of new buildings or new improvements

11(c)(1) Qualified property within project boundaries (area shaded blue)

Applicant is evaluating the property to make determinations as to where within the project boundary the different component of the project will be situated. This determination will be made during a preliminary engineering evaluation of the properties and will be based on a number of considerations, including geotechnical analysis, as well as proximity to pipelines, utilities and interconnections.

The project site currently has no improvements. Applicant is working to determine whether a lease or purchase of the property is most advantageous. If Applicant purchases the land, it could be qualified property.





Board Exhibit Cover Sheet

Meeting Date: August 18, 2022

Agenda Item/Exhibit Number: **III.F.7.**

Agenda Item Title: Approve Amendment 001 to Agreement with Arbor Renewable Gasoline-Phase 1 LLC

Cabinet Level Presenter(s): Cheryl Hernandez

Additional Presenter(s): Kevin O'Hanlon, O'Hanlon, Demerath & Castillo

Executive Summary: The company has changed the Limitation start year to 2026 and increased the projected investment from \$1,175,000,000 to \$1,180,350,000.

Recommendation: Approve Amendment 001 to Agreement with Arbor Renewable Gasoline, Phase 1 LLC.

Budget Impact* (if applicable): N/A

Funding Source (if applicable): N/A

Compliance with Purchasing Guidelines (list applicable guidelines, including grant requirements): N/A

Policy Reference (if applicable, list policy/regulation): N/A

Legal Review (if necessary, list attorney and firm):

Cheryl Hernandez
Cabinet Level Presenter's Signature

8/18/22
Date

*CFO Signature (required if there is a budget impact)

Date

General Counsel's Signature

Date

AMENDMENT NO. 1
TO AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR
SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES
BETWEEN BEAUMONT INDEPENDENT SCHOOL DISTRICT AND ARBOR
RENEWABLE GASOLINE - PHASE 1 LLC
(Comptroller Application No. 1631)

This **AMENDMENT NO. 1 TO THE AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES** (this “**Amendment No. 1**”) is entered into by and between **BEAUMONT INDEPENDENT SCHOOL DISTRICT** (the “**District**”), a lawfully created independent school district of the State of Texas operating under and subject to the Texas Education Code, and **ARBOR RENEWABLE GASOLINE – PHASE 1 LLC**, a Delaware limited liability company, Texas Taxpayer Identification Number 32075924103 (“**Applicant**”). The Applicant and the District may hereafter be referred together as the “**Parties**” and individually as a “**Party.**” Undefined capitalized terms herein shall have the meaning given to them in the Agreement (as defined below).

WHEREAS, on or about November 16, 2021, pursuant to Chapter 313 of the Texas Tax Code, after conducting a public hearing on the matter, the District made factual findings (the “**Findings of Fact**”), and passed, approved, and executed that certain Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes dated November 16, 2021, by and between the District and Applicant (the “**Agreement**”);

WHEREAS, on May 23, 2022, pursuant to Section 10.2 of the Agreement, the Applicant requested to add additional qualified investment; Qualified Property and Qualified Investment maps; updated Tabs 7 and 8; and adjusted the Limitation Start Year to 2026 and Commencement of Commercial operations to Q2 – 2024; and

WHEREAS, the Parties notified the Texas Comptroller of Public Accounts (the “**Comptroller**”) of the Amended Application and the request for this Amendment No. 1, and the Comptroller issued its notice of completeness on July 12, 2022, and issued its amended certification of the Amended Application on July 12, 2022, and approved the form of this Amendment No. 1 on July 12, 2022; and

WHEREAS, on August 18, 2022, the Board of Trustees determined that this Amendment No. 1 is in the best interest of the District and the State of Texas and is consistent with and authorized by Chapter 313 of the Texas Tax Code, and hereby approves this Amendment No. 1 and authorizes the Board President and Secretary or in the event the Board President and Secretary are unavailable or have disclosed a conflict of interest, the Board of Trustees has authorized the Board Vice President, to execute and deliver such Agreement to the Applicant.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual benefits to be derived by the Parties and other good and valuable considerations, the receipt and adequacy of which are hereby acknowledged, and in compliance with Section 10.2 of the Agreement, the

undersigned Parties agree to amend the Agreement as follows:

1. **Amendments.** The Agreement is hereby amended as follows:

A. The Tax Limitation Period for this Agreement:

1. Starts on January 1, 2026, the first complete Tax Year that begins after the end of Qualifying Time Period; and,
2. Ends on December 31, 2035.

B. The Final Termination Date for this Agreement is December 31, 2040.

C. Exhibits 3 and 4 of the Agreement are hereby amended, restated, and replaced in their entirety, respectively, with the Exhibits 3 and 4 attached to this Amendment No. 1.

D. Exhibit 5 of the Agreement is hereby amended, restated, and replaced in its entirety, respectively with the Exhibit 5 attached to this Amendment No. 1.

2. **Effect.** Except as modified and amended by the terms of this Amendment No. 1, all of the terms, conditions, provisions and covenants of the Findings of Fact and Agreement are ratified and shall remain in full force and effect, and the Agreement and this Amendment No. 1 shall be deemed to constitute a single instrument or document and the Findings of Fact and this Amendment No. 1 shall be deemed to constitute a single instrument or document. Should there be any inconsistency between the terms of this Amendment No. 1 and the Agreement or this Amendment No. 1 and the Findings of Fact; the terms of this Amendment No. 1 shall prevail. A copy of this Amendment No. 1 shall be delivered to the Texas Comptroller to be posted to the Texas Comptroller's internet website. A copy of this Amendment No. 1 shall be recorded with the official Minutes of the meeting at which it has been approved on August 18, 2022.

3. **Binding on Successors and Assigns.** The Agreement, as amended by this Amendment No. 1, shall be binding upon and inure to the benefit of the Parties and each other person and entity having any interest therein during their ownership thereof, and their respective successors and assigns.

4. **Counterparts.** This Amendment No. 1 may be executed in counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same document.

IN WITNESS WHEREOF, the District and Applicant have caused this Amendment No. 1 to be executed and delivered by their duly authorized representatives on this 18th day of August 2022.

ARBORS RENEWABLE GAS LLC

**BEAUMONT
INDEPENDENT SCHOOL DISTRICT**

By: _____
Darwin Fielder
EVP, PROJECT AND
SITE DEVELOPMENT

By: _____
PRESIDENT, BOARD OF TRUSTEES

ATTEST:

By: _____
SECRETARY, BOARD OF TRUSTEES

OR IN THE EVENT OF A CONFLICT OF INTEREST

By: _____
VICE PRESIDENT, BOARD OF TRUSTEES

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

Applicant's Qualified Investment shall be all tangible personal property first placed in service after November 16, 2021, that is owned by the Applicant, as more fully described in Tab #7 of the Application and located within the boundaries of the Beaumont Independent School District and the *Arbor Reinvestment Zone* depicted by the map attached to **EXHIBIT 4**.

Applicant plans to design and construct a plant that will produce renewable gasoline or renewable hydrogen utilizing, 1,000 tons per day of waste wood as a feedstock. The plant configuration will produce carbon dioxide at an industrial scale. The estimated qualified investment of the plant and its facilities during the qualifying time period is \$283,000,000.

The proposed improvements will include all process facilities, infrastructure and auxiliary equipment, including the following significant components:

- Methanol reactors
- Gasoline reactors
- Cooling fans
- Final product storage tanks
- Heat exchangers
- Heaters
- Pumps
- Valves
- Compressors
- Motors and motor control centers
- Process control systems
- Waste heat recovery boiler
- Flare stack
- Refining columns
- Pollution control equipment
- CO2 capture equipment
- Process control buildings
- Warehouse, maintenance and other buildings
- Electric wood grinders
- Wood dryers
- Gasifier with cyclone
- Hot oxygen burner
- Syngas cooler
- Gas filter systems
- Lock hopper and silo feed systems

Amendment to Agreement for Limitation on Appraised Value
Between Beaumont ISD and Arbor Renewable Gasoline – Phase I LLC
November 16, 2021
Amended August 18, 2022

*Texas Economic Development Act Agreement
Comptroller Form 50-826 (Jan 2020)*

- Ash storage silos
- Gasoline hydrocrackers
- Syngas cleanup systems
- Acid gas removal systems
- Water gas shift systems
- Wood storage silos
- Truck unloading tippers
- Wood screening systems
- Wood conveying systems
- Demineralized water system
- Wastewater treatment
- Fire prevention system
- Oxygen VPSA
- Hydrogen PSA
- Nitrogen PSA
- Pipeline interconnect facilities
- Electric substation
- Utility connections
- Drum dryers
- Dryer furnace
- Regenerative thermal oxidizer
- Wet electrostatic precipitator
- Dryer cyclones
- Gas turbine generator system
- Duct burners
- Pipe racks
- Ducting systems

The projected estimate for the purchase of the land for the plant and its facilities is \$5,350,000

EXHIBIT 4

APPLICANT'S QUALIFIED PROPERTY

Applicant's Qualified Property shall be all tangible personal property first placed in service after September 13, 2021, that is owned by the Applicant, as more fully described in Tab #8 of the Application and located within *the* boundaries of the Beaumont Independent School District and the *Arbor Reinvestment Zone* depicted by the map attached to this EXHIBIT 4.

Applicant plans to design and construct a plant that will produce renewable gasoline, utilizing 1,000 tons per day of waste wood as a feedstock. The plant configuration will produce carbon dioxide at an industrial scale. The estimated investment of the plant is \$1,175,000,000, with a projected estimate of \$5,350,000 for the purchase of the land once the site location is determined. The total estimated investment of the qualified property is \$1,180,350,000.

The proposed improvements will include all process facilities, infrastructure and auxiliary equipment, including the following significant components:

- Methanol reactors
- Gasoline reactors
- Cooling fans
- Final product storage tanks
- Heat exchangers
- Heaters
- Pumps
- Valves
- Compressors
- Motors and motor control centers
- Process control systems
- Waste heat recovery boiler
- Flare stack
- Refining columns
- Pollution control equipment
- CO2 capture equipment
- Process control buildings
- Warehouse, maintenance and other buildings
- Electric wood grinders
- Wood dryers
- Gasifier with cyclone
- Hot oxygen burner
- Syngas cooler
- Gas filter systems
- Lock hopper and silo feed systems

Amendment to Agreement for Limitation on Appraised Value
Between Beaumont ISD and Arbor Renewable Gasoline – Phase 1 LLC
November 16, 2021
Amended August 18, 2022

*Texas Economic Development Act Agreement
Comptroller Form 50-826 (Jan 2020)*

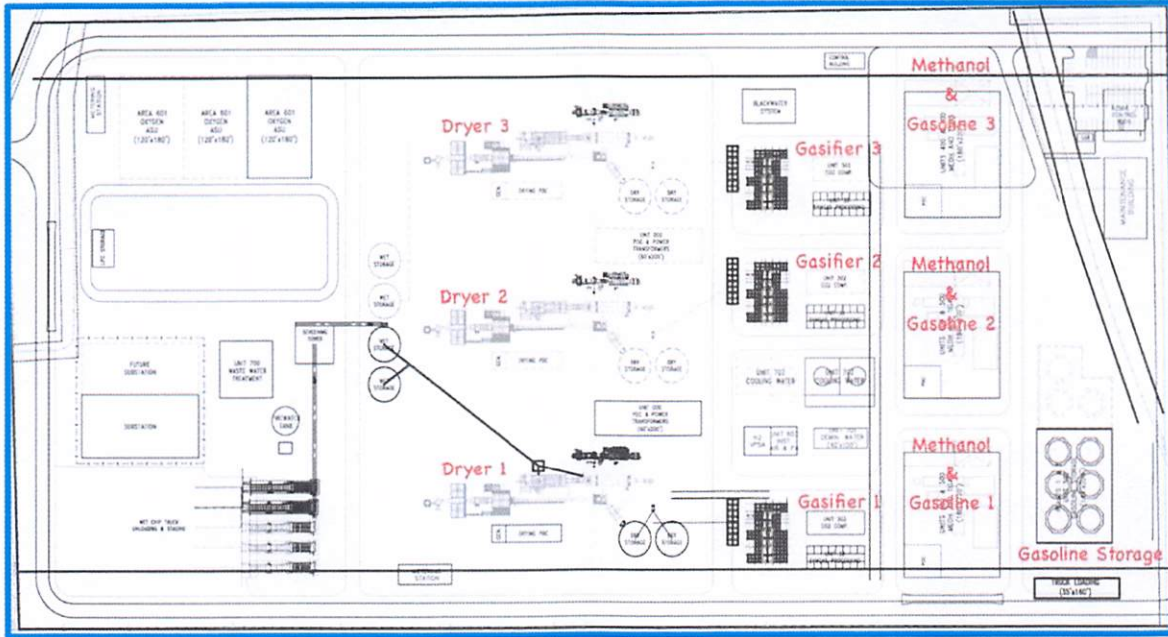
- Ash storage silos
- Gasoline hydrocrackers
- Syngas cleanup systems
- Acid gas removal systems
- Water gas shift systems
- Wood storage silos

- Truck unloading tippers
- Wood screening systems
- Wood conveying systems
- Demineralized water system
- Wastewater treatment
- Fire prevention system
- Oxygen VPSA
- Hydrogen PSA
- Nitrogen PSA
- Pipeline interconnect facilities
- Electric substation
- Utility connections
- Drum dryers
- Dryer furnace
- Regenerative thermal oxidizer
- Wet electrostatic precipitator
- Dryer cyclones
- Gas turbine generator system
- Duct burners
- Pipe racks
- Ducting systems

11 B AND 11 C

QUALIFYING INVESTMENT/ QUALIFYING PROPERTY

1631 Beaumont ISD, Arbor Renewable Gas, Amendment001, Execution001
May 23, 2022



Amendment to Agreement for Limitation on Appraised Value
Between Beaumont ISD and Arbor Renewable Gasoline – Phase 1 LLC
November 16, 2021
Amended August 18, 2022

Texas Economic Development Act Agreement
Comptroller Form 50-826 (Jan 2020)

EXHIBIT 5

AGREEMENT SCHEDULE

	Year	Date of Appraisal	School Year	Tax Year	Summary Description
Pre-Limitation Period	Partial Year Beginning on the Date Agreement Signed (11/16/2021)	January 1, 2021	2021-2022	2021	Agreement Signed (11/16/2021). No limitation on appraised value. Qualifying Time Period Deferred until January 1, 2022
	1	January 1, 2022	2022-2023	2022	Qualifying Time Period. No limitation on appraised value.
	2	January 1, 2023	2023-2024	2023	Qualifying Time Period. No limitation on appraised value.
	3	January 1, 2024	2024-2025	2024	No limitation on appraised value.
	4	January 1, 2025	2025-2026	2025	No limitation on appraised value.
Limitation Period (10 Years)	1	January 1, 2026	2026-2027	2026	\$30 million appraised value limitation.
	2	January 1, 2027	2027-2028	2027	\$30 million appraised value limitation.
	3	January 1, 2028	2028-2029	2028	\$30 million appraised value limitation.
	4	January 1, 2029	2029-2030	2029	\$30 million appraised value limitation.
	5	January 1, 2030	2030-2031	2030	\$30 million appraised value limitation.
	6	January 1, 2031	2031-2032	2031	\$30 million appraised value limitation.
	7	January 1, 2032	2032-2033	2032	\$30 million appraised value limitation.
	8	January 1, 2033	2033-2034	2033	\$30 million appraised value limitation.
	9	January 1, 2034	2034-2035	2034	\$30 million appraised value limitation.
	10	January 1, 2035	2035-2036	2035	\$30 million appraised value limitation.
Maintain Viable Presence (5 Years)	11	January 1, 2036	2036-2037	2036	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	12	January 1, 2037	2037-2038	2037	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	13	January 1, 2038	2038-2039	2038	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	14	January 1, 2039	2039-2040	2039	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	15	January 1, 2040	2040-2041	2040	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.

**Amendment to Agreement for Limitation on Appraised Value
Between Beaumont ISD and Arbor Renewable Gasoline – Phase 1 LLC
November 16, 2021
Amended August 18, 2022**

*Texas Economic Development Act Agreement
Comptroller Form 50-826 (Jan 2020)*



Board Exhibit Cover Sheet

Meeting Date: August 18, 2022

Agenda Item/Exhibit Number: **III.F.8.**

Agenda Item Title: Discuss and if appropriate take action to approve an order authorizing the defeasance and redemption of outstanding Bonds of the District

Cabinet Level Presenter(s): Cheryl Hernandez

Additional Presenter(s):

Executive Summary: The district plans to take action on the defeasance and redemption of outstanding Bonds of the District

Recommendation: Approve the order authorizing the defeasance and optional redemption of certain outstanding Bonds and containing other matters related thereto.

Budget Impact* (if applicable): N/A

Funding Source (if applicable):

Compliance with Purchasing Guidelines (list applicable guidelines, including grant requirements):

Policy Reference (if applicable, list policy/regulation):

Legal Review (if necessary, list attorney and firm): Lance Fox with Creighton, Fox, Johnson & Mills, PLLC

Cheryl Hernandez
Cabinet Level Presenter's Signature

8/18/22
Date

*CFO Signature (required if there is a budget impact)

Date

General Counsel's Signature

Date

**ORDER AUTHORIZING THE DEFEASANCE AND OPTIONAL REDMPTION OF
CERTAIN OUTSTANDING BONDS AND CONTAINING OTHER MATTERS RELATED
THERE TO**

THE STATE OF TEXAS §
COUNTY OF JEFFERSON §
BEAUMONT INDEPENDENT SCHOOL DISTRICT: §

WHEREAS, the Beaumont Independent School District (the “Issuer” or the “District”) has heretofore issued certain outstanding bonds that are described in **Exhibit “A”** attached hereto (hereinafter referred to as the “Outstanding Bonds”); and

WHEREAS, The Bank of New York Mellon Trust Company, N.A. (herein referred to as the “Paying Agent”) serves as Paying Agent for the Outstanding Bonds; and

WHEREAS, the Board of Trustees (the “Board”) desires to authorize and approve the defeasance plan herein described to authorize the defeasance and optional redemption of certain series and maturities of the District’s Outstanding Bonds to provide a savings in interests costs to the District and to help the District maintain a stable tax rate (the “Defeasance Plan”), and in connection therewith to further authorize the execution of an escrow agreement and the purchase of certain escrowed securities as part of the Defeasance Plan, all as hereinafter set forth; and

WHEREAS, in accordance with the terms of the order or orders authorizing the issuance of the Outstanding Bonds, and pursuant to applicable provisions of Texas law, including but not limited to, Sections 1207.033, 1207.061 and 1207.062 of the Texas Government Code, the District desires to call for redemption and defease certain maturities or portions thereof of the Outstanding Bonds by depositing directly with the Paying Agent for the Outstanding Bonds to be defeased an amount of money sufficient to provide for the payment thereof; and

WHEREAS, the District has or will have funds available on hand in its Debt Service Fund to make the deposit referenced above to fully discharge and defease the Outstanding Bonds herein ordered to be defeased; and

WHEREAS, the District also desires to authorize the execution of an escrow agreement or similar agreement in order to provide for the deposit referenced above to pay and redeem the Defeased Bonds (as herein defined); and

WHEREAS, upon making the deposit with the Paying Agent to pay the Outstanding Bonds hereafter ordered to be defeased in full, those Outstanding Bonds shall no longer be regarded as being outstanding, except for the purpose of being paid pursuant to such due provisions made for the payment thereof, and the pledges, liens, trusts and all other covenants, provisions, terms and

conditions of the Order authorizing the issuance of those Outstanding Bonds herein ordered to be defeased shall be discharged, terminated and defeased; and

WHEREAS, the District desires to designate each of the Superintendent and Chief Financial Officer of the District as Authorized Officers of the District to carry out the defeasance of the Outstanding Bonds as hereinafter set forth;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE BEAUMONT INDEPENDENT SCHOOL DISTRICT:

1. CONSIDERATION AND EFFECT OF PREAMBLE. The matters and facts contained in the preamble to this Order are hereby found to be true and correct, and it is hereby found and determined that defeasance of the Outstanding Bonds to be defeased in the manner described herein will benefit the District.

2. Defeasance of the Bonds. The District hereby irrevocably authorizes and orders that the following Outstanding Bonds be redeemed and defeased in accordance with the following procedures and plan (herein the "Defeasance Plan"):

- (1) The Board of Trustees hereby approves and orders that an aggregate principal amount of up to **\$14,500,000** in Outstanding Bonds shall be defeased (the "Defeased Bonds"), with the final aggregate amount and particularly maturities and amounts of the Defeased Bonds to be finally determined, specified, approved and designated by the District's Superintendent or Chief Financial Officer of the District or the President of the Board (the "Authorized Officers"), and each of such Authorized Officers shall be and hereby is authorized to make the final determination of which of the Outstanding Bonds and the maturities and portions thereof shall be defeased, each of whom is hereby authorized to make such determination on behalf of the District, provided that the aggregate amount of Outstanding Bonds to be defeased shall not exceed **\$14,500,000** unless further approved and authorized by the Board.
- (2) The Defeased Bonds shall be called for redemption on the date or dates specified and determined by any of the Authorized Officers (the "Redemption Date") pursuant to a written notice of redemption in such form as approved by any Authorized Officer.
- (3) The cash sum equal to an amount necessary to pay the principal amount of the Defeased Bonds, plus all accrued interest due and payable on the Defeased Bonds through the Redemption Date, shall be transferred out of the District's Bond Interest and Sinking Fund and deposited with the Paying Agent pursuant to Section 1207.061 of the Texas Government Code, and

further, in connection therewith, pursuant to the terms and provisions of Section 1207.072 of the Texas Government Code, the District shall enter into one or more Escrow Agreements with the Paying Agent substantially in the form attached hereto as **Exhibit "B"**, the terms and provisions of which Escrow Agreement are hereby authorized and approved, subject to such insertions, additions and modifications approved by any Authorized Officer and as shall be necessary (a) to carry out the Defeasance Plan designed for the District by the District's Financial Advisor, **USCA Municipal Advisors LLC** and which shall be certified as to mathematical accuracy by either the District's Financial Advisor or an independent accounting firm in a written verification report (the "Report"), as determined, approved and designated by any Authorized Officer (b) to maximize the District's present value savings and/or to minimize the District's costs of the defeasance, (c) to comply with all applicable laws and regulations relating to the defeasance of the Defeased Bonds and (d) to carry out the other intents and purposes of this Order, and the President, Superintendent, Chief Financial Officer or any other officer of the District is hereby authorized to execute and deliver such Escrow Agreement on behalf of the District in multiple counterparts and the Secretary is hereby authorized to attest thereto and affix the District's seal.

- (4) In accordance with the provisions of Section 1207.062 of the Texas Government Code, the deposit of the funds into escrow with the Paying Agent shall only be invested in the following: (1) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States, (2) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by an agency or instrumentality and that, on the date of this Order, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (3) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, as of the date of this Order, are rated as to investment quality by a nationally recognized investment rating agency firm not less than AAA or its equivalent (herein referred to as the "Escrowed Securities"). Furthermore, the deposit of the funds with the Paying Agent shall only be invested in Escrowed Securities that mature and bear interest payable at times and in amounts sufficient to provide for the scheduled payment of the Defeased Bonds. Any of the Authorized Officers are hereby authorized to approve and authorize the District to subscribe for, agree to purchase, and purchase the Escrowed Securities, in such amounts and maturities and bearing interest at such rates as may be provided for in the Report, and to

execute any and all subscriptions, purchase agreements, commitments, letters of authorization and other documents necessary to effectuate the foregoing, and any actions heretofore taken for such purpose are hereby ratified and approved.

- (5) The engagement of the District's Financial Advisor, USCA Municipal Advisors LLC, and of bond counsel, Creighton, Fox, Johnson & Mills, PLLC, and of the verification agent, and of the Escrow Agent, to assist and serve the District in carrying out the Defeasance Plan is hereby approved, ratified and authorized, and the payment of the reasonable fees and costs of such providers is hereby approved and authorized.

4. Paying Agent Instructions. To provide for the discharge and defeasance of the Defeased Bonds and all liens securing same, the Board hereby approves and authorizes any of the Authorized Officers to prepare and send written instructions to the Paying Agent (the "Paying Agent Instructions"), in such form and content as approved by any such Authorized Officer or any other officer or official representative of the District, as any of them may determine to be necessary or appropriate. Each Authorized Officer is authorized to work with the Paying Agent to determine and to prepare and approve the form of redemption notice to be published in connection with the redemption of the Defeased Bonds.

5. Further Action. Each of the Superintendent, the Chief Financial Officer, the President of the Board, or any other officer or official representative of the District, acting alone and without the necessity of the joinder of any other authorized District official, is hereby authorized and directed to take all action as may be necessary or appropriate to effectuate this Order and the defeasance of the Outstanding Bonds to be defeased pursuant to this Order, including but not limited to, designating and determining the principal amount of and maturities of Outstanding Bonds to be defeased, determining and setting the final Redemption Date, making all arrangements necessary or appropriate with each of the Paying Agent for the defeasance of the Defeased Bonds; making such deposits with the Paying Agent as may be necessary for the defeasance of the Defeased Bonds, approving the final terms of and execution of the Escrow Agreement, authorizing the investment of the funds held in the Escrow Agreement in accordance with the terms of this Order, approving and authorizing the payment of the costs incurred in connection with the defeasance of the Defeased Bonds, including the costs of the District's financial advisor, bond counsel, the verification agent, and the fees and expenses of the Paying Agent and the Escrow Agent and all related costs of issuance, and taking all other actions that are reasonably necessary or appropriate to provide for the defeasance and redemption of the Defeased Bonds. In addition, each of the Superintendent, Chief Financial Officer, President of the Board of Trustees, or Bond Counsel to the District, are each hereby authorized and directed to approve any technical changes or corrections to this Order or to any of the documents authorized and approved by this Order: (i) in order to cure any technical ambiguity, formal defect, or omission in the Order or such other document if such officer or counsel determines that such ministerial changes are consistent with the intent and purpose of the Order, which determination shall be final. In the event that any

officer of the District whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

6. Open Meeting. It is hereby officially found and determined that the meeting at which this Order was adopted was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551 of the Texas Government Code Annotated, Vernon's 1994, as amended.

7. Severability. If any Section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such Section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

9. Repealer. All orders, resolutions, and ordinances, and parts thereof inconsistent herewith are hereby repealed to the extent of such inconsistency. Without limiting the generality of the foregoing, this order amends the Original Order and supersedes any conflicting provision contained in the Original Order.

[Signature page follows this page.]

PASSED AND APPROVED this _____ of August, 2022.

Board President
Beaumont Independent School District

ATTEST:

Board Secretary
Beaumont Independent School District

(SEAL)

Exhibit "A" Outstanding Bonds

Exhibit "B" Escrow Agreement

EXHIBIT "A"

Schedule of Outstanding Bonds That May Be Defeased

Amy and all outstanding bonds of the District, including but not limited to, the following:

Beaumont Independent School District Unlimited Tax Refunding Bonds, Series 2016

EXHIBIT "B"
Form of Escrow Agreement

See attached form.

THIS ESCROW AGREEMENT (the "Escrow Agreement") dated as of _____, 2023 (the "Escrow Funding Date"), is made and entered into by and between **BEAUMONT INDEPENDENT SCHOOL DISTRICT**, an independent school district organized and existing under the Constitution and laws of the State of Texas (the "District"), and **The Bank of New York Mellon Trust Company, N.A.**, a national banking association having a principal corporate trust office in Dallas, Texas, as escrow agent (together with any successor or assign in such capacity, the "Escrow Agent").

WHEREAS, the District has heretofore issued and there remains outstanding the District's Unlimited Tax Refunding Bonds, Series 2016 (collectively the "Outstanding Obligations"), and the District desires to provide for the defeasance prior to maturity of all or a portion of certain maturities of the Outstanding Obligations in the aggregate principal amount of \$ _____, as more particularly described in the Schedule of Defeased Bonds attached hereto as **Exhibit "A"** (the "Defeased Bonds"); and

WHEREAS, *Chapter 1207, Texas Government Code, as amended*, authorizes and empowers the District to deposit funds with the Paying Agent for the Defeased Bonds an amount which is sufficient to provide for the payment or redemption of the principal of and interest on the Defeased Bonds; and

WHEREAS, the Board of Trustees of the District has adopted an order authorizing the defeasance of the Defeased Bonds and authorizing, among other things, of providing the funds necessary to pay and defease the Defeased Bonds, thereby providing a net present value savings in debt service; and

WHEREAS, the District has provided pursuant to this Escrow Agreement for the application of funds of the District to provide for the payment of the Defeased Bonds; and

WHEREAS, the Board of Trustees of the District has further determined to effectuate the defeasance of the Defeased Bonds pursuant to this Escrow Agreement, under which provision is made for the safekeeping, investment, reinvestment, administration and disposition of the funds deposited hereunder with the Escrow Agent, so as to provide firm banking and financial arrangements for the discharge and final payment or redemption of the Defeased Bonds;

NOW, THEREFORE, in consideration of the mutual undertakings, promises and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to secure the full and timely payment of the principal of and the interest on the Defeased Bonds, the District and the Escrow Agent contract and agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

1.01 Definitions. Unless otherwise expressly provided or unless the context clearly requires otherwise, the following terms shall have the respective meanings specified below for all purposes of this Escrow Agreement:

"District" shall mean the **BEAUMONT INDEPENDENT SCHOOL DISTRICT**, and any successor to its duties and functions.

"Escrow Agent" shall mean **The Bank of New York Mellon Trust Company, N.A.**, in its capacity as escrow agent hereunder, and any successor or assign in such capacity.

"Escrow Agreement" shall mean this escrow agreement by and between the District and the Escrow Agent, as it may be amended or supplemented from time to time.

"Escrow Fund" shall mean the fund created in Section 3.01 of this Escrow Agreement to be administered by the Escrow Agent pursuant to the provisions of this Escrow Agreement.

"Escrow Funding Date" shall mean the date on which the District deposits with the Escrow Agent the cash and Escrowed Securities described in Section 2.01.

"Escrowed Securities" shall mean the Restricted Acquired Obligations or other eligible securities purchased with the funds deposited into the Escrow Fund, all as more fully described in the Report.

"Paying Agent for the Defeased Bonds" shall mean **The Bank of New York Mellon Trust Company, N.A.**, and any successors thereto.

"Defeased Bond Order" shall mean the District's order authorizing the issuance, sale and delivery of the Defeased Bonds.

"Defeased Bonds" shall mean certain maturities of the Outstanding Obligations, in the aggregate principal amount of \$ _____, as more particularly identified and described in **Exhibit "A"** attached hereto and incorporated herein by reference.

"Defeasance Order" shall mean the District's Order adopted August _____, 2022 authorizing the defeasance of the Defeased Bonds.

"Report" shall mean the verification report prepared by _____, relating to the defeasance of the Defeased Bonds, a copy of which is attached hereto as **Exhibit "B"**.

"Restricted Acquired Obligations" shall mean the United States Treasury Securities - State and Local Government Series at 0% Interest Rate ("SLGS"), all as more fully described in the Report.

1.02 Interpretations. The titles and headings of the articles and sections of this Escrow Agreement have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms hereof. This Escrow Agreement and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the refunding of the Defeased Bonds in accordance with applicable law.

ARTICLE II

DEPOSIT OF FUNDS AND ESCROWED SECURITIES

2.01 Deposits with Escrow Agent; Acquisition of Escrowed Securities. On or before the date of delivery of the Refunding Bonds, the District will deposit, or cause to be deposited, with the Escrow Agent the following:

(a) Escrowed Securities described in the Report in the principal amount of \$_____ purchased at a purchase price of \$_____, with a portion of the proceeds of the funds deposited with the Escrow Agent; and

(b) A beginning cash balance of \$_____.

ARTICLE III

CREATION AND OPERATION OF ESCROW FUND

3.01 Escrow Fund. On the Escrow Funding Date, the Escrow Agent will create on its books a special fund and irrevocable escrow to be known as "**Beaumont Independent School District _____ Series 2022 Escrow Fund**", into which will be deposited the cash and Escrowed Securities described in Section 2.01. The Escrowed Securities, all proceeds therefrom and all cash balances from time to time on deposit in the Escrow Fund shall be the property of the Escrow Fund, and shall be applied only in strict conformity with the terms and conditions hereof. The Escrowed Securities, all proceeds therefrom and all cash balances from time to time on deposit in the Escrow Fund are hereby irrevocably pledged to the payment of the principal of and interest on the Defeased Bonds, which payment shall be made by timely transfers to the Paying Agent for the Defeased Bonds of such amounts at such times as are provided in Section 3.02 hereof. When the final transfers have been made to the Paying Agent for the Defeased Bonds for the payment of such principal of and interest on the Defeased Bonds, any balance then remaining in the Escrow Fund shall be transferred to the District, and the Escrow Agent shall

thereupon be discharged from any further duties hereunder.

3.02 Payment of Principal of and Interest on Defeased Bonds.

(a) The Escrow Agent is hereby irrevocably instructed to transfer to the Paying Agent for the Defeased Bonds from the cash balance from time to time on deposit in the Escrow Fund the amounts required to pay the principal of and interest on the Defeased Bonds as the same become due and payable, all as provided in the Report.

(b) Money transferred to and held by the Paying Agent for the Defeased Bonds in accordance with the provisions hereof shall be held by the Paying Agent for the Defeased Bonds as a segregated account for the respective holders of the Defeased Bonds in connection with which such money is held; provided, however, subject to the provisions of Title 6 of the Texas Property Code regarding Unclaimed Property, that money so held remaining unclaimed by the owners of such Defeased Bonds for three (3) years after the dates on which payment thereon was due, payable and available for payment shall be paid to the District to be used for any lawful purpose. Thereafter, neither the District, the Escrow Agent, the Paying Agent for the Defeased Bonds nor any other person shall be liable or responsible to any holders of such Defeased Bonds for any further payment of such unclaimed money or on account of any such Defeased Bonds.

(c) Except as provided in Article IV hereof, the District hereby covenants and agrees that it will not exercise any right that it may have to redeem any of the Defeased Bonds prior to their scheduled maturities.

3.03 Sufficiency of Escrow Fund. The District represents (based solely upon the Report) that the successive receipts of the principal of and interest on the Escrowed Securities will assure that the cash balance on deposit from time to time in the Escrow Fund will be at all times sufficient to provide money for transfer to the Paying Agent for the Defeased Bonds at the times and in the amounts required to pay the interest on the Defeased Bonds as such interest comes due and to pay the principal of the Defeased Bonds as the Defeased Bonds mature or are redeemed. If any deficiency results from any error in the calculation of the report, the District shall transfer to the Escrow Agent for deposit to the Escrow Fund to be held pursuant to this Escrow Agreement an additional amount of cash or securities sufficient to provide for such deficiency which transfer shall be made from lawfully available funds.

3.04 Escrow Fund. The Escrow Agent at all times shall hold the Escrow Fund, the Escrowed Securities and all other assets of the Escrow Fund wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrowed Securities or any other assets of the Escrow Fund to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Escrow Fund only as set forth herein. The Escrow Agent agrees that any uninvested funds in the Escrow Fund shall be secured by collateral to the extent they are not insured by the FDIC. The Escrowed Securities and other assets of the Escrow Fund always shall be maintained by the Escrow Agent for the benefit of the holders of the

Defeased Bonds; and a special account therefor evidencing such fact shall be maintained at all times on the books of the Escrow Agent. The holders of the Defeased Bonds shall be entitled to the same preferred claim and first lien upon the Escrowed Securities, the proceeds thereof and all other assets of the Escrow Fund as are enjoyed by other beneficiaries of similar accounts. The amounts received by the Escrow Agent under this Escrow Agreement shall not be considered as a banking deposit by the District, and the Escrow Agent shall have no right or title with respect thereto except as escrow agent under the terms hereof. The amounts received by the Escrow Agent hereunder shall not be subject to warrants, drafts or checks drawn by the District.

ARTICLE IV

REDEMPTION OF CERTAIN DEFEASED BONDS PRIOR TO MATURITY

4.01 Optional Redemption of Certain Defeased Bonds. The District has irrevocably exercised its option to call for redemption prior to maturity the Defeased Bonds as set forth below. Such optional redemption shall be carried out in accordance with the Defeased Bonds Order. The Escrow Agent is hereby authorized to provide funds therefor as set forth in Section 3.02(a) hereof.

Bonds To Be Redeemed

Redemption Dates

See **Exhibit "A"** attached hereto

ARTICLE V

LIMITATION ON INVESTMENTS

5.01 General. Except as herein otherwise expressly provided, the Escrow Agent shall not have any power or duty to invest any money held hereunder; or to make substitutions of the Escrowed Securities; or to sell, transfer or otherwise dispose of the Escrowed Securities, except for the purchase of the Escrowed Securities as described in the Report.

5.02 Substitution of Securities. At the written request of the District, and upon compliance with the conditions hereinafter stated, the Escrow Agent shall sell, transfer, otherwise dispose of or request the redemption of all or any portion of the Escrowed Securities and apply the proceeds therefrom to purchase Defeased Bonds or direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America and which do not permit the redemption thereof at the option of the obligor. Any such transaction may be effected by the Escrow Agent only if (1) the Escrow Agent shall have received a new verification report together with a written opinion from a nationally recognized firm of certified public accountants acceptable to the District and the Escrow Agent that such transaction will not cause the amount of money and securities in the Escrow Fund to be reduced below an amount which will be

sufficient, when added to the interest to accrue thereon, to provide for the payment of principal and interest on the remaining Defeased Bonds as they become due, and (2) the Escrow Agent shall have received the unqualified written legal opinion of nationally recognized bond counsel or tax counsel acceptable to the District and the Escrow Agent to the effect that such transaction will not cause any of the Refunding Bonds to be an "arbitrage bond" within the meaning of the Code, and that such transaction will not result in a violation of the laws of the State of Texas.

ARTICLE VI

RECORDS AND REPORTS

6.01 Records. The Escrow Agent shall keep books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the money and Escrowed Securities deposited to the Escrow Fund and all proceeds thereof, and such books shall be available for inspection at reasonable hours and under reasonable conditions by the District and the holders of the Defeased Bonds.

6.02 Reports. For the period beginning on the Escrow Funding Date and ending on **December 31, 2023**, and for each twelve (12) month period thereafter while this Agreement remains in effect, the Escrow Agent shall prepare and send to the District, at the District's request, within thirty (30) days following the end of such period a written report summarizing all transactions relating to the Escrow Fund during such period, including, without limitation, credits to the Escrow Fund as a result of interest payments on or maturities of the Escrowed Securities and transfers from the Escrow Fund to the Paying Agent for the Defeased Bonds or otherwise, together with a detailed statement of all Escrowed Securities and the cash balance on deposit in the Escrow Fund as of the end of such period.

6.03 Notification. The Escrow Agent shall notify the District immediately if at any time during the term of this Escrow Agreement it determines that there is insufficient cash and Escrowed Securities in the Escrow Fund to provide for the transfer to the Paying Agent for the Defeased Bonds for timely payment of all interest on and principal of the Defeased Bonds.

ARTICLE VII

CONCERNING THE ESCROW AGENT

7.01 Representations. The Escrow Agent hereby represents that it has all necessary power and authority to enter into this Escrow Agreement and undertake the obligations and responsibilities imposed upon it herein, and that it will carry out all of its obligations hereunder.

7.02 Limitation on Liability. The Escrow Agent shall not be liable for the performance of

any duties, except such duties as are specifically set forth in this Escrow Agreement, and no implied covenants or obligations shall be read into this Escrow Agreement. Nothing herein contained shall relieve the Escrow Agent from liability for its own negligent action, negligent failure to act or willful misconduct, except that this sentence shall not be construed to limit the effect of the immediately preceding sentence. The Escrow Agent shall not incur any liability for any error of judgment made in good faith by a responsible officer thereof, unless it shall be proved that it was negligent in ascertaining the pertinent facts. The Escrow Agent shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. The Escrow Agent may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith.

The Escrow Agent is not a principal, participant or beneficiary of the underlying transaction to which this Escrow Agreement relates.

The liability of the Escrow Agent to transfer funds to the Paying Agent for the Defeased Bonds for the payments of the principal of and interest on the Defeased Bonds shall be limited to the proceeds of the Escrowed Securities and the cash balances from time to time on deposit in the Escrow Fund. Notwithstanding any provision contained herein to the contrary, the Escrow Agent shall have no liability whatsoever for the insufficiency of funds from time to time in the Escrow Fund or any failure of the obligor of the Escrowed Securities to make timely payment thereon, except for the obligation to notify the District promptly of any such occurrence.

The recitals herein and in the proceedings authorizing the Refunding Bonds shall be taken as the statements of the District and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent. In its capacity as Escrow Agent, it is agreed that the Escrow Agent need look only to the terms and provisions of this Escrow Agreement.

The Escrow Agent makes no representation as to the value, condition or sufficiency of the Escrow Fund, or any part thereof, or as to the title of the District thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall incur no liability or responsibility with respect to any of such matters.

It is the intention of the District and the Escrow Agent that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

Unless it is specifically provided otherwise herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the District with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund and to dispose of and deliver the same in accordance with this Escrow Agreement. In determining the

occurrence of any such event or contingency the Escrow Agent may request from the District or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with the District, among others, at any time.

In the absence of bad faith, the Escrow Agent may rely conclusively upon the truth, completeness and accuracy of the statements, certificates, opinions, resolutions and other documents conforming to the requirements of this Escrow Agreement, and shall not be obligated to make any independent investigation with respect thereto.

To the full extent permitted by law, the District agrees to indemnify, defend and hold the Escrow Agent harmless from and against any and all loss, damage, tax, liability and expense that may be incurred by the Escrow Agent arising out of or in connection with its acceptance or appointment as Escrow Agent hereunder, including attorneys' fees and expenses of defending itself against any claim or liability in connection with its performance hereunder except that the Escrow Agent shall not be indemnified for any loss, damage, tax, liability or expense resulting from its own negligence or willful misconduct. The Escrow Agent's right to indemnification shall survive its resignation or removal and the termination of this Agreement.

The Escrow Agent shall have only those duties as are specifically provided herein, which shall be deemed purely ministerial in nature, and shall under no circumstance be deemed a fiduciary for any of the parties to this Agreement. The Escrow Agent shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument or document between the other parties hereto, in connection herewith. This Escrow Agreement sets forth all matters pertinent to the escrow contemplated hereunder, and no additional obligations of the Escrow Agent shall be inferred from the terms of this Escrow Agreement or any other agreement. **IN NO EVENT SHALL THE ESCROW AGENT BE LIABLE, DIRECTLY OR INDIRECTLY, FOR ANY (i) DAMAGES OR EXPENSES ARISING OUT OF THE SERVICES PROVIDED HEREUNDER, OTHER THAN DAMAGES WHICH RESULT FROM THE ESCROW AGENT'S FAILURE TO ACT IN ACCORDANCE WITH THE STANDARDS SET FORTH IN THIS ESCROW AGREEMENT, OR (ii) SPECIAL OR CONSEQUENTIAL DAMAGES, EVEN IF THE ESCROW AGENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.**

In the event that any escrow property shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the property deposited under this Agreement, the Escrow Agent is hereby expressly authorized, in its sole discretion, to obey and comply with all writs, orders or decrees so entered or issued, which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction, and in the event that the Escrow Agent obeys or complies with any such writ, order or decree it shall not be liable to any of the parties hereto or to any other person, firm or corporation, by reason of such compliance notwithstanding such writ, order or decree be

subsequently reversed, modified, annulled, set aside or vacated.

Any banking association or corporation into which the Escrow Agent may be merged, converted or with which the Escrow Agent may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Escrow Agent shall be transferred, shall succeed to all the Escrow Agent's rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

The Escrow Agent shall have the right, but not the obligation, to consult with counsel of choice and shall not be liable for action taken or omitted to be taken by Escrow Agent either in accordance with the advice of such counsel or in accordance with any opinion of counsel to the Issuer addressed and delivered to the Escrow Agent.

The Escrow Agent have the right to perform any of its duties hereunder through agents, attorneys, custodians or nominees.

7.03 Compensation.

(a) On the Escrow Funding Date, the District will pay the Escrow Agent, as a fee for performing the services hereunder and for all expenses incurred or to be incurred by the Escrow Agent in the administration of this Escrow Agreement, the sum of \$_____, in cash. This sum does not include the cost of publication, printing costs or reasonable out-of-pocket expenses of the Escrow Agent. If the Escrow Agent incurs any out-of-pocket expenses or is requested to perform any extraordinary services hereunder, the District hereby agrees to reimburse the Escrow Agent for such out-of-pocket expenses and to pay reasonable fees to the Escrow Agent for such extraordinary services and to reimburse the Escrow Agent for all expenses incurred by the Escrow Agent in performing such extraordinary services. It is expressly provided that the Escrow Agent shall look only to the District for the reimbursement of such out-of-pocket expenses and for the payment of such additional fees and reimbursement of such additional expenses. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the Escrow Fund for any fees for its services, whether regular, additional or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement for any of its expenses.

(b) **The Bank of New York Mellon Trust Company, N.A.**, serves as Paying Agent for the Defeased Bonds. By execution of the Consent to Escrow Agreement attached hereto, **The Bank of New York Mellon Trust Company, N.A.** agrees to continue to serve as Paying Agent for the life of the Defeased Bonds, and it will serve as Paying Agent for the Defeased Bonds for the compensation provided under the fee schedule currently in effect and it will look to the District directly for payment of its fees; and, in the event of nonpayment of such fees, the sole remedy of the Paying Agent shall be an action against the District for recovery of the fees owing under the paying agency agreement for which it serves.

7.04 Successor Escrow Agents. If at any time the Escrow Agent or its legal successor or successors should cease to be the Escrow Agent hereunder, a vacancy shall forthwith exist hereunder in the office of the Escrow Agent. Any successor Escrow Agent appointed by the District shall succeed, without further act, to all the rights, immunities, powers and trusts of the predecessor Escrow Agent hereunder. Any successor Escrow Agent must be qualified under the laws of the State of Texas to serve as an escrow agent and must be authorized to exercise corporate trust powers. No resignation or removal of the Escrow Agent and no early termination of this Agreement shall occur until a successor Escrow Agent has been appointed who is qualified to serve as Escrow Agent hereunder and who has accepted such appointment. Upon the request of any such successor Escrow Agent, the District shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such immunities, rights, powers and duties. The Escrow Agent shall pay over to its successor Escrow Agent a proportional part of the Escrow Agent's fee hereunder equal to the portion of such fee attributable to duties to be performed after the date of succession.

The Escrow Agent may resign at any time by giving written notice thereof to the District. If an instrument of acceptance by a successor Escrow Agent shall not have been delivered to the Escrow Agent within 60 days after the giving of such notice of resignation, the resigning Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent.

ARTICLE VIII

MISCELLANEOUS

8.01 Notices. Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed as follows:

To the Escrow Agent:

The Bank of New York Mellon Trust Company, N.A.
2001 Bryan Street, 11th Floor
Dallas, TX 75201
Attention: Issuer Administrative Services

To the District:

Beaumont Independent School District
3395 Harrison Avenue
Beaumont, TX 77706

ATTENTION: Superintendent

The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten days prior notice thereof.

8.02 Termination of Escrow Agent's Obligations. Upon the taking by the Escrow Agent of all the actions as described herein, the Escrow Agent shall have no further obligations or responsibilities hereunder to the District, the holders of the Defeased Bonds or to any other person or persons in connection with this Escrow Agreement.

8.03 Binding Agreement. This Escrow Agreement shall be binding upon the District, and the Escrow Agent and their respective successors and legal representatives, and shall inure solely to the benefit of the holders of the Defeased Bonds, the District, the Escrow Agent and their respective successors and legal representatives. This Escrow Agreement may not be modified except with the prior consent of the holders of all of the Defeased Bonds.

8.04 Severability. In case any one or more of the provisions contained in this Escrow Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Escrow Agreement, but this Escrow Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

8.05 Governing Law. This Escrow Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Texas.

8.06 Time of Essence. Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Escrow Agreement.

8.07 Compliance With Texas Government Code.

- (a) The undersigned Escrow Agent representative, being an adult over the age of eighteen (18) years of age, pursuant to Texas Government Code, Chapter 2252, §2252.152 and §252.153, certifies that the Escrow Agent is not listed on the website of the Comptroller of the State of Texas concerning the listing of companies that are identified under §806.051, §807.051 or §2253.153, and further certifies that should the Escrow Agent enter into a contract that is on said listing of companies on the website of the Comptroller of the State of Texas which do business with Iran, Sudan or any Foreign Terrorist Organization, the Escrow Agent will immediately notify the Issuer. Pursuant to §2270.001(2), Texas Government Code, "Company" means a sole proprietorship, organization, association, corporation, partnership, joint venture,

limited partnership, limited liability partnership, limited liability company or other entity or business association whose securities are publicly traded, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of those entities or business associations, that exist to make a profit.

- (b) The undersigned Escrow Agent representative is an adult over the age of eighteen (18) years of age and affirms (i) is authorized to execute this verification on behalf of the Escrow Agent; (ii) the Escrow Agent does not boycott Israel and will not boycott Israel during the term of any contract that will be entered into between the Escrow Agent and the Issuer; and (iii) understands that the term “boycott Israel” is defined by Texas Government Code §2270.001 to mean refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israel-controlled territory, but does not include an action made for ordinary business purposes. Pursuant to §808.001(2), Texas Government Code, “Company” means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of those entities or business associations, that exist to make a profit. See also §2270.0001(2), Texas Government Code.
- (c) For the purposes of Section 2274.002, Texas Government Code (as added by Senate Bill 13, 87th Texas Legislature, Regular Session), the Escrow Agent and the Issuer acknowledge and agree that this Agreement has an aggregate value of less than \$100,000, and in no event will the Issuer pay the Escrow Agent in excess of \$100,000 for its services.
- (d) For the purposes of Section 2274.002, Texas Government Code (as added by Senate Bill 19, 87th Texas Legislature, Regular Session, "SB 19"), the Escrow Agent and the Issuer acknowledge and agree that this Agreement has an aggregate value of less than \$100,000, and in no event will the District pay the Escrow Agent in excess of \$100,000 for its services.

EXECUTED effective as of the Escrow Funding Date as defined herein.

The Bank of New York Mellon Trust Company, N.A.

By: _____
Name: _____
Title: _____

Beaumont Independent School District

By: _____
President, Board of Trustees

(SEAL)

By: _____
Secretary, Board of Trustees

CONSENT TO ESCROW AGREEMENT

Upon receipt of sufficient funds from the Escrow Agent, **The Bank of New York Mellon Trust Company, N.A.**, as Paying Agent for the Defeased Bonds (as defined in the foregoing Escrow Agreement), hereby acknowledges and consents to provide for the full and timely payment of the principal of and interest on such series of Defeased Bonds. **The Bank of New York Mellon Trust Company, N.A.** further consents to the management of the Escrow Fund by the Escrow Agent in accordance with the terms and conditions of the Escrow Agreement and agrees to be bound by the terms of the Escrow Agreement with respect to its obligations as a paying agent.

The Bank of New York Mellon Trust Company, N.A. agrees to continue to serve as Paying Agent for which it is now serving as Paying Agent, and it will serve as Paying Agent for each of the Series of the Defeased Bonds for the compensation provided under the fee schedule currently in effect and it will look to the District directly for payment of its fees; and, in the event of nonpayment of such fees, the sole remedy of the Paying Agent shall be an action against the District for recovery of the fees owing under the paying agency agreement for which it serves.

The Bank of New York Mellon Trust Company, N.A.

By: _____
Name: _____
Title: _____

EXHIBIT "A"

Scheduled of Defeased Bonds



Board Exhibit Cover Sheet

Meeting Date: August 18, 2022

Agenda Item/Exhibit Number: **III.F.9.**

Agenda Item Title: Adopt Resolution Relating to Disaster Pennies for Tax Year 2022

Cabinet Level Presenter(s): Cheryl Hernandez

Additional Presenter(s):

Executive Summary: When a school district is required to expend additional funds to respond to a disaster, including winter storms, and the Governor requests federal disaster assistance, the school district is permitted to adopt a tax rate without an election for the year following the year in which the disaster occurred. In February of 2021, Texas was impacted by Winter Storm Uri causing widespread damage and a request for federal funds to remediate the concerns. BISD incurred approximately \$1,400,000 in unreimbursed expenses attributed to Winter Storm Uri. As such, the District is proposing a tax rate with 2.95 enrichment pennies for disaster recovery pursuant to Texas Tax Code section 26.042(e). The 2.95 disaster pennies are expected to raise an additional \$3,453,232 in tax revenue and will not result in an increase in the 2022 tax rate from 2021.

Recommendation: Adopt the Resolution Relating to Disaster Pennies for Tax Year 2022.

Budget Impact* (if applicable):

Funding Source (if applicable):

Compliance with Purchasing Guidelines (list applicable guidelines, including grant requirements):

Policy Reference (if applicable, list policy/regulation):

Legal Review (if necessary, list attorney and firm):



Cabinet Level Presenter's Signature



Date

*CFO Signature (required if there is a budget impact)

Date

General Counsel's Signature

Date

**RESOLUTION OF BEAUMONT INDEPENDENT SCHOOL DISTRICT
RELATING TO DISASTER PENNIES FOR TAX YEAR 2022**

WHEREAS the valuation of taxable property within the boundaries of the Beaumont Independent School District has been determined by the Jefferson County Appraisal District and certified to the Board of Trustees; and,

WHEREAS the budget for the Beaumont Independent School District was prepared and adopted on June 16, 2022, following a public hearing; and,

WHEREAS the tax rate for the Beaumont Independent School District was prepared and is scheduled to be adopted on August 18, 2022, by the Board of Trustees; and,

WHEREAS, Winter Storm Uri impacted all counties in the State of Texas in February 2021, causing United States President Biden to issue a Federal Emergency Declaration for Texas in response to the severe winter weather throughout the state;

WHEREAS, Governor Abbott issued a Disaster Declaration for Texas in response to Winter Storm Uri, stating that such “poses an imminent threat of widespread and severe property damage, injury, and loss of life due to prolonged freezing temperature, heavy snow, and freezing rain statewide;”

WHEREAS, Governor Abbott’s Disaster Declaration made all Texas school districts eligible to adopt disaster pennies pursuant to Chapter 26 of the Texas Tax Code, including, without limitation Section 26.042;

WHEREAS, Beaumont ISD needs increased expenditures of funds to respond to Winter Storm Uri and is eligible to approve a tax rate including disaster pennies without the necessity of an election under Section 26.08, for the year following the year in which the disaster occurred – in this case, tax year 2022;

WHEREAS, the Board finds that such disaster has negatively impacted the Beaumont Independent School District; and,

WHEREAS, Tax Year 2022 (the 2022-23 school year) is the year following the year in which the disaster occurred; and,

WHEREAS, it is now desired by the Board of Trustees of the Beaumont Independent School District to acknowledge the Governor’s Disaster Declaration, and to adopt a Maintenance & Operations Tax Rate of \$0.9089 per \$100 valuation set for Tax Year 2022 (the 2022-23 school year), which includes \$.0295 disaster pennies.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE BEAUMONT INDEPENDENT SCHOOL DISTRICT:

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

SECTION 2. That the Board was authorized by the provisions of Texas Tax Code §26.042(e) to raise its Maintenance & Operations Tax rate, without an election, for a one-year period in the tax year following the Governor's declaration of a disaster, due to the increased expenditure of money necessary to respond to Winter Storm Uri occurring on and after February 11, 2021.

SECTION 3. The Maintenance and Operations Tax Rate on the \$100 valuation adopted and levied for the Tax Year beginning on January 1, 2022, and ending on December 31, 2022, will include the addition of \$.0295 disaster pennies above the Maximum Compressed Tax Rate. The Maintenance and Operations Tax Rate will be levied at \$.9089 on a \$100 valuation, payable in lawful currency of the United States for the support and maintenance of the public schools of the Beaumont Independent School District.

SECTION 4. The Debt Service (Interest & Sinking Fund) Tax Rate on the \$100 valuation adopted and levied for the Tax Year beginning on January 1, 2022, and ending on December 31, 2022, in the amount of \$.25261 on a \$100 valuation, payable in lawful currency of the United States, is levied for the support and maintenance of the public schools of the Beaumont Independent School District.

APPROVED and EXECUTED this the 18th day of August 2022.

BEAUMONT INDEPENDENT SCHOOL DISTRICT

By: _____
President, Board of Trustees
Beaumont Independent School District

ATTEST:

Secretary, Board of Trustees
Beaumont Independent School District



Board Exhibit Cover Sheet

Meeting Date: August 18, 2022

Agenda Item/Exhibit Number: **III.F.10.**

Agenda Item Title: Adopt the 2022-2023 Tax Levy Ordinance and Resolution, Including Adoption of the Tax Rate for 2022 Tax Year

Cabinet Level Presenter(s): Cheryl Hernandez

Additional Presenter(s):

Executive Summary: Section 26.05 of the Texas Property Tax Code states that a taxing unit may not impose property taxes in any year until the governing body has adopted a tax rate for that year, and the annual tax rate must be set by ordinance, resolution, or order, depending on the method prescribed by law for adoption of a law by the governing body. The proposed rate is \$1.16151, which includes \$0.9089 for Maintenance and Operation and \$0.25261 for debt services, and includes 5 golden pennies and 2.95 disaster pennies. The rate is unchanged from 2021 and is \$0.12385 above the No New Revenue Rate, which means the tax rate will generate additional revenue without raising the tax rate.

Recommendation: Adopt the Resolution of the Board to Set the 2022 Tax Rate

Budget Impact* (if applicable):

Funding Source (if applicable):

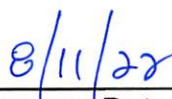
Compliance with Purchasing Guidelines (list applicable guidelines, including grant requirements):

Policy Reference (if applicable, list policy/regulation):

Legal Review (if necessary, list attorney and firm):



Cabinet Level Presenter's Signature



Date

*CFO Signature (required if there is a budget impact)

Date

General Counsel's Signature

Date

**Beaumont Independent School District
Resolution of the Board to Set 2022 Tax Rate**

The Board of Trustees of the Beaumont School District, hereby levy or set the tax rate on \$100 valuation for the District for the tax year 2022 at a total tax rate of \$1.16151, to be assessed and collected by the duly specified assessor and collector as follows:

\$ 0.9089 for the purpose of maintenance and operations, and

\$ 0.25261 for the purpose of payment of principal and interest on debts.

Such taxes are to be assessed and collected by the tax officials designated by the District.

**THIS TAX RATE WILL RAISE MORE TAXES FOR MAINTENANCE
AND OPERATIONS THAN LAST YEAR'S TAX RATE.**

**THE TAX RATE WILL EFFECTIVELY BE RAISED BY 10.66 PERCENT AND
WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A
\$100,000 HOME BY APPROXIMATELY \$74.31.**

Adopted this ____ day of August, 2022, by the Beaumont Independent School District Board of Trustees.

Robert Dunn, Board President

Stacey Lewis, Jr., Board Secretary



Board Exhibit Cover Sheet

Meeting Date: August 18, 2022

Agenda Item/Exhibit Number: **III.F.11.**

Agenda Item Title: Approve the renewal of the District of Innovation Plan

Cabinet Level Presenter(s): Dr. Anita Frank

Additional Presenter(s):

Executive Summary: The 84th Legislative Session passed House Bill 1842, which allows school districts to be exempt from certain provisions of the Texas Education Code (TEC) through designation as a District of Innovation (DOI). Innovation districts are provided flexibility to positively impact student achievement and improve the quality of services for all educational stakeholders. The current District of Innovation Plan provides the district flexibility in School Start Date and Professional Employee Certification. The district seeks to renew the current DOI plan. If approved, the plan will adopt flexibility in the following areas: School Start Date, Professional Employee Certification, Probationary Contracts, Planning and Preparation Periods, Prekindergarten – Grade 4 Class Size, Inter-District Transfers, and Suspension of Students Below Third Grade.

Recommendation: The Board approves the renewal to the District of Innovation Plan.

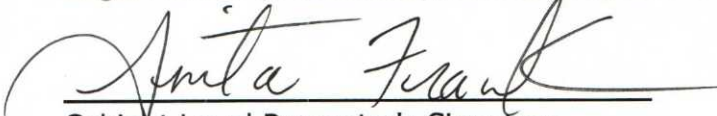
Budget Impact* (if applicable):

Funding Source (if applicable):

Compliance with Purchasing Guidelines (list applicable guidelines, including grant requirements): N/A

Policy Reference (if applicable, list policy/regulation):

Legal Review (if necessary, list attorney and firm): N/A


Cabinet Level Presenter's Signature

8/11/2022
Date

*CFO Signature (required if there is a budget impact)

Date

General Counsel's Signature

Date



DISTRICT OF INNOVATION PLAN 2022-2027

The 84th Legislative Session passed House Bill 1842, which allows school districts to be exempt from certain provisions of the Texas Education Code (TEC) through designation as a District of Innovation. Innovation districts are provided flexibility to positively impact student achievement and improve the quality of services for all educational stakeholders.

In order to best serve our students and align learning to district goals, Beaumont ISD developed a five-year District of Innovation Plan originally approved by the BISD Board of Managers on January 19, 2018. The Plan was later amended on March 24, 2020, and set to expire in January of 2023. In order to allow for consistency for the duration of the 2022-2023 school year, the District Educational Improvement Committee (DEIC) has reviewed and revised the plan to be renewed for another five-year period upon approval by the Board of Trustees.

The term of the plan is for five years, with an anticipated start date for the 2022-2023 school year and ending at the conclusion of the 2026-2027 school year, unless terminated or renewed by the Board of Trustees in accordance with the law. The plan may be amended at any time by the DEIC with the approval of the Board of Trustees in accordance with Texas Education Code section 12A.007.

Innovation status does not exempt school districts from statutes related to curriculum, graduation requirements, academic accountability, or financial accountability, and BISD does not seek exemption from these important educational guideposts.

With regard to each area of innovation, Beaumont ISD declares exemption from the listed statutory provisions, as well as any implementing rules or regulations promulgated pursuant to those statutory provisions by any state agency or entity, including but not limited to the Commissioner of Education, Texas

Education Agency, State Board for Educator Certification, and the State Board of Education.

School Start Date (Included in Original DOI Plan)

Exemption from: TEC 25.0811

Related Board Policies: EB (Legal)

Current Statute: TEC 25.0811 states that a school district may not begin instruction for students for a school year before the fourth Monday in August.

Challenge Created by Current Statutes: These statutes allow no flexibility in the design of annual calendars to fit the needs of the community or the wishes of the local Board of Trustees who represent community interests in this matter.

Innovation Strategies: BISD will continue collaborative local processes to create an annual academic calendar that aligns with the goals of balancing academic grading periods, considers local community and county events that impact student attendance, and includes regular professional learning opportunities for district personnel. The district will also work collaboratively with partnering school districts and Institutes of Higher Learning (IHL) to align academic calendars to benefit students participating in programs and/or activities provided through shared services, cooperatives, and other academic groups.

Professional Employee Certification (Amended from Original DOI Plan)

Exemption from: TEC 21.003, 21.051, 21.053, 21.055, 21.057, and 37.008(a)(7)

Related Board Policies: DBA (Legal) and (Local); DK (Legal) and (Local)

Current Statutes: TEC 21.003 states that a person may not be employed as a teacher, teacher intern, or trainee, librarian, educational aide, administrator, educational diagnostician, or school counselor by a school district unless the person holds an appropriate certificate or permit issued by the appropriate state agency.

TEC 21.051 requires an individual to have completed at least 15 hours of field-based experience that includes instructional or education activities before a school district can employ the individual as the teacher of record.



TEC 21.053 requires a teacher to present his or her certificate to the district before their employment contract will be binding and prohibits the district from paying an educator for teaching if the educator does not hold a valid certificate at the time.

TEC 21.055 identifies the criteria a school district must comply with before issuing a school district teaching permit including solicitation of consent from the Commissioner of Education for core subject area certification.

TEC 21.057 requires that school districts provide written notice to parents if an inappropriately certified or uncertified teacher is assigned to a classroom for more than 20 consecutive instructional days.

TEC 37.008(a)(7) requires teachers assigned to a school district's Discipline Alternative Education Program to be certified in accordance with Chapter 21 of the education code.

Challenges Created by Current Statutes: The identified sections relate to the certification of educators and provide that a person may not be employed as a teacher by a school district unless the person holds the appropriate certificate or permit by the appropriate state agency. In the event a district cannot locate a certified teacher for a position or a teacher is teaching a subject outside of his or her certification, a district may request emergency certification from the Texas Education Agency. In addition, a teacher must present his or her certificate to the district before his or her employment contract will be binding, and prohibits the district from paying an educator as a teacher if the educator does not hold a valid certificate at the time. The process to issue local teaching permits is cumbersome, and the District has no authority to issue local teaching permits in core academic areas without approval from the TEA commissioner. The district is required to submit written notice to parents if an inappropriately certified teacher is assigned to a classroom for more than thirty-consecutive instructional days. The indicated statutes do not consider the unique recruitment challenges Beaumont ISD faces.

Innovation Strategies: The District will maintain high standards for teacher qualification and will make every attempt to hire individuals with appropriate certifications for the positions available in the district. However, BISD will have



the flexibility to hire individuals who are knowledgeable in the subject area and equipped to perform the position's duties effectively. Positions most likely to be filled with locally certified personnel include, but are not limited to, Career and Technology Education (CTE), Languages Other Than English, and other hard-to-fill positions.

The campus principal may submit to the Human Resources Department a request for local certification that will allow an already certified teacher to teach a course or grade level for which he or she is not certified. The principal must specify in writing the reason for the request and document the credentials or life experience the individual possesses that qualifies the person to teach the proposed subject.

Teachers that do not have SBEC certification will be provided teacher mentoring, increased observations and feedback, professional development, instructional resources, and additional support as needed.

Except as required by federal law, notice regarding teacher certification will not be mailed to parents. BISD will notify parents of teacher qualifications upon request.

Probationary Contracts (New)

Exemption from: TEC 21.102(b)

Related Board Policies: DCA (Legal)

Current Statute: TEC 21.102(b) states that a probationary contract may not be for a term exceeding one school year and may be renewed for a maximum permissible probationary period of three school years for teachers new to the profession. Additionally, for a person who has been employed as a teacher in public education for at least five of the eight years preceding employment by the district, the probationary period may not exceed one year.

Challenge Created by Current Statute: At times, education preparation programs or prior employers have not sufficiently prepared educators for success in the classroom. In these instances, the probationary period time constraints force the district to terminate probationary contracts rather than offer term

contracts to teachers who need a longer probationary period for further development.

Innovation Strategies: The district will continue to invest in the orientation and development of teachers new to the profession and those new to the district. In Beaumont ISD, an individual new to the profession will have up to a four-year probationary period. An individual new to the district, but not to the profession, will have up to a two-year probationary period. The extended time period allows the employee appropriate time to demonstrate the level of mastery expected by Beaumont ISD. This will assist the district in retaining teachers with whom it has invested valuable time and resources. It does not, however, require an extended probationary period. Campus and district administrators will maintain the option to make annual employment decisions based on teacher proficiency and potential.

Planning and Preparation Periods (New)

Exemption From: TEC 21.404

Related Board Policies: DL (Legal)

Current Statute: TEC 21.404 requires that each classroom teacher be provided at least 450 minutes within each two-week period for instructional preparation, including parent-teacher conferences, evaluating students' work, and planning.

Challenges Created by Current Statute: There is no flexibility for teachers to earn additional compensation by electing to teach more courses and waive the statutorily required planning time.

Proposed Innovation Strategies: In order to allow our students greater access to quality teachers and provide more flexibility in the campus master schedules, Beaumont ISD will allow teachers to waive their planning and preparation time to teach additional courses. Teachers that elect to waive their planning and preparation time to provide student instruction will be provided additional compensation.

Prekindergarten – Grade 4 Class Size (New)



Exemption from: TEC 25.111, 25.112, and 25.113

Related Board Policies: EEB (Legal) and (Local)

Current Statutes: TEC 25.111 requires that each school district employ a sufficient number of certified teachers to maintain an average ratio of not less than one teacher for each 20 students in average daily attendance.

TEC 21.112 and TEC 25.113 requires districts to maintain a class size of 22 students or less for prekindergarten through 4th Grade classes. When any class exceeds this limit, the district must complete and file a waiver with the Texas Education Agency. In addition, school districts are required to notify parents of waivers or exceptions to the class size limits.

Challenge Created by Current Statutes: The process to solicit a class size waiver from TEA inputs unnecessary bureaucracy, as the Agency rarely denies a school district's request for a class size waiver. Moreover, in many cases, the district can modify schedules or a shift in student population allows for the class to return to the 22:1 ratio before the waiver is approved by TEA.

Innovative Strategies: Decisions regarding the appropriate student to teacher ratios will be made at the local level, taking into consideration the age and grade level of the students, the subject matter of the class, the needs of individual teachers and student groups, and the availability of additional instructional staff members.

BISD will begin each school year in accordance with the staffing guidelines set by the State. If any class size exceeds this ratio during the school year, the Superintendent will report this information to the Board of Trustees. A TEA waiver request will not be filed when a PreK-4 classroom exceeds the statutory ratio and notification to parents will not occur unless the classroom exceeds the statutory ratio for a period of one semester.



Inter-District Transfers (New)

Exemption from: TEC 25.036

Related Board Policies: FDA (Legal) and (Local)

Current Statute: TEC 25.036 allows a district to accept, as transfers, students who are not entitled to enroll in the district; however, a transfer term is interpreted to be for a period of one school year.

Challenge Created by Current Statute: BISD maintains a policy that requires an annual application/renewal policy for inter-district transfers. Transfer students are expected to follow the rules and regulations of the district. The one-year commitment to accept a transfer student prohibits the district from taking action to revoke a student's transfer status during the school year, should the student fail to meet the district's conduct expectations.

Innovative Strategy: Beaumont ISD will not grant transfer status on a one-year basis, and a student's inter-district transfer status may be revoked at any time during the school year by the Superintendent or her designee if the student:

1. Engages in persistent (documented over time) misbehavior,
2. Engages in conduct that warrants in or out of school suspension,
3. Is placed in a disciplinary alternative program,
4. Is expelled, or
5. Attendance falls below the TEA truancy standard despite due diligence on behalf of campus leadership.

Suspension of Students Below Third Grade (New)

Exemption from: TEC 37.005(c)

Related Board Policy: FOB (Legal)

Current Statute: TEC 37.005 (c) provides that a student who is enrolled in a grade level below third grade may not be placed in out of school suspension, unless the student engages in an offense related to weapons, a violent offense, or selling, giving, or delivering drugs and/or alcohol.

Challenge Created by Current Statute: The law provides no flexibility to respond appropriately to safeguard the educational environment when students engage in persistent, disruptive misbehavior.

Innovation Strategy: With the consent of the Assistant Superintendent for Elementary Education, campus administrators will be provided the authority to suspend students below third grade out of school for no more than three days when the students are not responsive to other disciplinary consequences and continue to materially disrupt the educational environment. This innovation will allow for school-based decision-making, assist in maintaining an orderly learning environment for all students, and grant school administrators the authority to promote a safe and secure learning environment for all students.

PROPOSAL



Board Exhibit Cover Sheet

Meeting Date: August 18, 2022

Agenda Item/Exhibit Number: **III.F.12.**

Agenda Item Title: Addition of the Adjunct Teacher Role to the Teacher Salary Schedule in the 2022-2023 Compensation Plan

Cabinet Level Presenter(s): Derwin Samuels, Jr, Executive Director of Human Resources

Additional Presenter(s):

Executive Summary: To immediately address the limited number of certified teachers available in the recruitment pool, the district is requesting the ability to recruit highly qualified non-certified teachers to fill the gap caused by the significant number of certified teachers leaving the profession compounded by the massive decline in undergraduate degrees in teacher education programs.

Recommendation: Approve the Adjunct Teacher role be added to the Teacher Salary Schedule in the 2022-2023 Compensation Plan. Adjuncts will be compensated at an annual rate of \$45,000.

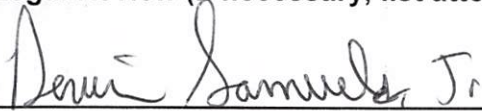
Budget Impact* (if applicable): N/A

Funding Source (if applicable): N/A

Compliance with Purchasing Guidelines (list applicable guidelines, including grant requirements): N/A

Policy Reference (if applicable, list policy/regulation): N/A

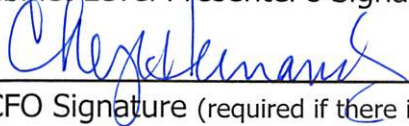
Legal Review (if necessary, list attorney and firm): N/A



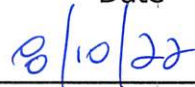
Cabinet Level Presenter's Signature



Date



*CFO Signature (required if there is a budget impact)



Date

General Counsel's Signature

Date