

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

Tuesday, December 13, 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
 - 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. Police Department
 - 2. Superintendent's Self Evaluation
 - 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
 - e. SECURITY
 - 1. Facility Hardening
- II. **6:00 p.m. - PUBLIC HEARINGS**
 - A. 2022-001 Reinvestment Zone No. 01; 2022-002 Reinvestment Zone No.02; 2022-003 Reinvestment Zone No. 03; 2022-002 Reinvestment Zone No.04
 - B. Application of Neches Valley Power LLC (Comptroller Application No. 1858); Application of Enterprise Products Operating LLC (Comptroller Application No. 1864); Application of Arkema Inc. (Comptroller Application No. 1945); Application of Linde Inc (Comptroller Application No. 2083)
 - C. Public Comments
- III. **REGULAR OPEN BOARD MEETING**
 - A. INTRODUCTION OF REGULAR MEETING
 - 1. United States and Texas Flags Pledges of Allegiance



Shannon Allen

Shannon Allen, Ed.D.
Superintendent of Schools

Date

Tax Collection Report
November 30, 2022

	Taxes Collected			
	11/30/22		11/30/21	
	M & O	I & S	M & O	I & S
Current	4,738,039.74	1,316,839.92	5,052,887.63	1,404,345.47
Delinquent	143,675.71	38,527.66	99,390.92	24,212.46
Penalties & Interest	36,353.30	9,148.63	70,457.06	15,428.29
Totals	4,918,068.75	1,364,516.21	5,222,735.61	1,443,986.22

	Current Taxes			
	Tax Levy	Collections for 11/30/2022	YTD Current Collections	Collected Percentage
	151,123,958.17	6,054,879.66	7,591,789.63	5.02%

Two Year Comparison	
Current Year as of 11/30/2022	Prior Year as of 11/30/2021
5.02%	5.70%

AGENDA:
 December 13, 2022

BEAUMONT INDEPENDENT SCHOOL DISTRICT
GENERAL FUND
 Budget vs. Expenditures
 November 30, 2022

	Amended Budget	Month To Date	Year to Date Transactions	Outstanding Encumbrances	Balances
REVENUES					
Property Tax Collection (including delinquencies)	111,152,658	4,918,069	7,136,654	-	104,016,004
Sources of Misc Income (Foreign Trade Zone, Athletics...)	13,933,437	419,228	1,688,749	-	12,244,688
State Program Revenues	39,437,743	663,386	11,366,038	-	28,071,705
Federal Program Revenues	7,854,174	55,750	775,087	-	7,079,087
Other Financing Sources	300,000	-	1,228,362	-	(928,362)
Total Revenues	172,678,012	6,056,433	22,194,890	-	150,483,122
EXPENDITURES					
11 Classroom	86,973,055	1,521,363	27,144,502	264,902	59,563,651
12 Library	1,376,967	38,708	368,680	24,549	983,738
13 Staff Development	698,663	24,126	126,284	45,407	526,972
21 Asst Sups, Directors, Supervisors, Curriculum Coordinators	3,481,250	36,008	1,119,027	32,889	2,329,334
23 Principal, Asst. Principals, Office Clerical	10,448,492	98,896	3,412,810	60,827	6,974,855
31 Counselors	6,303,866	49,549	2,188,096	66,946	4,048,824
32 Social Workers	297,374	1,287	67,293	-	230,081
33 Nurses	1,912,528	20,711	636,318	3,985	1,272,225
34 Transportation	5,652,865	309,544	1,939,852	599,281	3,113,732
36 Extracurricular	5,960,823	92,421	2,121,847	435,843	3,403,133
41 Administration	7,261,520	94,288	2,472,621	396,439	4,392,461
51 Maintenance and Utilites	33,958,046	1,428,455	10,089,342	5,691,988	18,176,717
52 Police and Monitoring Services	6,521,056	143,486	1,259,873	1,941,263	3,319,920
53 Data Processing Personnel	3,004,104	87,598	1,347,913	499,519	1,156,672
61 Parent involvement Liaisons, Day Car Workers	201,990	6,256	16,473	1,757	183,759
71 Debt Service	1,114,965	-	1,114,964	-	1
93 Fiscal Agent - Shared Service for Deaf Program	352,950	-	-	-	352,950
95 Juvenile Justice Alternative Ed Program	161,860	-	-	-	161,860
99 Other Intergovernmental Charges	2,103,765	-	366,098	379,620	1,358,047
Total Expenditures	177,786,139	3,952,696	55,791,993	10,445,215	111,548,932
Net increase (decrease)	(5,108,127)				



Board Exhibit Cover Sheet

Meeting Date: December 13, 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

12/5/2022
Date

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

General Counsel's Signature Date

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

West Brook High School	\$ 40,605.00
Explanation:	Car Registrations, Chromebook Fees, AP Fees, Cell Phone Fines, Library Fines, Commissions/Vending Machines, ID Fines, Yearbook, Program Ads
Beaumont United High School	\$ 11,231.00
Explanation:	Car Registrations, AP Fees, Chromebook Fees, Cell Phone Fines, Commissions/Vending Machines, Transcript Fees, Yearbook, Textbook Fines
Smith Middle School	\$ 3,470.00
Explanation:	Commissions/Vending Machines, Cell Phone Fines, Chromebook Fees, Homecoming Dance, Basketball Concessions
King Middle School	\$ 30.00
Explanation:	Chromebook Fees
Marshall Middle School	\$ 5,261.00
Explanation:	Cell Phone Fines, Gym Suits, LED Signs, Chromebook Fees, Yearbooks, ID Fines
Odom Academy	\$ 3,375.00
Explanation:	Cell Phone Fines, Chromebook Fees, Commissions/Vending Machines
Vincent Middle School	\$ 1,495.00
Explanation:	Chromebook Fees, ID Fines, Commissions/Vending Machines
Amelia Elementary	\$ 1,820.00
Explanation:	Commissions/Vending Machines, Donation, Chromebook Fees
Caldwood Elementary	\$ 1,494.00
Explanation:	Library Fines, Chromebook Fees, Donation
Curtis Elementary	\$ 5,439.00
Explanation:	Chromebook Fees, Book Fair
Fletcher Elementary	\$ 7,872.00
Explanation:	Fundraiser Proceeds, Chromebook Fees
Guess Elementary	\$ 2,162.00
Explanation:	Chromebook Fees, Commissions/Vending Machines
Regina Howell Elementary	\$ 28,750.00
Explanation:	Chromebook Fees, Fundraiser Proceeds
Homer Drive Elementary	\$ 1,216.00
Explanation:	Commissions/Vending Machines
Pietsch Elementary	\$ 5,488.00
Explanation:	Chromebook Fees, Library Fines, Fundraiser Proceeds, Commissions/Vending Machines
Dishman Elementary	\$ 2,380.00
Explanation:	Commissions/Vending Machines, Chromebook Fees
Blanchette Elementary	\$ 809.00
Explanation:	Chromebook Fees
Martin Elementary	\$ 386.00
Explanation:	Chromebook Fees

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

Phalen Leadership Academy (Jones-Clark ES)	\$ 626.00
Explanation: Fundraiser Proceeds	
Charlton-Pollard Elementary	\$ 2,099.00
Explanation: Chromebook Fees, Donation, Commission/Vending Machines	
Fehl Price Classical Academy	\$ 90.00
Explanation: Chromebook Fees	
Bingman Pre-K Center	\$ -
Explanation:	
Lucas Pre-K Center	\$ 60.00
Explanation: Chromebook Fees	
Pathways Learning Center	\$ -
Explanation:	
Career and Technical Center	\$ 11,887.00
Explanation: Ag Farm Fundraiser Proceeds, Practicum Catering, Practicum Fees, Commissions/Vending Machines	
Brown Center	\$ -
Explanation:	
Transportation Dept	\$ -
Explanation:	
Maintenance Dept	\$ -
Explanation:	
Administration Building	\$ 129.00
Explanation: Commissions/Vending Machines	
Admin. Annex Building	\$ -
Explanation:	
Police Dept.	\$ 11.00
Explanation: Crash Reports	
Early College H.S.	\$ 4,283.00
Explanation: Dormant Account Transfer, Commission/Vending Machines, Cell Phone Fines, Spirit Item Proceeds	
School for the Deaf (Deaf Ed.)	\$ -
Explanation:	

**CAMPUS ACTIVITY FUNDS
BUDGET CHANGE REPORT - NOVEMBER 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	142,468	426,425
<u>Expenditures</u>				
	<u>School Leadership</u>			
West Brook High School	461.XX.6499.00.008.00.000	90,671	40,605	131,276
Beaumont United High School	461.XX.6499.00.014.00.000	17,871	11,231	29,102
Smith Middle School	461.XX.6499.00.042.00.000	391	3,470	3,861
King Middle School	461.XX.6499.00.043.00.000	7,034	30	7,064
Marshall Middle School	461.XX.6499.00.046.00.000	24,407	5,261	29,668
Odom Academy	461.XX.6499.00.047.00.000	24,076	3,375	27,451
Vincent Middle School	461.XX.6499.00.048.00.000	8,295	1,495	9,790
Amelia Elementary	461.XX.6499.00.101.00.000	1,581	1,820	3,401
Caldwood Elementary	461.XX.6499.00.104.00.000	2,850	1,494	4,344
Curtis Elementary	461.XX.6499.00.105.00.000	11,792	5,439	17,231
Fletcher Elementary	461.XX.6499.00.110.00.000	11,097	7,872	18,969
Guess Elementary	461.XX.6499.00.112.00.000	5,218	2,162	7,380
Regina Howell Elementary	461.XX.6499.00.118.00.000	12,743	28,750	41,493
Homer Drive Elementary	461.XX.6499.00.123.00.000	5,549	1,216	6,765
Pietzsch Elementary	461.XX.6499.00.125.00.000	4,039	5,488	9,527
Dishman Elementary	461.XX.6499.00.126.00.000	5,275	2,380	7,655
Blanchette Elementary	461.XX.6499.00.127.00.000	637	809	1,446
Martin Elementary	461.XX.6499.00.128.00.000	1,964	386	2,350
Phalen Leadership Academy (Jones-Clark)	461.XX.6499.00.129.00.000	15,872	626	16,498
Charlton-Pollard Elementary	461.XX.6499.00.130.00.000	5,269	2,099	7,368
Fehl Price Classical Academy	461.XX.6499.00.131.00.000	2,159	90	2,249
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	60	389
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	11,887	21,433
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	129	2,517
Admin. Annex Building	461.XX.6499.00.843.00.000	1,811	-	1,811
Police Dept.	461.XX.6499.00.850.00.000	185	11	196
Early College H.S.	461.XX.6499.00.013.00.000	4,322	4,283	8,605
	Total Expenditures	<u>283,957</u>	<u>142,468</u>	<u>426,425</u>
BUDGET CHANGE				
	Total Revenues	283,957	142,468	426,425
	Total Expenditures	<u>(283,957)</u>	<u>(142,468)</u>	<u>(426,425)</u>
	Adjusted Surplus	-	-	-

**DONATION REPORT - NOVEMBER 2022
MONETARY DONATIONS**

<u>Donor Name/Organization</u>	<u>Recipient</u>	<u>Account Number</u>	<u>Amount Given</u>
Delta Sigma Theta	Beaumont United High School Theatre Arts	865.00.2190.00.014.00.S21	200
MTM Ice LLC			
Kona Ice Give Back	Charlton-Pollard Elementary School	461.00.5749.00.130.00.C47	111

Total Monetary Donations 311

**DONATION REPORT - NOVEMBER 2022
RECORD OF DONATED ITEMS**

<u>Donor Name/Organization</u>	<u>SAF Club/Department</u>	<u>Description of Items</u>	<u>Estimated Value</u>
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No activity this month.



Board Exhibit Cover Sheet

Meeting Date: December 13, 2022

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

Agenda Item Title: Approve Mutual Aid Agreement with the City of Beaumont

Cabinet Level Presenter(s): Dr. Shannon Allen

Additional Presenter(s):

Executive Summary: The Board of Trustees previously approved the existing Mutual Aid Agreement with the City of Beaumont on February 21, 2019. Leaders at both the City of Beaumont and BISD have changed, as such, the Mutual Aid Agreements have been updated to reflect appropriate personnel. No other material revisions have been made. A substantive review of the terms will be conducted with the appropriate team members from both BISD and the City of Beaumont at the conclusion of the school year.

Recommendation: Approve the Mutual Aid Agreement with the City of Beaumont as presented.

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):

Shannon Allen
Cabinet Level Presenter's Signature

12/5/22
Date

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

Date

General Counsel's Signature

Date

Addendum #2 to
Mutual Aid Agreement between Beaumont and BISD
(Evacuation)

**ADDENDUM #2 TO MUTUAL AID AGREEMENT BETWEEN
BEAUMONT INDEPENDENT SCHOOL DISTRICT AND THE CITY OF BEAUMONT**

This Addendum #2 is agreed to and executed by and between the Beaumont Independent School District (“BISD” or “the District”) and the City of Beaumont (“the City” or “Beaumont”). The following clarification is provided for continuity and specificity purposes to provide an understanding of anticipated roles, procedures, and requests in relation to the Mutual Aid Agreement (“MAA”), specifically Paragraph 15. To the extent that the terms of this Addendum are contrary to the terms of the MAA the terms of this Addendum shall control and be binding on the parties, as follows:

I. PURPOSE

In the event evacuation of the City is required, the City anticipates a need for coordination between the City Office of Emergency Management (“OEM”) and BISD with regard to transportation and with the following expectations:

II. EVACUATION PROCEDURE

- A. The City anticipates approximately 3,500 general population evacuees based on triage guidance established by current Function Need Support Services (“FNSS”) guidelines. Approximately 200 pets are expected to accompany this population.
- B. For planning purposes, the City has traditionally initiated mandatory evacuation in coordination with the countywide phased approach which begins at 8:00 AM for the coastal communities, and at 10:00 AM for Beaumont.
- C. Once the evacuation process begins, the Parties intend on continuing the evacuation without stopping until evacuation is complete. Evacuation will be concluded prior to onset of tropical force winds with enough time preceding those wind speeds to clear evacuating buses from the storm’s wind field. Current U.S. Army Corp of Engineers (USACE) evacuation time estimates reflect 32 hours to conduct an evacuation from within Beaumont.

III. ASSEMBLY SITES

- A. West Brook High School will serve as the main evacuation point for general population. A number of other schools will serve as assembly sites, including:
 - a. Beaumont United High School
 - b. MLK and Smith Middle Schools, and
 - c. Charlton Pollard, Guess, Jones-Clark, Lucas, Martin, and Pietzch-Macarthur Elementary Schools

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(Evacuation)

- B. Buses will be available to transport community members from the assembly site to the evacuation point. During the period of evacuation community members will be able to leave their vehicles in the parking lots of the assembly sites. Bathrooms will be made available on site.
- C. BISD buses will be assigned to each assembly site and make trips carrying people and luggage to the Evacuation Point as frequently as safely possible.
- D. The Evacuation Point will serve both as an assembly site and as an embarkation site where citizens board transport vehicles to be taken out of Beaumont. Both gyms and the hallway to the cafeteria, as well as all parking lots will be used for processing.
- E. West Brook High School may also serve as a reception site upon the return of the evacuees and operate in reverse.
- F. BISD police officers will support Beaumont PD officers assigned to provide security and parking oversight at the assembly sites and Evacuation Point.

IV. EVACUATION DESTINATION

- A. Designated reception site OEM will facilitate hotel arrangements for drivers and authorized immediate family members.
- B. Personnel will be on per-diem status during deployment and any meals provided to all staff should be documented to ensure assessment of appropriate per-diem rates. Each personnel member will be required to submit an ICS 214 form for each shift to the Beaumont EOC.

V. TRANSPORTATION OF EVACUEES

- A. The City anticipates using State aid for transportation of general population evacuees out of Beaumont; however, if those assets are unavailable, BISD school buses will be requested. BISD will provide volunteer bus drivers when available. In case sufficient State buses are unavailable, and BISD volunteer bus drivers are insufficient to cover the need, BISD will provide the City approved drivers with “just-in-time-training” to operate the remaining buses needed and submit documentation for reimbursement as required in the Agreement.
- B. Maintenance and sheltering of transportation assets from the City and/or BISD will be facilitated by the designated reception site OEM if needed. The designated reception site OEM will facilitate bus staging/parking/security, driver lodging, and transportation of the drivers from the bus staging location to the lodging facility. Drivers will remain on per-diem status from the respective agency/jurisdiction. Drivers will not be sheltered with general population.

Addendum #2 to
Mutual Aid Agreement between Beaumont and BISD
(Evacuation)

- C. Maintenance and sheltering of transportation assets provided through State Contract will be managed as per contract upon unloading evacuees.
- D. The City of Beaumont Public Health Department will make ambubus conversion kits for buses available to accommodate non-ambulatory passengers. The average capacity for non-ambulatory riders per bus is twelve (12) patients plus two medics. At least one bus will be outfitted with a conversion kit to provide more immediate use for periodic mass casualty emergencies that arise or for use during Hurricane Season.
- E. The City may coordinate with BISD to make a bus available for the transportation of caged pets. City personnel will remove and store the seats and replace them once use is complete.

VI. EVACUATION TRAVEL PLAN

- A. A primary and alternate route for northbound evacuation will be determined based on the reception site identified.
- B. The City will request State aid for rest stops at appropriate locations along the identified evacuation route.
- C. The City will provide route and site maps documenting the traffic management plan for each of the planned primary and alternate reception locations.
- D. The City will provide a communication plan for BISD which will, at a minimum, include landline, email, cellular, and satellite contact methods.
- E. Command and coordination for the convoy will remain with the Beaumont Emergency Operations Center (“EOC”) and Disaster District Committee 15/Beaumont (“DDC15/Beaumont”) until the convoy enters the receiving jurisdictions of responsibility at which time command and coordination will transfer to the designated reception site EOC and DDC. Route assistance and support needs will be coordinated between the appropriate EOCs and DDCs. At a minimum, a convoy progress update/status check will be provided by The City to the designated reception site once the convoy reaches a midpoint, regardless of remaining route taken.
- F. The City anticipates authorizing re-entry immediately upon a determination that public health and safety hazards warrant return. In the event that the emergency has passed, return of evacuees will commence immediately or at such time as agreed upon between Beaumont and the designated reception site EOCs. If a disaster does impact Beaumont, a short time is required for assessments of the highly industrialized area to ensure critical infrastructure and key resources are sufficient to authorize complete or partial reentry. Additional sheltering of at least 1-3 days should be anticipated and available.

VII. COMMUNICATION

Addendum #2 to
Mutual Aid Agreement between Beaumont and BISD
(Evacuation)

- A. During any EOC evacuation or major incident, all public information messages from the City and the South East Texas Regional Planning Committee Council of Government (“SETRPC COG”) are posted on the City’s Public Safety Website. This information is available for re-posting and will include general assessment information. Additionally, all applicable situation reports for the EOC will be provided to the designated reception site OEM and will be maintained as “For Official Use Only.” Re-posting of any information contained therein will be coordinated through the City’s EOC and/or Public Information Office. The City will also provide direct access to the City’s WebEOC account upon request. This enables an alternate source for situational awareness, power outage reports, and other information as well as an alternate communication link.

VIII. COST

- A. BISD will track all appropriate costs related to provision of mutual aid specific to providing transportation for and supporting the Beaumont evacuees and will provide appropriate documentation to the City sufficient to meet FEMA standards and requirements for reimbursement.

IX. PRIMARY CONTACTS

- A. **Tim Ocnaschek**, City of Beaumont, Emergency Management Coordinator, 700 Orleans, Beaumont, Texas 77701. Phone numbers: work (409) 980-7275, or (24/7 Dispatch- (409) 880-3865)
- B. **Dr. Shannon Allen**, BISD Superintendent, 3395 Harrison, Beaumont, Texas 77706; (409) 617-5001.

APPROVED:

COUNTERSIGNED BY:

City of Beaumont
Emergency Management Coordinator

Beaumont Independent School District
Superintendent

Addendum #3 to
Mutual Aid Agreement between Beaumont and BISD
(General)

**ADDENDUM #3 TO MUTUAL AID AGREEMENT BETWEEN
BEAUMONT INDEPENDENT SCHOOL DISTRICT AND THE CITY OF BEAUMONT**

This Addendum #3 is agreed to and executed by and between the Beaumont Independent School District (“BISD” or “the District”) and the City of Beaumont (“the City” or “Beaumont”). The following clarification is provided for continuity and specificity purposes to provide an understanding of anticipated roles, procedures, and requests in relation to the Mutual Aid Agreement (“MAA”), specifically Paragraph 15. To the extent that the terms of this Addendum are contrary to the terms of the MAA, the terms of this Addendum shall control and be binding on the parties, as follows:

I. PURPOSE

The City anticipates a need for general coordination and collaboration with BISD to promote overall all phases of emergency management, to include prevention, preparedness, response, recovery and mitigation. To that end, coordination between Beaumont Office of Emergency Management (“OEM”) and BISD is outlined with the following expectations:

II. OBLIGATIONS OF DISTRICT

- A. Designated BISD representative(s) will be pre-approved for direct access, sheltering, and partnership with the City Emergency Operations Center (“EOC”) for routine planning, training, and EOC activations. BISD will provide a representative in the City EOC during relevant Emergencies.
- B. BISD will provide parking and facility space for City responders and equipment as available. It is understood that certain hardened parking sites are prioritized for Entergy which has first right of refusal. The City requests the first right of refusal prior to authorizing use of space by other entities or agencies, except for those areas pre-designated for use as Entergy staging sites.
- C. BISD will track all appropriate costs related to the provision of Mutual Aid specific to supporting City operations and will provide appropriate documentation to the City sufficient to meet FEMA standards and requirements for reimbursement.

III. OBLIGATIONS OF CITY

- A. The Beaumont Police Department will provide immediate armed emergency response or full tactical emergency response if needed within any BISD facility.
- B. Personnel assigned by the City OEM will staff any operations conducted within BISD facilities, and may request assistance from BISD employees if available. At a minimum,

Addendum #3 to
Mutual Aid Agreement between Beaumont and BISD
(General)

this assistance will include BISD personnel with facility keys and knowledge of facility security and layout, building services, etc.

- C. The City will conduct a security plan and ADA worksheet on each site identified for potential use for City sponsored operations which will be maintained as security sensitive information at the OEM.
- D. Notification by City OEM of desire to initiate coordinated operations at a BISD facility will be made as early as the need becomes evident or when mandatory evacuations are announced for hurricane-related disasters.
- E. The City and BISD officers will coordinate communications through existing interoperable radio talkgroups, as well as landline, email, and cellular contact methods as appropriate.
- F. The City OEM will provide a communication plan for BISD, which will at a minimum include 800mhz radio, landline, email, fax, cellular, and satellite contact methods.
- G. During any EOC evacuation and/or evacuation, all public information messages from the City and the South East Texas Regional Planning Committee Council of Government ("SETRPC COG") are posted on the City Public Safety Website. This information is available for re-posting. This will include general assessment information. Additionally, all applicable situation reports for the EOC will be provided to BISD and will be maintained as for official use only. Re-posting of any information contained therein will be coordinated through the City EOC/PIO.
- H. BISD will also be provided direct access to the City's WebEOC account for key personnel upon need or request. This enables an alternate source for situational awareness, power outage reports, and other information as well as an alternate communication link.

IV. PRIMARY CONTACTS

- A. **Tim Ocnashek**, City of Beaumont, Emergency Management Coordinator, 700 Orleans, Beaumont, Texas 77701. Phone numbers: work (409) 980-7275, or (24/7 Dispatch- (409) 880-3865)
- B. **Dr. Shannon Allen**, BISD Superintendent, 3395 Harrison, Beaumont, Texas 77706; (409) 617-5001.

**Addendum #3 to
Mutual Aid Agreement between Beaumont and BISD
(General)**

APPROVED:

COUNTERSIGNED BY:

City of Beaumont
Emergency Management Coordinator

Beaumont Independent School District
Superintendent

Addendum #4 to
Mutual Aid Agreement between Beaumont and BISD
(Closed POD)

**ADDENDUM #4 TO MUTUAL AID AGREEMENT BETWEEN
BEAUMONT INDEPENDENT SCHOOL DISTRICT AND THE CITY OF BEAUMONT**

This Addendum #4 is agreed to and executed by and between the Beaumont Independent School District (“BISD” or “the District”) and the City of Beaumont (“the City” or “Beaumont”). The following clarification is provided for continuity and specificity purposes to provide an understanding of anticipated roles, procedures, and requests in relation to the Mutual Aid Agreement (“MAA”), specifically Paragraph 15. To the extent that the terms of this Addendum are contrary to the terms of the MAA, the terms of this Addendum shall control and be binding on the parties, as follows:

I. PURPOSE

In the event of a Public Health Emergency event in the State of Texas, local and regional health and medical infrastructure and associated resources will be quickly committed to providing the necessary treatment and supporting strategies to effectively respond to a potential evolving event or to support the response to an actual event. Expectations are that the existing local and regional medical and health infrastructure will also be compromised due to lack of adequate staff, equipment, and pharmaceutical support available due to the impacts and demands of the event. Therefore, resources from the state, federal, and private sector will be quickly mobilized to augment local and regional medical and health resources and support the effective management and distribution of the Strategic National Stockpile (“SNS”). Large employers can assist in this endeavor by providing employees and their families direct support that reduces the number of citizens having to use general population points of distribution. Specifics required to participate in this function are set out below.

II. Definitions

A. Push Site - During a Public Health Emergency that requires preventive medications be provided to large numbers of people, a Push Site is a facility within a jurisdiction that is designated to either receive medication or to pick up medication in order to provide it to a group of people who would otherwise have to travel to a point of dispensing (“POD”) to receive the preventive medication. Push sites must have medical or pharmaceutical personnel and volunteers capable of providing the preventive medications to the facility population, staff, and others as locally determined.

1. RSS Push Site — Receives medications directly from the state Receive, Store and Stage (“RSS”) warehouse facility.
2. Local Push Site — Picks up medications from a pre-determined site away from the general public. May receive a delivery of the medications from the initial delivery site, **IF** such delivery plans have been made by the local health department.

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(Closed POD)

III. Use of Facility and Staff

- A. As a Local Push Site, the District agrees to send designated staff to a pre-determined location that has been agreed to by the City and the District, to pick-up the SNS materials, supplies, antibiotics, and/or vaccines. The District agrees to provide the City with names and identifying information of those staff who are designated to pick-up the SNS materials, supplies, antibiotics, and/or vaccines.
- B. As a Local Push Site, the District agrees to make arrangements to provide security escorts for their staff if appropriate and available.
- C. The District agrees to provide the City with the estimated total number of people (adults and children) who will receive preventive medications at the District so that an appropriate amount of SNS material may be ordered.
- D. The District agrees to be responsible for maintaining the physical security and integrity of the SNS materials received and to comply with the handling instructions provided by the City.
- E. The District agrees to return unopened, unused antibiotics and/or vaccine to the City.
- F. The District agrees to use the Health History forms provided by the City Public Health Department and to submit copies of the completed Health History forms to the City following the Public Health Emergency.
- G. The District agrees to develop a detailed plan and/or Standard Operating Guideline (“SOG”) for providing preventive medications to its population, staff, and others during a Public Health Emergency that requires preventive medications be provided to large numbers of people in the jurisdiction where the District is located and further agrees to allow the City to review its plan and/or SOG.

IV. City of Beaumont

- A. The City agrees to ship preventive medications for the District to the pre-designated location where staff of BISD, a Local Push Site, will pick up the materials, based on the apportionment and pre-determined, estimated number of people (children and adults) to receive preventive medication at the District.

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Mutual Aid Agreement between Beaumont and BISD
(Closed POD)

- B. The City agrees to provide training on mass dispensing/mass vaccination to the District medical or pharmaceutical personnel and other staff and volunteers, prior to a Public Health Emergency; if the training is requested.
- C. The City agrees to provide instructions and standing delegation orders to the District.
- D. The City agrees to provide Health History forms to the District and to accept completed Health History forms from the District following the Public Health Emergency.
- E. The City agrees to receive unopened, unused antibiotics, and/or vaccine from the District following the public health emergency.

V. Contact Information

- A. The District agrees to provide the City with the appropriate facility 24-hour per day 7-day per week contact information and update this information as necessary.
- B. The City agrees to provide the District with the contact information of those who are authorized to notify the District in the event of an Emergency requiring the use of the District as a Push Site.

VI. Confidentiality

- A. To the extent allowed by the law, the District and the City agree that they will not disclose this Agreement and that the subject matter of this Agreement is sensitive and confidential. This document is maintained by or for a governmental entity for the purpose of responding to an act of terrorism and relates to a tactical plan of governmental providers and thus should be confidential under Government Code §418.176(a)(2).

VII. Costs

- A. BISD will track all appropriate costs related to the provision of maintaining a Local Push Site and will provide appropriate documentation to the City sufficient to meet FEMA standards and requirements for reimbursement.

VIII. Primary Contacts

- A. The District and the City intend that the work under this Agreement shall be carried out in the most efficient manner possible. To that end, the Parties intend to designate individuals that will serve as primary contacts. The District and the City intend that, to the maximum extent possible and unless otherwise approved by the other, all significant communications shall be made through the primary contacts or their designees. The

Addendum #4 to
Mutual Aid Agreement between Beaumont and BISD
(Closed POD)

designated Point of Contacts for each Party are the City of Beaumont Public Health Director or EMC and the Executive Director of Curriculum and Instruction, Supervisor for BISD Nurses and Associate Superintendent for Secondary Schools Primary Contacts.

- A. **Kenneth Coleman**, City of Beaumont Public Health Director, 3040 College St., Beaumont, Texas 77701, (409) 832-4000
- B. **Jenny Angelo**, BISD Executive Director of Curriculum and Instructions, 4315 Concord Rd., Beaumont, TX 77703, (409) 617-5053
- C. **Tim Ocnashek**, City of Beaumont Emergency Management Coordinator, 700 Orleans, Beaumont, Texas 77701. [Work] (409) 980-7275, or [24/7 Dispatch] (409) 880-3865
- D. **Dr. Shannon Allen**, BISD Associate Superintendent, Secondary Schools, 3395 Harrison, Beaumont, Texas 77706; (409) 617-5006.

APPROVED:

COUNTERSIGNED BY:

City of Beaumont
Emergency Management Coordinator

Beaumont Independent School District
Superintendent

City of Beaumont
Public Health Director

Beaumont Independent School District
Health Services Director

**MUTUAL AID AGREEMENT
BETWEEN
CITY OF BEAUMONT
AND
BEAUMONT INDEPENDENT SCHOOL DISTRICT**

State of Texas §
 §
County of Jefferson §

This Mutual Aid Agreement (the "Agreement") is entered into by and between the City of Beaumont (City) and the Beaumont Independent School District (BISD) that by their signatures on duplicate original copies of this Agreement have consented to the terms of this Agreement (individually, a "Party", and collectively, the "Parties").

WHEREAS, the Parties recognize the vulnerability of the people and the community to damage, injury, loss of life, and property resulting from Emergencies and recognize that Emergencies may present equipment and manpower requirements beyond the capacity of each individual Party; and,

WHEREAS, the Parties to this Agreement recognize that in the past Mutual Aid has been provided between or among the Parties in the form of personnel, equipment, and other resources during Emergencies and to help with recovery; and,

WHEREAS, the governing officials of the Parties desire to secure for each Party the benefits of Mutual Aid and protection of life and property in the event of an Emergency; and,

WHEREAS, the Parties wish to make suitable arrangements for furnishing Mutual Aid in coping with Emergencies and are so authorized and make this Agreement pursuant to Chapter 791 of the Texas Government Code (Interlocal Cooperation Act), Chapter 418 of the Texas Government Code (Texas Disaster Act of 1975), Chapter 421 of the Texas Government Code (Homeland Security), and Chapter 362 of the Local Government Code; and,

WHEREAS, the Parties recognize that a formal agreement for Mutual Aid would allow for better coordination of effort, provide that adequate equipment is available, and help ensure that Mutual Aid is accomplished efficiently. The Parties desire to enter into this Agreement to provide Mutual Aid consistent with the mutual aid plans developed by the respective jurisdictions and approved by the governing bodies of the jurisdictions.

NOW, THEREFORE, the Parties agree as follows:

Terms

1. RECITALS

The recitals set forth above are true and correct.

2. DEFINITIONS

For purposes of this Agreement, the terms listed below shall have the following meanings:

- a. Agreement – this Mutual Aid Agreement between the City of Beaumont and BISD.
- b. Emergency – Any incident, whether natural or human-caused, that requires responsive action to protect life and property.
- c. Mutual Aid – a homeland security activity, such as an activity related to the prevention or discovery of, response to, or recovery from a terrorist attack, natural or man-made disaster, hostile military or paramilitary action, or extraordinary law enforcement emergency and also includes personnel, equipment, and other resources.
- d. NIMS – the National Incident Management System.
- e. Point of Contact – the individual or individuals authorized by the governing body of each Party to request or respond to a request for Mutual Aid on behalf of the Party. A Party's Emergency Management Director or Chief Executive Officer is always a Point of Contact, in addition to those designated as the Point of Contact.
- f. Requesting Party – the Party requesting Mutual Aid under this Agreement.
- g. Responding Party – the Party providing Mutual Aid assistance under this Agreement.

3. POINT OF CONTACT DESIGNATION

Each Party shall provide to the other written protocol by which its' designated Point of Contact may be contacted twenty-four hours a day, seven days a week. This protocol shall designate, by name or position, the person or persons authorized to request or respond to a request for Mutual Aid on behalf of a Party under this Agreement. Each Party must notify the other Party in writing of any change in its Point of Contact protocol as soon as practicable.

4. ACTIVATION OF AGREEMENT

This Agreement is activated when a request is made for Mutual Aid assistance.

5. INITIATION OF REQUEST

A request under this Agreement may be made by a Point of Contact after one of the following occurs:

1. After a declaration of a local state of Disaster pursuant to Chapter 418 of the Texas Government Code, as amended; or,
2. After a finding of an Emergency as defined in this Agreement.

6. PROCEDURES FOR REQUESTS

Subject to the conditions in this Section, a Point of Contact may request Mutual Aid assistance by: (1) submitting a written request for assistance to a Point of Contact of a Responding Party, or (2) orally communicating a request for Mutual Aid assistance to a Point of Contact of a Responding Party, which shall be followed up by written documentation within thirty days.

- a. The written request shall state that the request is made pursuant to this Agreement.
- b. Mutual Aid shall not be requested by a Party unless it is directly related to the Emergency and resources available from the normal response to the stricken area are deemed to be inadequate, or are predicted to be expended prior to the resolution of the Emergency.
- c. All requests for Mutual Aid shall be transmitted by a Point of Contact of the Requesting Party to a Point of Contact of the Responding Party or in accordance with the terms of this Agreement.
- d. Each request for assistance shall be accompanied by the following information, to the extent known:
 - i. A general description of the Emergency and the damage or injury sustained or threatened;
 - ii. Identification of the general emergency service function or functions for which assistance is needed (e.g. fire, law enforcement, emergency medical, search and rescue, transportation, communications, public works and engineering, building, inspection, planning and information assistance, mass care, resource support, health and other medical services, etc.) and the particular type of assistance needed;
 - iii. The amount and type of personnel, equipment, and other resources needed and a reasonable estimate of the length of time that each will be needed;
 - iv. The location(s) to which the resources are to be dispatched and the specific time by which the resources are needed; and,
 - v. The name and contact information of a representative of the Requesting Party, if available, to meet the personnel and equipment of any Responding Party at each location to which resources are dispatched.

7. THE PROVISION OF MUTUAL AID

Subject to the conditions of this Section, upon request of the Requesting Party, the Responding Party hereto shall furnish Mutual Aid in coping with an Emergency.

- a. Assessment of Availability of Resources and Ability to Render Assistance. When contacted by a Requesting Party, a Point of Contact of the Responding Party agrees to assess local resources to determine availability of personnel, equipment, and other assistance to respond to the request. A Responding Party is not required to provide Mutual Aid assistance unless the Responding Party determines that the Responding Party has sufficient resources to provide assistance, based on current or anticipated events in its jurisdiction.
- b. Information Required of the Responding Party.

A Point of Contact who determines that the Responding Party has available personnel, equipment, and other resources shall so notify the Requesting Party and provide the following information, to the extent known:

 - i. A complete description of the personnel and their expertise and capabilities, equipment, and other resources to be furnished to the Requesting Party;
 - ii. The estimated length of time that the personnel, equipment, and other resources will be available;
 - iii. The name of the person or persons to be designated as supervisory personnel; and,
 - iv. The estimated time of arrival for provided assistance to arrive at the designated location(s).
- c. Supervision and Control.

When providing assistance under the terms of this Agreement, the response effort must be organized and function in accordance with NIMS guidelines. The personnel, equipment, and resources of a Responding Party being used in the response effort will be under the operational control of the Requesting Party. Direct supervision and control of personnel, equipment and resources, as well as personnel accountability, shall remain the responsibility of the designated supervisory personnel of the Responding Party. Emergency Medical Services organizations providing assistance under this Agreement will utilize medical protocols authorized by their Medical Director. The designated supervisory personnel of the Responding Party shall: maintain daily personnel time records, material records and a log of equipment hours; be responsible for the operation and maintenance of the equipment and other resources furnished by the Responding Party; and, report work progress to the Requesting Party.
- d. Food, Housing, and Self-Sufficiency.

The Requesting Party shall have the responsibility of providing food and housing for the personnel of the Responding Party from the time of their arrival at the designated location(s) to the time of their departure. However, Responding Party personnel and equipment should be, to the greatest extent possible, self-sufficient while working in the Emergency area. The Requesting Party may limit its request for assistance to only self-sufficient personnel and resources in its request for assistance.
- e. Rights and Privileges.

Personnel who are assigned, designated, or ordered by their Party's governing body to perform duties pursuant to this Agreement shall continue to receive the same wages, salary, pension, and other compensation including injury or death

benefits, disability payments, and workers' compensation benefits, for the performance of those duties as though the services had been rendered for the Party employing the personnel. The Responding Party employing the person is responsible for the payment of wages, salary, pension, and other compensation and benefits associated with the performance of duties under this Agreement. Requesting Party will reimburse the Responding Party upon submission of request for reimbursement as outlined in Section eight, "Costs."

f. License Portability.

If the assistance of a person who holds a license, certificate, permit, or other document evidencing qualification in a professional, mechanical, or other skill is requested by a Party under this Agreement, the person is considered licensed, certified, permitted, or otherwise documented in the Requesting Party's jurisdiction in which the service is provided as long as the service is required, subject to any limitations imposed by the Chief Executive Officer or governing body of the Requesting Party.

g. The Duration of Aid.

The provision of Mutual Aid under this Agreement may continue until the services of the Responding Party are no longer required, or the Responding Party determines that further Mutual Aid should not be provided. Resources of the Responding Party shall remain subject to recall by the Responding Party at any time, subject to reasonable notice to the Requesting Party.

h. Training.

An appointed public officer whose position description, job duties, or assignment includes emergency management responsibilities or who plays a role in emergency preparedness, response, or recovery shall complete a course of training provided or approved by the Division of Emergency Management in the Office of the Governor of not less than three hours regarding the responsibilities of state and local governments in accordance with Government Code Chapter 418.

i. Technology.

BISD will provide camera surveillance access via VPN to Beaumont Emergency Management and select law enforcement personnel designated by Emergency Management to support tactical and emergency management operations. The Office of Emergency Management will request VPN access to surveillance cameras through the BISD IT Director. The BISD IT Department will maintain the list of authorized users. This list will be audited jointly on a yearly basis. Access will only be used to support official law enforcement and emergency management activities.

8. COSTS

All costs associated with the provision of Mutual Aid exceeding twelve (12) consecutive hours shall be paid by the Responding Party and reimbursed by the Requesting Party at actual cost, to the extent permitted by law. Such costs include but are not limited to: compensation for personnel, operation and maintenance of equipment, damage to equipment, food, lodging, and transportation expenses.

- a. Requests for reimbursement must be submitted as soon as practicable but no later than sixty (60) days after the return of all personnel deployed under this Agreement. Submission will follow the standard billing practices as pre-established by each jurisdiction. Failure to submit a request for reimbursement within the specified time frame will result in the Responding Party not being reimbursed for the Mutual Aid provided unless the Requesting Party extends the deadline for filing requests for reimbursement or the federal or state government extends the deadline for filing request for reimbursement. Such requests shall specifically identify all personnel, equipment, and resources provided; dates of issuance or duration of deployment, and the unit cost and total costs associated with each.
- b. The Responding Party shall be responsible for creating and maintaining a record of all costs incurred, both reimbursed and unreimbursed costs, in providing Mutual Aid under this Agreement. The record shall be kept for a period of three years from the date the incident is closed.
- c. In the event federal funds are available for costs associated with the provision of Mutual Aid, the Parties agree that the Requesting Party may make the claim for the eligible costs of the Responding Party on its subgrant application and will disburse the federal share of funds to the Responding Party.
- d. Reimbursement under this Section will be made by the Requesting Party no later than: (1) one-hundred eighty days (180) after receipt of the request for reimbursement; or (2) ninety days (90) after the Requesting Party receives reimbursement from the federal or state government, whichever is sooner.
- e. The provision of Mutual Aid will be considered non-reimbursable if the Responding Party does not request reimbursement within the time specified in this Section.

9. INSURANCE

- a. Workers' Compensation Coverage. Each Party shall be responsible for complying with the Texas Workers' Compensation Act.
- b. Automobile Liability Coverage. Each Party shall be responsible for complying with the Texas motor vehicle financial responsibility laws.
- c. General Liability, Public Officials Liability and Law Enforcement Liability. Each Party agrees to obtain or continue its general liability, public official's liability, and law enforcement liability insurance, if applicable; or maintain a comparable self-insurance program.
- d. Other Coverage: The Responding Party shall provide and maintain its standard packages of medical and death benefit insurance coverage while its personnel are assisting the Requesting Party.

10. EXPENDING FUNDS

- a. Each Responding Party which performs services or furnishes aid pursuant to this Agreement shall do so with appropriated funds from current revenues available to

the Responding Party; to the extent permitted by law. No Party shall have any liability for the failure to expend funds to provide aid hereunder.

- b. Each Requesting Party which reimburses costs of a Responding Party shall do so with appropriated funds from current revenues available to the Requesting Party; to the extent permitted by law.

11. EMERGENCY ASSISTANCE AND LAW ENFORCEMENT ASSISTANCE

Notwithstanding any other provisions herein, any Party hereto may provide emergency assistance or law enforcement assistance to another entity as provided in Section 791.027 of the Texas Government Code or Section 362.002 of the Texas Local Government Code.

12. TERM

This Agreement shall become effective as to each Party when approved and executed by that Party and shall be binding on each and every Party through December 31 of the year signed. This Agreement shall automatically renew for a period of one year upon the completion of the initial term and each subsequent term unless and until such time as the governing body of a Party terminates its participation in this Agreement pursuant to Section 21 of this Agreement. Termination of participation in this Agreement by a Party or Parties shall not affect the continued operation of this Agreement between and among the remaining Parties and this Agreement shall continue in force and remain binding on the remaining Parties.

13. LIABILITY IN FIRE PROTECTION CONTRACT OR PROVISION OF LAW ENFORCEMENT SERVICES

To the extent that this Agreement is considered an Agreement under Section 791.006 of the Texas Government Code, the Responding Party under this Agreement is not responsible for any civil liability that arises from the furnishing of services described in Section 791.006.

14. LIABILITY UNDER INTERLOCAL CONTRACT

A Party that furnishes a service related to a homeland security activity, as defined in Chapter 421 of the Texas Government Code, under this Agreement is immune from civil liability for any act or omission resulting in death, damage, or injury while acting under this Agreement if the act or omission was in good faith and in the course and scope of its functions to provide a service related to a homeland security activity.

15. ENTIRETY

This Agreement contains all commitments and agreements of the Parties regarding Mutual Aid to be rendered during or in connection with an Emergency. Included as a component of this Agreement are four (4) addendums providing specific procedures for common resource sharing operations. They are provided for continuity and general

coordination purposes at an operational level. All previously entered into Mutual Aid Agreements are superseded by this Agreement. No other oral or written commitments of the Parties shall have any force or effect if not contained herein. Notwithstanding the preceding sentence, it is understood and agreed that the Parties may have heretofore contracted or hereafter contract with other entities for Mutual Aid in Emergencies or the provision of other government services and functions, and it is agreed that this Agreement shall be of no effect to any such individual agreement.

16. INTERLOCAL COOPERATION ACT

The Parties agree that Mutual Aid in the context contemplated herein is a “governmental function and service” and that the Parties are “local governments” as those terms are defined in the Interlocal Cooperation Act.

17. CONFIDENTIALITY

The Parties recognize that the provision of Mutual Aid under this Agreement may result in the transfer of confidential medical information between them. The Parties shall guard the confidentiality of such information as required by the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA), the Texas Medical Practice Act, and other state privacy laws pertaining to the confidentiality of medical records.

18. SEVERABILITY

If a provision contained in this Agreement is held invalid for any reason, the invalidity does not affect other provisions of this Agreement that can be given effect without the invalid provision, and to this end the provisions of this Agreement are severable.

19. VALIDITY AND ENFORCEABILITY

If any current or future legal limitations affect the validity or enforceability of a provision of this Agreement, then the legal limitations are made a part of this Agreement and shall operate to amend this Agreement to the minimum extent necessary to bring this Agreement into conformity with the requirements of the limitations, and so modified, this Agreement shall continue in full force and effect.

20. AMENDMENT

This Agreement is effective immediately upon signature by all Parties and will only be terminated after one Party notifies the other Party thirty (30) days in advance of its intent to terminate. The Agreement will be reviewed every year from the effective date by the designated Points of Contact. The Parties agree that this Agreement may be amended with the mutual consent and approval of the Parties in writing, but may require from the Parties governing body approval if applicable.

21. TERMINATION

The governing body of a Party which is a signatory hereto, shall, by order, ordinance, or resolution, give notice as provided herein of termination of participation in this Agreement and submit a certified copy of such order, ordinance, or resolution to the other Party. Such termination shall become effective not earlier than thirty (30) days after providing such notice.

22. THIRD PARTIES

This Agreement is intended to inure only to the benefit of the Parties hereto. This Agreement is not intended to create, nor shall be deemed or construed to create, any rights in third parties.

23. NOTICES

Any notice required or permitted between the Parties must be in writing, addressed to the attention of the respective Point of Contact, and shall be delivered in person, or mailed certified mail, return receipt requested, or may be transmitted by facsimile transmission.

24. AUTHORIZATION

The Agreement has been officially authorized by the governing or controlling body of each Party hereto by order, ordinance or resolution and each signatory to this Agreement represents that the signatory has full authority to execute this Agreement on behalf of and to legally bind the respective Party to this Agreement.

25. IMMUNITY RETAINED

The Parties to this Agreement do not waive or relinquish any immunity or defense on behalf of itself, officers, employers, agents, and volunteers as a result of its execution of this Agreement and the performance of the covenants contained herein.

26. GOVERNING LAW AND VENUE

The laws of the State of Texas shall govern this Agreement. Mandatory and exclusive venue of any dispute between the Parties to this Agreement shall be in Beaumont, Jefferson County, Texas.

EXECUTED by the Parties hereto, each respective entity acting by and through its duly authorized official as required by law, on multiple counterparts each of which shall be deemed to be an original, effective among the parties who sign it at the time of their signature, on the date specified on the multiple counterpart executed by such entity.

ATTEST/SEAL:

City of Beaumont, TEXAS

Signed by:

City or County Clerk

Mayor

APPROVED:

COUNTERSIGNED BY:

City Manager

Emergency Management Coordinator

APPROVED AS TO FORM:

DATE COUNTERSIGNED:

City Attorney

L.D. File No. _____

ATTEST/SEAL:

Beaumont Independent School District, TEXAS

Signed by:

President, Board of Managers/Trustees

APPROVED:

COUNTERSIGNED BY:

Superintendent

Assistant Superintendent, Secondary Schools

APPROVED AS TO FORM:

DATE COUNTERSIGNED:

BISD Attorney



Board Exhibit Cover Sheet

Meeting Date: December 13, 2022

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

Agenda Item Title: Approve Joint Resolution with the City of Beaumont City Council Concerning Joint Meetings

Cabinet Level Presenter(s): Dr. Shannon Allen

Additional Presenter(s):

Executive Summary: The Board of Trustees and City of Beaumont City Council conducted a joint meeting and goal setting session on November 7, 2022. During the meeting, a request was made for the Joint Resolution to be amended from quarterly meetings to a minimum of two meetings per year. The proposed Resolution was amended by BISD's counsel and the City Attorney and adopts the proposal from the November 7, 2022 meeting stating, "joint meetings should be scheduled on mutually agreeable dates and locations at intervals determined by the City Manager and the Superintendent with no less than two joint meetings per calendar year."

Recommendation: Approve the Resolution as presented.

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):

Shannon Allen
Cabinet Level Presenter's Signature

12/5/22
Date

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

Date

General Counsel's Signature

Date

**JOINT RESOLUTION OF THE BEAUMONT INDEPENDENT SCHOOL DISTRICT BOARD
OF TRUSTEES AND CITY OF BEAUMONT CITY COUNCIL CONCERNING JOINT
MEETINGS**

WHEREAS, the City of Beaumont City Council and the Board of Trustees of the Beaumont Independent School District desire to conduct joint meetings to discuss items of mutual benefit or concern.

WHEREAS, both entities are subject to the Texas Open Meetings Act, Texas Government Code Chapter 551.

WHEREAS, joint meetings should be scheduled on mutually agreeable dates and locations at intervals determined by the City Manager and the Superintendent with no less than two joint meetings per calendar year.

NOW THEREFORE BE IT RESOLVED,

That the City Council and Board of Trustees agree to conduct joint meetings at intervals determined by the City Manager and Superintendent.

Be it further resolved that all meetings will be conducted on mutually agreeable dates and at mutually agreeable locations as determined by the City Manager and Superintendent.

Be it further resolved that all joint meetings will be conducted in accordance with the Texas Open Meetings Act, including notice to the public as required by the Act.

Passed by the Beaumont Independent School District Board of Trustees this ___ day of December, 2022.

Passed by the City of Beaumont City Council this ___ day of _____, 2022.

Robert Dunn
President, Board of Trustees
Beaumont Independent School District

Robin Mouton
Mayor, City Council
City of Beaumont



Board Exhibit Cover Sheet

Meeting Date: December 13, 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 amendment GF-6 and accept amendments SR-19, SR-20, and SR-21

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

12/7/2022
Date

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

Date

General Counsel's Signature

Date

Explanations of December Budget Amendments

General Fund GF-6

- Transfer \$800 from instructional general supplies to staff development employee travel for employees to attend conference/workshop – Charlton-Pollard ES (130).
- Transfer \$2,500 from staff development employee travel to instructional leadership general supplies to purchase supplies for training – Dyslexia (814).
- Transfer \$3,000 from instructional general supplies to staff development employee travel for employees to attend conference/workshop – Fletcher ES (110).
- Transfer \$4,500 from school leadership employee travel to staff development employee travel for reimbursement for CAST conference – Odom Academy (047)
- Increase Transportation Dept budget \$260,000 for increase in fuel costs.

SR-19

- Fund 263 - Reallocating Title III funds for Bilingual ESL Department Classes for Parents.

Sr-20

- Fund 282 Transferring ESSER III Funds for Green Dot Allocation.

Sr-21

- Fund 281 Reallocating ESSER II Funds from function 11 to function 52 which is Security & Monitoring Services to Purchase Security Cameras .

2022-2023 BUDGET AMENDMENT NUMBER GF-6

	<u>Current Budget</u>	<u>Change</u>	<u>Amended Budget</u>
<u>Expenditures</u>			
199.11.6399.04.130.30.000	35,507	(800)	34,707
199.13.6411.04.130.30.000	3,500	800	4,300
199.13.6411.44.814.37.000	10,000	(2,500)	7,500
199.21.6399.44.814.37.000	1,827	2,500	4,327
199.11.6399.04.110.30.000	34,666	(3,000)	31,666
199.13.6411.04.110.30.000	-	3,000	3,000
199.23.6411.04.047.30.000	8,900	(4,500)	4,400
199.13.6411.04.047.30.000	1,770	4,500	6,270
199.34.6311.61.920.99.000	828,000	260,000	1,088,000
 Total Expenditures		<u>260,000</u>	
 Net Change in the General Fund Budget		<u>260,000</u>	

2022-2023 BUDGET CHANGE

Total Revenues/Other Sources	172,678,012		172,678,012
Total Expenditures	<u>177,786,139</u>		<u>177,786,139</u>
 2022-2023 Adjusted	(5,108,127)	-	(5,108,127)

2022-2023 BUDGET AMENDMENT NUMBER SR-19

	<u>Current Budget</u>	<u>Change</u>	<u>Amended Budget</u>
Instruction			
<u>263.11.6399.00.809.25.000</u>	108,965	(9,133)	99,832
Community Services			
<u>263.61.6117.00.809.25.000</u>	-	8,000	8,000
263.61.6141.00.809.25.000	986	116	1,102
263.61.6143.00.809.25.000	248	117	365
263.61.6146.00.809.25.000	8,023	900	8,923
Total Expenditures		<u>-</u>	
Net (Increase) TITLE III PART A LEP		<u><u>-</u></u>	
<hr/> <hr/>			
2022-2023 BUDGET CHANGE			
Total Revenues/Other Sources	231,180	-	231,180
Total Expenditures	<u>231,180</u>	-	<u>231,180</u>
2022-2023 Adjusted	-	-	-

2022-2023 BUDGET AMENDMENT NUMBER SR-20

	<u>Current Budget</u>	<u>Change</u>	<u>Amended Budget</u>
Instruction			
282.11.6399.00.858.24.000	2,787,619	(561,781)	3,265,400
282.11.6299.GD.043.30.000	877,781	477,781	
Social Work Services			
282.32.6299.GD.043.30.000	-	84,000	84,000
Total Expenditures		<u>-</u>	
Net (Increase) ESSER III		<u><u>-</u></u>	
<hr/> <hr/>			
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-21

	<u>Current Budget</u>	<u>Change</u>	<u>Amended Budget</u>
Instruction			
<u>281.11.6639.00.859.24.000</u>	892,800	(321,746)	571,054
Security Monitoring Services			
<u>281.52.6269.00.859.24.EVL</u>	321,746	321,746	643,492
Total Expenditures		<u>-</u>	
Net (Increase) ESSER II		<u><u>-</u></u>	
<hr/> <hr/>			
2022-2023 BUDGET CHANGE			
Total Revenues/Other Sources	25,428,686	-	25,428,686
Total Expenditures	<u>25,428,686</u>	-	<u>25,428,686</u>
2022-2023 Adjusted	-	-	-



Board Exhibit Cover Sheet

Meeting Date: December 13, 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): Jenny Angelo, Peggy Haynes, and Dr. Lance Campbell

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: \$679,352.28
Federal Fund: \$158,718.14

Funding Source (if applicable): General 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

Cheryl Hernandez
Cabinet Level Presenter's Signature

12/5/2022
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
Midtex Oil	Maintenance & Operations	Fuel for Transportation Department. This is an estimate to cover the remainder of the fiscal year.	Null	Not to Exceed \$500,000.00
LIT	Curriculum	Fall 2022 courses for Beaumont Early College High School.	MOU	\$114,334.89
Preferred Facilities Group	Maintenance & Operations	JOC #23.10 – Vincent Middle School Interior Hallways Painting – Exterior column and door painting.	BuyBoard #581-19	\$65,017.39
TOTAL				\$679,352.28

Federal Fund

Vendor	Department (Fund Code)	Description/Justification of Purchase	Contract #	Cost
Houghton Mifflin Harcourt	Curriculum (281)	Program provides explicit phonics instruction for K-2 grade levels.	BuyBoard #653-21	\$158,781.14
TOTAL				\$158,781.14



Lamar Institute of Technology

855 East Lavaca
www.lit.edu

Beaumont Independent School District
3395 Harrison Avenue
Beaumont, Texas 77706

INVOICE	
Account Number	T60000330
Invoice Number	202290 ECB
Date	October 6, 2022
Amount Due	\$114,334.89

Fall 2022

Course Select	Sect	CRN	Course Title	# of Students	Credits	Rate per Credit hr	Total Tuition
ACCT 2301	9A1	90811	Prin of Acct Finan-BECHS	14	3	50	2100
ARTS 1301	921	90703	Art Apprec-BECHS	17	3	50	2550
ARTS 1301	922	90704	Art Apprec-BECHS	21	3	50	3150
ARTS 1301	923	90705	Art Apprec-BECHS	27	3	50	4050
ARTS 1301	924	90706	Art Apprec-BECHS	26	3	50	3900
BIOL 1106	924	90665	Biology for Sci Maj I-Lab DUAL	12	1	50	600
BIOL 1106	925	90666	Biology for Sci Maj I-Lab DUAL	24	1	50	1200
BIOL 1306	924	90667	Biology for Science Maj I DUAL	12	3	50	1800
BIOL 1306	925	90668	Biology for Science Maj I DUAL	24	3	50	3600
BIOL 2101	921	90669	Anat and Phys Lab I - DUAL	28	1	50	1400
BIOL 2101	923	90670	Anat and Phys Lab I - DUAL	26	1	50	1300
BIOL 2101	924	90671	Anat and Phys Lab I - DUAL	18	1	50	900
BIOL 2301	921	90679	Anatomy and Physiology I DUAL	28	3	50	4200
BIOL 2301	923	90680	Anatomy and Physiology I DUAL	26	3	50	3900
BIOL 2301	924	90681	Anatomy and Physiology I DUAL	18	3	50	2700
BUSI 1301	2C1	90347	Business Principles	11	3	50	1650
CETT 1403	6D1	90233	DC Circuits	1	4	50	200
CRIJ 1301	2A1	90732	Intro to Criminal Justice	9	3	50	1350
CRIJ 1310	2A1	90733	Fundamentals of Criminal Law	11	3	50	1650
CRIJ 2328	2A1	90734	Police Systems Practices	5	3	50	750
ECON 2301	9B1	90491	Principles of Macro-BECHS	25	3	50	3750
ECON 2301	9B2	90497	Principles of Macro-BECHS	19	3	50	2850
ECON 2301	9B3	90499	Principles of Macro-BECHS	21	3	50	3150
ENGL 1301	9B1	90712	Composition I BEC	13	3	50	1950
ENGL 1301	9B2	90713	Composition I BECHS	9	3	50	1350
ENGL 1301	9B3	90714	Composition I BECHS	12	3	50	1800
ENGL 1301	9B4	90715	Composition I BECHS	18	3	50	2700
ENGL 1301	9B5	90751	Composition I BECHS	22	3	50	3300
ENGL 2321	9B1	90860	British Literature BECHS	19	3	50	2850

ENGL 2321	9B2	90865	British Literature BECHS	24	3	50	3600
ENGL 2321	9B3	90870	British Literature BECHS	23	3	50	3450
GOVT 2305	9B1	90871	Federal Government BECHS	22	3	50	3300
GOVT 2305	9B2	90872	Federal Government BECHS	23	3	50	3450
GOVT 2305	9B3	90873	Federal Government BECHS	25	3	50	3750
HIST 1301	9B1	90748	United States History I BECHS	15	3	50	2250
HIST 1301	9B2	90749	United States History I BECHS	14	3	50	2100
HIST 1301	9B3	90750	United States History I BECHS	6	3	50	900
INCR 1402	6D1	90242	Physics of Instrumentation	5	4	50	1000
INTC 1301	2A1	90247	Prin of Indus Measurements I	2	3	50	300
MATH 1314	9B1	90753	College Algebra BECHS	17	3	50	2550
MATH 1314	9B2	90754	College Algebra BECHS	6	3	50	900
MATH 1314	9B3	90755	College Algebra BECHS	16	3	50	2400
MATH 2312	9B1	90757	Pre-Calculus Math BECHS	11	3	50	1650
MATH 2312	9B4	90756	Pre-Calculus Math BECHS	6	3	50	900
PHIL 1301	2B1	90579	Intro to Philosophy	6	3	50	900
PHIL 1301	9B1	90575	Intro to Phil-BECHS	11	3	50	1650
PTAC 1302	2A1	90264	Intro to Process Technology	3	3	50	450
PTAC 1410	9 E1	90273	Process Technology I Equipment	3	4	50	600
SOCI 1301	922	90736	Introduction to Sociology-MIXE	4	3	50	600
SPCH 1318	2B1	90758	Interpersonal Communica BECHS	10	3	50	1500
SPCH 1318	2B2	90759	Interpersonal Communica BECHS	18	3	50	2700
SPCH 1318	2B4	90760	Interpersonal Communica BECHS	14	3	50	2100
SPCH 1318	2B4	90761	Interpersonal Communica BECHS	16	3	50	2400
SPCH 1318	2B5	90762	Interpersonal Communica BECHS	18	3	50	2700

114750

ExxonMobil Scholarships **-415.11**

\$114,334.89

Please send remittance to:

Lamar Institute of Technology
P O Box 10043
Beaumont, TX 77710

Luouida Newbold
Student Accounting Associate Sr



PREFERRED

FACILITIES GROUP - USA

Mailing Address:

PO Box 20658
Beaumont, TX 77720-0658

(409) 842-8181
(409) 842-2274
pfg@pfg-usa.com
pfg-usa.com

10/19/2022

Ben Chenault
Beaumont ISD
3395 Harrison
Beaumont, Texas 77706

Project: "BISD Vincent Painting"

Subject: "Proposal"

Job Order Contracting

Co-Op Purchasing Agreements

Dear Mr. Chenault,

Indefinite Delivery, Indefinite Quantity - IDIQ

We are pleased to submit our proposal utilizing our 581-19 Buy Board Texas Contract based on local CCI and coefficient of .89.

Multiple Award Construction Contracts - MACC

Proposal Recap:

Task Order Contracts TOC

- **Prep and Paint at Interior.**
- #1 Interior doors and frames.
- #2 Stringers, tube rails, ramp and handrails.
- #3 Exposed steel tube columns.
- #4 Room sign frames.
- #5 Wood and steel framed interior window trims.
- #6 Paint drywall infills in corridors.
- #7 Paint inside of Office including doors and frames.
- #8 Paint inside of Nurses Office including doors and frames.
- #9 Metal walls at back corridor.
- #10 Paint folding partition to 8'-6" AFF (at color change) in cafeteria.
- **Prep And Paint Exterior.**
- #1 Columns, tube rails, door trims (Blue) at 4 entrances.
- #2 1 Double doors and frame at Gym.
- #3 1 Double doors and frame with glass transom.
- #4 2 single doors and frames with transom.
- #5 1 3-0X6-8 door and frame.
- **Science Building**
- #1 Paint corridor walls.
- #2 Paint corridor doors and frames.
- #3 Paint entry doors and frames at both ends of corridor.

Construction Management – Agent or At-Risk

Design Build

Government

Commercial

Education

Industrial

Infrastructure

Communications

Corporate/Retail

Interior	\$	45,877.37
Exterior	\$	7,244.43
Science Building	\$	10,309.80
Bond (if applicable)	\$	<u>1,585.79</u>
Total Price	\$	65,017.39

Assembly

We estimate approximately **thirty (30)** working days to complete upon material delivery. We explicitly exclude all liquidated damages for this project due to the volatility of the market and supply chain challenges.





PREFERRED

FACILITIES GROUP - USA

Mailing Address:
PO Box 20658
Beaumont, TX 77720-0658

(409) 842-8181
 (409) 842-2274
 pfg@pfg-usa.com
 pfg-usa.com

Our estimate is based on our interpretation of the project as presented to us. Our scope is limited to the line items broken down into individual tasks of work and developed based upon the Unit Price Book rate as modified by the city cost adjustment and our Coefficient. All pricing for the required line-item estimate is derived from the current calendar year RSMeans Facilities Construction Cost Data Book with Updates.

Once the quantities of work and price are approved, the individual Job Order becomes a fixed-price lump sum contract.

Job Order Contracting

This pricing is based on recommended work hours of Monday thru Friday 7:00 am to 5:00 pm. Please contact us at 409-842-8293 at your convenience to discuss this estimate.

Co-Op Purchasing Agreements

Respectfully submitted,
Preferred Facilities Group - USA

Indefinite Delivery, Indefinite Quantity - IDIQ

Multiple Award Construction Contracts - MACC

Michael Waidley
Division Manager

cc: PFG/file
22-0153

*Task Order Contracts
TOC*

*Construction Management –
Agent or At-Risk*

Design Build

Government

Commercial

Education

Industrial

Infrastructure

Communications

Corporate/Retail

Assembly



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:	\$158,781.14 K-2 access to Saxxon phonics program
Summary:	This program provides explicit and scripted phonics instruction. The package includes teacher materials, student consumables for 1 year, digital access and student non-consumables. Product is provided in both Spanish and English and has been successfully used in BISD previously.		
Vendor Name:	Heggerty	Quote Total:	\$70,759.25 K-2 access to Heggerty phonics
Summary:	This program does not provide scripted lessons for teachers and the English and Spanish are not integrated but are separate programs. Digital access is provided with the package. Since scripted lessons are not provided, this program does not meet the needs of the district.		
Vendor Name:	McGraw Hill	Quote Total:	\$360,711.84 K-2 access to SRA Wonders program
Summary:	While phonics is a large component within Wonders, McGraw Hill does not provide a robust phonics stand alone program. SRA Phonics is a supplementary piece and the entire program would need to be purchased as is reflected in the price. This would not be a good choice for the district.		

Vendor Selected: Houghton Mifflin Harcourt

Name of Person Completing this Form: Jenny Angelo

Signature:  _____

Date: 12/2/2022

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



Houghton Mifflin Harcourt

Proposal #008569918

Prepared For

Beaumont Ind School District

3395 Harrison Ave
Beaumont TX 77706

Attention:

For the Purchase of:

Saxon Phonics & Spelling 2022

Prepared By
Kristy Schulz
kristy.schulz@hmc.co

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.hmhco.com/common/terms-conditions>

Coupon Code: PRODPB15

Attention:

Send **Orders** to:
k12orders@hmc.co

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

HMH Confidential and Proprietary

FAX: 800-269-5232
HMH Orders
9400 Southpark Center Loop
Orlando, FL 32819-8647

**Proposal for
Beaumont Ind School District**

ISBN	Title	Price	Quantity	Value of all Materials	Value of Free Materials	Value of Charged Materials
Grade K						
Student Kit - 24 Students						
1796542	9780358453734 2022 Saxon Phonics & Spelling 24 Student Kit 1 Year Grade K Package Includes: 2022 Saxon Phonics & Spelling 24 Student Worksheets Box 1 2022 Saxon Phonics & Spelling 24 Student Worksheets Box 2 2022 Saxon Phonics & Spelling Decodable Readers (1-16) Box 3 2022 Saxon Phonics & Spelling 24 Student Letter Tiles Box 4 2022 Saxon Phonics & Spelling Classroom Materials Box 5 Grade K 2022 Saxon Phonics & Spelling Teacher Materials Box 6 Grade K	\$1,223.45	37	\$45,267.65	\$6,790.15	\$38,477.41
Total for Student Kit - 24 Students						
Total for Grade K		\$38,477.41				
Grade 1						
Student Kit - 24 Students						
1796543	9780358453741 2022 Saxon Phonics & Spelling 24 Student Kit 1 Year Grade 1 Package Includes: 2022 Saxon Phonics & Spelling 24 Student Worksheets Box 1 2022 Saxon Phonics & Spelling 24 Student Worksheets Box 2 2022 Saxon Phonics & Spelling Decodable Readers (1-52) Box 3 2022 Saxon Phonics & Spelling 24 Student Letter Tiles Box 4 2022 Saxon Phonics & Spelling Classroom Materials Box 5 Grade 1 2022 Saxon Phonics & Spelling Teacher Materials Box 6 Grade 1	\$1,590.45	36	\$57,256.20	\$8,588.43	\$48,667.68
Total for Student Kit - 24 Students						
Total for Grade 1		\$48,667.68				
Grade 2						
Student Kit - 24 Students						
1796544	9780358453758 2022 Saxon Phonics & Spelling 24 Student Kit 1 Year Grade 2 Package Includes: 2022 Saxon Phonics & Spelling 24 Student Worksheets Box 1 2022 Saxon Phonics & Spelling 24 Student Worksheets Box 2 2022 Saxon Phonics & Spelling Decodable Readers (1-26) Box 3 2022 Saxon Phonics & Spelling 24 Student Letter Tiles Box 4 2022 Saxon Phonics & Spelling Classroom Materials Box 5 Grade 2 2022 Saxon Phonics & Spelling Teacher Materials Box 6 Grade 2	\$1,462.80	40	\$58,512.00	\$8,776.80	\$49,735.20
Total for Student Kit - 24 Students						
Total for Grade 2		\$49,735.20				

Coupon Code: PRODPB15

Attention:

Send **Orders** to:
k12orders@hnhco.com
FAX: 800-269-5232

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Chicago, IL 60693

HMH Confidential and Proprietary

HMH Orders
9400 Southpark Center Loop
Orlando, FL 32819-8647

Proposal for Beaumont Ind School District

ISBN	Title	Price	Quantity	Value of all Materials	Value of Free Materials	Value of Charged Materials
------	-------	-------	----------	------------------------	-------------------------	----------------------------

<i>Total Savings:</i>				\$24,155.56		
<i>Subtotal Purchase Amount:</i>				\$136,880.29		
<i>Shipping & Handling:</i>				\$21,900.85		
<hr/>						
Total Cost of Proposal (PO Amount):				\$158,781.14		
Please add proper sales tax to your order						

Coupon Code: PRODPB15

Attention:

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k12orders@hnhco.com

Send **Check Payments** to:
Houghton Mifflin Harcourt Publishing Company
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FAX: 800-269-5232
HMH Orders
9400 Southpark Center Loop
Orlando, FL 32819-8647

Proposal for
Beaumont Ind School District

Total Cost of Proposal (PO Amount): \$158,781.14

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 ISD
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.
- Any proposed shipping or tax amount provided on this proposal, is based on the Ship To account location quoted within.
- If the location of your delivery changes, please include the proper sales tax and shipping charges for that location in the applicable Purchase Order
- 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: 12/1/2022

Proposal Expiration Date: 1/15/2023



Houghton Mifflin Harcourt

Coupon Code: PRODPB15

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FAX: 800-269-5232

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HMH Confidential and Proprietary

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Orlando, FL 32819-8647

BEAUMONT INDEPENDENT SCHOOL DISTRICT

RESOLUTION CREATING THE BEAUMONT 2022-001 REINVESTMENT ZONE NO. 01

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 A**; 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**; 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 2022-001 REINVESTMENT ZONE NO. 01* 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 2022-001 REINVESTMENT ZONE NO. 01* 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 A**” is declared to be and, by the adoption of this Resolution, is certified to accurately depict and show the boundaries of the *BEAUMONT 2022-001 REINVESTMENT ZONE NO. 01*; and further certifies that the property described is inside the boundaries shown on **Exhibit A**; and,
- (d) That creation of the *BEAUMONT 2022-001 REINVESTMENT ZONE NO. 01* with boundaries as described in **Exhibit A** 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 2022-001 REINVESTMENT ZONE NO. 01* described in **Exhibit A** 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 such reinvestment zone is hereby designated and shall hereafter be referred to as the *BEAUMONT 2022-001 REINVESTMENT ZONE NO. 01*.

SECTION 4. That the existence of the *BEAUMONT 2022-001 REINVESTMENT ZONE NO. 01* shall first take effect upon, December 13, 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 beheld 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 13 day of December, 2022.

BEAUMONT INDEPENDENT SCHOOL DISTRICT

By: _____
President
Board of Trustees

ATTEST: _____
Secretary
Board of Trustees

EXHIBIT A

METES AND BOUNDS DESCRIPTION OF THE BEAUMONT 2022-001 REINVESTMENT ZONE NO. 01



BEAUMONT INDEPENDENT SCHOOL DISTRICT

RESOLUTION CREATING THE BEAUMONT 2022-002 REINVESTMENT ZONE NO. 02

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 for the Enterprise Products Project; 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 2022-002 REINVESTMENT ZONE NO. 02* 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 2022-002 REINVESTMENT ZONE NO. 02* 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 2022-002 REINVESTMENT ZONE NO. 02* 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 2022-002 REINVESTMENT ZONE NO. 02* 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 2022-002 REINVESTMENT ZONE NO. 02* 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 2022-002 REINVESTMENT ZONE NO. 02*.

SECTION 4. That the existence of the *BEAUMONT 2022-002 REINVESTMENT ZONE NO. 02* shall first take effect upon, December 13, 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 13th day of December 2022.

BEAUMONT INDEPENDENT SCHOOL DISTRICT

By: _____
President
Board of Trustees

ATTEST: _____
Secretary
Board of Trustees

EXHIBIT A

METES AND BOUNDS DESCRIPTION OF THE BEAUMONT 2022-002 REINVESTMENT ZONE NO. 02

Click checkbox to select page(s) for printing.



DR VOL 549 PG 301



1 of 2



2 of 2

Given under my hand and seal of office this 29th day of March, 1944.

(SEAL) Dorothy C. Jones, Notary Public in and for Jefferson County, Texas.

Dorothy C. Jones, Notary Public in and for Jefferson County, Texas.

Assignment V.L. & D/T. O. E. Pennock to The First National Bank of Beaumont. Filed for record Apr 3, 1944, at 8:10 o'clock A. M. Fred G. Hill, County Clerk, Jefferson County, Texas. By Fred G. Hill. Recorded Apr 17, 1944, at 3:20 o'clock P. M. Fred G. Hill, County Clerk, Jefferson County, Texas. By W. E. Hill Deputy.

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140588

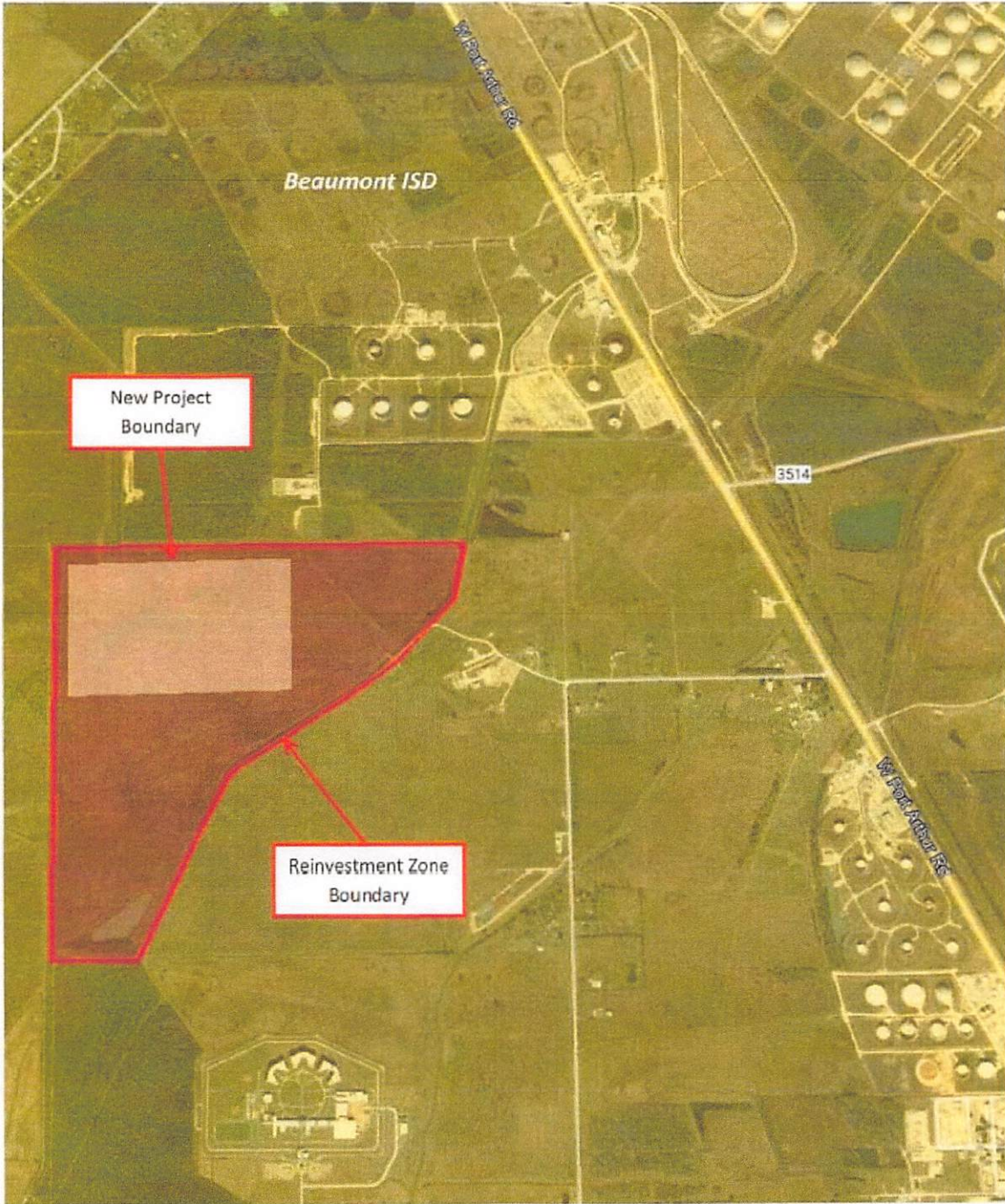
THE STATE OF TEXAS : KNOW ALL MEN BY THESE PRESENTS: That I, C. Doornbos, of the COUNTY OF JEFFERSON: County of Jefferson, State of Texas, for and in consideration of the sum of ONE AND NO/100 (\$1.00) DOLLARS, to me in hand paid by William Doornbos, C. Doornbos, Jr., and Richard E. Doornbos, the receipt of which is hereby acknowledged; and the further consideration of the love and affection which I bear for my three sons, the said William Doornbos, C. Doornbos, Jr., and Richard E. Doornbos; have GRANTED, SOLD AND CONVEYED and by these presents do GRANT, SELL AND CONVEY, unto the said William Doornbos, C. Doornbos, Jr., and Richard E. Doornbos, of the County of Jefferson, State of Texas, (subject to the mineral reservations hereinafter set forth) the following described lots, tracts or parcels of land, to-wit:

TRACT NO. 1: A part of the E. D. Chenneth Survey, in Jefferson County, Texas, described by metes and bounds as follows, to-wit: Beginning at the Northwest corner of the E. D. Chenneth Survey, a stake in fence corner; Thence South on the Chenneth West line 4561.4 feet; Thence East across the Chenneth Survey 5732 feet for the Southeast corner of this tract; Thence North 4543.1 feet to an iron pipe in fence corner; Thence N. 69 deg. 49 min. W. 5732 feet to place of beginning, containing 599 acres, more or less.

TRACT NO. 2: All my undivided interest in and to Fifty (50) acres of land, more or less, out of the Southeast one-fourth (1/4) of T. & N. O. Section 168 situated Northeast of Big Hill in said Jefferson County, Texas, and being all of my interest in said one-fourth

EXHIBIT B

SURVEY MAPS OF THE BEAUMONT 2022-002 REINVESTMENT ZONE NO. 02



00113234 - 2

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 for the Enterprise Products Project; 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. 04* 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. 04* 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. 04* 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. 04* 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. 04* 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. 04*.

SECTION 4. That the existence of the *BEAUMONT 2022-003 REINVESTMENT ZONE NO. 04* shall first take effect upon, December 13, 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 beheld 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 13 day of December, 2022.

BEAUMONT INDEPENDENT SCHOOL DISTRICT

By: _____
President
Board of Trustees

ATTEST: _____
Secretary
Board of Trustees

EXHIBIT A

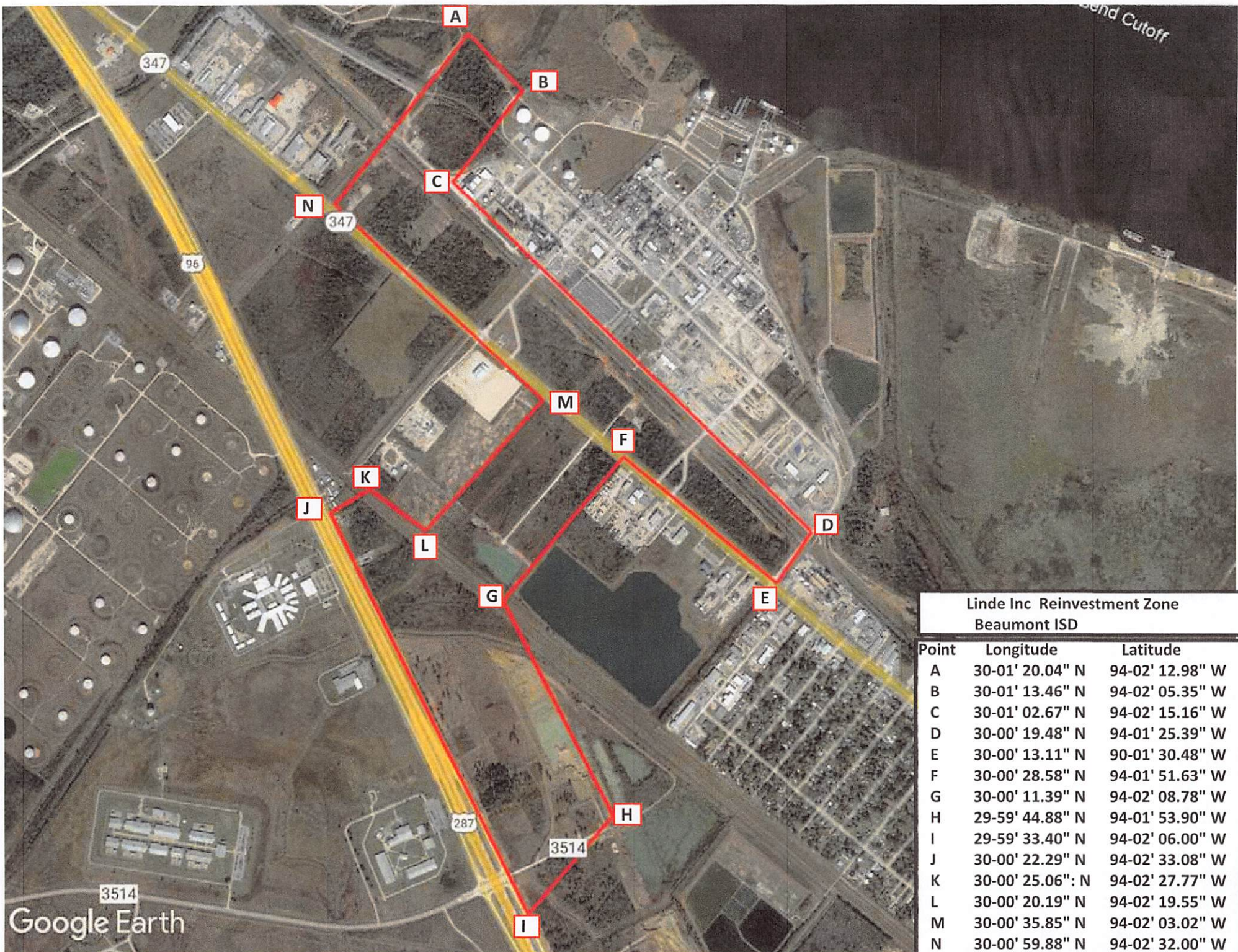
**METES AND BOUNDS DESCRIPTION OF THE BEAUMONT 2022-003 REINVESTMENT ZONE
NO. 04**

Linde Inc Reinvestment Zone - Beaumont ISD

Point	Longitude		Latitude	
A	30-01' 20.04"	N	94-02' 12.98"	W
B	30-01' 13.46"	N	94-02' 05.35"	W
C	30-01' 02.67"	N	94-02' 15.16"	W
D	30-00' 19.48"	N	94-01' 25.39"	W
E	30-00' 13.11"	N	90-01' 30.48"	W
F	30-00' 28.58"	N	94-01' 51.63"	W
G	30-00' 11.39"	N	94-02' 08.78"	W
H	29-59' 44.88"	N	94-01' 53.90"	W
I	29-59' 33.40"	N	94-02' 06.00"	W
J	30-00' 22.29"	N	94-02' 33.08"	W
K	30-00' 25.06"	N	94-02' 27.77"	W
L	30-00' 20.19"	N	94-02' 19.55"	W
M	30-00' 35.85"	N	94-02' 03.02"	W
N	30-00' 59.88"	N	94-02' 32.00"	W

EXHIBIT B

SURVEY MAPS OF THE BEAUMONT 2022-003 REINVESTMENT ZONE NO. 04



**Linde Inc Reinvestment Zone
Beaumont ISD**

Point	Longitude	Latitude
A	30-01' 20.04" N	94-02' 12.98" W
B	30-01' 13.46" N	94-02' 05.35" W
C	30-01' 02.67" N	94-02' 15.16" W
D	30-00' 19.48" N	94-01' 25.39" W
E	30-00' 13.11" N	90-01' 30.48" W
F	30-00' 28.58" N	94-01' 51.63" W
G	30-00' 11.39" N	94-02' 08.78" W
H	29-59' 44.88" N	94-01' 53.90" W
I	29-59' 33.40" N	94-02' 06.00" W
J	30-00' 22.29" N	94-02' 33.08" W
K	30-00' 25.06" N	94-02' 27.77" W
L	30-00' 20.19" N	94-02' 19.55" W
M	30-00' 35.85" N	94-02' 03.02" W
N	30-00' 59.88" N	94-02' 32.00" W

BEAUMONT INDEPENDENT SCHOOL DISTRICT

RESOLUTION CREATING THE BEAUMONT 2022-004 REINVESTMENT ZONE NO. 04

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 for the Enterprise Products Project; 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 2022-004 REINVESTMENT ZONE NO. 04* 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 2022-004 REINVESTMENT ZONE NO. 04* 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 2022-004 REINVESTMENT ZONE NO. 04* 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 2022-004 REINVESTMENT ZONE NO. 04* 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 2022-004 REINVESTMENT ZONE NO. 04* 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 2022-004 REINVESTMENT ZONE NO. 04*.

SECTION 4. That the existence of the *BEAUMONT 2022-004 REINVESTMENT ZONE NO. 04* shall first take effect upon, December 13, 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 beheld 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 13 day of December, 2022.

BEAUMONT INDEPENDENT SCHOOL DISTRICT

By: _____
President
Board of Trustees

ATTEST: _____
Secretary
Board of Trustees

EXHIBIT A

**METES AND BOUNDS DESCRIPTION OF THE BEAUMONT 2022-004 REINVESTMENT ZONE
NO. 04**

THENCE N 89° 53' 45" West along the north line of said road, a distance of 4,807.77' to the place of beginning, containing in area 266.388 acres of land more or less.

*NOTE- said beginning corner being the southwest corner of the Second Tract described in a Lanman Co. agreement recorded in Volume 177, Page 620, Deed Records, Jefferson County, Texas.

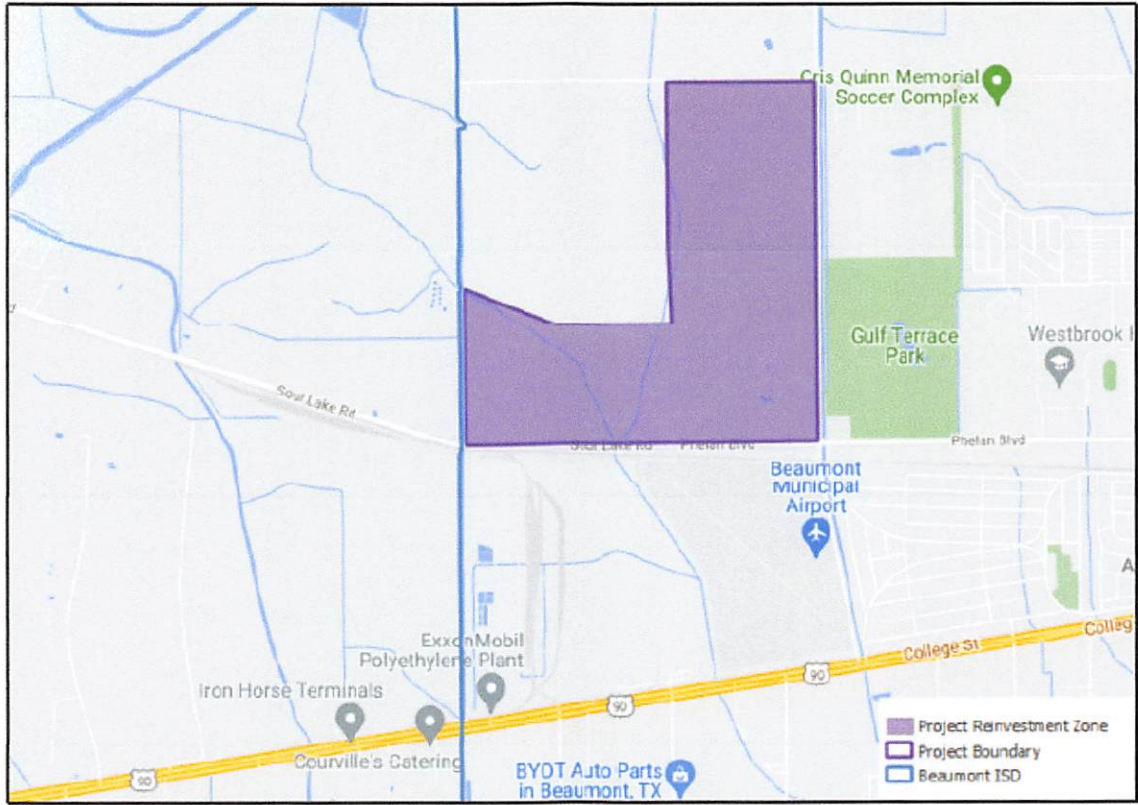
Parcel 400148

All that certain tract of land out of and a part of the A. Houston League, Abstract No. 33, Jefferson County, Texas, more particularly described as follows, to wit:

Beginning at an iron stake on the North right of way boundary of the Beaumont & Sour Lake Public Road, where same is intersected by the West boundary line of a 60 foot public road running North through the middle of the A. Houston League, for Southeast corner of this survey and the Southeast corner of the Southwest 1/4 of A. Houston League; thence North along the Western boundary line of said public road 6877 feet to a post for the Northeast corner of this 400 acre tract and on the South boundary line of a 60 foot public road running East and West through the A. Houston League: thence West along the South boundary line of said road, 2828 feet to an iron stake for the Northwest corner of this 400 acre survey, and is the Northeast corner of Dishman 400 acre tract; thence South along Dishman's East boundary line 4582 feet to a Cypress stake at Dishman's Southeast corner, for the Southwest corner of this 400 acre survey; thence East 874 feet to a stake for corner; thence South 2295 feet to an iron stake for Southwest corner of tract here conveyed, on the North boundary line of the Beaumont & Sour Lake Public Road; thence East along the North boundary line of said road 1954 feet to the place of beginning, containing 400 acres, more or less.

EXHIBIT B

SURVEY MAPS OF THE BEAUMONT 2022-004 REINVESTMENT ZONE NO. 04





Board Exhibit Cover Sheet

Meeting Date: December 13, 2022

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

Agenda Item Title: Adopt Findings under the Texas Economic Development Act on the Application of Neches Valley Power LLC (Comptroller Application No: 1858), Enterprise Products Operating LLC (Comptroller Application No: 1864), Arkema Inc. (Comptroller Application No: 1945), and Linde Inc. (Comptroller Application No: 2083), 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, as proposed by the District's Consultants and Counsel, on the Application of Neches Valley Power LLC, Enterprise Products Operating LLC, Arkema Inc, and Linde In. for an Appraised Value Limitation on Qualified Property

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

12/8/2022
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
RECURRENT ENERGY DEVELOPMENT
HOLDINGS, LLC (#1858)**

DECEMBER 13, 2022

FINDINGS OF THE BEAUMONT INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
RECURRENT ENERGY DEVELOPMENT HOLDINGS,
LLC (#1858)

STATE OF TEXAS §

COUNTY OF JEFFERSON §

On December 13, 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 Recurrent Energy Development Holdings, 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 May 5, 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, including all amendments and supplements thereto, was determined to be complete as of June 29, 2022. A copy of the Application is attached as **Attachment A**.

The Applicant, (Texas Taxpayer Id. 12646941968), 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(a-1). 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 §313.025(d), and a Comptroller Certificate was issued on September 23 , 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 MoakCasey, LLC, is attached to these findings as **Attachment D**. An estimated financial impact of the project, which incorporates the terms of the Limitation Agreement, has been presented to the Board of Trustees.

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.

Both Section 6 of the Application, **Attachment A**, and the Comptroller's Certificate, Attachment C, establish that the property described by the Applicant is eligible for a limitation under §313.024.

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 and Attachment C, 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.

The review of the Application by the Comptroller's Office indicated that the number of jobs and the average salary level of qualifying jobs—based on Texas Workforce Commission data—complies with current Tex. Tax Code §313.021(5)(B) requirement that qualifying jobs must pay 110 percent of the county average manufacturing wage. **Attachments A and C.** This amount is determined to be \$50,406.40 annually. 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.

Based on its Application, the Company proposes to create one (1) qualifying jobs and is requesting a job waiver from Beaumont ISD.

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 the Texas Tax Code 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 non-qualifying jobs.

In its Application, Applicant has indicated it does not intend to create any non-qualifying jobs. For any non-qualifying jobs the Applicant creates, the Applicant will be required to pay at least the county average wage for all jobs in the county in accordance with the provisions of Tex. Tax Code §313.024(d). This amount is determined to be \$60,983 annually.

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 MoakCasey projects that the project would initially add \$165.0 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 District currently levies a \$0.2526 per \$100 I&S tax for voter-approved debt. Local taxpayers could see a benefit from an expansion of the I&S tax base.

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.

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 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 consultant has prepared a signed statement that the consultant has reviewed and verified the contents of the Application and has 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 consultant 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 consistent with the minimum values currently set out by Tax Code, § 313.054(a).

The Board of Trustees finds the minimum amount of qualified investment and the minimum amount of a limitation agreed to by the Board of Trustees under Texas Tax Code 313.022 or 313.052, as applicable, is consistent with the values set forth in the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2021 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year. The District is categorized as a "rural" school district due to being located in a Strategic Investment Area. Based on the Comptroller's 2021 property value study, the District's industrial total taxable value is \$5.9 billion. (**See Attachment E.**) It is classified as a Category I district, with more than \$200 million of industrial value, which may offer a minimum limitation value 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 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. 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. 12646941968) is eligible for the limitation on appraised value of qualified property as an active franchise-tax paying entity.

The Applicant, (Texas Taxpayer No. 12646941968), 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 finance report prepared by MoakCasey, LLC shows that the District will incur revenue losses in the initial and later years that the value limitation is in effect without the proposed Agreement under current law. 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/PolicyOnline/PolicyDetails?key=725&code=BBFA> and <https://pol.tasb.org/PolicyOnline/PolicyDetails?key=725&code=BBFB> 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, both (Legal) and (Local) 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.

The Board finds that that no non-disclosed conflicts of interest exist as to the Application for which these Findings are being made, as of the time of action on these Findings.

Board Finding Number 19.

The Board directs that a link on its website be established to the Comptroller's Office Website 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 13th day of December 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
NECHES VALLEY POWER LLC (#1858)**

DECEMBER 13, 2022

FINDINGS OF THE BEAUMONT INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
NECHES VALLEY POWER LLC (#1858)

STATE OF TEXAS §

COUNTY OF JEFFERSON §

On December 13, 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 Neches Valley Power 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 May 5, 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, including all amendments and supplements thereto, was determined to be complete as of June 29, 2022. A copy of the Application is attached as **Attachment A**.

The Applicant, (Texas Taxpayer Id. 32084513764), 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(a-1). 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 §313.025(d), and a Comptroller Certificate was issued on _____, 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 MoakCasey, LLC, is attached to these findings as **Attachment D**. An estimated financial impact of the project, which incorporates the terms of the Limitation Agreement, has been presented to the Board of Trustees.

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.

Both Section 6 of the Application, **Attachment A**, and the Comptroller's Certificate, Attachment C, establish that the property described by the Applicant is eligible for a limitation under §313.024.

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 and Attachment C, 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.

The review of the Application by the Comptroller's Office indicated that the number of jobs and the average salary level of qualifying jobs—based on Texas Workforce Commission data—complies with current Tex. Tax Code §313.021(5)(B) requirement that qualifying jobs must pay 110 percent of the county average manufacturing wage. **Attachments A and C.** This amount is determined to be \$50,407 annually. 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.

Based on its Application, the Company proposes to create one (1) qualifying jobs and is requesting a job waiver from Beaumont ISD, which is consistent with the scale of the project.

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 the Texas Tax Code 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 non-qualifying jobs.

In its Application, Applicant has indicated it does not intend to create any non-qualifying jobs. For any non-qualifying jobs the Applicant creates, the Applicant will be required to pay at least the county average wage for all jobs in the county in accordance with the provisions of Tex. Tax Code §313.024(d). This amount is determined to be \$61,035 annually.

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 MoakCasey projects that the project would initially add \$165.0 million to the tax base that would be available for debt service purposes at the peak investment level for the 2028-29 school year. The District currently levies a \$0.2526 per \$100 I&S tax for voter-approved debt. Local taxpayers could see a benefit from an expansion of the I&S tax base.

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.

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 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 consultant has prepared a signed statement that the consultant has reviewed and verified the contents of the Application and has 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 consultant 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 consistent with the minimum values currently set out by Tax Code, § 313.054(a).

The Board of Trustees finds the minimum amount of qualified investment and the minimum amount of a limitation agreed to by the Board of Trustees under Texas Tax Code 313.022 or 313.052, as applicable, is consistent with the values set forth in the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2021 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year. The District is categorized as a "rural" school district due to being located in a Strategic Investment Area. Based on the Comptroller's 2021 property value study, the District's industrial total taxable value is \$5.9 billion. (**See Attachment E.**) It is classified as a Category I district, with more than \$200 million of industrial value, which may offer a minimum limitation value 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 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. 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. 32084513764) is eligible for the limitation on appraised value of qualified property as an active franchise-tax paying entity.

The Applicant, (Texas Taxpayer No. 32084513764), 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 finance report prepared by MoakCasey, LLC shows that the District will incur revenue losses in the initial and later years that the value limitation is in effect without the proposed Agreement under current law. 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/PolicyOnline/PolicyDetails?key=725&code=BBFA> and <https://pol.tasb.org/PolicyOnline/PolicyDetails?key=725&code=BBFB> 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, both (Legal) and (Local) 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.

The Board finds that that no non-disclosed conflicts of interest exist as to the Application for which these Findings are being made, as of the time of action on these Findings.

Board Finding Number 19.

The Board directs that a link on its website be established to the Comptroller's Office Website 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 13th day of December 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
ARKEMA INC. (#1945)**

DECEMBER 13, 2022

FINDINGS OF THE BEAUMONT INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
ARKEMA INC. (#1975)

STATE OF TEXAS §

COUNTY OF JEFFERSON §

On December 13, 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 Recurrent Energy Development Holdings, 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 completeness 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 May 5, 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 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. 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 delivered to the Comptroller for review pursuant to Texas Tax Code § 313.025(a-1). The Application, including all amendments and supplements thereto, was determined to be complete as of September 2, 2022. A copy of the Application is attached as **Attachment A**.

As of this date of these Findings, a period in excess of 90 days has elapsed since the determination by the Comptroller's Office that the Application is complete.

The Applicant, (Texas Taxpayer Id. 12309608904), 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 Application was reviewed by the Comptroller pursuant to Texas Tax Code §313.025(d). The Texas Comptroller's Office failed to timely provide the District with the economic impact evaluation and/or a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the District within 90 days from the date the Application was determined complete as required by Texas Tax Code §§313.025(b) and (d).

The Application was timely submitted and determined to be complete, i.e., the Applicant had provided all information necessary to evaluate the Application. An economic impact evaluation was timely requested. A period of 90 days has elapsed as required by Texas Tax Code §§313.025(b) and (d) during which the Comptroller provided the District written notice that the project met the requirements for eligibility for an appraised value limitation under Texas Tax Code 313, Subchapter C.

The written determination of eligibility constitutes a *de facto* Certificate for the Application but for the failure to include the economic impact study.

Under Texas Tax Code 313.025(b), the District shall "approve or disapprove an application not later than the 150th day after the date the application is filed, unless the economic impact evaluation has not been received or an extension is agreed to by the governing body and the applicant."

The Application establishes on its face, 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.

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 MoakCasey, LLC, is attached to these findings as **Attachment D**. An estimated financial impact of the project, which incorporates the terms of the Limitation Agreement, has been presented to the Board of Trustees.

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 reviewing the application 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.

Section 6 of the Application, **Attachment A**, establishes that the property described by the Applicant is eligible for a limitation under §313.024.

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.

Board Finding Number 3.

Based on the information in the application, the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.

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, 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.

The number of jobs and the average salary level of qualifying jobs—based on Texas Workforce Commission data—complies with current Tex. Tax Code §313.021(5)(B) requirement that qualifying jobs must pay 110 percent of the county average manufacturing wage. **Attachments A and C.** This amount is determined to be \$50,406.40 annually. 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.

Based on its Application, the Company proposes to create ten (10) qualifying jobs which meets the statutory requirement.

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 the Texas Tax Code 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 non-qualifying jobs.

In its Application, Applicant has indicated it does not intend to create any non-qualifying jobs. For any non-qualifying jobs the Applicant creates, the Applicant will be required to pay at least the county average wage for all jobs in the county in accordance with the provisions of Tex. Tax Code §313.024(d). This amount is determined to be \$60,983 annually.

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 MoakCasey projects that the project would initially add \$96.6 million to the tax base that would be available for debt service purposes at the peak investment level for the 2025-26 school year. The District currently levies a \$0.2526 per \$100 I&S tax for voter-approved debt. Local taxpayers could see some benefit from an expansion of the I&S tax base.

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.

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 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 consultant has prepared a signed statement that the consultant has reviewed and verified the contents of the Application and has 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 consultant 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 consistent with the minimum values currently set out by Tax Code, § 313.054(a).

The Board of Trustees finds the minimum amount of qualified investment and the minimum amount of a limitation agreed to by the Board of Trustees under Texas Tax Code 313.022 or 313.052, as applicable, is consistent with the values set forth in the Texas Comptroller of Public Accounts’ School and Appraisal Districts’ Property Value Study

2021 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year. The District is categorized as a “rural” school district due to being located in a Strategic Investment Area. Based on the Comptroller’s 2021 property value study, the District’s industrial total taxable value is \$5.9 billion. **(See Attachment E.)** It is classified as a Category I district, with more than \$200 million of industrial value, which may offer a minimum limitation value 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 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. The Board relies on the certifications of its consultants to make this Finding. (**Attachment H**)

Board Finding Number 14.

The Applicant (Taxpayer No. 12309608904) is eligible for the limitation on appraised value of qualified property as an active franchise-tax paying entity.

The Applicant, (Texas Taxpayer No. 12309608904), 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 finance report prepared by MoakCasey, LLC shows that the District will incur revenue losses in the initial and later years that the value limitation is in effect without the proposed Agreement under current law. 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/PolicyOnline/PolicyDetails?key=725&code=BBFA> and <https://pol.tasb.org/PolicyOnline/PolicyDetails?key=725&code=BBFB> 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, both (Legal) and (Local) 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.

The Board finds that that no non-disclosed conflicts of interest exist as to the Application for which these Findings are being made, as of the time of action on these Findings.

Board Finding Number 19.

The Board directs that a link on its website be established to the Comptroller's Office Website 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.

Board Finding Number 21:

The Board:

- 1. approves the Application as submitted and determined to be complete by the Comptroller;**
- 2. approves the Agreement as timely submitted to the Comptroller's Office for review;**
- 3. grants an extension of the 150 days to approve or disapprove an application and for the final execution of this Agreement until 30 days after the Comptroller's Office provides the economic impact evaluation required by Texas Tax Code 313.025(b) and any other requirements of the Texas Tax Code;**

4. directs the Superintendent to notify the Comptroller of the extension of time and to demand completion of the economic impact study; and

5. authorizes the Board President and Secretary to execute the Agreement upon Comptroller's completion of the required statutory tasks.

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 under the terms and conditions set forth above. 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 13th day of December 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
LINDE INC. (#2083)**

DECEMBER 13, 2022

FINDINGS OF THE BEAUMONT INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
LINDE INC. (#2083)

STATE OF TEXAS §

COUNTY OF JEFFERSON §

On December 13, 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 Linde 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 June 16, 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, including all amendments and supplements thereto, was determined to be complete as of September 2, 2022. A copy of the Application is attached as **Attachment A**.

The Applicant, (Texas Taxpayer Id. 10612490507), 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(a-1). 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 §313.025(d), and a Comptroller Certificate was issued on November 28 , 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 MoakCasey, LLC, is attached to these findings as **Attachment D**. An estimated financial impact of the project, which incorporates the terms of the Limitation Agreement, has been presented to the Board of Trustees.

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.

Both Section 6 of the Application, **Attachment A**, and the Comptroller's Certificate, Attachment C, establish that the property described by the Applicant is eligible for a limitation under §313.024.

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 and Attachment C, 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.

The review of the Application by the Comptroller's Office indicated that the number of jobs and the average salary level of qualifying jobs—based on Texas Workforce Commission data—complies with current Tex. Tax Code §313.021(5)(B) requirement that qualifying jobs must pay 110 percent of the county average manufacturing wage. **Attachments A and C.** This amount is determined to be \$50,407 annually. 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.

Based on its Application, the Company proposes to create ten (10) qualifying jobs which meets the statutory requirement.

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 the Texas Tax Code 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 non-qualifying jobs.

In its Application, Applicant has indicated it does not intend to create any non-qualifying jobs. For any non-qualifying jobs the Applicant creates, the Applicant will be required to pay at least the county average wage for all jobs in the county in accordance with the provisions of Tex. Tax Code §313.024(d). This amount is determined to be \$61,035 annually.

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 MoakCasey projects that the project would initially add \$959.3 million to the tax base that would be available for debt service purposes at the peak investment level for the 2026-27 school year. The District currently levies a \$0.2526 per \$100 I&S tax for voter-approved debt. Local taxpayers could see a benefit from an expansion of the I&S tax base.

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.

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 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 consultant has prepared a signed statement that the consultant has reviewed and verified the contents of the Application and has 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 consultant 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 consistent with the minimum values currently set out by Tax Code, § 313.054(a).

The Board of Trustees finds the minimum amount of qualified investment and the minimum amount of a limitation agreed to by the Board of Trustees under Texas Tax Code 313.022 or 313.052, as applicable, is consistent with the values set forth in the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2021 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year. The District is categorized as a "rural" school district due to being located in a Strategic Investment Area. Based on the Comptroller's 2021 property value study, the District's industrial total taxable value is \$5.9 billion. (**See Attachment E.**) It is classified as a Category I district, with more than \$200 million of industrial value, which may offer a minimum limitation value 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 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. 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. 10612490507) is eligible for the limitation on appraised value of qualified property as an active franchise-tax paying entity.

The Applicant, (Texas Taxpayer No. 10612490507), 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 finance report prepared by MoakCasey, LLC shows that the District will incur revenue losses in the initial and later years that the value limitation is in effect without the proposed Agreement under current law. 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/PolicyOnline/PolicyDetails?key=725&code=BBFA> and <https://pol.tasb.org/PolicyOnline/PolicyDetails?key=725&code=BBFB> 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, both (Legal) and (Local) 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.

The Board finds that that no non-disclosed conflicts of interest exist as to the Application for which these Findings are being made, as of the time of action on these Findings.

Board Finding Number 19.

The Board directs that a link on its website be established to the Comptroller's Office Website 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 13th day of December 2022.

BEAUMONT INDEPENDENT SCHOOL DISTRICT

By: _____
President, Board of Trustees

ATTEST:

By: _____
Secretary, Board of Trustees



Board Exhibit Cover Sheet

Meeting Date: December 13, 2022

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

Agenda Item Title: Discussion and possible Board action to consider the waiver of job creation requirement requested by Neches Valley Power LLC Texas Comptroller File (No. 1858)

Cabinet Level Presenter(s): Cheryl Hernandez

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

Executive Summary: School districts have the option of providing a waiver of the jobs requirement if the Board determines that the job creation requirement set forth in Texas Tax Code 313.051(b) (i.e. 10 jobs), would exceed the industry standard for the number of employees reasonably necessary for the operation of the facility. The Applicant has provided the industry standard for the renewable energy sector for a solar project of this size. In line with industry standards, the Applicant intends to create 1 new job in the Beaumont ISD.

Recommendation: Approve the waiver of job creation requirement requested by Neches Valley Power LLC Texas Comptroller File (No. 1858)


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



A subsidiary of Canadian Solar

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www.recurrentenergy.com

Recurrent Energy Development Holdings, LLC

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

RE: Job Waiver Request – Recurrent Energy Development Holdings, LLC - Chapter 313 Application to Beaumont ISD

Dear Dr. Allen,

Recurrent Energy Development Holdings, LLC ("Recurrent") respectfully requests that Beaumont Independent School District's Board of Trustees waive the job requirement provision for its current Chapter 313 Application for Appraised Value Limitation on Qualified Property, as allowed by Section 313.025 (f - 1) of the Texas Tax Code. This waiver request is based on the school district's board findings that the job creation requirement exceeds the industry standard for the number of employees reasonably necessary to operate the facility.

Recurrent respectfully requests that Beaumont ISD make such finding and waive the standard Chapter 313 job creation requirement of ten (10) permanent, full-time jobs. The current industry standard for employment at a photovoltaic energy generation facility is one job per 100 megawatts (MW) of installed capacity. Recurrent has committed to create one (1) qualifying job associated with the proposed solar power project in Beaumont ISD.

As part of its proposed solar power generation project, Recurrent's investment in Beaumont ISD would create many temporary but relatively high-paying construction jobs in its development phase. While solar projects can create temporary construction and ancillary jobs during development, solar facilities themselves only require a relatively small operations and maintenance staff. The full-time, permanent qualifying jobs that Recurrent would create is in alignment with current industry standards for maintenance and operation job creation at similar facilities, as evidenced by the previously certified value limitation agreement applications and approved job waivers for virtually all similar solar power generation projects in Texas.

The permanent, full-time personnel at a solar power generation facility maintain and service the photovoltaic panels and inverters, underground electrical connections, substations, and other infrastructure associated with the safe and reliable operation of the facility. In addition to on-site staff, managers and/or technicians would provide remote support to the facility.

The development of Recurrent's proposed solar power generation facility would provide tangible economic benefit to Beaumont ISD and advance the renewable energy industry in Texas. Thank you for your consideration of this request and we look forward to a successful conclusion of the proposed project in Jefferson County.

Sincerely,

A handwritten signature in cursive script that reads "Spivey Paup".

Spivey Paup
Vice President, Recurrent Energy Development Holdings, LLC



Board Exhibit Cover Sheet

Meeting Date: December 13, 2022

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

Agenda Item Title: Approve Agreements with Neches Valley Power LLC (Comptroller Application No: 1858), Enterprise Products Operating LLC (Comptroller Application No: 1864), Arkema Inc. (Comptroller Application No: 1945), and Linde Inc. (Comptroller Application No: 2083) for an Appraised Value Limitation on Qualified Property District

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 Neches Valley Power LLC (Comptroller Application No: 1858), Enterprise Products Operating LLC (Comptroller Application No: 1864), Arkema Inc. (Comptroller Application No: 1945), and Linde Inc. (Comptroller Application No: 2083), 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

NECHES VALLEY POWER LLC

(Texas Taxpayer ID #32084513764)

Comptroller Application #1858

Dated

December 13, 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 **NECHES VALLEY POWER LLC**, Texas Taxpayer Identification Number 32084513764 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 May 5, 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 May 5, 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 September 12, 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 _____, 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 December 13, 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 December 13, 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 December 13, 2022, pursuant to the provisions of 313.025(f-1) of the TEXAS TAX CODE, the Board of Trustees waived the job creation requirement set forth in Section 313.051(b) of the TEXAS TAX CODE;

WHEREAS, on XXXX XX, 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 December 13, 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 NECHES VALLEY POWER LLC, (*Texas Taxpayer ID #32084513764*), 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 May 5, 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 date on which the project becomes commercially operational, has installed or constructed Qualified Property on the Land, and is able to generate electricity and is connected to the grid with an interconnection agreement.

“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.

“Applicable School Finance Law” means Chapters 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 48 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 49 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.

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 September 12, 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 December 13, 2022.
- C. The Qualifying Time Period for this Agreement:
 - i. Starts on January 1, 2026, 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 313.054 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 \$1,172.75 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)(5) as renewable energy electric generation.

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 Investment, and/or the Applicant's Qualified Property and such appeal remains unresolved, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal District.

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

Section 4.9. STATUTORY CHANGES AFFECTING M&O REVENUE. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in 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) days of receipt of written notice 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.

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.

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:

- i. the Applicant's Stipulated Supplemental Payment Amount, defined as Forty Percent (40%) of the Applicant's Net Tax Benefit, as the term is defined in Section 1.2, above; or,
- ii. the Net Aggregate Limit, as the term is defined in Section 1.2, above.
- iii. Each such payment shall be referred to herein as a "Supplemental Payment."

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 48.005 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 48.005 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 4.3, 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 4.5, 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 6.3, 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 sixty (60) 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
Facsimile: (409) 617-5184
Email: spier@bmtisd.com

C. Notices to the Applicant shall be addressed to its Authorized Representative as follows:

Office of General Counsel
Company: Neches Valley Power LLC
Physical: 98 San Jacinto Blvd, Ste 750, Austin, TX 78701
Mailing: 98 San Jacinto Blvd, Ste 750, Austin, TX 78701

Phone: (512) 240-9107
Email: legal@recurrentenergy.com

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.

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 ____ day of December, 2022.

NECHES VALLEY POWER LLC

BEAUMONT INDEPENDENT SCHOOL DISTRICT

By: _____

By: _____

Name: Spivey Paup,
Vice President

President,
Board of Trustees

ATTEST:

Secretary,
Board of Trustees

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

On December 13, 2022, at a duly-called meeting of the Beaumont Independent School District, and after a properly conducted Public Hearing concerning the matter, the Beaumont Independent School District adopted an Order creating *Neches Valley Power Reinvestment Zone No. 1*, in Jefferson County consisting of all land contained within the boundaries described in **Exhibit 1** and **Exhibit 4** below:

Parcel ID	Legal Description as provided by Jefferson CAD
130797	A HOUSTON ABS 33 TR 14 266.388 AC
400148	A HOUSTON-ABS 33 TR 12 392.42 AC

Parcel 130797

BEING all that certain tract of land out of and a part of the Southwest quarter of the A. Houston Survey, Abstract 33, in Jefferson County, Texas more particularly described as follows, to-wit:

BEGINNING at a galvanized pipe in the north line of the Old Sour Lake Road which is an extension of Calder Ave. and in the east right-of-way line of the Lower Neches Valley Authority irrigation canal, said beginning corner being located 150.00' EAST and 30.00' NORTH of the southwest corner of the southwest one-quarter of the A Houston League, Abstract 33, Jefferson County, Texas (see Note below*);

THENCE NORTH along the east line of the irrigation canal right-of-way, a distance of 2,969.82' to a point for corner in the Willow Marsh Drain Ditch at the southeast corner of the Dishman 400 acre tract described in a deed recorded in Volume 178, Page 68, Deed Records, Jefferson County, Texas;

THENCE S 68° 33' 13" East along said drain ditch for 175.00', at which location the drain ditch veers to the south and thence continuing along said course and along an old fence row, a total distance of 1,884.71 feet for this course to a galvanized pipe for corner at an angle point in said fence;

THENCE N 89° 54' 21" East, continuing along said fence row, a distance of 2,206.77' to a Yount-Lee Oil Company concrete monument for corner at the southeast corner of the Dishman Tract and the southwest corner of the Yount Tract described in deed recorded in Volume 590, Page 146, Deed Records of Jefferson County, Texas;

THENCE S 89° 53' 47" East, continuing along said fence row along the south line of the Yount Tract, a distance of 852.73' to Yount-Lee Oil Company concrete monument for corner;

THENCE S 0° 08' 55" West along the west line of the Yount Tract, a distance of 2,291.56' to a galvanized pipe for corner in the north line of the Old Sour Lake Road;

THENCE N 89° 53' 45" West along the north line of said road, a distance of 4,807.77' to the place of beginning, containing in area 266.388 acres of land more or less.

*NOTE- said beginning corner being the southwest corner of the Second Tract described in a Lanman Co. agreement recorded in Volume 177, Page 620, Deed Records, Jefferson County, Texas.

Parcel 400148

All that certain tract of land out of and a part of the A. Houston League, Abstract No. 33, Jefferson County, Texas, more particularly described as follows, to wit:

Beginning at an iron stake on the North right of way boundary of the Beaumont & Sour Lake Public Road, where same is intersected by the West boundary line of a 60 foot public road running North through the middle of the A. Houston League, for Southeast corner of this survey and the Southeast corner of the Southwest 1/4 of A. Houston League; thence North along the Western boundary line of said public road 6877 feet to a post for the Northeast corner of this 400 acre tract and on the South boundary line of a 60 foot public road running East and West through the A. Houston League: thence West along the South boundary line of said road, 2828 feet to an iron stake for the Northwest corner of this 400 acre survey, and is the Northeast corner of Dishman 400 acre tract; thence South along Dishman's East boundary line 4582 feet to a Cypress stake at Dishman's Southeast corner, for the Southwest corner of this 400 acre survey; thence East 874 feet to a stake for corner; thence South 2295 feet to an iron stake for Southwest corner of tract here conveyed, on the North boundary line of the Beaumont & Sour Lake Public Road; thence East along the North boundary line of said road 1954 feet to the place of beginning, containing 400 acres, more or less.

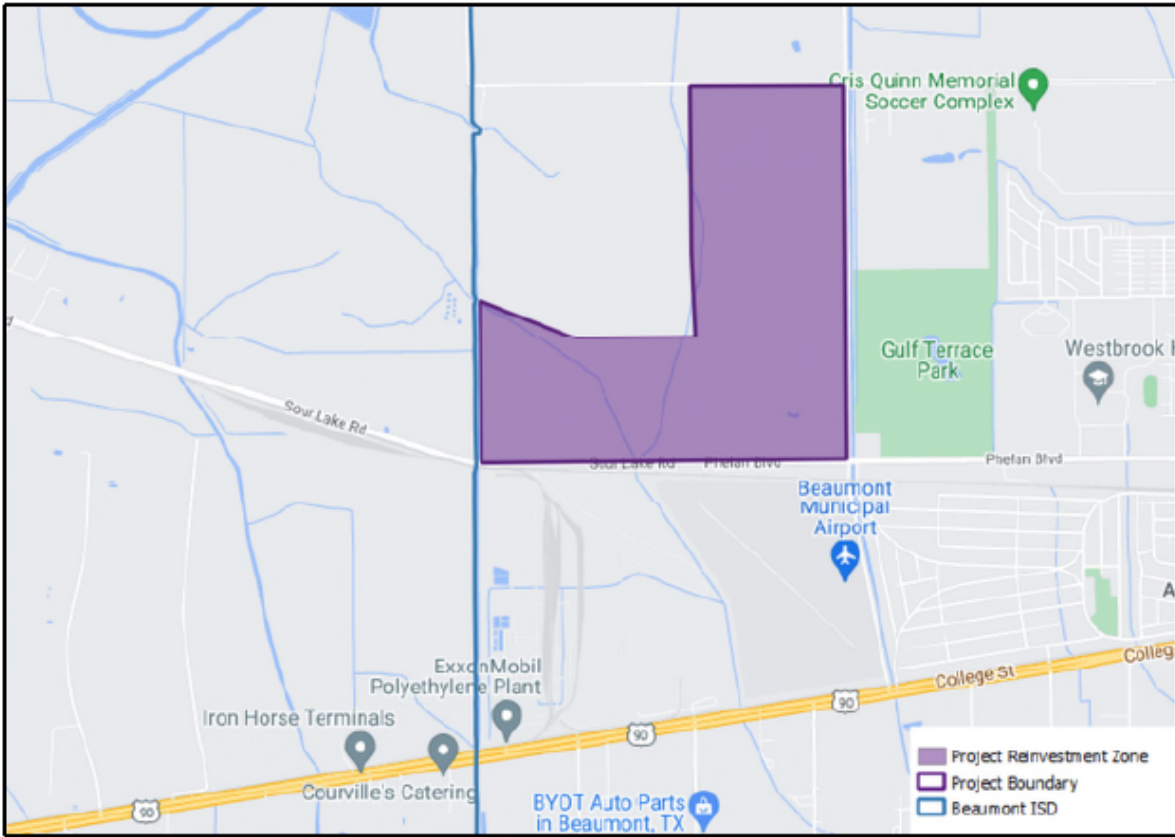


EXHIBIT 2
DESCRIPTION AND LOCATION OF LAND

All of the Applicant's Qualified Property and Applicant's Qualified Investment will be located within the boundaries of *Neches Valley Power Reinvestment Zone No. 1* 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 _____, 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 *Neches Valley Power Reinvestment Zone No. 1* depicted by the map attached to **Exhibit 4**.

Recurrent proposes the construction of a 200 MW (ac) PV power generation facility on approximately 1,420 acres of land in Jefferson County, to be located generally north of U.S. Highway 90 and south of State Highway 105, approximately eight miles west of Downtown Beaumont. The Project would be located in two different school districts: Beaumont ISD and Hardin-Jefferson ISD. This application concerns only the portion of the project located in Beaumont ISD. Please refer to Tab 6 for additional information regarding the details of the proposed split between the school districts.

This application covers all qualified investment and property in the reinvestment zone and project boundary within Beaumont ISD necessary for the commercial operations of the proposed solar farm, as described in Tab 4. The proposed qualified investment and property would include:

- Solar PV modules and panels
- Racking and mounting structures
- All necessary and ancillary equipment

- Power transformers
- Electrical substations
- Meteorological equipment
- Control systems necessary for commercial generation of electricity (a mixture of software, hardware, and firmware to discharge power onto the electric grid)

- Fencing and Paving
- Roadways
- Generation transmission tie line and associated towers
- Interconnection facilities
- Combiner boxes
- Foundations
- Electrical Power Collection Systems such as lithium-ion batteries (including inverters, wiring, and associated connectors). Such systems would only be used to store power generated by the Qualified Property in this Application within Beaumont ISD.

Please note, the map in Tab 11 shows the potential locations of proposed improvements within Beaumont ISD boundaries, however the final number of panels and inverters and the location of each of these facilities would be subject to change, dependent on ongoing negotiations with power purchasers and other business, market, or project development-related factors.

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

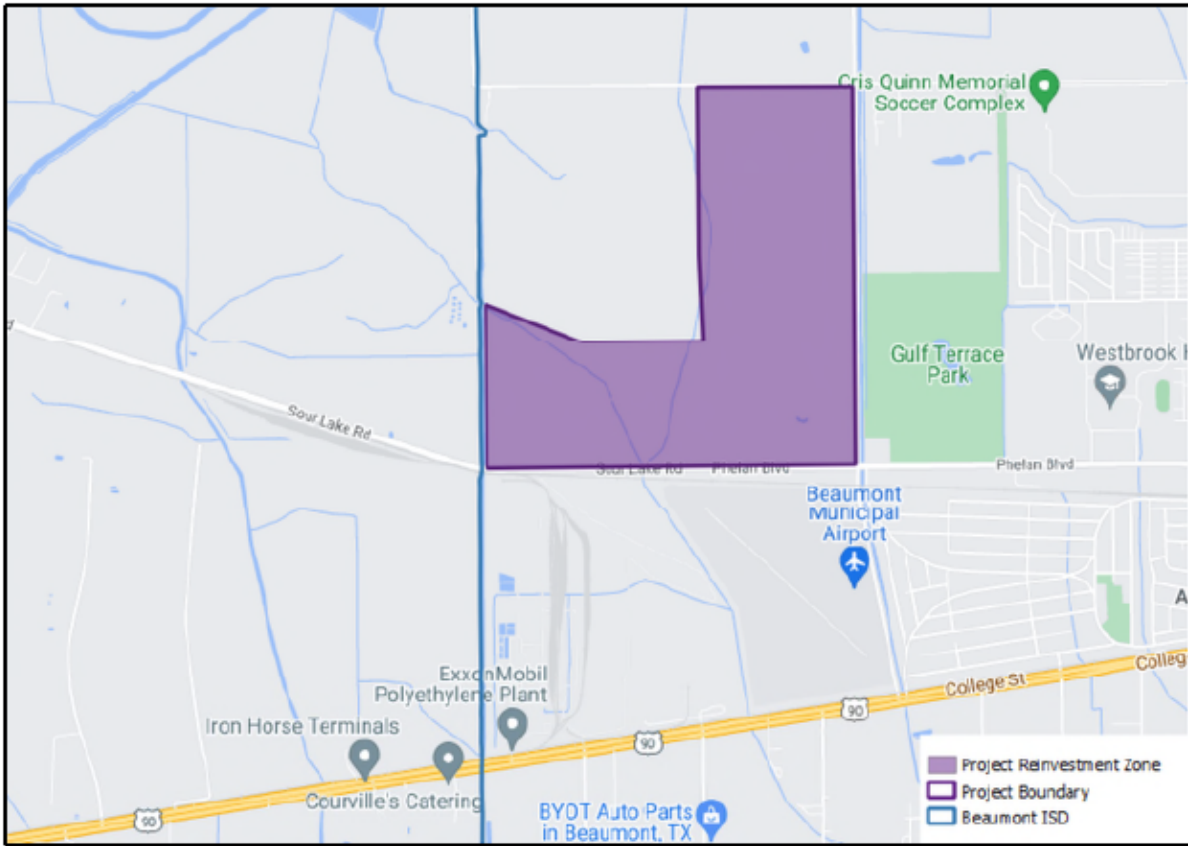
Applicant's Qualified Property shall be all tangible personal property first placed in service after _____, 2022, that is owned by the Applicant, as more fully described in Tab #8 of the Application and located within the boundaries of the Beaumont Independent School District and *Neches Valley Power Reinvestment Zone No. 1* depicted by the map attached to this **Exhibit 4**.

Recurrent proposes the construction of a 200 MW (ac) PV power generation facility on approximately 1,420 acres of land in Jefferson County, to be located generally north of U.S. Highway 90 and south of State Highway 105, approximately eight miles west of Downtown Beaumont. The Project would be located in two different school districts: Beaumont ISD and Hardin-Jefferson ISD. This application concerns only the portion of the project located in Beaumont ISD. Please refer to Tab 6 for additional information regarding the details of the proposed split between the school districts.

This application covers all qualified investment and property in the reinvestment zone and project boundary within Beaumont ISD necessary for the commercial operations of the proposed solar farm, as described in Tab 4. The proposed qualified investment and property would include:

- | | |
|--|--|
| <ul style="list-style-type: none">• Solar PV modules and panels• Racking and mounting structures• All necessary and ancillary equipment
• Power transformers• Electrical substations• Meteorological equipment• Control systems necessary for commercial generation of electricity (a mixture of software, hardware, and firmware to discharge power onto the electric grid) | <ul style="list-style-type: none">• Fencing and Paving• Roadways• Generation transmission tie line and associated towers• Interconnection facilities• Combiner boxes• Foundations• Electrical Power Collection Systems such as lithium-ion batteries (including inverters, wiring, and associated connectors). Such systems would only be used to store power generated by the Qualified Property in this Application within Beaumont ISD. |
|--|--|

Please note, the map in Tab 11 shows the potential locations of proposed improvements within Beaumont ISD boundaries, however the final number of panels and inverters and the location of each of these facilities would be subject to change, dependent on ongoing negotiations with power purchasers and other business, market, or project development-related factors.



Agreement for Limitation on Appraised Value
 Between Beaumont ISD and Neches Valley Power LLC

Texas Economic Development Act Agreement
Comptroller Form 50-826 (October 2020)



Estimated Financial Impact of the Neches Valley Power LLC Chapter 313 Property Value Limitation Request Submitted to Beaumont ISD

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
Year of Agreement	School Year	Project Taxable Value for M&O If No Limitation	Project Taxable Value for M&O With Limitation	Assumed M&O Tax Rate	Tax Savings To Company	ESTIMATED Revenue Protection Payment	Estimated Net Tax Benefits	EXAMPLE Supplemental Payment (40%)	Total Negotiated Payments to School District	Potential Company Tax Benefit
QTP0	2022-23	\$0	\$0	\$0.9089	\$0	\$0	\$0	\$0	\$0	\$0
	2023-24	\$0	\$0	\$0.9089	\$0	\$0	\$0	\$0	\$0	\$0
	2024-25	\$0	\$0	\$0.9089	\$0	\$0	\$0	\$0	\$0	\$0
	2025-26	\$0	\$0	\$0.9089	\$0	\$0	\$0	\$0	\$0	\$0
QTP1	2026-27	\$0	\$0	\$0.9089	\$0	\$0	\$0	\$0	\$0	\$0
QTP2	2027-28	\$31,250,000	\$31,250,000	\$0.9089	\$0	\$0	\$0	\$0	\$0	\$0
VL1	2028-29	\$165,000,000	\$30,000,000	\$0.9089	\$1,227,015	-\$1,269,644	-\$42,629	\$0	\$1,269,644	-\$42,629
VL2	2029-30	\$151,500,000	\$30,000,000	\$0.9089	\$1,104,314	\$0	\$1,104,314	\$441,725	\$441,725	\$662,588
VL3	2030-31	\$138,000,000	\$30,000,000	\$0.9089	\$981,612	\$0	\$981,612	\$392,645	\$392,645	\$588,967
VL4	2031-32	\$124,500,000	\$30,000,000	\$0.9089	\$858,911	\$0	\$858,911	\$343,564	\$343,564	\$515,346
VL5	2032-33	\$111,000,000	\$30,000,000	\$0.9089	\$736,209	\$0	\$736,209	\$294,484	\$294,484	\$441,725
VL6	2033-34	\$97,500,000	\$30,000,000	\$0.9089	\$613,508	\$0	\$613,508	\$245,403	\$245,403	\$368,105
VL7	2034-35	\$84,000,000	\$30,000,000	\$0.9089	\$490,806	\$0	\$490,806	\$196,322	\$196,322	\$294,484
VL8	2035-36	\$70,500,000	\$30,000,000	\$0.9089	\$368,105	\$0	\$368,105	\$147,242	\$147,242	\$220,863
VL9	2036-37	\$57,000,000	\$30,000,000	\$0.9089	\$245,403	\$0	\$245,403	\$98,161	\$98,161	\$147,242
VL10	2037-38	\$43,500,000	\$30,000,000	\$0.9089	\$122,702	\$0	\$122,702	\$49,081	\$49,081	\$73,621
VP1	2038-39	\$40,000,000	\$40,000,000	\$0.9089	\$0	\$0	\$0	\$0	\$0	\$0
VP2	2039-40	\$40,000,000	\$40,000,000	\$0.9089	\$0	\$0	\$0	\$0	\$0	\$0
VP3	2040-41	\$40,000,000	\$40,000,000	\$0.9089	\$0	\$0	\$0	\$0	\$0	\$0
VP4	2041-42	\$40,000,000	\$40,000,000	\$0.9089	\$0	\$0	\$0			\$0
VP5	2042-43	\$40,000,000	\$40,000,000	\$0.9089	\$0	\$0	\$0			\$0
TOTALS					\$6,748,583	-\$1,269,644	\$5,478,939	\$2,208,627	\$3,478,271	\$3,270,312

QTP = Qualifying Time Period
VL = Value Limitation
VP = Viable Presence

Fully taxable for I&S

Loss of M&O taxes plus Tier II state aid would have earned on those taxes

Actual amount and when paid is negotiated during Agreement process

% Gross Tax Savings **51.5%** **48.5%**

Future legislative action on school funding could potentially affect the impact of the value limitation on the school district's finances and result in revenue-loss estimates that differ from the estimates presented in this table.

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

by and between

BEAUMONT INDEPENDENT SCHOOL DISTRICT

and

ENTERPRISE PRODUCTS OPERATING LLC

(Texas Taxpayer ID #12604305396)

Comptroller Application #1864

Dated

December 13, 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 **ENTERPRISE PRODUCTS OPERATING LLC**, Texas Taxpayer Identification Number 12604305396 hereinafter referred to as the “Applicant.” The Applicant and the District are hereinafter sometimes referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, on May 5, 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 May 5, 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 June 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 September 23, 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 December 13, 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 December 13, 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 XXXX XX, 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 December 13, 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 Enterprise Products Operating LLC, (*Texas Taxpayer ID #12604305396*), 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 May 5, 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 48.005 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 2025, 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 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.

"Cumulative Payments" means for any Tax Year during the term of this Agreement, the total of all payments, calculated under Article IV, V and VI of this Agreement, for such Tax Year which are paid by or owed by the Applicant to the District, plus all payments, calculated under Article IV, V and VI of this Agreement, paid by or owed by the Applicant for all previous Tax Years during the term of this Agreement.

"Maintenance and Operations Revenue" or "M&O Revenue" means (i) those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to 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.

"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 and 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 Tax Year 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 first year of the Qualifying Time Period and ending on the Final Termination Date as set forth in Section 2.3 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 June 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 _____, 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 \$1,148.50 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 project.

ARTICLE IV

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES. Subject to the limitations contained in Section 7.1 of this Agreement, 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. Subject to the limitations contained in Section 7.1 of 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 Twenty-Two Thousand Dollars (\$22,000.00).

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) days 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. CUMULATIVE PAYMENT LIMITATION. In no event shall the Cumulative Payments calculated for a Tax Year of this Agreement exceed an amount equal to One Hundred Percent (100%) of the Applicant’s Cumulative 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. Any of the Cumulative Payments which cannot be paid to the District on or before January 31 after the end of the third Tax Year following the end of the Tax Limitation Period (*i.e.*, the Tax Year 2037) because such payment would exceed the Applicant’s cumulative Unadjusted Tax Benefit under this Agreement will be deemed to have been cancelled by operation of law, and the Applicant shall have no further obligation with respect thereto.

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. SUPPLEMENTAL PAYMENT AMOUNT. Applicant shall pay to the District the Supplemental Payments set forth on the following schedule on the payment due dates shown on the following schedule.

TAX YEAR	PAYMENT DUE DATE	AMOUNT OF ANNUAL PAYMENT
2025	January 31, 2025	\$\$1,474,400

2026	January 31, 2026	\$1,474,400
2027	January 31, 2027	\$1,474,400
2028	January 31, 2028	\$1,474,400
2029	January 31, 2029	\$1,474,400
2030	January 31, 2030	\$1,474,400
2031	January 31, 2031	\$1,474,400
2032	January 31, 2032	\$1,474,400
2033	January 31, 2033	\$1,474,400
2034	January 31, 2034	\$1,474,400
2035	January 31, 2035	\$1,474,400
2036	January 31, 2036	\$1,474,400
2037	January 31, 2037	\$1,474,400
2038	January 31, 2038	\$1,474,400
2039	January 31, 2039	\$1,474,400
2040	December 31, 2040	\$1,474,400

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.

Notwithstanding the foregoing, or anything to the contrary contained in this Agreement (including, but not limited to, Article VII) if the Applicant notifies the District in writing that it will not commence construction of the Applicant’s Qualified Investment, then the Applicant shall have no obligation to pay any Supplemental Payment otherwise due for any tax year commencing after the date the Applicant provides such written notification to the District.

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 48.005 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 48.005 of the TEXAS EDUCATION CODE, based upon the District’s

2020-2021 Average Daily Attendance of 14,744, rounded to the nearest whole number.

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 6.1 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 6.3, 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
Facsimile: (409) 617-5184
Email: spier@bmtisd.com

C. Notices to the Applicant shall be addressed to its Authorized Representative as follows:

Curt Tate
Senior Tax Director
Enterprise Products Operating LLC
1100 Louisiana Street
Houston, Texas 7710
Phone: (713) 381-8071
Facsimile: (713) 887-7139
Email: ctate@eprod.com

With Copies to:

<u>Enterprise Products Operating LLC</u>	<u>Timothy E. Young</u>
<u>Attn: General Counsel</u>	<u>Ikard Young LLP</u>
<u>P.O. Box 4018</u>	<u>2901 Via Fortuna, Suite 450</u>
<u>Houston, Texas 77210-4018</u>	<u>Austin, Texas 78746</u>
<u>Email: generalcounsel@eprod.com</u>	<u>Phone: (512) 275-7894)</u>
	<u>Facsimile: (512) 275-7333</u>
	<u>Email: tim@ikardyoung.com</u>

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 TAXCODE.

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 ___th day of _____, 2022.

Enterprise Products Operating LLC
 By: Enterprise Products OLPGP, Inc.,
 its Sole Manager

**BEAUMONT INDEPENDENT
 SCHOOL DISTRICT**

By: _____
 Penny R. Houy
 Senior Vice President, Tax

By: _____
 President, Board of Trustees

By: _____
 Curt Tate
 Senior Director, Tax

ATTEST:

 Secretary, Board of Trustees

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

On December 13, 2022, at a duly-called meeting of the Beaumont Independent District Board of Trustees, and after a properly conducted Public Hearing concerning the matter, the Beaumont Independent District Board of Trustees adopted a Resolution creating *Enterprise Products Reinvestment Zone*. All of the Applicant's Qualified Property and Applicant's Qualified Investment will be located within the boundaries of the *Enterprise Products Reinvestment Zone* and the Beaumont Independent School District.



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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 *Enterprise Products 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**.

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EXHIBIT 2

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

Applicant's Qualified Investment shall be all tangible personal property first placed in service during the Qualifying Time Period, 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 *Enterprise Products Reinvestment Zone* depicted by the maps attached to **EXHIBIT 1 AND EXHIBIT 4**.

Enterprise Products Operating LLC ("Enterprise") is proposing a new Ethylene manufacturing facility at our Beaumont Marine West property along the Neches River in Jefferson County the proposed project is a facility to manufacture ethylene, a primary petrochemical intermediate that is further processed into polyethylene resin. This resulting product is used in the manufacture of plastics for pipe, bags, food and beverage containers, household chemicals bottles, and other products. The proposed Ethane Cracker unit has a designated ethylene production capacity of 2,000 kilotons per annum.

Ethane Cracker -Manufacturing process:

Ethane is fed to furnaces where it is cracked under severe conditions forming ethylene. The furnace outlet stream is fed to a water-based quench, to stop the reaction and prevent the formation of undesirable byproducts. Heavies, tar, and coke are removed and the cracked gas is compressed. Carbon dioxide and sulfur are removed from the cracked gas in a caustic scrubber. The compressed cracked gas is cooled and water is removed by molecular sieves.

The cracked gas is then fed to a cold box to further reduce temperature and then to a deethanizer where ethane/ethylene and lighter products are separated overhead. This overhead stream is partially hydrogenated to remove acetylene, which is converted to ethylene, and then is chilled before it is sent to the demethanizer. The demethanizer separates methane and hydrogen overhead for use as fuel gas.

The demethanizer bottom stream is sent to the ethylene splitter. Polymer-grade ethylene is the overhead product of the splitter, while ethane in the bottom stream is recycled to the furnaces.

The deethanizer bottoms stream is sent to the depropanizer. The overhead product of the depropanizer is a mixed propylene and byproduct stream that is partially hydrogenated to remove MAPD (methyl acetylene & propadiene), which is converted to propylene and sent to storage.

The depropanizer bottoms is a stream of butanes and heavier that is sent to the debutanizer. The overhead product of the debutanizer is a mixed butane stream that is sent to storage. The bottoms from the debutanizer is a light pygas product that is sent to storage.

Enterprise Products Operating LLC ("Enterprise") is proposing a new Ethylene manufacturing facility at our Beaumont Marine West property along the Neches River in Jefferson County the proposed project is a facility to manufacture ethylene, a primary petrochemical intermediate that is further processed into polyethylene resin. This resulting product is used in the manufacture of plastics for pipe, bags, food and beverage containers, household chemicals bottles, and other products. The proposed Ethane Cracker unit has a designated ethylene production capacity of 2,000 kilotons per annum.

Ethane Cracker -Significant components of the facility would include:

- ❖ The facility consists of the following:
 - ▶ Cracking furnaces and supporting steam production system including boilers, water treatment facilities, and a cooling tower
 - ▶ Quench tower and separation
 - ▶ Cracked gas compression train, acid gas removal, and dehydration
 - ▶ Compressed gas refrigeration cold box and lights removal
 - ▶ Fractionation and hydrogenation conversion to ethylene and propylene
 - ▶ Propylene refrigeration system for chilling of cracked gas in the cold box and fractionation feed/product streams
 - ▶ Ethylene or methane/ethylene refrigeration system for chilling of cracked gas in the cold box and fractionation feed/product streams

The major component of this unit includes, but is not limited to the following:

- Cooling tower
- Caustic tower
- Feed coalescer
- Ethane furnaces
- Absorber tower
- Process vessels
- Thermocouples
- Process Piping
- Process Pumps
- Motors
- Exchangers
- Process analyzers
- Flare system
- Wastewater treatment unit
- Process tanks
- Storage tanks
- Process Control System
- Compression Equipment
- Distillation Columns

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

Applicant's Qualified Property shall be all tangible personal property first placed in service after the Application Review Start Date, 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 *Enterprise Products Reinvestment Zone* depicted by the maps attached to **EXHIBIT 1 AND EXHIBIT 4**.

Enterprise Products Operating LLC ("Enterprise") is proposing a new Ethylene manufacturing facility at our Beaumont Marine West property along the Neches River in Jefferson County the proposed project is a facility to manufacture ethylene, a primary petrochemical intermediate that is further processed into polyethylene resin. This resulting product is used in the manufacture of plastics for pipe, bags, food and beverage containers, household chemicals bottles, and other products. The proposed Ethane Cracker unit has a designated ethylene production capacity of 2,000 kilotons per annum.

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The cracked gas is then fed to a cold box to further reduce temperature and then to a deethanizer where ethane/ethylene and lighter products are separated overhead. This overhead stream is partially hydrogenated to remove acetylene, which is converted to ethylene, and then is chilled before it is sent to the demethanizer. The demethanizer separates methane and hydrogen overhead for use as fuel gas.

The demethanizer bottom stream is sent to the ethylene splitter. Polymer-grade ethylene is the overhead product of the splitter, while ethane in the bottom stream is recycled to the furnaces.

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Enterprise Products Operating LLC ("Enterprise") is proposing a new Ethylene manufacturing facility at our Beaumont Marine West property along the Neches River in Jefferson County the proposed project is a facility to manufacture ethylene, a primary petrochemical intermediate that is further processed into polyethylene resin. This resulting product is used in the manufacture of plastics for pipe, bags, food and beverage containers, household chemicals bottles, and other products. The proposed Ethane Cracker unit has a designated ethylene production capacity of 2,000 kilotons per annum.

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- ❖ The facility consists of the following:
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 - ▶ Propylene refrigeration system for chilling of cracked gas in the cold box and fractionation feed/product streams
 - ▶ Ethylene or methane/ethylene refrigeration system for chilling of cracked gas in the cold box and fractionation feed/product streams

The major component of this unit includes, but is not limited to the following:

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- Caustic tower
- Feed coalescer
- Ethane furnaces
- Absorber tower
- Process vessels
- Thermocouples
- Process Piping
- Process Pumps
- Motors
- Exchangers
- Process analyzers
- Flare system
- Wastewater treatment unit
- Process tanks
- Storage tanks
- Process Control System
- Compression Equipment
- Distillation Columns



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

by and between

BEAUMONT INDEPENDENT SCHOOL DISTRICT

and

ARKEMA INC.

(Texas Taxpayer ID #12309608904)

Comptroller Application #1945

Dated

December 13, 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 **ARKEMA INC.**, Texas Taxpayer Identification Number 12309608904 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 May 19, 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 May 19, 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 September 2, 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 Central Appraisal District established in Jefferson County, Texas (the “Jefferson Central 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 _____, 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 December 13, 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 December 13, 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 XXXX XX, 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 December 13, 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 Arkema Inc., (*Texas Taxpayer ID* #12309608904), 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 May 19, 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 Central 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 48.005 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 2023, 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 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 49 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 48 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 as of January 1 of the second Tax Year 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 first year of the Qualifying Time Period and ending on the Final Termination Date as set forth in Section 2.3 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 September 2, 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 December 13, 2022.

C. The Qualifying Time Period for this Agreement:

- i. Starts on January 1, 2023, 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, 2024, 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, 2025, first complete Tax Year that begins after the date of the commencement of Commercial Operation; and
- ii. Ends on December 31, 2034.

E. The Final Termination Date for this Agreement is December 31, 2039.

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 \$1,148.50 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 manufacturing.

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 V and/or Article VI 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 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 Investment, and/or the Applicant's Qualified Property and such appeal remains unresolved, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal District.

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

Section 4.9. STATUTORY CHANGES AFFECTING M&O REVENUE. Notwithstanding any other provision in 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) days of receipt of written notice 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.

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. SUPPLEMENTAL PAYMENT AMOUNT. Applicant shall pay to the District the Supplemental Payments set forth on the following schedule on the payment due dates shown on the following schedule.

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. 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 48.005 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 48.005 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 4.3, 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 4.5, 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
Facsimile: (409) 617-5184
Email: spier@bmtisd.com

C. Notices to the Applicant shall be addressed to its Authorized Representative as follows:

Katie Rasmussen
Tax Director
Arkema Inc.
900 First Avenue
King of Prussia, PA 19406
Phone: (610) 205-7656
Email: katie.rasmussen@arkema.com

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 ___th day of December, 2022.

Arkema Inc.

**BEAUMONT INDEPENDENT
SCHOOL DISTRICT**

By: _____
Katie Rasmussen
Tax Director

By: _____
President, Board of Trustees

ATTEST:

Secretary, Board of Trustees

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

On December 13, 2022, at a duly-called meeting of the Beaumont Independent District Board of Trustees, and after a properly conducted Public Hearing concerning the matter, the Beaumont Independent District Board of Trustees adopted a Resolution creating *Arkema Reinvestment Zone*. All of the Applicant's Qualified Property and Applicant's Qualified Investment will be located within the boundaries of the *Arkema Reinvestment Zone* and the Beaumont Independent School District.

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 *Arkema 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 during the Qualifying Time Period 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 *Arkema Reinvestment Zone* depicted by the maps attached to **EXHIBIT 1 AND EXHIBIT 4**.

Arkema proposes to build a new process unit in Jefferson County, Texas, on open space within its existing Beaumont, Texas site to produce intermediates used in refining and petrochemicals. To accommodate the potential new project the new Qualified Property would be designed to fit within the existing site on available land.

All Qualified Property for the proposed project would be new buildings, or new improvements erected or affixed to the land after the application review start date, or eligible tangible personal property first placed in service after the application review start date. No Qualified Property would be used to renovate, refurbish, upgrade, maintain, modify, improve, or functionally replace existing buildings or existing improvements.

The proposed improvements will include all process facilities, infrastructure, auxiliary equipment including, but not limited to the following significant components, most of which are typical operations of chemical manufacturing:

Feedstock & Logistics

The new facility will receive some of its feedstock from the existing Arkema Beaumont Plant (one current plant product is a raw material for this new unit) with the remaining feedstock being sourced from local refineries and delivered by trucks. The finished product would be shipped to support production in various markets including renewable diesel and refining via rail car or truck.

Major Equipment List

- Analyzers, Instrumentation & Controls
- Blower
- Chemical reactors
- Chiller
- Cooling Tower
- Compressors
- Distillation towers
- Steam generator
- Electrical motor control center
- Heat Exchangers and condensers
- Metering systems for raw materials
- Piping & Connections to existing piping
- Pumps
- Storage Tanks, drums and other vessels
- Product loading facility

*Texas Economic Development Act Agreement
Comptroller Form 50-826 (October 2020)*

EXHIBIT 4 DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

Applicant's Qualified Property shall be all tangible personal property first placed in service after the Application Approval Date 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 *Arkema Reinvestment Zone* depicted by the maps attached to **EXHIBIT 1 AND EXHIBIT 4**.

Arkema proposes to build a new process unit in Jefferson County, Texas, on open space within its existing Beaumont, Texas site to produce intermediates used in refining and petrochemicals. To accommodate the potential new project the new Qualified Property would be designed to fit within the existing site on available land.

All Qualified Property for the proposed project would be new buildings, or new improvements erected or affixed to the land after the application review start date, or eligible tangible personal property first placed in service after the application review start date. No Qualified Property would be used to renovate, refurbish, upgrade, maintain, modify, improve, or functionally replace existing buildings or existing improvements.

The proposed improvements will include all process facilities, infrastructure, auxiliary equipment including, but not limited to the following significant components, most of which are typical operations of chemical manufacturing:

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The new facility will receive some of its feedstock from the existing Arkema Beaumont Plant (one current plant product is a raw material for this new unit) with the remaining feedstock being sourced from local refineries and delivered by trucks. The finished product would be shipped to support production in various markets including renewable diesel and refining via rail car or truck.

Major Equipment List

- Analyzers, Instrumentation & Controls
- Blower
- Chemical reactors
- Chiller
- Cooling Tower
- Compressors
- Distillation towers
- Steam generator
- Electrical motor control center
- Heat Exchangers and condensers
- Metering systems for raw materials
- Piping & Connections to existing piping
- Pumps
- Storage Tanks, drums and other vessels
- Product loading facility

*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**

by and between

BEAUMONT INDEPENDENT SCHOOL DISTRICT

and

LINDE INC.

(Texas Taxpayer ID #10612490507)

Comptroller Application #2083

Dated

December 13, 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 **LINDE INC.**, Texas Taxpayer Identification Number 10612490507 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 June 16, 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 June 16, 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 September 2, 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 November 28, 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 December 13, 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 December 13, 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 XXXX XX, 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 December 13, 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 Linde Inc., (*Texas Taxpayer ID #10612490507*), 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 June 16, 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 48.005 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 2024, 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 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 48 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 49 of the TEXAS EDUCATION CODE.

“Material Breach” has the meaning set forth in Section 9.1 of this Agreement.

“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” and “option to terminate” mean 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 first year of the Qualifying Time Period 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 December 13, 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 September 2, 2022.

C. The Qualifying Time Period for this Agreement:

- i. Starts on January 1, 2024, 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, 2025, 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, 2026, first complete Tax Year that begins after the date of the commencement of Commercial Operation; and
- ii. Ends on December 31, 2035.

E. The Final Termination Date for this Agreement is December 31, 2040.

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 \$1,173.75 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 manufacturing.

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 V and/or Article VI 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 Dollars (\$15,000.00). For any Tax Year prior to the start of the Tax Limitation Period, Applicant shall not be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.8 which exceeds Seven Thousand Five Hundred Dollars (\$7,500.00).

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 ninety (90) 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 ninety (90) 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 Investment, and/or the Applicant's Qualified Property and such appeal remains unresolved, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal District.

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

Section 4.9. STATUTORY CHANGES AFFECTING M&O REVENUE. Notwithstanding any other

provision in 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) days of receipt of written notice 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.

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. SUPPLEMENTAL PAYMENT AMOUNT. Applicant shall pay to the District the Supplemental Payments set forth on the following schedule on the payment due dates shown on the following schedule based on the District 2020-2021 TEA ADA of 14,744.131.

TAX YEAR	PAYMENT DUE DATE	AMOUNT OF ANNUAL PAYMENT
2024	January 31, 2025	\$1, 474,414
2025	January 31, 2026	\$1, 474,414
2026	January 31, 2027	\$1, 474,414
2027	January 31, 2028	\$1, 474,414
2028	January 31, 2029	\$1, 474,414
2029	January 31, 2030	\$1, 474,414
2030	January 31, 2031	\$1, 474,414
2031	January 31, 2032	\$1, 474,414
2032	January 31, 2033	\$1, 474,414
2033	January 31, 2034	\$1, 474,414
2034	January 31, 2035	\$1, 474,414

2035	January 31, 2036	\$1, 474,414
2036	January 31, 2037	\$1, 474,414
2037	January 31, 2038	\$1, 474,414
2038	December 31, 2038	\$1, 474,414

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 48.005 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 48.005 of the TEXAS EDUCATION CODE, based upon the District’s Average Daily Attendance of 14,744 for the 2020-2021 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 4.5, above.

C. The payment of all amounts due under this Article shall be made shall be paid on the dates set forth in Section 6.1 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
Facsimile: (409) 617-5184
Email: spier@bmtisd.com

C. Notices to the Applicant shall be addressed to its Authorized Representative as follows:

Jeff Barnhard
Vice President, South Region
Linde Inc.
1585 Sawdust Road, Suite 300
The Woodlands, TX 77380
Phone: (281) 203-3522
Email: jeff.barnhard@Linde.com

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 ___th day of December, 2022.

Linde Inc.

BEAUMONT INDEPENDENT SCHOOL DISTRICT

By: _____
Jeff Barnhard
Vice President, South Region

By: _____
President, Board of Trustees

ATTEST:

Secretary, Board of Trustees

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

On December 13, 2022, at a duly-called meeting of the Beaumont Independent District Board of Trustees, and after a properly conducted Public Hearing concerning the matter, the Beaumont Independent District Board of Trustees adopted a Resolution creating *Linde Reinvestment Zone*. All of the Applicant's Qualified Property and Applicant's Qualified Investment will be located within the boundaries of the *Linde Reinvestment Zone* and the Beaumont Independent School District.

Point	Longitude		Latitude	
A	30-01' 20.04"	N	94-02' 12.98"	W
B	30-01' 13.46"	N	94-02' 05.35"	W
C	30-01' 02.67"	N	94-02' 15.16"	W
D	30-00' 19.48"	N	94-01' 25.39"	W
E	30-00' 13.11"	N	90-01' 30.48"	W
F	30-00' 28.58"	N	94-01' 51.63"	W
G	30-00' 11.39"	N	94-02' 08.78"	W
H	29-59' 44.88"	N	94-01' 53.90"	W
I	29-59' 33.40"	N	94-02' 06.00"	W
J	30-00' 22.29"	N	94-02' 33.08"	W
K	30-00' 25.06"	N	94-02' 27.77"	W
L	30-00' 20.19"	N	94-02' 19.55"	W
M	30-00' 35.85"	N	94-02' 03.02"	W
N	30-00' 59.88"	N	94-02' 32.00"	W

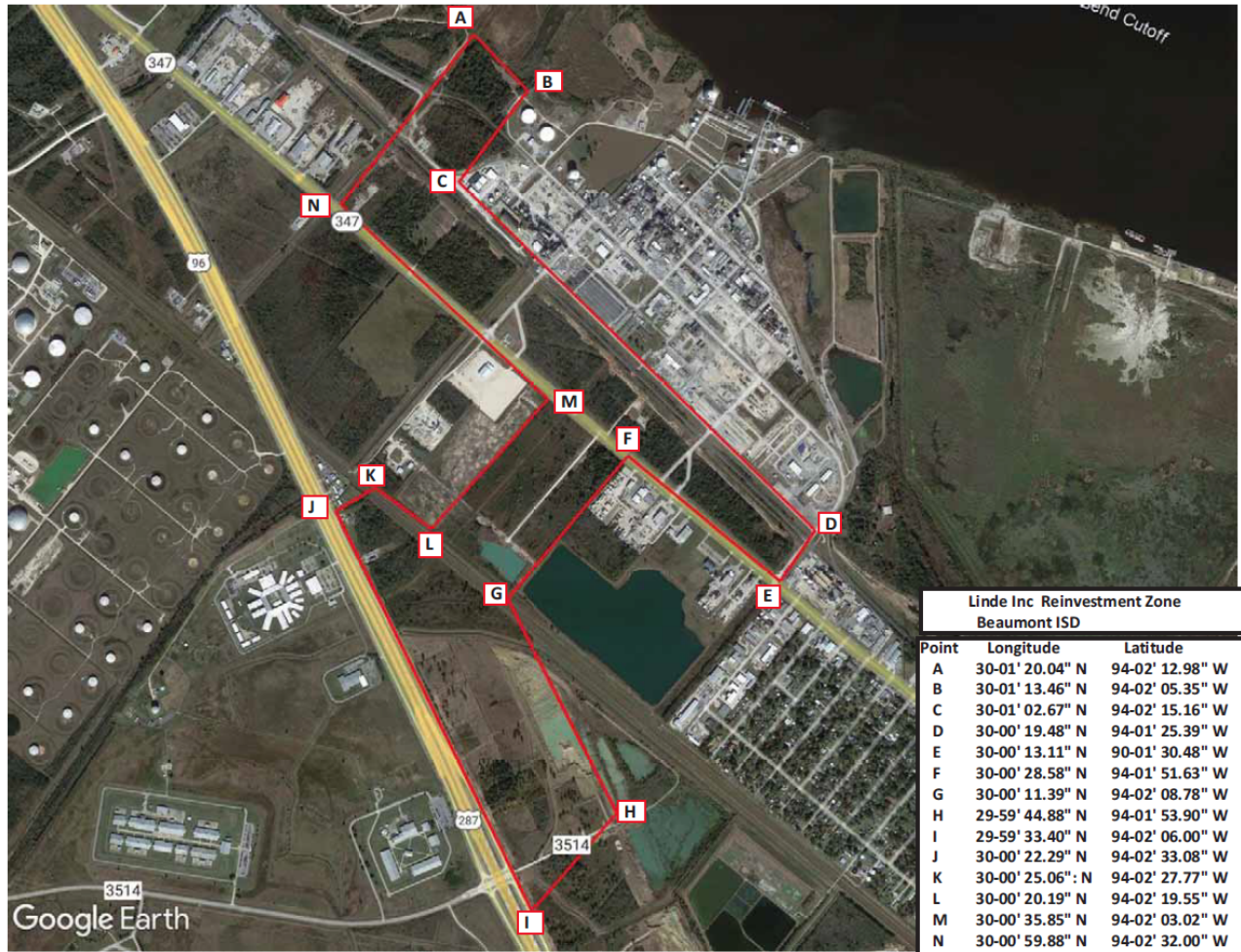


EXHIBIT 2

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 *Linde 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 _____, 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 *Linde Reinvestment Zone* depicted by the maps attached to **EXHIBIT 1 AND EXHIBIT 4**.

The proposed project consists of an Air Separation Units ("ASU"), an Auto Thermal Reactor (ATR) and carbon capture and sequestration facility for the manufacturing of hydrogen for merchant market. The proposed Project is to build, install and operate the necessary industrial gases to support an ammonia manufacturing facility currently under consideration by OCI Chemicals.

All of the property for which the Applicant is seeking a limitation on appraised value will be located entirely in Beaumont ISD and owned by the Applicant.

Below is a list of the new major equipment comprising the Qualified Investment for this project:

- Cryogenic storage tanks
- Compressors
- Heat exchangers
- Pumps
- Filters
- Insulation
- Electrical
- Switchgear
- Instrumentation equipment
- Control Equipment
- Industrial gas loading and unloading equipment and road works
- Industrial gas piping
- Site development and in-plant roads
- Utility piping, electrical substation modifications and water distribution
- Fired heater with NOx reduction system
- Catalyst-filled reactor vessels
- H2 purification equipment
- CO2 capture and compression equipment
- Steam drum and deaerator
- Cooling tower equipment
- Water clarification equipment
- Flare system
- Pumps
- Filters
- Transformers

*Texas Economic Development Act Agreement
Comptroller Form 50-826 (October 2020)*

- Instrument and structural foundation and supports
- Control Equipment
- Industrial gas piping

Also included in this application are all of the associated concrete foundations, new pipe supports, new intra-plant piping, intra-plant conduit and connections, control loops, safety systems, fire water protection, insulation, pollution control equipment and utilities necessary to safely operate the new equipment.

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

Applicant's Qualified Property shall be all tangible personal property first placed in service after _____, 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 *Linde Reinvestment Zone* depicted by the maps attached to **EXHIBIT 1 AND EXHIBIT 4**.

The proposed project consists of an Air Separation Units ("ASU"), an Auto Thermal Reactor (ATR) and carbon capture and sequestration facility for the manufacturing of hydrogen for merchant market. The proposed Project is to build, install and operate the necessary industrial gases to support an ammonia manufacturing facility currently under consideration by OCI Chemicals.

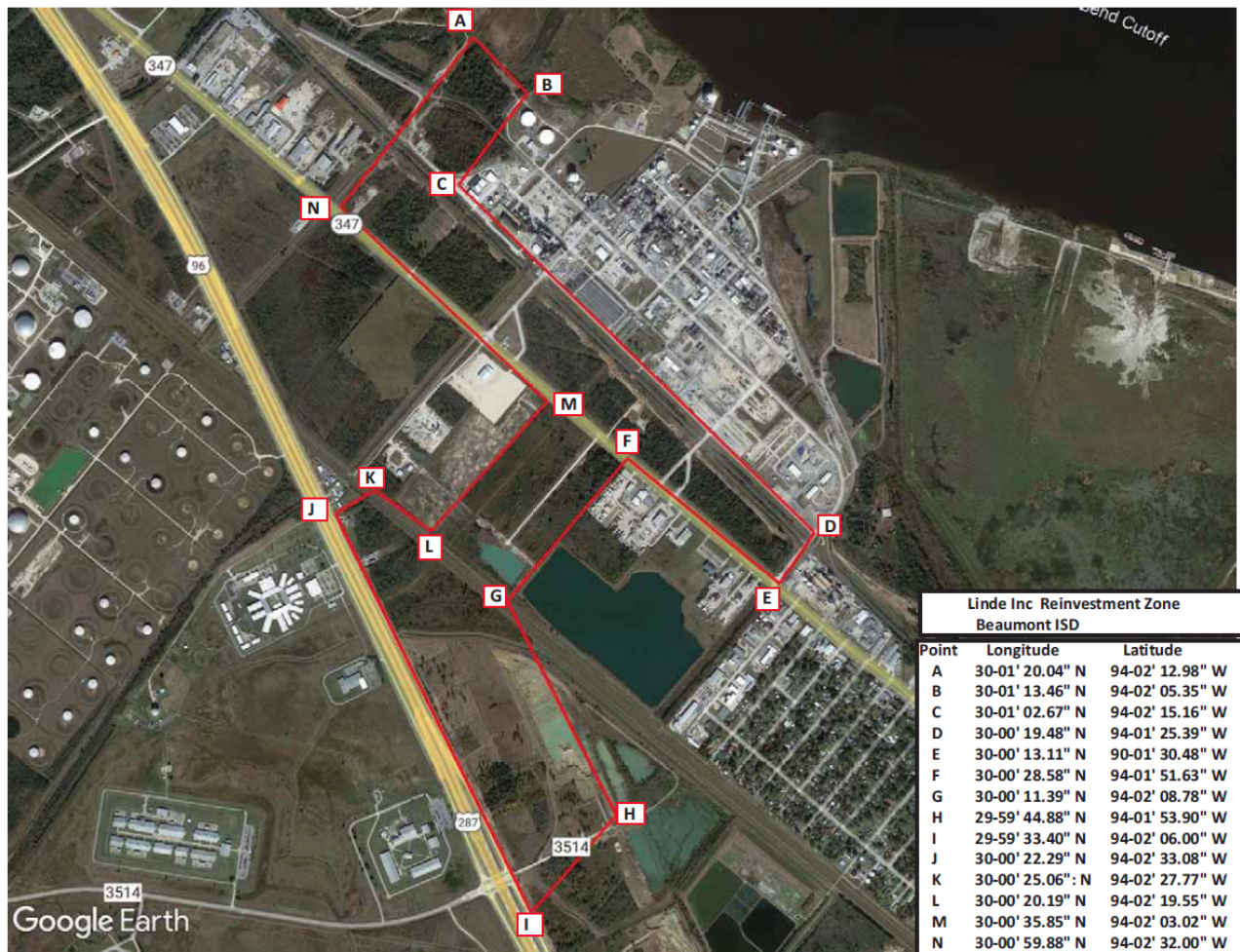
All of the property for which the Applicant is seeking a limitation on appraised value will be located entirely in Beaumont ISD and owned by the Applicant.

Below is a list of the new major equipment comprising the Qualified Investment for this project:

- Cryogenic storage tanks
- Compressors
- Heat exchangers
- Pumps
- Filters
- Insulation
- Electrical
- Switchgear
- Instrumentation equipment
- Control Equipment
- Industrial gas loading and unloading equipment and road works
- Industrial gas piping
- Site development and in-plant roads
- Utility piping, electrical substation modifications and water distribution
- Fired heater with NOx reduction system
- Catalyst-filled reactor vessels
- H2 purification equipment
- CO2 capture and compression equipment
- Steam drum and deaerator
- Cooling tower equipment
- Water clarification equipment
- Flare system
- Pumps
- Filters
- Transformers

- Instrument and structural foundation and supports
- Control Equipment
- Industrial gas piping

Also included in this application are all of the associated concrete foundations, new pipe supports, new intra-plant piping, intra-plant conduit and connections, control loops, safety systems, fire water protection, insulation, pollution control equipment and utilities necessary to safely operate the new equipment.





Board Exhibit Cover Sheet

Meeting Date: December 13, 2022

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

Agenda Item Title: Approve Revised Board Outcome Goals, Yearly Targets and Performance Objective Yearly Targets

Cabinet Level Presenter(s): Dr. Anita Frank

Additional Presenter(s):

Executive Summary: House Bill 3 requires school boards to work collaboratively with the superintendent to set five-year district goals on STAAR for 3rd grade math and reading and CCMR for graduates. These five-year district goals must contain yearly targets and targets for each student group identified under the closing the gaps domain. Performance objectives that are predictive of the district's goals must also be developed. The district goals and performance objectives have been reviewed and revised based on district data.

Recommendation: The recommendation is that the Board adopts the revised Board Outcome Goal, Yearly Targets and Performance Objective Yearly Targets.

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

Anita Frank

Cabinet Level Presenter's Signature

12/7/22

Date

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

Date

General Counsel's Signature

Date

**Beaumont Independent School District
Strategic Plan 2020 - 2025
Board Goals and Goal Performance Objectives**

1. The percent of 3rd grade students that score meets grade level or above on STAAR Reading will increase from **16%** to **55%** by June 2025.
2. The percent of 3rd grade students that score meets grade level or above on STAAR Math will increase from **11%** to **50%** by June 2025.
3. The percentage of graduates that meet the criteria for CCMR will increase from **36.6%** to **54%** by August 2025.
4. Beaumont ISD will improve its perception in the community as indicated on an annual *net promoter* survey score.
5. BISD will increase the percentage of students in “A or B” rated schools from 34% to 50% by August 2025.

Goal 1 - Early Literacy - : The percent of 3rd grade students that score meets grade level or above on STAAR Reading will increase from 16% to 55% by June 2025.

Early Literacy Performance Objectives:

- Performance Objective 1: The percent of PreK students meeting grade level criterion on the CIRCLE assessment in Reading will increase from 55% in October 2020 to 82% by May 2025.
- Performance Objective 2: The percent of K students meeting grade level criterion on the mCLASS assessment in Reading will increase from 19% in January 2021 to 56% by May 2025.
- Performance Objective 3: The percent of 1st-grade students meeting grade level criterion on the mCLASS assessment will increase from 22% in October 2020 to 55% by May 2025.
- Performance Objective 4: The percent of 2nd-grade students meeting grade level criterion on the mCLASS assessment will increase from 35% in October 2020 to 55% by May 2025.

Goal 2 - Early Math: The percent of 3rd grade students that score meets grade level or above on STAAR Math will increase from 11% to 50% by June 2025.

Early Math Performance Objectives:

- Performance Objective 1: The percent of PreK students meeting grade level criterion on the CIRCLE assessment in math will increase from 74% in October 2020 to 92% by June 2025.
- Performance Objective 2: The percent of K students meeting grade level criterion on the district Math assessment will increase from 51% in September 2020 to 85% by May 2025.
- Performance Objective 3: The percent of 1st-grade students meeting grade level criterion on the district Math assessment will increase from 30% in September 2020 to 70% by May 2025.
- Performance Objective 4: The percent of 2nd-grade students meeting grade level criterion on the district Math assessment will increase from 32% in September 2020 to 50% by May 2025.

Goal 3 -College, Career, and Military Readiness: The percentage of graduates that meet the criteria for CCMR will increase from 36.6% to 54% by August 2025.

College, Career, and Military Readiness Performance Objectives:

- Performance Objective 1: The percent of CCMR students that meet TSI criteria for Math and English Language Arts will increase from 25% to 28% by August 2025.
- Performance Objective 2: The percent of CCMR students that complete dual credit classes will increase from 11% to 20% by August 2025.
- Performance Objective 3: The percent of CCMR students that complete an industry-based certification will increase from 8% to 14% by August 2025.

Goal 4: Beaumont ISD will improve its perception in the community as indicated on an annual *net promoter* survey score.

Performance Objectives:

- Performance Objective 1: BISD will decrease the percentage of students removed from class for disciplinary reasons from 16% (2018-2019) to 10% by June 2025.
- Performance Objective 2: BISD will be good stewards of community resources by receiving a score of 90 or above on the annual FIRST Rating.
- Performance Objective 3: BISD will increase the scores received on an annual Net Promoter Survey given to parents and community members from 43% supporters to 61% supporters by 2025.
- Performance Objective 4: BISD will increase the scores received on an annual Net Promoter Survey given to students from 59% supporters to 77% supporters by 2025.

Goal 5: BISD will increase the percentage of students in “A or B” rated schools from 34% to 50% by August 2025.

Performance Objective:

- Performance Objective 1: BISD will increase the percentage of students in “A or B” rated schools from 34% to 50% by August 2025.