

Quail Run Carbon, LLC

Chapter 313 Application to Ector County ISD

Cummings Westlake, LLC

TAB 1

Pages 1 through 8 of application.

Application for Appraised Value Limitation on Qualified Property

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

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

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

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

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

When the Comptroller receives the notice and required information from the school district, and has determined that all assertions of confidentiality are appropriate, the Comptroller will publish all submitted non-confidential application materials on its website. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller's rules. For more information, see guidelines on Comptroller's website.

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. Pursuant to 9.1053(a)(1)(C), requested information shall be provided within 20 days of the date of the request. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project and issue a certificate for a limitation on appraised value to the school board regarding the application by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

The school board must approve or disapprove the application not later than the 150th day after the application review start date (the date the application is finally determined to be complete by the Comptroller), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to issue a certificate, complete the economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's website to find out more about the program at comptroller.texas.gov/economy/local/ch313/. There are links to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

SECTION 1: School District Information

1. Authorized School District Representative

May 18, 2021

Date Application Received by District

Dr. Scott

First Name

Muri

Last Name

Superintendent

Title

Ector County Independent School District

School District Name

802 N. Sam Houston

Street Address

P.O. Box 3912

Mailing Address

Odessa

City

732-456-9879

Phone Number

TX

State

432-456-9878

Fax Number

79760

ZIP

scott.muri@ectorcountysd.org

Email Address

Mobile Number (optional)

2. Does the district authorize the consultant to provide and obtain information related to this application?

Yes

No

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

<u>Fred</u> First Name	<u>Stormer</u> Last Name
<u>Attorney</u> Title	
<u>Underwood Law Firm, PC</u> Firm Name	
<u>806-379-0306</u> Phone Number	<u>806-379-0316</u> Fax Number
<u>NA</u> Mobile Number (optional)	<u>fred.stormer@uwlaw.com</u> Email Address

4. On what date did the district determine this application complete?

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

<u>Jeff</u> First Name	<u>Delgado</u> Last Name
<u>Managing Director</u> Title	<u>Starwood</u> Organization
<u>5 Greenwich Office Park</u> Street Address	
<u>5 Greenwich Office Park</u> Mailing Address	
<u>Greenwich</u> City	<u>CT</u> State
<u>203-422-7827</u> Phone Number	<u>na</u> Fax Number
<u>na</u> Mobile Number (optional)	<u>jdeldgado@starwood.com</u> Business Email Address
	<u>06831</u> ZIP

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

2a. If yes, please fill out contact information for that person.

<u>Keith</u> First Name	<u>Tracy</u> Last Name
<u>Principal</u> Title	<u>Elysian Ventures</u> Organization
<u>110 E. 42nd St. Suite 1310</u> Street Address	
<u>110 E. 42nd St. Suite 1310</u> Mailing Address	
<u>New York</u> City	<u>NY</u> State
<u>405-308-7289</u> Phone Number	<u>na</u> Fax Number
<u>na</u> Mobile Number (optional)	<u>ktracy@elysian.cc</u> Business Email Address
	<u>10017</u> ZIP

3. Does the applicant authorize the consultant to provide and obtain information related to this application? Yes No

SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

Brandon _____ Westlake _____
 First Name Last Name
 Partner _____
 Title
 Cummings Westlake, LLC _____
 Firm Name
 713-266-4456 _____ 713-266-2333 _____
 Phone Number Fax Number
 bwestlake@cwlp.net _____
 Business Email Address

SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district? Yes No
 The total fee shall be paid at the same time the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.

1a. If yes, include all transaction information below. Include proof of application fee paid to the school district in **Tab 2**. Any confidential banking information provided will not be publicly posted.

\$85,000 _____ Check _____
 Payment Amount Transaction Type
 Quail Run Carbon, LLC _____ Ector County ISD _____
 Payor Payee
 March 23, 2021 _____
 Date transaction was processed

For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.

2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? Yes No N/A
 3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? Yes No N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? _____ Quail Run Carbon, LLC
 2. Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) _____ 32074977078
 3. Parent Company Name _____ Elysian Ventures
 4. Parent Company Tax ID _____
 5. NAICS code _____ 325120
 6. Is the applicant a party to any other pending or active Chapter 313 agreements? Yes No
 6a. If yes, please list application number, name of school district and year of agreement _____

SECTION 5: Applicant Business Structure

1. Business Organization of Applicant (corporation, limited liability corporation, etc) _____ Limited Liability Company
 2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? Yes No
 2a. If yes, attach in **Tab 3** a copy of the most recently submitted Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.

SECTION 5: Applicant Business Structure (continued)

2b. Texas Franchise Tax Reporting Entity Taxpayer Name

Quail Run Carbon, LLC

2c. Reporting Entity Taxpayer Number

32074977078

3. Is the applicant current on all tax payments due to the State of Texas? Yes No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? Yes No N/A

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? Yes No
2. The property will be used for one of the following activities:
- (1) manufacturing Yes No
 - (2) research and development Yes No
 - (3) a clean coal project, as defined by Section 5.001, Water Code Yes No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code Yes No
 - (5) renewable energy electric generation Yes No
 - (6) electric power generation using integrated gasification combined cycle technology Yes No
 - (7) nuclear electric power generation Yes No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) Yes No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051* Yes No
3. Are you requesting that any of the land be classified as qualified investment? Yes No
4. Will any of the proposed qualified investment be leased under a capitalized lease? Yes No
5. Will any of the proposed qualified investment be leased under an operating lease? Yes No
6. Are you including property that is owned by a person other than the applicant? Yes No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? Yes No

*Note: Applicants requesting eligibility under this category should note that there are additional application and reporting data submission requirements.

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information. If the project is an amendment or a reapplication please specify and provide details regarding the original project.
2. Check the project characteristics that apply to the proposed project:
- Land has no existing improvements
 - Land has existing improvements (complete Section 13)
 - Expansion of existing operation on the land (complete Section 13)
 - Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? Yes No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? Yes No
3. Does the applicant have current business activities at the location where the proposed project will occur? Yes No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? Yes No
5. Has the applicant received any local or state permits for activities on the proposed project site? Yes No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? Yes No
7. Is the applicant evaluating other locations not in Texas for the proposed project? Yes No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? Yes No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? Yes No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? Yes No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

SECTION 9: Projected Timeline

NOTE: Only construction beginning after the application review start date (the date the Texas Comptroller of Public Accounts deems the application complete) can be considered qualified property and/or qualified investment.

1. Estimated school board ratification of final agreement October 2021
 2. Estimated commencement of construction Q4 - 2021
 3. Beginning of qualifying time period (MM/DD/YYYY) 01/01/2022
 4. First year of limitation (YYYY) 01/01/2024
- 4a. For the beginning of the limitation period, notate which **one of the following** will apply according to provision of 313.027(a-1)(2):
- A. January 1 following the application date B. January 1 following the end of QTP
- C. January 1 following the commencement of commercial operations
5. Commencement of commercial operations December 2023

SECTION 10: The Property

1. County or counties in which the proposed project will be located Ector County
2. Central Appraisal District (CAD) that will be responsible for appraising the property Ector CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property? Yes No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:

M&O (ISD): <u>Ector County ISD; 100%; \$1.0547</u> <small>(Name, tax rate and percent of project)</small>	I&S (ISD): <u>Ector County ISD; 100%; \$0.12322</u> <small>(Name, tax rate and percent of project)</small>
County: <u>Ector County; 100%; \$0.365</u> <small>(Name, tax rate and percent of project)</small>	City: <u>NA</u> <small>(Name, tax rate and percent of project)</small>
Hospital District: <u>Ector Co Hospital; 100%; \$0.150</u> <small>(Name, tax rate and percent of project)</small>	Water District: <u>NA</u> <small>(Name, tax rate and percent of project)</small>
Other (describe): <u>Odessa College; 100%; \$0.188965</u> <small>(Name, tax rate and percent of project)</small>	Other (describe): <u>NA</u> <small>(Name, tax rate and percent of project)</small>

SECTION 10: The Property (continued)

5. List all state and local incentives as an annual percentage. Include the estimated start and end year of the incentive:

County: NA
(Incentive type, percentage, start and end year)

City: NA
(Incentive type, percentage, start and end year)

Hospital District: NA
(Incentive type, percentage, start and end year)

Water District: NA
(Incentive type, percentage, start and end year)

Other (describe): NA
(Incentive type, percentage, start and end year)

Other (describe): NA
(Incentive type, percentage, start and end year)

6. Is the project located entirely within the ISD listed in Section 1? Yes No

6a. If no, attach in **Tab 6** maps of the entire project (depicting all other relevant school districts) and additional information on the project scope and size. Please note that only the qualified property within the ISD listed in Section 1 is eligible for the limitation from this application. Please verify that all information in **Tabs 7 and 8**, Section 11, 12 and 13, and map project boundaries pertain to only the property within the ISD listed in Section 1.

7. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? Yes No

7a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Texas Tax Code 313.021(1) Qualified Investment

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at comptroller.texas.gov/economy/local/ch313/.

1. At the time of application, what is the estimated minimum qualified investment required for this school district? 100,000,000

2. What is the amount of appraised value limitation for which you are applying? 100,000,000

Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.

3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? Yes No

4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
- a. a specific and detailed description of the qualified investment you propose to make within the project boundary for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
 - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).

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

SECTION 12: Texas Tax Code 313.021(2) Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] The description must include:
- 1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 8**);
 - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (**Tab 8**);
 - 1c. a map or site plan of the proposed qualified property showing the location of the new buildings or new improvements inside the project area boundaries within a vicinity map that includes school district, county and reinvestment zone boundaries (**Tab 11**); and
 - 1d. Will any of the proposed qualified property be used to renovate, refurbish, upgrade, maintain, modify, improve, or functionally replace existing buildings or existing improvements inside or outside the project area? Yes No

Note: Property used to renovate, refurbish, upgrade, maintain, modify, improve, or functionally replace existing buildings or existing improvements inside or outside the project area cannot be considered qualified property and will not be eligible for a limitation. See TAC §9.1051(16).

SECTION 12: Texas Tax Code 313.021(2) Qualified Property (continued)

2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? Yes No
- 2a. If yes, attach complete documentation including:
- a. legal description of the land (Tab 9);
 - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (Tab 9);
 - c. owner (Tab 9);
 - d. the current taxable value of the land, attach estimate if land is part of larger parcel (Tab 9); and
 - e. a detailed map showing the location of the land with vicinity map (Tab 11).
3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? Yes No
- 3a. If yes, attach the applicable supporting documentation:
- a. evidence that the area qualifies as an enterprise zone as defined by the Governor's Office (Tab 16);
 - b. legal description of reinvestment zone (Tab 16);
 - c. order, resolution or ordinance establishing the reinvestment zone (Tab 16);
 - d. guidelines and criteria for creating the zone (Tab 16); and
 - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (Tab 11)
- 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date.
- What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? _____

SECTION 13: Information on Property Not Eligible to Become Qualified Property

1. In Tab 10, attach a specific and detailed description of all **existing property within the project boundary**. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In Tab 10, attach a specific and detailed description of all **proposed new property within the project boundary that will not become new improvements** as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (statement 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property within the project boundary in response to statements 1 and 2 of this section, provide the following supporting information in Tab 10:
- a. maps and/or detailed site plan;
 - b. surveys;
 - c. appraisal district values and parcel numbers;
 - d. inventory lists;
 - e. existing and proposed property lists;
 - f. model and serial numbers of existing property; or
 - g. other information of sufficient detail and description.
4. Total estimated market value of existing property within the project boundary (that property described in response to statement 1): \$ _____ 0.00
5. In Tab 10, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property (that property described in response to statement 2): \$ _____ 0.00

Note: Investment for the property listed in statement 2 may count towards qualified investment in Column C of Schedules A-1 and A-2, if it meets the requirements of 313.021(1). Such property **cannot** become qualified property on Schedule B.

SECTION 14: Wage and Employment Information

1. What is the number of new qualifying jobs you are committing to create? 10
2. What is the number of new non-qualifying jobs you are estimating you will create? (See TAC 9.1051(14)) 0
3. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? Yes No
 - 3a. If yes, attach evidence of industry standard in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
4. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the Texas Workforce Commission website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22). **Note:** If a more recent quarter of information becomes available before the application is deemed complete, updated wage information will be required.
 - a. Non-qualified job wages
- average weekly wage for all jobs (all industries) in the county is \$ 1,187.75
 - b. Qualifying job wage minimum option §313.021(5)(A)
-110% of the average weekly wage for manufacturing jobs in the county is \$ 1,552.10
 - c. Qualifying job wage minimum option §313.021(5)(B)
-110% of the average weekly wage for manufacturing jobs in the region is \$ 962.48
5. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? §313.021(5)(A) or §313.021(5)(B)
6. What is the minimum required annual wage for each qualifying job based on the qualified property? \$ 50,049.00
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? \$ 50,049.00
8. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? Yes No
9. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? Yes No
 - 9a. If yes, attach in **Tab 13** supporting documentation from the TWC, pursuant to §313.021(3)(F).
10. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? Yes No
 - 10a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, and C in **Tab 14**. **Note:** Excel spreadsheet versions of schedules are available for download and printing at URL listed below.
2. Attach an Economic Impact Analysis, if supplied by an entity other than the Comptroller's office, in **Tab 15**. (*not required*)
3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.

TAB 2

Proof of Payment of Application Fee

Please find on the attached page, a copy of the check for the \$85,000 application fee paid to Ector County ISD.

TAB 3

*Documentation of Combined Group membership under Texas Tax Code 171.0001(7),
history of tax default, delinquencies and/or material litigation (if applicable)*

Not Applicable

TAB 4

Detailed Description of the Project

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

Quail Run Carbon, LLC (QRC) is requesting an appraised value limitation from Ector County Independent School District (ISD) for the Quail Run Carbon Capture Project (the "Project"), a proposed carbon capture facility that will capture 95% of the CO₂ emissions from the adjacent existing Quail Run Energy Center located in Ector County. A map showing the location of the project is included in Tab 11.

The proposed Project is anticipated to capture over 1.5 million metric tons of carbon dioxide per year from the existing Quail Run Energy Center in Ector County. The exact configuration of the carbon capture equipment will be determined during design and construction, but the carbon capture facility will be located on land owned by the Quail Run Energy Center with all improvements located in Ector County ISD. Current plans are to separate and capture the CO₂ emissions from the existing power plant, and the compress and dehydrate the CO₂ so that it can be pipelined off-site. The Applicant requests a value limitation for all facilities and equipment installed for the Project, including but not limited to: absorbers, compressors, cooling towers, dehydrators, heat exchangers, mounting equipment, pipes, pressure vessels, pumps, reboilers, scrubbers, support structures, steam equipment, turbines and other equipment used for the purpose of separating, purifying, compressing, drying and/or capturing carbon dioxide that would otherwise be released into the atmosphere.

Full construction of the Project is anticipated to begin in Q4 of 2021 with completion by December 31, 2023.

*NOTE: The map in Tab 11 shows the potential location of improvements within Ector County ISD boundaries; however, the final configuration and location of the project facilities is dependent on further design considerations and other factors.

TAB 5

Documentation to assist in determining if limitation is a determining factor.

Elysian is in the carbon capture business. Our vision is that mega-scale carbon capture will become an essential component of industrial processes currently emitting carbon oxides into the atmosphere. We develop and build projects.

Each of our senior team members has been involved in carbon capture for over a decade. In 2018, we began our collaboration to pursue the development of carbon capture and storage projects across a variety of sectors throughout the United States. Elysian is that venture.

These are anticipated to be first of a kind projects. Risks must be allocated efficiently among the parties with the capabilities of alleviating them: technology suppliers, plant designers, EPC contractors, project operators, feedstock suppliers, product off-takers, as well as investors providing equity, tax equity and debt.

Our approach relies on balanced commercial arrangements among the parties to ensure that the projects can be financed and that this model can be replicated across many carbon capture plants in multiple markets.

Elysian Ventures has various projects in development throughout the country and are continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, Elysian currently has ongoing project developments in many states, including but not limited to, Oklahoma.

Without the tax incentives in Texas, this project becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.

TAB 6

Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor (if applicable).

- | | |
|-----------------------------------|--------|
| 1) Ector County | - 100% |
| 2) Ector County ISD | - 100% |
| 3) Ector County Hospital District | - 100% |
| 4) Odessa Jr. College | - 100% |

TAB 7

Description of Qualified Investment

Quail Run Carbon, LLC plans to construct a carbon capture facility in Ector County.

This application covers all qualified property within Ector County ISD necessary for the commercial operations of the proposed carbon capture facility described in Tab 4. The Project will be located in wholly Ector County ISD. final configuration and location of the project facilities is subject to change.

This application covers all qualified investment and qualified property necessary for the commercial operations of the carbon capture facility.

Qualified Investment and qualified property includes but is not limited to; absorbers, compressors, cooling towers, dehydrators, heat exchangers, mounting equipment, pipes, pressure vessels, pumps, reboilers, scrubbers, support structures, steam equipment, turbines and other equipment used for the purpose of separating, purifying, compressing, drying and/or capturing carbon dioxide that would otherwise be released into the atmosphere.

*NOTE: The map in Tab 11 shows the potential location of improvements within Ector County ISD boundaries; however, the final configuration and location of the project facilities is dependent on further design considerations and other factors.

TAB 8

Description of Qualified Property

Quail Run Carbon, LLC plans to construct a carbon capture facility in Ector County.

This application covers all qualified property within Ector County ISD necessary for the commercial operations of the proposed carbon capture facility described in Tab 4. The Project will be located in wholly Ector County ISD. final configuration and location of the project facilities is subject to change.

This application covers all qualified investment and qualified property necessary for the commercial operations of the carbon capture facility.

Qualified Investment and qualified property includes but is not limited to; absorbers, compressors, cooling towers, dehydrators, heat exchangers, mounting equipment, pipes, pressure vessels, pumps, reboilers, scrubbers, support structures, steam equipment, turbines and other equipment used for the purpose of separating, purifying, compressing, drying and/or capturing carbon dioxide that would otherwise be released into the atmosphere.

*NOTE: The map in Tab 11 shows the potential location of improvements within Ector County ISD boundaries; however, the final configuration and location of the project facilities is dependent on further design considerations and other factors.

Quail Run Carbon, LLC

Chapter 313 Application to Ector County ISD

Cummings Westlake, LLC

TAB 9

Description of Land

Not Applicable

Quail Run Carbon, LLC

Chapter 313 Application to Ector County ISD

Cummings Westlake, LLC

TAB 10

Description of all property not eligible to become qualified property (if applicable)

None

TAB 11

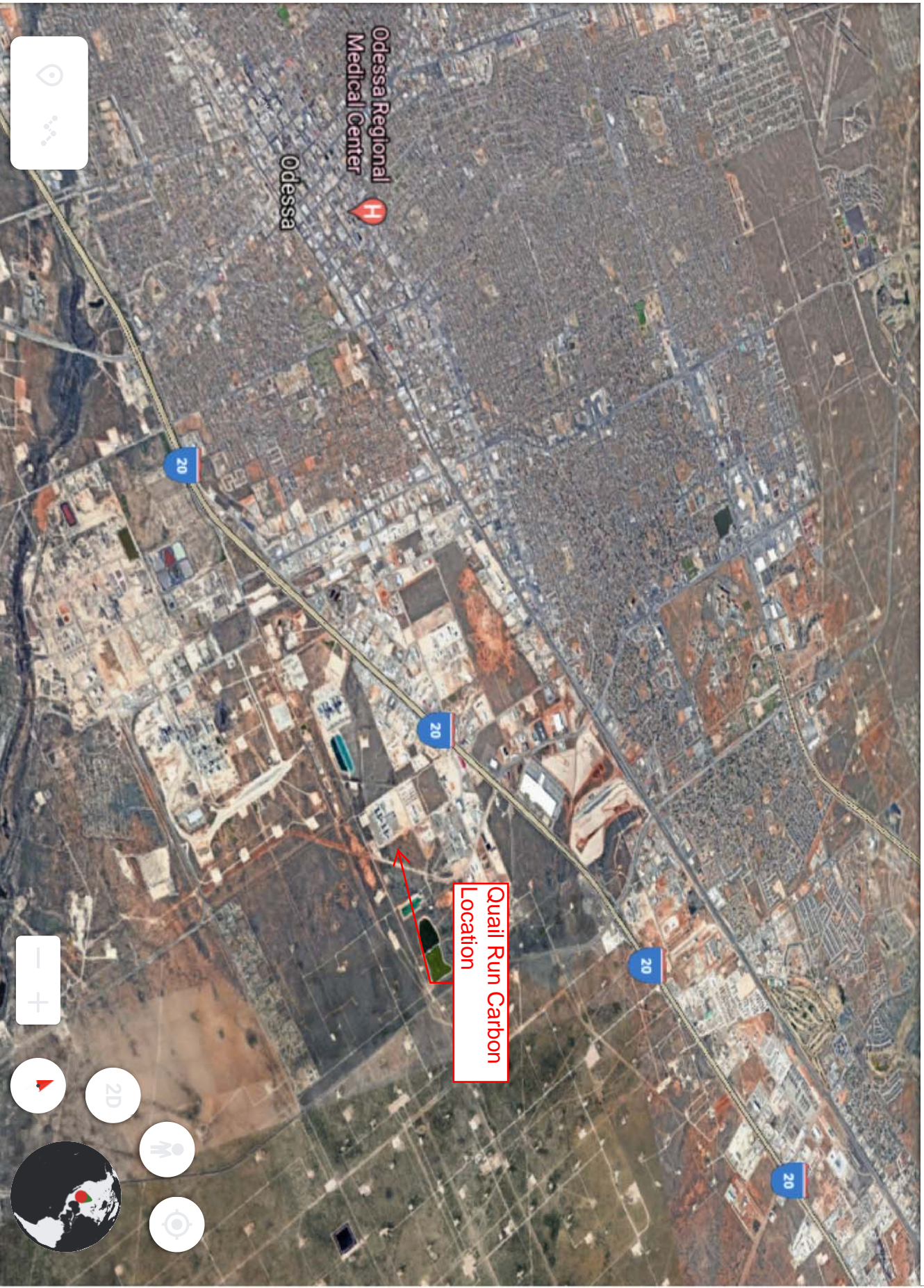
Maps that clearly show:

- a) Project vicinity
- b) Qualified investment including location of new building or new improvements
- c) Qualified property including location of new building or new improvements
- d) Existing property
- e) Land location within vicinity map
- f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size

You are currently running an experimental version of Earth.

[Learn more](#)

[Send feedback](#)



Odessa Regional
Medical Center
Odessa

Quail Run Carbon
Location

100%

1,000 m

Camera: 13,340 m 31°47'56"N 102°17'30"W 866 m



TAB 12

Request for Waiver of Job Creation Requirement and supporting information (if applicable)

Not Applicable

TAB 13

Calculation of three possible wage requirements with TWC documentation

- Ector County average weekly wage for all jobs (all industries)
- Ector County average weekly wage for all jobs (manufacturing)
- See attached Council of Governments Regional Wage Calculation and Documentation

**QUAIL RUN CARBON, LLC
TAB 13 TO CHAPTER 313 APPLICATION**

**ECTOR COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2020	\$ 1,249	\$ 64,948
SECOND	2020	\$ 1,134	\$ 58,968
THIRD	2020	\$ 1,093	\$ 56,836
FOURTH	2019	\$ 1,275	\$ 66,300
AVERAGE		\$ 1,187.75	\$ 61,763

**ECTOR COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2020	\$ 1,466	\$ 76,232
SECOND	2020	\$ 1,348	\$ 70,096
THIRD	2020	\$ 1,284	\$ 66,768
FOURTH	2019	\$ 1,546	\$ 80,392
AVERAGE		\$ 1,411	\$ 73,372
		X 110%	110%
		\$ 1,552.10	\$ 80,709

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
Permian Basin	2019	\$ 875	\$ 45,499
		X 110%	110%
		\$ 962.48	\$ 50,049

* SEE ATTACHED TWC DOCUMENTATION

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2020	01	Ector	Total All	10	Total, All Industries	1249
2020	02	Ector	Total All	10	Total, All Industries	1134
2020	03	Ector	Total All	10	Total, All Industries	1093
2019	04	Ector	Total All	10	Total, All Industries	1275

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2020	01	Ector	Private	31-33	Manufacturing	1466
2020	02	Ector	Private	31-33	Manufacturing	1348
2020	03	Ector	Private	31-33	Manufacturing	1284
2019	04	Ector	Private	31-33	Manufacturing	1546

**2019 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

COG	COG Number	Wages	
		Hourly	Annual
Panhandle Regional Planning Commission	1	\$22.31	\$46,399
South Plains Association of Governments	2	\$18.97	\$39,448
NORTEX Regional Planning Commission	3	\$20.38	\$42,395
North Central Texas Council of Governments	4	\$32.92	\$68,476
Ark-Tex Council of Governments	5	\$20.09	\$41,780
East Texas Council of Governments	6	\$28.95	\$60,211
West Central Texas Council of Governments	7	\$21.83	\$45,406
Rio Grande Council of Governments	8	\$18.15	\$37,749
Permian Basin Regional Planning Commission	9	\$21.87	\$45,499
Concho Valley Council of Governments	10	\$26.74	\$55,625
Heart of Texas Council of Governments	11	\$22.41	\$46,614
Capital Area Council of Governments	12	\$29.37	\$61,091
Brazos Valley Council of Governments	13	\$17.60	\$36,613
Deep East Texas Council of Governments	14	\$21.06	\$43,796
South East Texas Regional Planning Commission	15	\$25.52	\$53,079
Houston-Galveston Area Council	16	\$28.85	\$60,015
Golden Crescent Regional Planning Commission	17	\$21.43	\$44,565
Alamo Area Council of Governments	18	\$26.64	\$55,401
South Texas Development Council	19	\$18.70	\$38,889
Coastal Bend Council of Governments	20	\$34.94	\$72,668
Lower Rio Grande Valley Development Council	21	\$20.05	\$41,698
Texoma Council of Governments	22	\$18.40	\$38,280
Central Texas Council of Governments	23	\$21.07	\$43,821
Middle Rio Grande Development Council	24	\$22.74	\$47,296
Texas		\$27.25	\$56,673

Calculated by the Texas Workforce Commission Labor Market and Career Information Department.

Data published: August 2020.

Data published annually, next update will likely be July 31, 2021

Annual Wage Figure assumes a 40-hour work week.

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

Wage data is produced from Texas Occupational Employment Statistics (OES) data, and is not to be compared to BLS estimates.

Data intended only for use implementing Chapter 313, Texas Tax Code.

TAB 14

Schedules A1, A2, B, C and D completed and signed Economic Impact (if applicable)

See attached Schedules A1, A2, B, C and D

Applicant Name Qual Run Carbon, LLC
 Ector County ISD

PROPERTY INVESTMENT AMOUNTS (Estimated Investment in each year. Do not put cumulative totals.)

	Column A	Column B	Column C	Column D	Column E
	Investment made before filing complete application with district	Investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Investment made after filing complete application with district, but before final board approval of application	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period
			Not eligible to become Qualified Property		
			0	0	0
			77,390,000	0	0
			250,920,000	0	0
			133,370,000	0	0
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]			461,680,000	2,500,000	0
Total Qualified Investment (sum of green cells)			Enter amounts from TOTAL row above in Schedule A2		
			386,790,000		464,180,000

For All Columns: List amount invested each year, not cumulative totals.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.

Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property. Is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

Schedule A2: Total Investment for Economic Impact (Including Qualified Property and other Investments)

		PROPERTY INVESTMENT AMOUNTS					
		(Estimated Investment in each year. Do not put cumulative totals.)					
		Column A	Column B	Column C	Column D	Column E	
		New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will not become Qualified Property (SEE NOTE)	Other investment made during this year that will become Qualified Property (SEE NOTE)	Total Investment (A+B+C+D)	
Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Enter amounts from TOTAL row in Schedule A1 in the row below				
Total Investment from Schedule A1*		--	461,680,000	2,500,000	0	0	464,180,000
Each year prior to start of value limitation period**		0	2022-2023	2022			
<i>(Insert as many rows as necessary)</i>		0	2023-2024	2023			
		1	2024-2025	2024			
		2	2025-2026	2025			
		3	2026-2027	2026			
		4	2027-2028	2027			
		5	2028-2029	2028			
		6	2029-2030	2029			
		7	2030-2031	2030			
		8	2031-2032	2031			
		9	2032-2033	2032			
		10	2033-2034	2033			
Total Investment made through limitation			461,680,000	2,500,000	0	0	464,180,000
Continue to maintain viable presence		11	2034-2035	2034			
		12	2035-2036	2035			
		13	2036-2037	2036			
		14	2037-2038	2037			
		15	2038-2039	2038			
		16	2039-2040	2039			
		17	2040-2041	2040			
		18	2041-2042	2041			
		19	2042-2043	2042			
		20	2043-2044	2043			
		21	2044-2045	2044			
		22	2045-2046	2045			
		23	2046-2047	2046			
		24	2047-2048	2047			
		25	2048-2049	2048			

* All investments made through the qualifying time period are captured and totaled on Schedule A1 (blue box) and incorporated into this schedule in the first row.
 ** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.
 *** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were not captured on Schedule A1.
 For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.
 Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
 Only tangible personal property that is specifically described in the application can become qualified property.
 Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.
 Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.022(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property, is used to maintain, refurbish, renovate, modify or upgrade existing property, or is affixed to existing property—described in SECTION 13, question #5 of the application.
 Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property				Estimated Taxable Value	
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for 18S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2022-2023	2022	0	0	38,695,000	38,695,000	38,695,000	38,695,000
	0	2023-2024	2023		0	164,155,000	164,155,000	164,155,000	164,155,000
	1	2024-2025	2024		0	2,437,500	438,596,000	419,103,700	419,103,700
	2	2025-2026	2025		0	2,376,560	407,894,280	389,876,126	389,876,126
	3	2026-2027	2026		0	2,317,150	379,341,680	362,691,746	362,691,746
	4	2027-2028	2027		0	2,259,220	352,787,763	337,407,595	337,407,595
	5	2028-2029	2028		0	2,202,740	328,092,619	313,890,728	313,890,728
	6	2029-2030	2029		0	2,147,670	305,126,136	292,017,499	292,017,499
	7	2030-2031	2030		0	2,093,980	283,767,306	271,672,921	271,672,921
	8	2031-2032	2031		0	2,041,630	263,903,595	252,750,045	252,750,045
Value Limitation Period	9	2032-2033	2032		0	1,990,590	245,430,343	235,149,416	235,149,416
	10	2033-2034	2033		0	1,940,830	228,250,219	218,778,538	218,778,538
	11	2034-2035	2034		0	1,892,310	212,272,704	203,551,379	203,551,379
	12	2035-2036	2035		0	1,845,000	197,413,615	189,387,934	189,387,934
	13	2036-2037	2036		0	1,798,880	183,594,662	176,213,809	176,213,809
	14	2037-2038	2037		0	1,753,910	170,743,035	163,959,794	163,959,794
	15	2038-2039	2038		0	1,710,060	158,791,023	152,561,532	152,561,532
	16	2039-2040	2039		0	1,667,310	147,675,651	141,959,179	141,959,179
	17	2040-2041	2040		0	1,625,630	137,338,356	132,097,068	132,097,068
	18	2041-2042	2041		0	1,584,990	127,724,671	122,923,427	122,923,427
Additional years for 25 year economic impact as required by 313.026(c)(1)	19	2042-2043	2042		0	1,545,370	118,783,944	114,390,117	114,390,117
	20	2043-2044	2043		0	1,506,740	110,469,068	106,452,354	106,452,354
	21	2044-2045	2044		0	1,469,070	102,736,233	99,068,491	99,068,491
	22	2045-2046	2045		0	1,432,340	95,544,697	92,199,802	92,199,802
	23	2046-2047	2046		0	1,396,530	88,856,568	85,810,270	85,810,270
	24	2047-2048	2047		0	1,361,620	82,636,608	79,866,398	79,866,398
	25	2048-2049	2048		0	1,327,580	76,852,046	74,337,023	74,337,023

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

Only include market value for eligible property on this schedule.

Date

5/11/2021

Applicant Name

Quall Run Carbon, LLC

ISD Name

Ector County ISD

Schedule C: Employment Information

Form 50-296A

Revised October 2020

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs			Qualifying Jobs	
				Column A Number of Construction FTE's	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Annual wage of new qualifying jobs		
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2021-2022	2021	50 FTE	52,500	0	0	0	0	
	0	2022-2023	2022	250 FTE	52,500	0	0	0	0	
	1	2023-2024	2023	250 FTE	52,500	0	0	0	0	
	1	2024-2025	2024	N/A	N/A	0	10	50,049	0	
	2	2025-2026	2025	N/A	N/A	0	10	50,049	50,049	
	3	2026-2027	2026	N/A	N/A	0	10	50,049	50,049	
	4	2027-2028	2027	N/A	N/A	0	10	50,049	50,049	
	5	2028-2029	2028	N/A	N/A	0	10	50,049	50,049	
	6	2029-2030	2029	N/A	N/A	0	10	50,049	50,049	
	7	2030-2031	2030	N/A	N/A	0	10	50,049	50,049	
8	2031-2032	2031	N/A	N/A	0	10	50,049	50,049		
9	2032-2033	2032	N/A	N/A	0	10	50,049	50,049		
10	2033-2034	2033	N/A	N/A	0	10	50,049	50,049		
Years Following Value Limitation Period	11 through 25	2034-2049	2034-2048	N/A	N/A	0	10	50,049	50,049	

Notes: See TAC 9.1051 for definition of non-qualifying jobs.
Only include jobs on the project site in this school district.

TAB 15

Economic Impact Analysis, other payments made in the state or other economic information (if applicable)

None

TAB 16

Description of Reinvestment Zone or Enterprise Zone, including:

- a) Evidence that the area qualifies as a enterprise zone as defined by the Governor's office*
- b) Legal description of reinvestment zone**
- c) Order, resolution, or ordinance established the reinvestment zone**
- d) Guidelines and criteria for creating the zone**

Ector County ISD will be creating the Reinvestment Zone

TAB 17

Quail Run Carbon, LLC

Chapter 313 Application to Ector County ISD

Cummings Westlake, LLC

Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative (applicant)

See Attached

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in **Tab 17**.

NOTE: If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

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

print here ▶

Dr. Scott Muir
Print Name (Authorized School District Representative)

Superintendent
Title

sign here ▶

Signature (Authorized School District Representative)

Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print here ▶

Jeff Delgado
Print Name (Authorized Company Representative (Applicant))

Managing Director
Title

sign here ▶

Signature (Authorized Company Representative (Applicant))

Date

GIVEN under my hand and seal of office this, the
_____ day of _____, _____

Notary Public in and for the State of Texas

(Notary Seal)

My Commission expires: _____

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