

Agenda of Regular Meeting and Public Hearing on Application of GCC Permian, LLC for Appraised Value Limitation on Qualified Property, Pursuant to Chapter 313 of the Texas Tax Code

The Board of Trustees Ector County Independent School District

A Regular Meeting and Public Hearing on Application of GCC Permian, LLC for Appraised Value Limitation on Qualified Property, Pursuant to Chapter 313 of the Texas Tax Code of the Board of Trustees of Ector County Independent School District will be held April 19, 2022, beginning at 6:00 PM.

The subjects to be discussed or considered are listed below. Items do not have to be taken in the same order as shown on this meeting notice.

1. Call to Order - Roll Call
2. Verification of Compliance with Open Meeting Law - this is to certify that the provisions of Section 551.001 of the Texas Government code have been met in connection with public notice of this meeting.
3. Pledge Allegiance to US and Texas Flags:
Buice Elementary Students
Calvin Rodriguez and Austin Sotelo
4. Invocation:
Deacon and ECISD Police Officer Leonard Hendon, St. Stephen's Catholic Church
5. Special Presentations:
Presentation of United Way of Odessa Awards to ECISD
Recognition of the Broncho Spirit and MOJO Spirit Scholarship Recipients
Recognition of All-State Football Honorees
Recognition of G.H.W.B. New Tech Odessa Decathlon State Qualifier
Recognition of Career & Technical Education All-State & National Qualifiers
6. Opening Remarks by Superintendent
7. Public Comment
8. Action Item
 - A. Consideration and Possible Action to Accept for Consideration a Series of Six Applications for An Appraised Value Limitation on Qualified Property under the Texas Economic Development Act, Texas Tax Code, Chapter 313 from 1PointFive P1, LLC for Direct Air Capture Builds One through Six, Assess an Application Fee for each Application, and Authorize the Superintendent to Review the Applications for Completeness and Submit such Applications to the Comptroller 4

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| B. Consideration and Possible Action to Retain School Finance Consultants Culwell Consulting to Assist the District in Processing and Evaluating the Financial Impact of a Series of Six Applications for Appraised Value Limitation on Qualified Property from 1PointFive P1, LLC for Direct Air Capture Builds One through Six | 195 |
| C. Consideration and Possible Action to Accept for Consideration an Application for an Appraised Value Limitation on Qualified Property Under the Texas Economic Development Act, Texas Tax Code, Chapter 313, from DG Penwell North, LLC, Assess an Application Fee, and Authorize the Superintendent to Review the Application for Completeness and Submit such Application to the Comptroller | 198 |
| D. Consideration and Possible Action to Retain School Finance Consultants Culwell Consulting to Assist the District in Processing and Evaluating the Financial Impact of an Application for Appraised Value Limitation on Qualified Property from DG Penwell North, LLC | 245 |
| E. Consideration and Possible Action to Accept for Consideration an Application for an Appraised Value Limitation on Qualified Property under the Texas Economic Development Act, Texas Tax Code, Chapter 313, from Ophelia Solar, LLC, Assess an Application Fee, and Authorize the Superintendent to Review the Application for Completeness and Submit such Application to the Comptroller | 248 |
| F. Consideration and Possible Action to Retain School Finance Consultants Culwell Consulting to Assist the District in Processing and Evaluating the Financial Impact of an Application for Appraised Value Limitation on Qualified Property from Ophelia Solar, LLC | 249 |
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| B. Discussion and Possible Action on a Resolution Adopting Findings of Fact and Approving the Application of GCC Permian, LLC for Appraised Value Limitation on Qualified Property, Pursuant to Chapter 313 of the Texas Tax Code, and other Action Incident Thereto | 253 |
| C. Discussion and Possible Action on an Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operation Taxes, Pursuant to Chapter 313 of the Texas Tax Code, with GCC Permian, LLC | 398 |
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| B. Discussion of and Request for Approval of Purchases over \$50,000 | 401 |
| C. Discussion of and Request for Approval of Interlocal Participation Agreement (IPA) between Ector County ISD and Texas Association of School Boards (TASB) Risk Management Fund for Performing | 404 |

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| Administrative Services and Governmental Functions Relative to Risk Management | |
| 11. Consent Agenda | 417 |
| A. Request for Approval of Minutes of Meetings | 418 |
| B. Request for Approval of Bills for Payment | 423 |
| C. Request for Approval of Acceptance of Donations Over \$10,000 | 440 |
| D. Board of Trustees' Continuing Education Report | 442 |
| 12. Possible Request for Approval to Move to Closed Meeting - Personnel Matters - Section 551.074 of the Texas Government Code [Board will deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of public employees of the District or hear a complaint or charge against an officer or employee.] (Discussion of 2022-2023 Employment Contract Renewals for Administrators, Teachers, and Other Professional Support Employees); and (The Board of Trustees will deliberate the hiring of Executive Director of Choice Programs, Access and Support). Consultations with Attorney - Section 551.071 of the Texas Open Meetings Act [The Board will meet in Closed Session in Consultation with the Board's Attorney Regarding all Matters as Authorized by Law.] | |
| A. Discussion of and Request for Approval of the 2022-2023 Employment Contract Renewals for Administrators, Teachers, and other Professional Support Employees | 443 |
| B. Request for Approval of Personnel Recommendation for the Executive Director of Choice Programs, Access and Support | 444 |
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| 15. Adjournment | |



Ector County Independent School District

Action Page

TO: Board of Trustees

FROM: Deborah Ottmers, Chief Financial Officer

SUBJECT: CONSIDERATION AND POSSIBLE ACTION TO ACCEPT FOR CONSIDERATION A SERIES OF SIX APPLICATIONS FOR AN APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT, TEXAS TAX CODE, CHAPTER 313 FROM 1POINTFIVE P1, LLC FOR DIRECT AIR CAPTURE BUILDS ONE THROUGH SIX, ASSESS AN APPLICATION FEE FOR EACH APPLICATION, AND AUTHORIZE THE SUPERINTENDENT TO REVIEW THE APPLICATIONS FOR COMPLETENESS AND SUBMIT SUCH APPLICATIONS TO THE COMPTROLLER

DATE: April 19, 2022

We are requesting consideration and acceptance of six Chapter 313 Property Tax Valuation Limitation applications.

Acceptance of these applications does not bind the district into entering a contract with the applicant, but provides us the option to consider the applications and potential future contract for a Chapter 313 agreement for property value limitation and revenue.

Administrative Recommendation:
Approval as requested.

Dr. Scott Muri
Superintendent of Schools
Ector County Independent School District
802 N. Sam Houston
Odessa, TX 79761

April 19, 2022

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Re: Chapter 313 Application for Appraised Value Limitation on Qualified Property for
1PointFive P1, LLC

Dear Dr. Muri:

On behalf of our client, *1PointFive P1, LLC* and its joint venture partners we are pleased to submit for your consideration the enclosed Form 50-296-A application for their proposed project, direct air capture facilities that would manufacture industrial-grade carbon dioxide gas and be located in Ector County Independent School District.

Pursuant to our evaluation of Texas and the target site in Ector County for the proposed project, we respectfully request your support of our completed series of applications, as well as your subsequent submittal of the applications to the Texas Comptroller's Office for its formal review and certification.

We look forward to working with you and the Comptroller toward a final investment decision for this project. If you have any questions, please don't hesitate to reach me at (512) 671-5575.

Sincerely,

Michael Lateur
Managing Director
Property Tax | SSIA

Tab 1
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

April 19, 2022

Date Application Received by District

Dr. Scott

First Name

Muri

Last Name

Superintendent

Title

Ector County ISD

School District Name

802 N. Sam Houston

Street Address

P.O. Box 3912

Mailing Address

Odessa

City

Texas

State

79760

ZIP

(432) 456-9879

Phone Number

(432) 456-9878

Fax Number

N/A

Mobile Number (optional)

scott.muri@ectorcountysd.org

Email Address

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

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

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

| | | |
|-------------------------------------|-----------------------------|--------------|
| <u>Derek</u> | <u>Willis</u> | |
| First Name | Last Name | |
| <u>Vice President and Secretary</u> | <u>1PointFive P1, LLC</u> | |
| Title | Organization | |
| <u>5 Greenway Plaza, Suite 110</u> | | |
| Street Address | | |
| <u>5 Greenway Plaza, Suite 110</u> | | |
| Mailing Address | | |
| <u>Houston</u> | <u>TX</u> | <u>77046</u> |
| City | State | ZIP |
| <u>(713) 497-2556</u> | <u>N/A</u> | |
| Phone Number | Fax Number | |
| <u>N/A</u> | <u>Derek_Willis@oxy.com</u> | |
| Mobile Number (optional) | Business Email Address | |

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>Josh</u> | <u>Barvin</u> | |
| First Name | Last Name | |
| <u>Business Development Manager</u> | <u>Oxy Low Carbon Ventures, LLC</u> | |
| Title | Organization | |
| <u>5 Greenway Plaza, Suite 110</u> | | |
| Street Address | | |
| <u>5 Greenway Plaza, Suite 110</u> | | |
| Mailing Address | | |
| <u>Houston</u> | <u>TX</u> | <u>77046</u> |
| City | State | ZIP |
| <u>(713) 840-3007</u> | <u>N/A</u> | |
| Phone Number | Fax Number | |
| <u>(832) 607-5092</u> | <u>Josh_Barvin@oxy.com</u> | |
| Mobile Number (optional) | Business Email Address | |

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)

| | |
|--------------------------|------------|
| Michael | Lateur |
| First Name | Last Name |
| Managing Director | |
| Title | |
| Kroll, LLC | |
| Firm Name | |
| (512) 671-5575 | N/A |
| Phone Number | Fax Number |
| michael.lateur@kroll.com | |
| 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.

| | |
|--------------------------------|--|
| \$ 90,000.00 | Wire Transfer |
| Payment Amount | Transaction Type |
| Kroll, LLC | Ector County Independent School District |
| Payor | Payee |
| April 19, 2022 | |
| 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? | 1PointFive P1, LLC |
| 2. Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) | 32076631608 |
| 3. Parent Company Name | 1Point Five Inc. |
| 4. Parent Company Tax ID | 86-2318741 |
| 5. NAICS code | 325120 |
| 6. Is the applicant a party to any other pending or active Chapter 313 agreements? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| 6a. If yes, please list application number, name of school district and year of agreement | Application #1570, Ector County ISD, 2021 |

SECTION 5: Applicant Business Structure

| | |
|--|---|
| 1. Business Organization of Applicant (corporation, limited liability corporation, etc) | Limited Liability Corporation |
| 2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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

1PointFive P1, LLC

2c. Reporting Entity Taxpayer Number

32076631608

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 December 2022
2. Estimated commencement of construction Q3 2025
3. Beginning of qualifying time period (MM/DD/YYYY) 01/01/2027
4. First year of limitation (YYYY) 2029
 - 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 Q2 2028

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, 1.0517, 100%</u> <small>(Name, tax rate and percent of project)</small> | I&S (ISD): <u>Ector County ISD, 0.1262, 100%</u> <small>(Name, tax rate and percent of project)</small> |
| County: <u>Ector County, 0.3650, 100%</u> <small>(Name, tax rate and percent of project)</small> | City: <u>N/A</u> <small>(Name, tax rate and percent of project)</small> |
| Hospital District: <u>Ector County HD, 0.1500, 100%</u> <small>(Name, tax rate and percent of project)</small> | Water District: <u>N/A</u> <small>(Name, tax rate and percent of project)</small> |
| Other (describe): <u>Odessa College, 0.2017, 100%</u> <small>(Name, tax rate and percent of project)</small> | Other (describe): <u>N/A</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: Pending (Incentive type, percentage, start and end year)

City: N/A (Incentive type, percentage, start and end year)

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

Water District: N/A (Incentive type, percentage, start and end year)

Other (describe): Odessa College, Pending (Incentive type, percentage, start and end year)

Other (describe): N/A (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? \$ 30,000,000.00

2. What is the amount of appraised value limitation for which you are applying? \$ 30,000,000.00

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? _____ N/A

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? 25
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 \$ 1,153.75
 - b. Qualifying job wage minimum option §313.021(5)(A)
-110% of the average weekly wage for manufacturing jobs in the county is \$ 1,617.00
 - c. Qualifying job wage minimum option §313.021(5)(B)
-110% of the average weekly wage for manufacturing jobs in the region is \$ 993.08
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? \$ 51,640.16
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? \$ 51,640.16
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**.

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

| ATTACHMENT | |
|------------|---|
| 1 | Sections 1-16 |
| 2 | Proof of Payment of Application Fee |
| 3 | Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation <i>(if applicable)</i> |
| 4 | Detailed description of the project |
| 5 | Documentation to assist in determining if limitation is a determining factor |
| 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 <i>(if applicable)</i> |
| 7 | Description of Qualified Investment |
| 8 | Description of Qualified Property |
| 9 | Description of Land |
| 10 | Description of all property not eligible to become qualified property <i>(if applicable)</i> |
| 11 | <p>Maps that clearly show:</p> <ul style="list-style-type: none"> a) Project boundary and project vicinity, including county and school district boundaries b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period c) Qualified property including location of new buildings or new improvements d) Any existing property within the project area e) Any facilities owned or operated by the applicant having interconnections to the proposed project f) Location of project, and related nearby projects within vicinity map g) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size <p>Note: Maps should be high resolution files. Include map legends/markers.</p> |
| 12 | Request for Waiver of Job Creation Requirement and supporting information <i>(if applicable)</i> |
| 13 | Calculation of non-qualifying wage target and two possible qualifying job wage requirements with TWC documentation |
| 14 | Schedules A1, A2, B, and C completed and signed Economic Impact <i>(if applicable)</i> |
| 15 | Economic Impact Analysis, other payments made in the state or other economic information <i>(if applicable)</i> |
| 16 | <p>Description of Reinvestment or Enterprise Zone, including:</p> <ul style="list-style-type: none"> a) evidence that the area qualifies as an enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone c) order, resolution or ordinance establishing the reinvestment zone d) guidelines and criteria for creating the zone |
| 17 | Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i> |

Tab 2

Proof of Application Filing Fee Payment

Please see attached.

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

Occidental Petroleum (Oxy), a leading producer of traditional energy resources, and its subsidiary Oxy Low Carbon Ventures (OLCV) have formed a joint venture with private equity firm Rusheen Capital Management to finance and deploy large-scale Direct Air Capture (DAC) technology licensed from Carbon Engineering, a clean energy company focused on the commercialization of DAC technology, which captures carbon dioxide directly from the atmosphere.

The purpose of the joint venture, named 1PointFive, will be to further OLCV's commitment to reducing the amount of carbon dioxide in the atmosphere by advancing and accelerating carbon capture, utilization, and storage (CCUS) technologies and projects around the world. The significance of the name 1PointFive is the joint venture's mission to achieve climate stabilization and limit global warming to 1.5°C (of which DAC technology is a critical component). Oxy and OLCV will be providing significant financial, operational, and engineering resources to 1PointFive.

As the combined corporate entity for OLCV and its partners' proposed investment, 1PointFive is planning the development of a series of DAC facilities that would produce industrial-grade carbon dioxide gas (CO₂) for its own use, as well as the use of other potential off-takers with similar commercial applications. The DAC facilities will be built in or near one of several United States energy basins in which Oxy operates, within reasonable proximity to its existing enhanced oil recovery (EOR) operations, accessible pipeline infrastructure, and sufficient electric, natural gas, and water utilities.

It is contemplated that the proposed DAC facilities (the Project) would comprise up to six (6) separate builds, each of which will be the subject of its own application, submitted as a part of a series of applications related to the same project. Should all six builds be constructed, they would be capable of capturing and permanently sequestering approximately 26 million tons per annum (Mtpa) of atmospheric CO₂. This application pertains to the first of these six proposed builds ("Build 1"). The proposed Build 1 project would capture and permanently sequester approximately 3 million tons per annum (Mtpa) of atmospheric CO₂.

The Project combines the operational expertise of Oxy and OLCV, and the innovative technology of Carbon Engineering to capture and permanently remove carbon dioxide directly from the atmosphere. The high-quality CO₂ product manufactured by the DAC facilities would be used as industrial gas feedstock by Oxy in their traditional energy production process, specifically through downhole injection at their existing EOR sites, to permanently sequester high volumes of carbon dioxide in underground geological storage. Carbon Engineering's proprietary DAC technology is specifically designed to be deployed at a much larger scale than other DAC designs currently operating and demonstrates a significant advantage over less cost-competitive DAC technology developers and facilities.

The proven DAC technology used by the Project would manufacture a continuous stream of high-quality carbon dioxide gas through the process of heating, treating, and compressing atmospheric air using only carbon-free renewable electricity, natural gas, and water as system inputs. Using large fans to draw in ambient air, the system would use two principal chemical loops and industrial processing units to extract and purify the carbon dioxide components of the air input. The DAC system's two chemical loops are a

caustic carbon dioxide capture loop and a solids carbon dioxide purification loop, operated by the carbon dioxide capture and caustic recovery equipment. The closed loop design effectively diminishes the need for material removal and make-up, as the products of each reaction become a reagent for another reaction within the DAC process. The major output streams of the DAC system are compressed CO₂ (for utilization) and CO₂-depleted air (discharged into the surrounding atmosphere).

There are four major process components associated with the proposed DAC facilities:

- Air Contactors
- Pellet Reactors
- Pellet Calciners
- Slakers/Hydrators

Eligible ancillary and necessary equipment would include the following:

- Pellet Separators and Washing
- Pellet Dryers
- CO₂ Purifiers and Compressors
- Cooling Systems
- Compressors
- Evaporators
- Pumps
- Electrical and Instrumentation Controls
- New Piping
- Water Treatment Facilities
- Operations, maintenance, measurement, and monitoring buildings

The construction of the plant would include site preparation and earthworks, installation of foundations and supports, fabrication of major equipment and transportation to site, integration of modules and interconnecting works (i.e. piping, electrical, controls), erection of buildings and support infrastructure, utility interconnections, commissioning and start-up, production ramp-up, and handover to operations.

The pairing of DAC technology and CO₂ sequestration through EOR operations would be a significant environmental commitment for the energy industry, providing a pathway for reduced carbon emissions from traditional energy production and the realization of an economically viable model for significant anthropogenic CO₂ sequestration through EOR operations. The Project and its DAC technology deployment are expected to fundamentally alter the energy landscape by providing a pathway to decarbonize major carbon-emitting industries like fuel production, transportation, and construction. CO₂ credits generated by the plant would be sold into regulated markets like California's Low Carbon Fuel Standards (LCFS) market, as a low-carbon liquid fuel or as emissions offsets directly to corporations committed to decarbonization. Currently, low carbon fuel initiatives are being enacted all over the world, including major markets such as the United States' west coast, Canada, and South America. With countries, industries, and companies continuously looking to offset their CO₂ emissions, it is anticipated that by 2050 the carbon removal industry will be as large as the oil & gas industry is today.

Tab 5

Documentation to Assist in Determining if Limitation is a Determining Factor

The proposed Project would be one of the largest industrial-scale direct atmospheric air capture and carbon sequestration operations anywhere in the world. Given the wide applicability of Carbon Engineering’s process, their DAC technology can be utilized by a variety of industrial and commercial users and could be located anywhere an adequate supply of utility inputs exist. The majority of the manufactured CO₂ from the Project would be permanently sequestered by Oxy’s EOR operations but could also be utilized as a feedstock for many other products. The Project becomes more economically viable when there is access to competitively priced renewable electricity, natural gas, and water.

Additional factors that would impact the location and success of the Project include:

- Proximity to a qualified customer for CO₂
- Suitable topography, geotechnical, and logistical conditions
- Labor availability
- Supporting infrastructure
- Initial development costs and recurring tax liabilities
- Permitting and regulatory environment
- Ability to develop or obtain carbon-free electricity to power the facility

The profitability of the Project is dependent on four main factors:

- The ability to negotiate and sell processed CO₂ for permanent sequestration in enhanced oil recovery operations and other potential commercial off-takers
- The ability to utilize Federal Section 45Q tax credits
- The ability to generate and sell negative emissions credits (e.g. California’s Low Carbon Fuel Standard)
- The ability to negotiate and secure economic development incentives

At this time, Oxy would be the primary recipient of CO₂ offtake for sequestration. Because the Section 45Q and negative emissions credits are not specific to geographic location, the Project could be located anywhere in the United States and secure the necessary savings resulting from these programs.

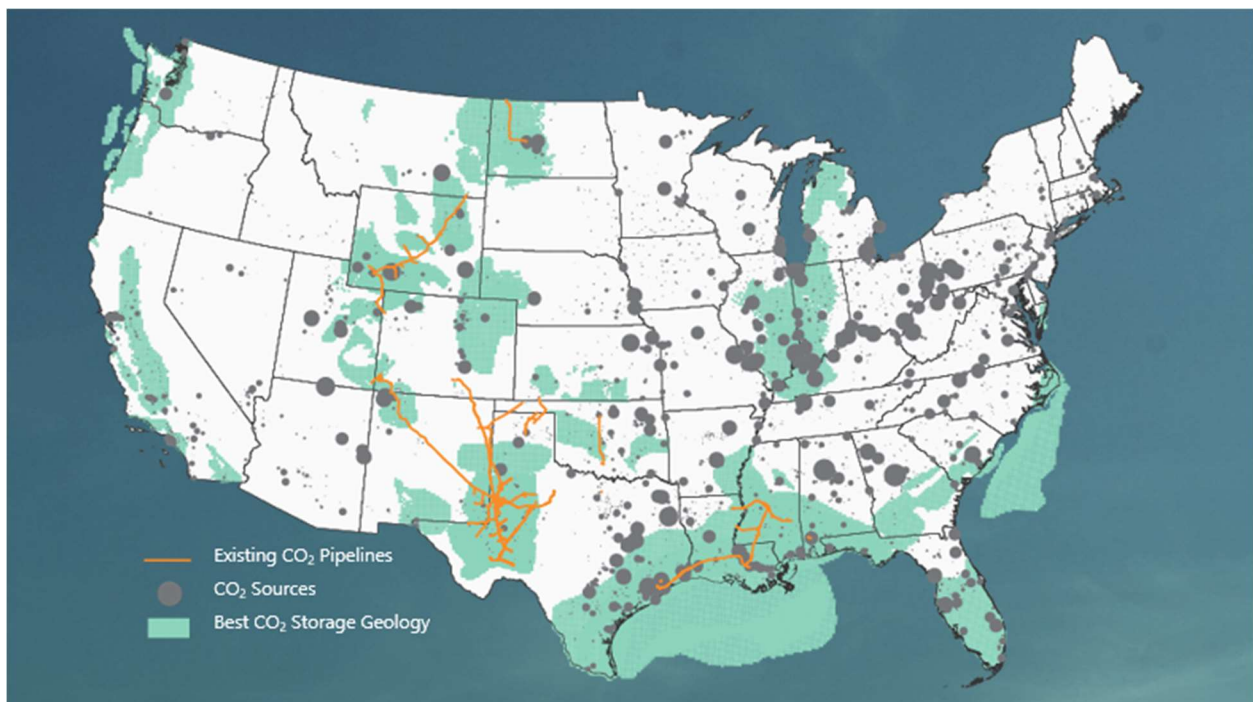
Oxy and Oxy Low Carbon Ventures have a traditional energy production and carbon solutions footprint throughout the United States and the majority of their domestic assets are concentrated in the energy basins of Texas, New Mexico, Colorado, Wyoming, and Utah. 1PointFive is actively evaluating target sites in each of these jurisdictions and plans to site the proposed facilities in the location that offers the best support for profitability and sustainability over the lifetime of the Project.

Reducing the Project’s ad valorem property tax liability and other significant financial impacts to the maximum extent possible is critical to the final investment decision. Property tax is one of the highest annual operating expenses and would be a significant ongoing liability throughout the life of the Project. A Chapter 313 value limitation from Ector County ISD would be critical to reducing up-front operating

costs, increasing return on investment, and maintaining the long-term economic viability of the Project. The Project is not economically viable at the proposed site in Texas without a Chapter 313 value limitation.

The potential to develop industrial scale, cost effective CCUS operations exists anywhere there is a relatively short distance between carbon dioxide emission sources and saline formations or other types of aquifers that could be utilized for permanent CO₂ sequestration. If the proposed plan to capture, process and sequester CO₂ from atmospheric air proves prohibitively expensive to fully scale in Texas or other states with significant EOR operations, Oxy and its partners could explore other attractive alternatives to investing in DAC/EOR-coupled technologies.

The following map illustrates CO₂ sequestration hub development potential in the United States:



The potential to capture and sequester emissions from these sources is virtually unlimited, as approximately 2,700 Mtpa of CO₂ was emitted from U.S. industrial sources in 2018 and approximately 40 Mtpa was captured and sequestered as of January 2021.

Other CO₂ emissions sources such as ethanol plants make a strong case for the construction of carbon sequestration hubs in areas where plants are concentrated, as the cost of sequestration could be spread over a larger production volume. With the right combination of average pipeline distance, estimated capital investment, adequate geology, and minimum ethanol production volumes, OLCV and its partners could choose to dedicate their limited capital resources to the pursuit of other carbon neutralization opportunities with strong estimated returns on investment, including DAC facilities located at sequestration sites near ethanol production.

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)*

Not applicable

Tab 7

Description of Qualified Investment

The Project would be constructed on approximately 1,600 acres at a site known as the Shoe Bar Ranch in Ector County and would be located entirely within the boundaries of Ector County Independent School District.

There are four major process components associated with the Project:

- Air Contactors
- Pellet Reactors
- Pellet Calciners
- Slakers/Hydrators

Eligible ancillary and necessary equipment would include the following:

- Pellet Separators and Washing
- Pellet Dryers
- CO₂ Purifiers and Compressors
- Cooling Systems
- Compressors
- Evaporators
- Pumps
- Electrical and Instrumentation Controls
- New Piping
- Water Treatment Facilities
- Operations, maintenance, measurement, and monitoring buildings

Additional equipment and components would be defined during detail design and procured by the EPCM contractor.

The construction of the plant would include site preparation and earthworks, installation of foundations and supports, fabrication of major equipment and transportation to site, integration of modules and interconnecting works (i.e. piping, electrical, controls), erection of buildings and support infrastructure, utility interconnections, commissioning and start-up, production ramp-up, and handover to operations.

This application covers all qualified investment and qualified property necessary for the commercial operations of the Project, all of which would be located within the project boundary, Enterprise Zone, Ector ISD and Ector County, Texas.

Tab 8

Description of Qualified Property

The Project would be constructed on approximately 1,600 acres at a site known as the Shoe Bar Ranch in Ector County and would be located entirely within the boundaries of Ector County Independent School District.

There are four major process components associated with the Project:

- Air Contactors
- Pellet Reactors
- Pellet Calciners
- Slakers/Hydrators

Eligible ancillary and necessary equipment would include the following:

- Pellet Separators and Washing
- Pellet Dryers
- CO₂ Purifiers and Compressors
- Cooling Systems
- Compressors
- Evaporators
- Pumps
- Electrical and Instrumentation Controls
- New Piping
- Water Treatment Facilities
- Operations, maintenance, measurement, and monitoring buildings

Additional equipment and components would be defined during detail design and procured by the EPCM contractor.

The construction of the plant would include site preparation and earthworks, installation of foundations and supports, fabrication of major equipment and transportation to site, integration of modules and interconnecting works (i.e. piping, electrical, controls), erection of buildings and support infrastructure, utility interconnections, commissioning and start-up, production ramp-up, and handover to operations.

This application covers all qualified investment and qualified property necessary for the commercial operations of the Project, all of which would be located within the project boundary, Enterprise Zone, Ector ISD and Ector County, Texas.

Tab 9

Description of Land

The land on which this proposed project would be developed would **not** be claimed as part of the Qualified Property as described by Texas Statute 313.021(2)(A).

Tab 10

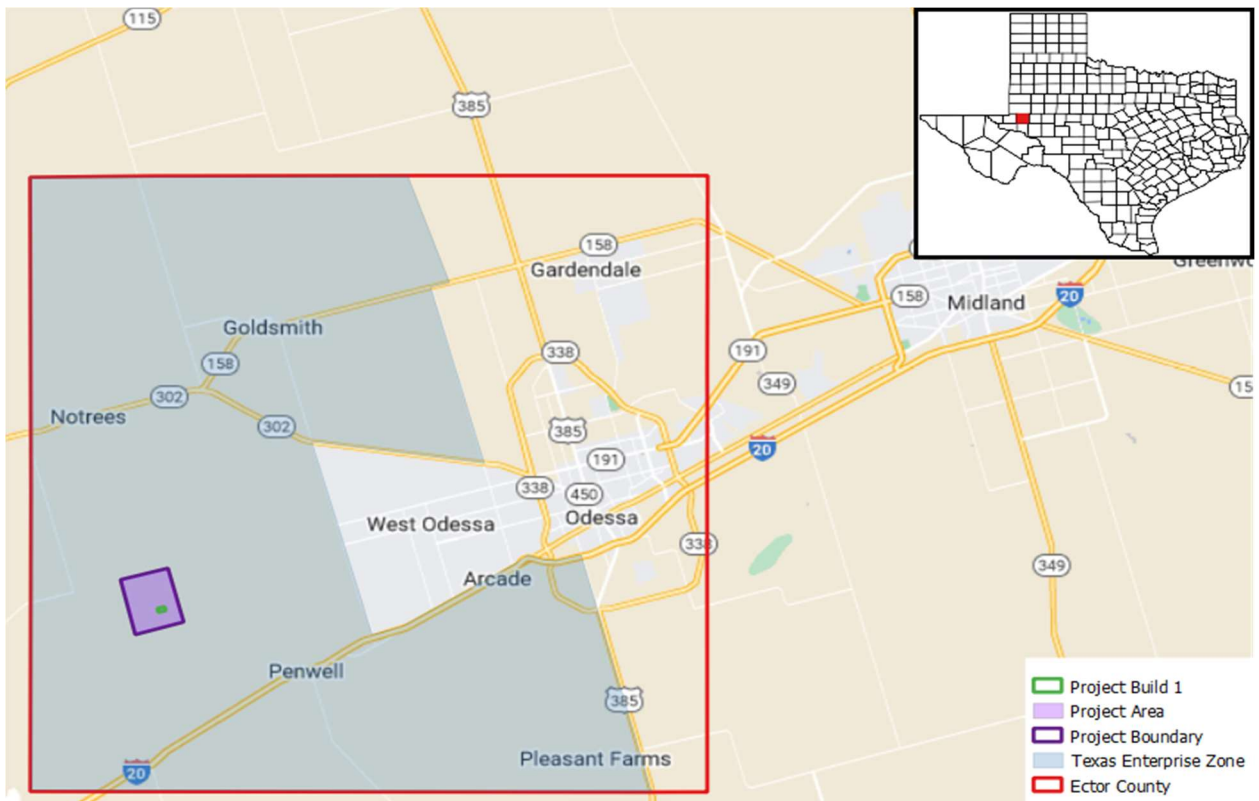
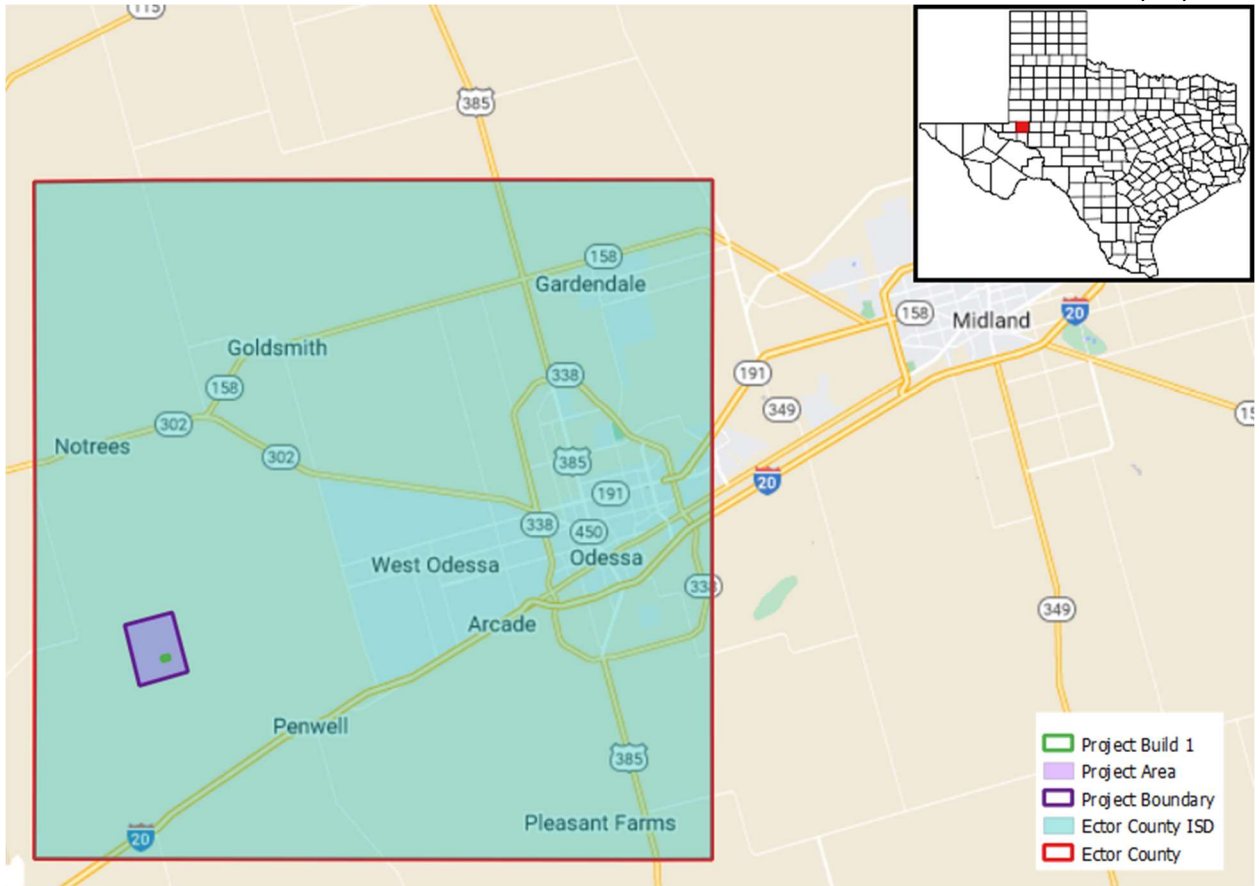
Description of all property not eligible to become qualified property *(if applicable)*

The land on which the Project would be developed would not be claimed as part of the Qualified Property.

Tab 11

Maps that clearly show:

- a) Project boundary and project vicinity, including county and school district boundaries**
- b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period**
- c) Qualified property including location of new buildings or new improvements**
- d) Any existing property within the project area**
- e) Any facilities owned or operated by the applicant having interconnections to the proposed project**
- f) Location of project, and related nearby projects within vicinity map**
- g) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size**

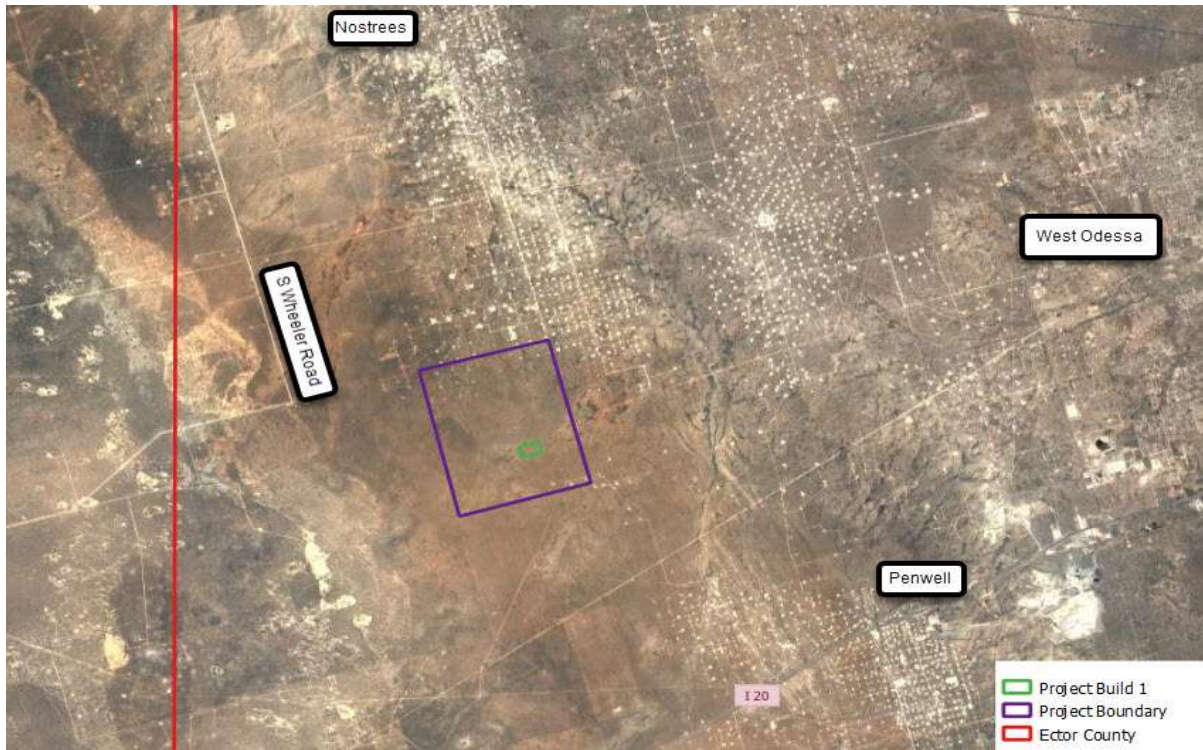
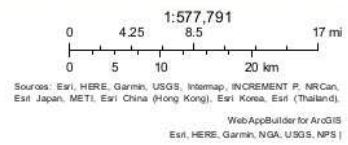


ArcGIS Web Map



3/31/2022, 9:27:58 AM

- Texas Enterprise Zone - Block Groups Based on Poverty Level
- Texas Census Tracts



Tab 12

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

Not applicable

Tab 13

Calculation of non-qualifying wage target and two possible qualifying job wage requirements with TWC documentation

Average Weekly Wages for All jobs, All Industries in Ector County (Four Most Recent Quarters)

| County | Year | Quarter | Ownership | Avg. Weekly Wage |
|----------------------------|------|---------|-----------|--------------------|
| Ector County | 2020 | 4 | Total All | 1,182 |
| Ector County | 2021 | 1 | Total All | 1,094 |
| Ector County | 2021 | 2 | Total All | 1,154 |
| Ector County | 2021 | 3 | Total All | 1,185 |
| Sum Last 4 Quarters | | | | \$ 4,615 |
| Average Weekly Wage | | | | \$ 1,153.75 |

Average Weekly Wages for Manufacturing Jobs in Ector County (Four Most Recent Quarters)

| County | Year | Quarter | Ownership | Avg. Weekly Wage |
|----------------------------------|------|---------|-----------|--------------------|
| Ector County | 2020 | 4 | Private | \$ 1,514 |
| Ector County | 2021 | 1 | Private | \$ 1,425 |
| Ector County | 2021 | 2 | Private | \$ 1,484 |
| Ector County | 2021 | 3 | Private | \$ 1,457 |
| Sum Last 4 Quarters | | | | \$ 5,880 |
| Average Weekly Wage | | | | \$ 1,470 |
| 110 % Average Weekly Wage | | | | \$ 1,617.00 |

Average Weekly Wages for Manufacturing Jobs in Council of Government Region (Most Recent Year)

| COG Region | Year | Hourly | Annual | Avg. Weekly Wage |
|----------------------------------|------|----------|-----------|------------------|
| Permian Basin | 2020 | \$ 22.57 | \$ 46,945 | \$ 902.80 |
| 110 % Average Weekly Wage | | | | \$ 993.08 |

*Backup documentation provided in following pages

Wage data as provided by the Texas Workforce Commission

| Year | Period | Area | Ownership | Industry | Average Weekly Wage |
|------|--------|-------|-----------|-----------------------|---------------------|
| 2020 | 04 | Ector | Total All | Total, All Industries | 1,182 |
| 2021 | 01 | Ector | Total All | Total, All Industries | 1,094 |
| 2021 | 02 | Ector | Total All | Total, All Industries | 1,154 |
| 2021 | 03 | Ector | Total All | Total, All Industries | 1,185 |

| Year | Period | Area | Ownership | Industry | Average Weekly Wage |
|------|--------|-------|-----------|---------------|---------------------|
| 2020 | 04 | Ector | Private | Manufacturing | 1,514 |
| 2021 | 01 | Ector | Private | Manufacturing | 1,425 |
| 2021 | 02 | Ector | Private | Manufacturing | 1,484 |
| 2021 | 03 | Ector | Private | Manufacturing | 1,457 |

**2020 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

| COG | COG Number | Wages | |
|---|------------|---------|----------|
| | | Hourly | Annual |
| Panhandle Regional Planning Commission | 1 | \$23.32 | \$48,501 |
| South Plains Association of Governments | 2 | \$20.42 | \$42,473 |
| NORTEX Regional Planning Commission | 3 | \$20.64 | \$42,928 |
| North Central Texas Council of Governments | 4 | \$32.34 | \$67,261 |
| Ark-Tex Council of Governments | 5 | \$21.30 | \$44,299 |
| East Texas Council of Governments | 6 | \$29.28 | \$60,904 |
| West Central Texas Council of Governments | 7 | \$21.54 | \$44,797 |
| Rio Grande Council of Governments | 8 | \$19.02 | \$39,552 |
| Permian Basin Regional Planning Commission | 9 | \$22.57 | \$46,945 |
| Concho Valley Council of Governments | 10 | \$27.28 | \$56,739 |
| Heart of Texas Council of Governments | 11 | \$23.41 | \$48,696 |
| Capital Area Council of Governments | 12 | \$29.96 | \$62,326 |
| Brazos Valley Council of Governments | 13 | \$18.41 | \$38,286 |
| Deep East Texas Council of Governments | 14 | \$21.07 | \$43,829 |
| South East Texas Regional Planning Commission | 15 | \$27.38 | \$56,957 |
| Houston-Galveston Area Council | 16 | \$29.83 | \$62,050 |
| Golden Crescent Regional Planning Commission | 17 | \$22.09 | \$45,945 |
| Alamo Area Council of Governments | 18 | \$27.45 | \$57,101 |
| South Texas Development Council | 19 | \$19.20 | \$39,945 |
| Coastal Bend Council of Governments | 20 | \$35.39 | \$73,603 |
| Lower Rio Grande Valley Development Council | 21 | \$20.70 | \$43,056 |
| Texoma Council of Governments | 22 | \$19.18 | \$39,897 |
| Central Texas Council of Governments | 23 | \$21.34 | \$44,390 |
| Middle Rio Grande Development Council | 24 | \$22.98 | \$47,809 |
| Texas | | \$28.00 | \$58,233 |

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

Data published: August 2021.

Data published annually, next update will likely be July 31, 2022

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 and Wage Statistics (OEWS) 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, and C completed and signed Economic Impact *(if applicable)*

Schedule A1: Total Investment for Economic Impact (through the Qualifying Time Period)

Date 4/19/2022
Applicant Name 1PointFive P1, LLC
ISD Name Ector County ISD

Form 50-296A
 Revised October 2020

| PROPERTY INVESTMENT AMOUNTS | | | | | | | | |
|--|------|-------------------------|---|--|--|--|---|--|
| (Estimated Investment in each year. Do not put cumulative totals.) | | | | | | | | |
| | | | | Column A | Column B | Column C | Column D | Column E |
| | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year below) YYYY | 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 new investment made during this year that will <u>not</u> 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) |
| Investment made before filing complete application with district | | | | Not eligible to become Qualified Property | | | [The only other investment made before filing complete application with district that may become Qualified Property is land.] | |
| Investment made after filing complete application with district, but before final board approval of application | 0 | 2022-2023 | 2022 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period | 0 | 2023-2024 | 2023 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2024-2025 | 2024 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2025-2026 | 2025 | \$130,289,811 | \$27,369,689 | \$0 | \$0 | \$157,659,500 |
| | 0 | 2026-2027 | 2026 | \$1,499,847,822 | \$315,069,678 | \$0 | \$0 | \$1,814,917,500 |
| | 0 | 2027-2028 | 2027 | \$1,311,988,095 | \$275,606,405 | \$0 | \$0 | \$1,587,594,500 |
| Complete tax years of qualifying time period | QTP1 | 2027-2028 | 2027 | \$1,311,988,095 | \$275,606,405 | \$0 | \$0 | \$1,587,594,500 |
| | QTP2 | 2028-2029 | 2028 | \$87,869,872 | \$18,458,628 | \$0 | \$0 | \$106,328,500 |
| Total Investment through Qualifying Time Period [ENTER this row in Schedule A2] | | | | \$3,029,995,600 | \$636,504,400 | \$0 | \$0 | \$3,666,500,000 |
| | | | | Enter amounts from TOTAL row above in Schedule A2 | | | | |
| Total Qualified Investment (sum of green cells) | | | | \$1,693,923,000 | | | | |

35

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 that will not become qualified property include 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.

Date 4/19/2022
 Applicant Name 1PointFive P1, LLC
 ISD Name Ector County ISD

Schedule A2: Total Investment for Economic Impact (Including Qualified Buildings and other investments)

Form 50-296A
 Revised October 2020

| PROPERTY INVESTMENT AMOUNTS | | | | | | | | |
|---|---------|-------------------------|---|--|--|--|---|----------------------------|
| (Estimated Investment in each year. Do not put cumulative totals.) | | | | | | | | |
| | | | | Column A | Column B | Column C | Column D | Column E |
| | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year below) YYYY | 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 <u>not</u> become Qualified Property [SEE NOTE] | Other investment made during this year that will become Qualified Property [SEE NOTE] | Total Investment (A+B+C+D) |
| Total Investment from Schedule A1* | 0 - DY3 | TOTALS FROM SCHEDULE A1 | | \$3,029,995,600 | \$636,504,400 | \$0 | \$0 | \$3,666,500,000 |
| Enter amounts from TOTAL row in Schedule A1 in the row below | | | | | | | | |
| Value limitation period*** | 1 | 2029-2030 | 2029 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 2 | 2030-2031 | 2030 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 3 | 2031-2032 | 2031 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 4 | 2032-2033 | 2032 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 5 | 2033-2034 | 2033 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 6 | 2034-2035 | 2034 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 7 | 2035-2036 | 2035 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 8 | 2036-2037 | 2036 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 9 | 2037-2038 | 2037 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 10 | 2038-2039 | 2038 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Investment made through limitation | | | | \$3,029,995,600 | \$636,504,400 | \$0 | \$0 | \$3,666,500,000 |
| Continue to maintain viable presence | 11 | 2039-2040 | 2039 | | | \$0 | | \$0 |
| | 12 | 2040-2041 | 2040 | | | \$0 | | \$0 |
| | 13 | 2041-2042 | 2041 | | | \$0 | | \$0 |
| | 14 | 2042-2043 | 2042 | | | \$0 | | \$0 |
| | 15 | 2043-2044 | 2043 | | | \$0 | | \$0 |
| Additional years for 25 year economic impact as required by 313.026(c)(1) | 16 | 2044-2045 | 2044 | | | \$0 | | \$0 |
| | 17 | 2045-2046 | 2045 | | | \$0 | | \$0 |
| | 18 | 2046-2047 | 2046 | | | \$0 | | \$0 |
| | 19 | 2047-2048 | 2047 | | | \$0 | | \$0 |
| | 20 | 2048-2049 | 2048 | | | \$0 | | \$0 |
| | 21 | 2049-2050 | 2049 | | | \$0 | | \$0 |
| | 22 | 2050-2051 | 2050 | | | \$0 | | \$0 |
| | 23 | 2051-2052 | 2051 | | | \$0 | | \$0 |
| | 24 | 2052-2053 | 2052 | | | \$0 | | \$0 |
| | 25 | 2053-2054 | 2053 | | | \$0 | | \$0 |

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* 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 313.021(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.

Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)

Date 4/19/2022
 Applicant Name 1PointFive P1, LLC
 ISD Name Ector County ISD

Form 50-296A

Revised October 2020

| | | | | Qualified Property | | | Estimated Taxable Value | | |
|--|-----------|-------------------------|---|--------------------------------|---|---|--|--|--|
| | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year) YYYY | Estimated Market Value of Land | Estimated Total Market Value of new buildings or other new improvements | 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 I&S 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 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2023-2024 | 2023 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2024-2025 | 2024 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2025-2026 | 2025 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2026-2027 | 2026 | \$0 | \$13,684,845 | \$65,144,905 | \$4,729,785 | \$74,099,965 | \$78,829,750 |
| | QTP 1 | 2027-2028 | 2027 | \$0 | \$171,219,684 | \$815,068,816 | \$59,177,310 | \$927,111,190 | \$986,288,500 |
| | QTP 2 | 2028-2029 | 2028 | \$0 | \$309,022,886 | \$1,471,062,864 | \$106,805,145 | \$1,673,280,605 | \$1,780,085,750 |
| Value Limitation Period | 1 | 2029-2030 | 2029 | \$0 | \$318,252,200 | \$1,514,997,800 | \$109,995,000 | \$1,723,255,000 | \$30,000,000 |
| | 2 | 2030-2031 | 2030 | \$0 | \$594,441,153 | \$2,829,759,039 | \$205,452,012 | \$3,218,748,180 | \$30,000,000 |
| | 3 | 2031-2032 | 2031 | \$0 | \$569,672,772 | \$2,711,852,414 | \$196,891,511 | \$3,084,633,675 | \$30,000,000 |
| | 4 | 2032-2033 | 2032 | \$0 | \$544,904,392 | \$2,593,945,790 | \$188,331,011 | \$2,950,519,171 | \$30,000,000 |
| | 5 | 2033-2034 | 2033 | \$0 | \$520,136,011 | \$2,476,039,166 | \$179,770,511 | \$2,816,404,666 | \$30,000,000 |
| | 6 | 2034-2035 | 2034 | \$0 | \$495,367,630 | \$2,358,132,541 | \$171,210,010 | \$2,682,290,161 | \$30,000,000 |
| | 7 | 2035-2036 | 2035 | \$0 | \$470,599,249 | \$2,240,225,917 | \$162,649,510 | \$2,548,175,656 | \$30,000,000 |
| | 8 | 2036-2037 | 2036 | \$0 | \$445,830,868 | \$2,122,319,293 | \$154,089,010 | \$2,414,061,151 | \$30,000,000 |
| | 9 | 2037-2038 | 2037 | \$0 | \$421,062,487 | \$2,004,412,668 | \$145,528,509 | \$2,279,946,646 | \$30,000,000 |
| | 10 | 2038-2039 | 2038 | \$0 | \$396,294,106 | \$1,886,506,044 | \$136,968,009 | \$2,145,832,141 | \$30,000,000 |
| Continue to maintain viable presence | 11 | 2039-2040 | 2039 | \$0 | \$371,525,725 | \$1,768,599,420 | \$128,407,509 | \$2,011,717,636 | \$2,011,717,636 |
| | 12 | 2040-2041 | 2040 | \$0 | \$346,757,344 | \$1,650,692,795 | \$119,847,008 | \$1,877,603,131 | \$1,877,603,131 |
| | 13 | 2041-2042 | 2041 | \$0 | \$321,988,963 | \$1,532,786,171 | \$111,286,508 | \$1,743,488,626 | \$1,743,488,626 |
| | 14 | 2042-2043 | 2042 | \$0 | \$297,220,582 | \$1,414,879,547 | \$102,726,008 | \$1,609,374,121 | \$1,609,374,121 |
| | 15 | 2043-2044 | 2043 | \$0 | \$272,452,201 | \$1,296,972,922 | \$94,165,507 | \$1,475,259,616 | \$1,475,259,616 |
| Additional years for 25 year economic impact as required by 313.026(c)(1) | 16 | 2044-2045 | 2044 | \$0 | \$247,683,821 | \$1,179,066,298 | \$85,605,007 | \$1,341,145,111 | \$1,341,145,111 |
| | 17 | 2045-2046 | 2045 | \$0 | \$222,915,440 | \$1,061,159,674 | \$77,044,507 | \$1,207,030,606 | \$1,207,030,606 |
| | 18 | 2046-2047 | 2046 | \$0 | \$198,147,059 | \$943,253,049 | \$68,484,006 | \$1,072,916,102 | \$1,072,916,102 |
| | 19 | 2047-2048 | 2047 | \$0 | \$173,378,678 | \$825,346,425 | \$59,923,506 | \$938,801,597 | \$938,801,597 |
| | 20 | 2048-2049 | 2048 | \$0 | \$148,610,297 | \$707,439,801 | \$51,363,006 | \$804,687,092 | \$804,687,092 |
| | 21 | 2049-2050 | 2049 | \$0 | \$127,300,880 | \$605,999,120 | \$43,998,000 | \$689,302,000 | \$689,302,000 |
| | 22 | 2050-2051 | 2050 | \$0 | \$127,300,880 | \$605,999,120 | \$43,998,000 | \$689,302,000 | \$689,302,000 |
| | 23 | 2051-2052 | 2051 | \$0 | \$127,300,880 | \$605,999,120 | \$43,998,000 | \$689,302,000 | \$689,302,000 |
| | 24 | 2052-2053 | 2052 | \$0 | \$127,300,880 | \$605,999,120 | \$43,998,000 | \$689,302,000 | \$689,302,000 |
| 25 | 2053-2054 | 2053 | \$0 | \$127,300,880 | \$605,999,120 | \$43,998,000 | \$689,302,000 | \$689,302,000 | |

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.

Schedule C: Employment Information

Date 4/19/2022
 Applicant Name 1PointFive P1, LLC
 ISD Name Ector County ISD

Form 50-296A

Revised October 2020

| | | | | Construction | | Non-Qualifying Jobs | Qualifying Jobs | |
|---|---------------|-------------------------|---------------------------------|------------------------------|--|---|--|------------------------------------|
| | | | | Column A | Column B | Column C | Column D | Column E |
| | Year | School Year (YYYY-YYYY) | Tax Year (Actual tax year) YYYY | Number of Construction FTE's | Average annual wage rates for construction workers | Number of non-qualifying jobs applicant estimates it will create (cumulative) | Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative) | Annual wage of new qualifying jobs |
| Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i> | 0 | 2022-2023 | 2022 | 0 | \$0 | 0 | 0 | \$0 |
| | 0 | 2023-2024 | 2023 | 0 | \$0 | 0 | 0 | \$0 |
| | 0 | 2024-2025 | 2024 | 0 | \$0 | 0 | 0 | \$0 |
| | 0 | 2025-2026 | 2025 | 7,500 | \$50,000 | 0 | 0 | \$0 |
| | 0 | 2026-2027 | 2026 | 7,500 | \$50,000 | 0 | 0 | \$0 |
| | QTP 1 | 2027-2028 | 2027 | 7,500 | \$50,000 | 0 | 0 | \$0 |
| | QTP 2 | 2028-2029 | 2028 | 7,500 | \$50,000 | 0 | 0 | \$0 |
| Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i> | 1 | 2029-2030 | 2029 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 2 | 2030-2031 | 2030 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 3 | 2031-2032 | 2031 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 4 | 2032-2033 | 2032 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 5 | 2033-2034 | 2033 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 6 | 2034-2035 | 2034 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 7 | 2035-2036 | 2035 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 8 | 2036-2037 | 2036 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 9 | 2037-2038 | 2037 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 10 | 2038-2039 | 2038 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| Years Following Value Limitation Period | 11 through 25 | 2039-2054 | 2053 | 0 | \$0 | 0 | 25 | \$51,640.16 |

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*)

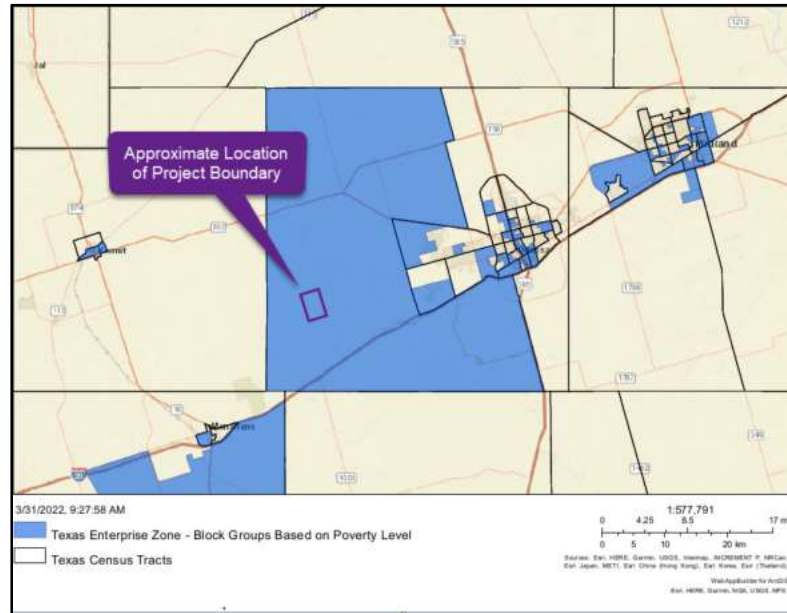
Not applicable

Tab 16

Description of Reinvestment or Enterprise Zone, including:

a) evidence that the area qualifies as an enterprise zone as defined by the Governor’s Office

The area qualifies as an enterprise zone as defined by the Governor’s Office because it is in a block group within the State of Texas that has a poverty rate of 20 percent or more.



b) legal description of reinvestment zone

Not applicable

c) order, resolution or ordinance establishing the reinvestment zone

Not applicable

d) guidelines and criteria for creating the zone

Not applicable

Tab 17

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

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 Muri
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 ▶

Derek Willis
Print Name (Authorized Company Representative (Applicant))

Vice President and Secretary
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.

Dr. Scott Muri
Superintendent of Schools
Ector County Independent School District
802 N. Sam Houston
Odessa, TX 79761

April 19, 2022

Page 1 of 1

Re: Chapter 313 Application for Appraised Value Limitation on Qualified Property for
1PointFive P1, LLC

Dear Dr. Muri:

On behalf of our client, *1PointFive P1, LLC* and its joint venture partners we are pleased to submit for your consideration the enclosed Form 50-296-A application for their proposed project, direct air capture facilities that would manufacture industrial-grade carbon dioxide gas and be located in Ector County Independent School District.

Pursuant to our evaluation of Texas and the target site in Ector County for the proposed project, we respectfully request your support of our completed series of applications, as well as your subsequent submittal of the applications to the Texas Comptroller's Office for its formal review and certification.

We look forward to working with you and the Comptroller toward a final investment decision for this project. If you have any questions, please don't hesitate to reach me at (512) 671-5575.

Sincerely,

Michael Lateur
Managing Director
Property Tax | SSIA

Tab 1

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

April 19, 2022

Date Application Received by District

Dr. Scott

First Name

Muri

Last Name

Superintendent

Title

Ector County ISD

School District Name

802 N. Sam Houston

Street Address

P.O. Box 3912

Mailing Address

Odessa

City

Texas

State

79760

ZIP

(432) 456-9879

Phone Number

(432) 456-9878

Fax Number

N/A

Mobile Number (optional)

scott.muri@ectorcountysd.org

Email Address

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)

| | |
|--------------------------|------------------------|
| Fred | Stormer |
| First Name | Last Name |
| Shareholder | |
| Title | |
| Underwood Law Firm, PC | |
| Firm Name | |
| (806) 379-0306 | N/A |
| Phone Number | Fax Number |
| N/A | fred.stormer@uwlaw.com |
| Mobile Number (optional) | Email Address |

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

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

| | |
|------------------------------|------------------------|
| Derek | Willis |
| First Name | Last Name |
| Vice President and Secretary | 1PointFive P1, LLC |
| Title | Organization |
| 5 Greenway Plaza, Suite 110 | |
| Street Address | |
| 5 Greenway Plaza, Suite 110 | |
| Mailing Address | |
| Houston | TX |
| City | State |
| (713) 497-2556 | N/A |
| Phone Number | Fax Number |
| N/A | Derek_Willis@oxy.com |
| Mobile Number (optional) | Business Email Address |

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.

| | |
|------------------------------|------------------------------|
| Josh | Barvin |
| First Name | Last Name |
| Business Development Manager | Oxy Low Carbon Ventures, LLC |
| Title | Organization |
| 5 Greenway Plaza, Suite 110 | |
| Street Address | |
| 5 Greenway Plaza, Suite 110 | |
| Mailing Address | |
| Houston | TX |
| City | State |
| (713) 840-3007 | N/A |
| Phone Number | Fax Number |
| (832) 607-5092 | Josh_Barvin@oxy.com |
| Mobile Number (optional) | Business Email Address |

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)

| | |
|--|---------------------|
| Michael First Name | Lateur Last Name |
| Managing Director Title | |
| Kroll, LLC Firm Name | |
| (512) 671-5575 Phone Number | N/A Fax Number |
| michael.lateur@kroll.com 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.

| | |
|--|---|
| \$ 90,000.00 Payment Amount | Wire Transfer Transaction Type |
| Kroll, LLC Payor | Ector County Independent School District Payee |
| April 19, 2022 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? | 1PointFive P1, LLC |
| 2. Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) | 32076631608 |
| 3. Parent Company Name | 1Point Five Inc. |
| 4. Parent Company Tax ID | 86-2318741 |
| 5. NAICS code | 325120 |
| 6. Is the applicant a party to any other pending or active Chapter 313 agreements? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| 6a. If yes, please list application number, name of school district and year of agreement | Application #1570, Ector County ISD, 2021 |

SECTION 5: Applicant Business Structure

| | |
|--|---|
| 1. Business Organization of Applicant (corporation, limited liability corporation, etc) | Limited Liability Corporation |
| 2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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

1PointFive P1, LLC

2c. Reporting Entity Taxpayer Number

32076631608

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 December 2022
2. Estimated commencement of construction Q3 2027
3. Beginning of qualifying time period (MM/DD/YYYY) 01/01/2028
4. First year of limitation (YYYY) 2031
 - 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 Q2 2030

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, 1.0517, 100%</u> <small>(Name, tax rate and percent of project)</small> | I&S (ISD): <u>Ector County ISD, 0.1262, 100%</u> <small>(Name, tax rate and percent of project)</small> |
| County: <u>Ector County, 0.3650, 100%</u> <small>(Name, tax rate and percent of project)</small> | City: <u>N/A</u> <small>(Name, tax rate and percent of project)</small> |
| Hospital District: <u>Ector County HD, 0.1500, 100%</u> <small>(Name, tax rate and percent of project)</small> | Water District: <u>N/A</u> <small>(Name, tax rate and percent of project)</small> |
| Other (describe): <u>Odessa College, 0.2017, 100%</u> <small>(Name, tax rate and percent of project)</small> | Other (describe): <u>N/A</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: Pending
Hospital District: Pending
Other (describe): Odessa College, Pending
6. Is the project located entirely within the ISD listed in Section 1? [checked] Yes
7. Did you receive a determination from the Texas Economic Development and Tourism Office... [checked] No

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.

- 1. At the time of application, what is the estimated minimum qualified investment required for this school district? \$ 30,000,000.00
2. What is the amount of appraised value limitation for which you are applying? \$ 30,000,000.00
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)? [checked] Yes
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? [checked] Yes

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? [checked] 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? _____ N/A

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? 25
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 \$ 1,153.75
 - b. Qualifying job wage minimum option §313.021(5)(A)
-110% of the average weekly wage for manufacturing jobs in the county is \$ 1,617.00
 - c. Qualifying job wage minimum option §313.021(5)(B)
-110% of the average weekly wage for manufacturing jobs in the region is \$ 993.08
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? \$ 51,640.16
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? \$ 51,640.16
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**.

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

| ATTACHMENT | |
|------------|---|
| 1 | Sections 1-16 |
| 2 | Proof of Payment of Application Fee |
| 3 | Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation <i>(if applicable)</i> |
| 4 | Detailed description of the project |
| 5 | Documentation to assist in determining if limitation is a determining factor |
| 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 <i>(if applicable)</i> |
| 7 | Description of Qualified Investment |
| 8 | Description of Qualified Property |
| 9 | Description of Land |
| 10 | Description of all property not eligible to become qualified property <i>(if applicable)</i> |
| 11 | <p>Maps that clearly show:</p> <ul style="list-style-type: none"> a) Project boundary and project vicinity, including county and school district boundaries b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period c) Qualified property including location of new buildings or new improvements d) Any existing property within the project area e) Any facilities owned or operated by the applicant having interconnections to the proposed project f) Location of project, and related nearby projects within vicinity map g) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size <p>Note: Maps should be high resolution files. Include map legends/markers.</p> |
| 12 | Request for Waiver of Job Creation Requirement and supporting information <i>(if applicable)</i> |
| 13 | Calculation of non-qualifying wage target and two possible qualifying job wage requirements with TWC documentation |
| 14 | Schedules A1, A2, B, and C completed and signed Economic Impact <i>(if applicable)</i> |
| 15 | Economic Impact Analysis, other payments made in the state or other economic information <i>(if applicable)</i> |
| 16 | <p>Description of Reinvestment or Enterprise Zone, including:</p> <ul style="list-style-type: none"> a) evidence that the area qualifies as an enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone c) order, resolution or ordinance establishing the reinvestment zone d) guidelines and criteria for creating the zone |
| 17 | Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i> |

Tab 2

Proof of Application Filing Fee Payment

Please see attached.

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

Occidental Petroleum (Oxy), a leading producer of traditional energy resources, and its subsidiary Oxy Low Carbon Ventures (OLCV) have formed a joint venture with private equity firm Rusheen Capital Management to finance and deploy large-scale Direct Air Capture (DAC) technology licensed from Carbon Engineering, a clean energy company focused on the commercialization of DAC technology, which captures carbon dioxide directly from the atmosphere.

The purpose of the joint venture, named 1PointFive, will be to further OLCV's commitment to reducing the amount of carbon dioxide in the atmosphere by advancing and accelerating carbon capture, utilization, and storage (CCUS) technologies and projects around the world. The significance of the name 1PointFive is the joint venture's mission to achieve climate stabilization and limit global warming to 1.5°C (of which DAC technology is a critical component). Oxy and OLCV will be providing significant financial, operational, and engineering resources to 1PointFive.

As the combined corporate entity for OLCV and its partners' proposed investment, 1PointFive is planning the development of a series of DAC facilities that would produce industrial-grade carbon dioxide gas (CO₂) for its own use, as well as the use of other potential off-takers with similar commercial applications. The DAC facilities will be built in or near one of several United States energy basins in which Oxy operates, within reasonable proximity to its existing enhanced oil recovery (EOR) operations, accessible pipeline infrastructure, and sufficient electric, natural gas, and water utilities.

It is contemplated that the proposed DAC facilities (the Project) would comprise up to six (6) separate builds, each of which will be the subject of its own application, submitted as a part of a series of applications related to the same project. Should all six builds be constructed, they would be capable of capturing and permanently sequestering approximately 26 million tons per annum (Mtpa) of atmospheric CO₂. This application pertains to the third of these six proposed builds ("Build 3"). The proposed Build 3 project would capture and permanently sequester approximately 4 million tons per annum (Mtpa) of atmospheric CO₂.

The Project combines the operational expertise of Oxy and OLCV, and the innovative technology of Carbon Engineering to capture and permanently remove carbon dioxide directly from the atmosphere. The high-quality CO₂ product manufactured by the DAC facilities would be used as industrial gas feedstock by Oxy in their traditional energy production process, specifically through downhole injection at their existing EOR sites, to permanently sequester high volumes of carbon dioxide in underground geological storage. Carbon Engineering's proprietary DAC technology is specifically designed to be deployed at a much larger scale than other DAC designs currently operating and demonstrates a significant advantage over less cost-competitive DAC technology developers and facilities.

The proven DAC technology used by the Project would manufacture a continuous stream of high-quality carbon dioxide gas through the process of heating, treating, and compressing atmospheric air using only carbon-free renewable electricity, natural gas, and water as system inputs. Using large fans to draw in ambient air, the system would use two principal chemical loops and industrial processing units to extract and purify the carbon dioxide components of the air input. The DAC system's two chemical loops are a

caustic carbon dioxide capture loop and a solids carbon dioxide purification loop, operated by the carbon dioxide capture and caustic recovery equipment. The closed loop design effectively diminishes the need for material removal and make-up, as the products of each reaction become a reagent for another reaction within the DAC process. The major output streams of the DAC system are compressed CO₂ (for utilization) and CO₂-depleted air (discharged into the surrounding atmosphere).

There are four major process components associated with the proposed DAC facilities:

- Air Contactors
- Pellet Reactors
- Pellet Calciners
- Slakers/Hydrators

Eligible ancillary and necessary equipment would include the following:

- Pellet Separators and Washing
- Pellet Dryers
- CO₂ Purifiers and Compressors
- Cooling Systems
- Compressors
- Evaporators
- Pumps
- Electrical and Instrumentation Controls
- New Piping
- Water Treatment Facilities
- Operations, maintenance, measurement, and monitoring buildings

The construction of the plant would include site preparation and earthworks, installation of foundations and supports, fabrication of major equipment and transportation to site, integration of modules and interconnecting works (i.e. piping, electrical, controls), erection of buildings and support infrastructure, utility interconnections, commissioning and start-up, production ramp-up, and handover to operations.

The pairing of DAC technology and CO₂ sequestration through EOR operations would be a significant environmental commitment for the energy industry, providing a pathway for reduced carbon emissions from traditional energy production and the realization of an economically viable model for significant anthropogenic CO₂ sequestration through EOR operations. The Project and its DAC technology deployment are expected to fundamentally alter the energy landscape by providing a pathway to decarbonize major carbon-emitting industries like fuel production, transportation, and construction. CO₂ credits generated by the plant would be sold into regulated markets like California's Low Carbon Fuel Standards (LCFS) market, as a low-carbon liquid fuel or as emissions offsets directly to corporations committed to decarbonization. Currently, low carbon fuel initiatives are being enacted all over the world, including major markets such as the United States' west coast, Canada, and South America. With countries, industries, and companies continuously looking to offset their CO₂ emissions, it is anticipated that by 2050 the carbon removal industry will be as large as the oil & gas industry is today.

Tab 5

Documentation to Assist in Determining if Limitation is a Determining Factor

The proposed Project would be one of the largest industrial-scale direct atmospheric air capture and carbon sequestration operations anywhere in the world. Given the wide applicability of Carbon Engineering’s process, their DAC technology can be utilized by a variety of industrial and commercial users and could be located anywhere an adequate supply of utility inputs exist. The majority of the manufactured CO₂ from the Project would be permanently sequestered by Oxy’s EOR operations but could also be utilized as a feedstock for many other products. The Project becomes more economically viable when there is access to competitively priced renewable electricity, natural gas, and water.

Additional factors that would impact the location and success of the Project include:

- Proximity to a qualified customer for CO₂
- Suitable topography, geotechnical, and logistical conditions
- Labor availability
- Supporting infrastructure
- Initial development costs and recurring tax liabilities
- Permitting and regulatory environment
- Ability to develop or obtain carbon-free electricity to power the facility

The profitability of the Project is dependent on four main factors:

- The ability to negotiate and sell processed CO₂ for permanent sequestration in enhanced oil recovery operations and other potential commercial off-takers
- The ability to utilize Federal Section 45Q tax credits
- The ability to generate and sell negative emissions credits (e.g. California’s Low Carbon Fuel Standard)
- The ability to negotiate and secure economic development incentives

At this time, Oxy would be the primary recipient of CO₂ offtake for sequestration. Because the Section 45Q and negative emissions credits are not specific to geographic location, the Project could be located anywhere in the United States and secure the necessary savings resulting from these programs.

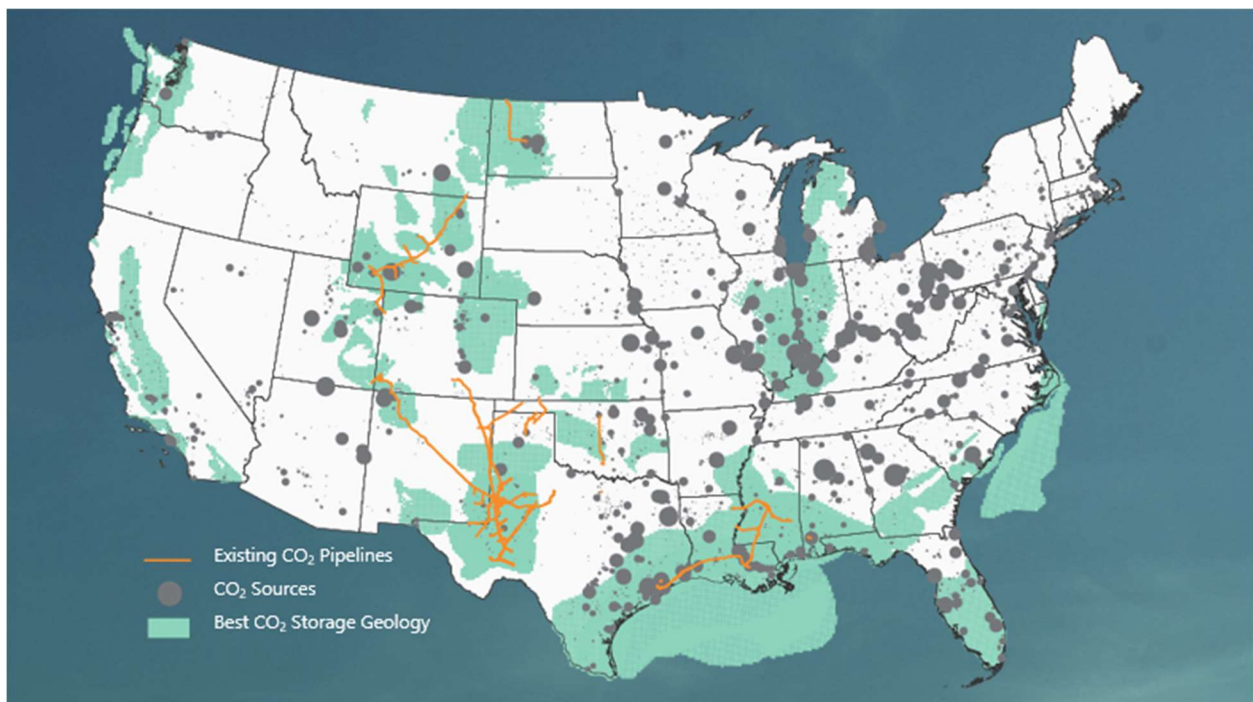
Oxy and Oxy Low Carbon Ventures have a traditional energy production and carbon solutions footprint throughout the United States and the majority of their domestic assets are concentrated in the energy basins of Texas, New Mexico, Colorado, Wyoming, and Utah. 1PointFive is actively evaluating target sites in each of these jurisdictions and plans to site the proposed facilities in the location that offers the best support for profitability and sustainability over the lifetime of the Project.

Reducing the Project’s ad valorem property tax liability and other significant financial impacts to the maximum extent possible is critical to the final investment decision. Property tax is one of the highest annual operating expenses and would be a significant ongoing liability throughout the life of the Project. A Chapter 313 value limitation from Ector County ISD would be critical to reducing up-front operating

costs, increasing return on investment, and maintaining the long-term economic viability of the Project. The Project is not economically viable at the proposed site in Texas without a Chapter 313 value limitation.

The potential to develop industrial scale, cost effective CCUS operations exists anywhere there is a relatively short distance between carbon dioxide emission sources and saline formations or other types of aquifers that could be utilized for permanent CO₂ sequestration. If the proposed plan to capture, process and sequester CO₂ from atmospheric air proves prohibitively expensive to fully scale in Texas or other states with significant EOR operations, Oxy and its partners could explore other attractive alternatives to investing in DAC/EOR-coupled technologies.

The following map illustrates CO₂ sequestration hub development potential in the United States:



The potential to capture and sequester emissions from these sources is virtually unlimited, as approximately 2,700 Mtpa of CO₂ was emitted from U.S. industrial sources in 2018 and approximately 40 Mtpa was captured and sequestered as of January 2021.

Other CO₂ emissions sources such as ethanol plants make a strong case for the construction of carbon sequestration hubs in areas where plants are concentrated, as the cost of sequestration could be spread over a larger production volume. With the right combination of average pipeline distance, estimated capital investment, adequate geology, and minimum ethanol production volumes, OLCV and its partners could choose to dedicate their limited capital resources to the pursuit of other carbon neutralization opportunities with strong estimated returns on investment, including DAC facilities located at sequestration sites near ethanol production.

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)*

Not applicable

Tab 7

Description of Qualified Investment

The Project would be constructed on approximately 1,600 acres at a site known as the Shoe Bar Ranch in Ector County and would be located entirely within the boundaries of Ector County Independent School District.

There are four major process components associated with the Project:

- Air Contactors
- Pellet Reactors
- Pellet Calciners
- Slakers/Hydrators

Eligible ancillary and necessary equipment would include the following:

- Pellet Separators and Washing
- Pellet Dryers
- CO₂ Purifiers and Compressors
- Cooling Systems
- Compressors
- Evaporators
- Pumps
- Electrical and Instrumentation Controls
- New Piping
- Water Treatment Facilities
- Operations, maintenance, measurement, and monitoring buildings

Additional equipment and components would be defined during detail design and procured by the EPCM contractor.

The construction of the plant would include site preparation and earthworks, installation of foundations and supports, fabrication of major equipment and transportation to site, integration of modules and interconnecting works (i.e. piping, electrical, controls), erection of buildings and support infrastructure, utility interconnections, commissioning and start-up, production ramp-up, and handover to operations.

This application covers all qualified investment and qualified property necessary for the commercial operations of the Project, all of which would be located within the project boundary, Enterprise Zone, Ector ISD and Ector County, Texas.

Tab 8

Description of Qualified Property

The Project would be constructed on approximately 1,600 acres at a site known as the Shoe Bar Ranch in Ector County and would be located entirely within the boundaries of Ector County Independent School District.

There are four major process components associated with the Project:

- Air Contactors
- Pellet Reactors
- Pellet Calciners
- Slakers/Hydrators

Eligible ancillary and necessary equipment would include the following:

- Pellet Separators and Washing
- Pellet Dryers
- CO₂ Purifiers and Compressors
- Cooling Systems
- Compressors
- Evaporators
- Pumps
- Electrical and Instrumentation Controls
- New Piping
- Water Treatment Facilities
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Additional equipment and components would be defined during detail design and procured by the EPCM contractor.

The construction of the plant would include site preparation and earthworks, installation of foundations and supports, fabrication of major equipment and transportation to site, integration of modules and interconnecting works (i.e. piping, electrical, controls), erection of buildings and support infrastructure, utility interconnections, commissioning and start-up, production ramp-up, and handover to operations.

This application covers all qualified investment and qualified property necessary for the commercial operations of the Project, all of which would be located within the project boundary, Enterprise Zone, Ector ISD and Ector County, Texas.

Tab 9

Description of Land

The land on which this proposed project would be developed would **not** be claimed as part of the Qualified Property as described by Texas Statute 313.021(2)(A).

Tab 10

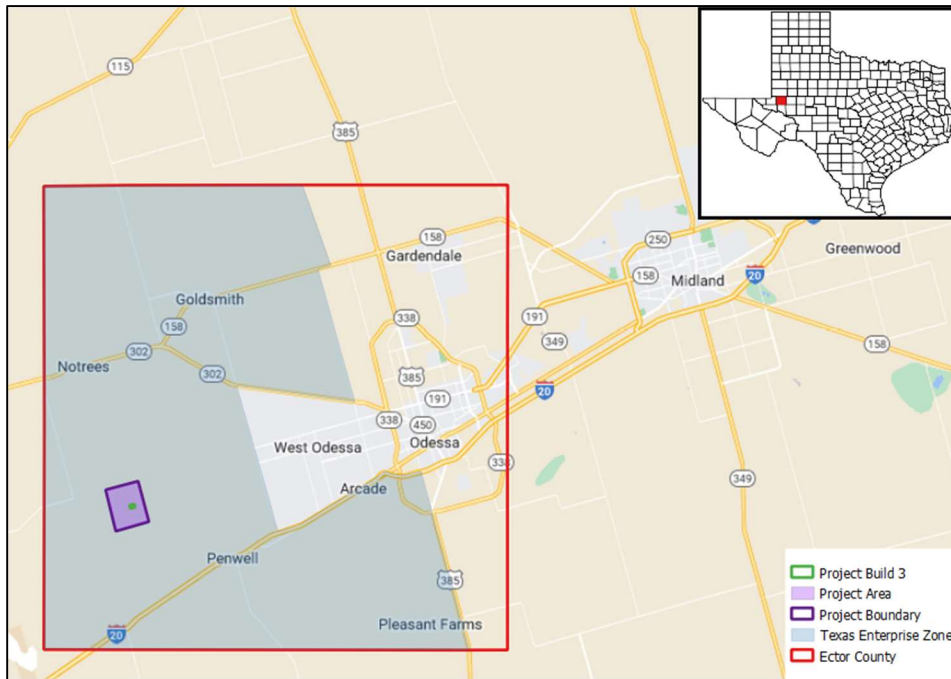
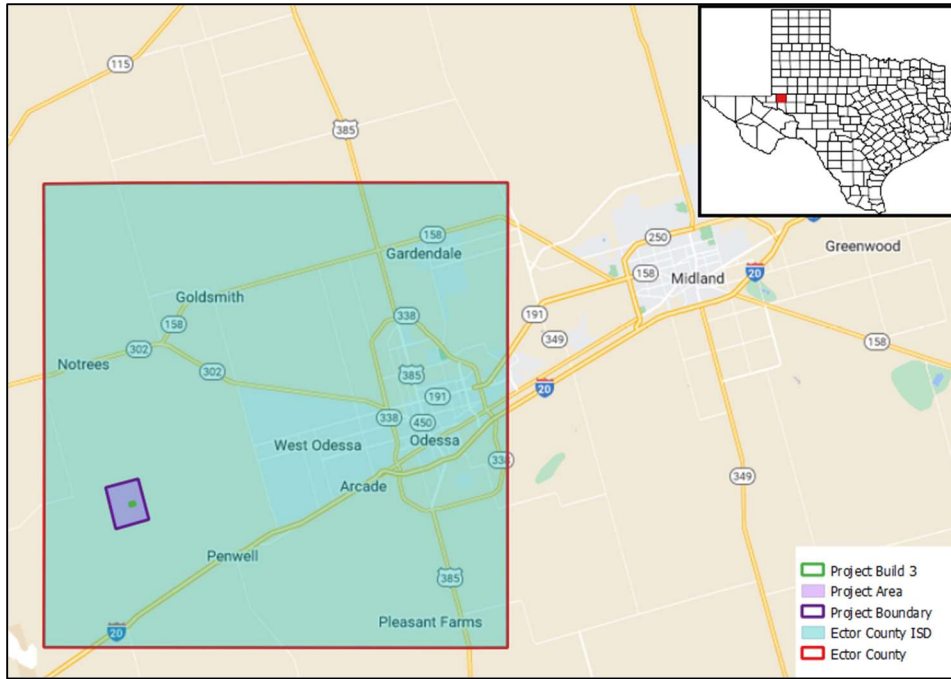
Description of all property not eligible to become qualified property *(if applicable)*

The land on which the Project would be developed would not be claimed as part of the Qualified Property.

Tab 11

Maps that clearly show:

- a) **Project boundary and project vicinity, including county and school district boundaries**
- b) **Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period**
- c) **Qualified property including location of new buildings or new improvements**
- d) **Any existing property within the project area**
- e) **Any facilities owned or operated by the applicant having interconnections to the proposed project**
- f) **Location of project, and related nearby projects within vicinity map**
- g) **Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size**

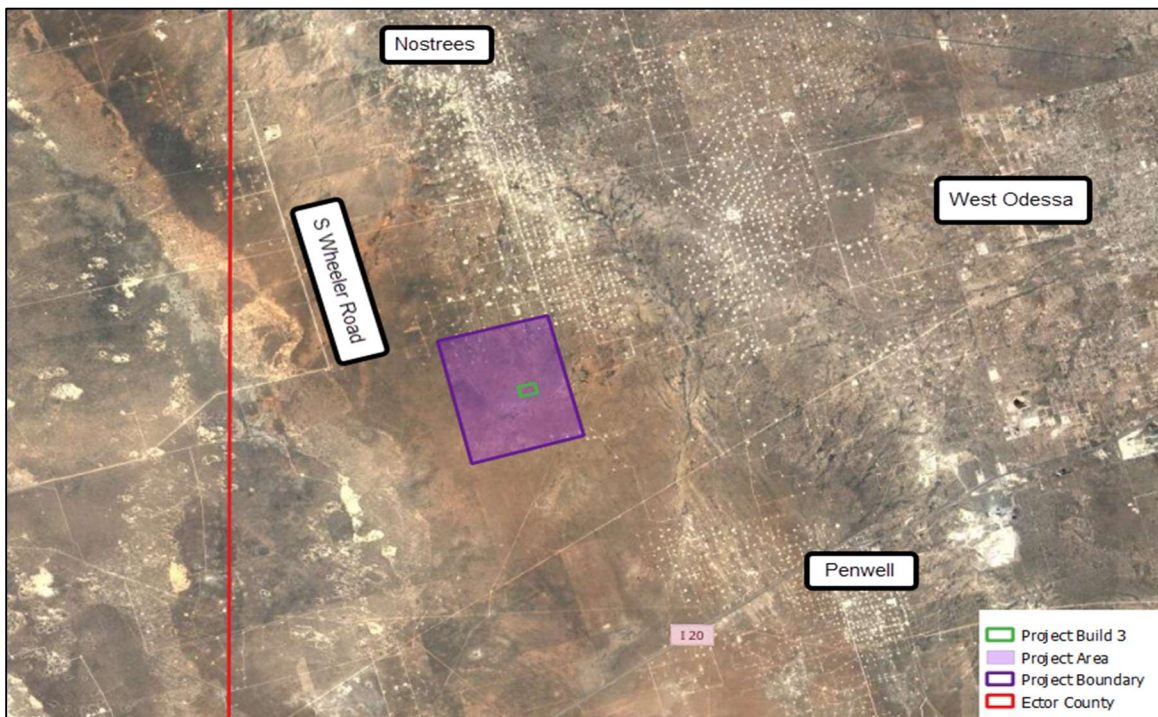
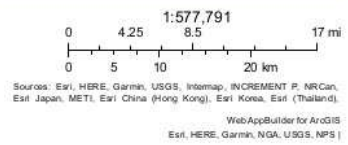


ArcGIS Web Map



3/31/2022, 9:27:58 AM

- Texas Enterprise Zone - Block Groups Based on Poverty Level
- Texas Census Tracts



Tab 12

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

Not applicable

Tab 13

Calculation of non-qualifying wage target and two possible qualifying job wage requirements with TWC documentation

Average Weekly Wages for All jobs, All Industries in Ector County (Four Most Recent Quarters)

| County | Year | Quarter | Ownership | Avg. Weekly Wage |
|----------------------------|------|---------|-----------|--------------------|
| Ector County | 2020 | 4 | Total All | 1,182 |
| Ector County | 2021 | 1 | Total All | 1,094 |
| Ector County | 2021 | 2 | Total All | 1,154 |
| Ector County | 2021 | 3 | Total All | 1,185 |
| Sum Last 4 Quarters | | | | \$ 4,615 |
| Average Weekly Wage | | | | \$ 1,153.75 |

Average Weekly Wages for Manufacturing Jobs in Ector County (Four Most Recent Quarters)

| County | Year | Quarter | Ownership | Avg. Weekly Wage |
|----------------------------------|------|---------|-----------|--------------------|
| Ector County | 2020 | 4 | Private | \$ 1,514 |
| Ector County | 2021 | 1 | Private | \$ 1,425 |
| Ector County | 2021 | 2 | Private | \$ 1,484 |
| Ector County | 2021 | 3 | Private | \$ 1,457 |
| Sum Last 4 Quarters | | | | \$ 5,880 |
| Average Weekly Wage | | | | \$ 1,470 |
| 110 % Average Weekly Wage | | | | \$ 1,617.00 |

Average Weekly Wages for Manufacturing Jobs in Council of Government Region (Most Recent Year)

| COG Region | Year | Hourly | Annual | Avg. Weekly Wage |
|----------------------------------|------|----------|-----------|------------------|
| Permian Basin | 2020 | \$ 22.57 | \$ 46,945 | \$ 902.80 |
| 110 % Average Weekly Wage | | | | \$ 993.08 |

*Backup documentation provided in following pages

Wage data as provided by the Texas Workforce Commission

| Year | Period | Area | Ownership | Industry | Average Weekly Wage |
|------|--------|-------|-----------|-----------------------|---------------------|
| 2020 | 04 | Ector | Total All | Total, All Industries | 1,182 |
| 2021 | 01 | Ector | Total All | Total, All Industries | 1,094 |
| 2021 | 02 | Ector | Total All | Total, All Industries | 1,154 |
| 2021 | 03 | Ector | Total All | Total, All Industries | 1,185 |

| Year | Period | Area | Ownership | Industry | Average Weekly Wage |
|------|--------|-------|-----------|---------------|---------------------|
| 2020 | 04 | Ector | Private | Manufacturing | 1,514 |
| 2021 | 01 | Ector | Private | Manufacturing | 1,425 |
| 2021 | 02 | Ector | Private | Manufacturing | 1,484 |
| 2021 | 03 | Ector | Private | Manufacturing | 1,457 |

**2020 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

| COG | COG Number | Wages | |
|---|------------|---------|----------|
| | | Hourly | Annual |
| Panhandle Regional Planning Commission | 1 | \$23.32 | \$48,501 |
| South Plains Association of Governments | 2 | \$20.42 | \$42,473 |
| NORTEX Regional Planning Commission | 3 | \$20.64 | \$42,928 |
| North Central Texas Council of Governments | 4 | \$32.34 | \$67,261 |
| Ark-Tex Council of Governments | 5 | \$21.30 | \$44,299 |
| East Texas Council of Governments | 6 | \$29.28 | \$60,904 |
| West Central Texas Council of Governments | 7 | \$21.54 | \$44,797 |
| Rio Grande Council of Governments | 8 | \$19.02 | \$39,552 |
| Permian Basin Regional Planning Commission | 9 | \$22.57 | \$46,945 |
| Concho Valley Council of Governments | 10 | \$27.28 | \$56,739 |
| Heart of Texas Council of Governments | 11 | \$23.41 | \$48,696 |
| Capital Area Council of Governments | 12 | \$29.96 | \$62,326 |
| Brazos Valley Council of Governments | 13 | \$18.41 | \$38,286 |
| Deep East Texas Council of Governments | 14 | \$21.07 | \$43,829 |
| South East Texas Regional Planning Commission | 15 | \$27.38 | \$56,957 |
| Houston-Galveston Area Council | 16 | \$29.83 | \$62,050 |
| Golden Crescent Regional Planning Commission | 17 | \$22.09 | \$45,945 |
| Alamo Area Council of Governments | 18 | \$27.45 | \$57,101 |
| South Texas Development Council | 19 | \$19.20 | \$39,945 |
| Coastal Bend Council of Governments | 20 | \$35.39 | \$73,603 |
| Lower Rio Grande Valley Development Council | 21 | \$20.70 | \$43,056 |
| Texoma Council of Governments | 22 | \$19.18 | \$39,897 |
| Central Texas Council of Governments | 23 | \$21.34 | \$44,390 |
| Middle Rio Grande Development Council | 24 | \$22.98 | \$47,809 |
| Texas | | \$28.00 | \$58,233 |

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

Data published: August 2021.

Data published annually, next update will likely be July 31, 2022

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 and Wage Statistics (OEWS) 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, and C completed and signed Economic Impact *(if applicable)*

Schedule A1: Total Investment for Economic Impact (through the Qualifying Time Period)

Date 4/19/2022
Applicant Name 1PointFive P1, LLC
ISD Name Ector County ISD

Form 50-296A
 Revised October 2020

| PROPERTY INVESTMENT AMOUNTS | | | | | | | | |
|--|------|-------------------------|---|--|--|--|---|--|
| (Estimated Investment in each year. Do not put cumulative totals.) | | | | | | | | |
| | | | | Column A | Column B | Column C | Column D | Column E |
| | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year below) YYYY | 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 new investment made during this year that will <u>not</u> 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) |
| Investment made before filing complete application with district | | | | Not eligible to become Qualified Property | | | [The only other investment made before filing complete application with district that may become Qualified Property is land.] | |
| Investment made after filing complete application with district, but before final board approval of application | 0 | 2022-2023 | 2022 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period | 0 | 2023-2024 | 2023 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2024-2025 | 2024 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2025-2026 | 2025 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2026-2027 | 2026 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2027-2028 | 2027 | \$132,759,507 | \$27,888,493 | \$0 | \$0 | \$160,648,000 |
| Complete tax years of qualifying time period | QTP1 | 2028-2029 | 2028 | \$1,528,278,048 | \$321,041,952 | \$0 | \$0 | \$1,849,320,000 |
| | QTP2 | 2029-2030 | 2029 | \$1,336,857,363 | \$280,830,637 | \$0 | \$0 | \$1,617,688,000 |
| Total Investment through Qualifying Time Period [ENTER this row in Schedule A2] | | | | \$2,997,894,918 | \$629,761,082 | \$0 | \$0 | \$3,627,656,000 |
| | | | | Enter amounts from TOTAL row above in Schedule A2 | | | | |
| Total Qualified Investment (sum of green cells) | | | | \$3,467,008,000 | | | | |

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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 that will not become qualified property include 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.

Date 4/19/2022
 Applicant Name 1PointFive P1, LLC
 ISD Name Ector County ISD

Schedule A2: Total Investment for Economic Impact (including Qualified Property and other investments)

Form 50-296A
 Revised October 2020

| PROPERTY INVESTMENT AMOUNTS | | | | | | | | |
|--|-----------------|-------------------------|---|--|--|--|---|----------------------------|
| (Estimated Investment in each year. Do not put cumulative totals.) | | | | | | | | |
| | | | | Column A | Column B | Column C | Column D | Column E |
| | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year below) YYYY | 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 <u>not</u> become Qualified Property [SEE NOTE] | Other investment made during this year that will become Qualified Property [SEE NOTE] | Total Investment (A+B+C+D) |
| Total Investment from Schedule A1* | 0 - QTP2 | TOTALS FROM SCHEDULE A1 | | \$2,997,894,918 | \$629,761,082 | \$0 | \$0 | \$3,627,656,000 |
| Enter amounts from TOTAL row in Schedule A1 in the row below | | | | | | | | |
| Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i> | Deferral Year 1 | 2030-2031 | 2030 | \$89,535,482 | \$18,808,518 | \$0 | \$0 | \$108,344,000 |
| Value limitation period*** | 1 | 2031-2032 | 2031 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 2 | 2032-2033 | 2032 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 3 | 2033-2034 | 2033 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 4 | 2034-2035 | 2034 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 5 | 2035-2036 | 2035 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 6 | 2036-2037 | 2036 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 7 | 2037-2038 | 2037 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 8 | 2038-2039 | 2038 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 9 | 2039-2040 | 2039 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 10 | 2040-2041 | 2040 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Investment made through limitation | | | | \$3,087,430,400 | \$648,569,600 | \$0 | \$0 | \$3,736,000,000 |
| Continue to maintain viable presence | 11 | 2041-2042 | 2041 | | | \$0 | | \$0 |
| | 12 | 2042-2043 | 2042 | | | \$0 | | \$0 |
| | 13 | 2043-2044 | 2043 | | | \$0 | | \$0 |
| | 14 | 2044-2045 | 2044 | | | \$0 | | \$0 |
| | 15 | 2045-2046 | 2045 | | | \$0 | | \$0 |
| Additional years for 25 year economic impact as required by 313.026(c)(1) | 16 | 2046-2047 | 2046 | | | \$0 | | \$0 |
| | 17 | 2047-2048 | 2047 | | | \$0 | | \$0 |
| | 18 | 2048-2049 | 2048 | | | \$0 | | \$0 |
| | 19 | 2049-2050 | 2049 | | | \$0 | | \$0 |
| | 20 | 2050-2051 | 2050 | | | \$0 | | \$0 |
| | 21 | 2051-2052 | 2051 | | | \$0 | | \$0 |
| | 22 | 2052-2053 | 2052 | | | \$0 | | \$0 |
| | 23 | 2053-2054 | 2053 | | | \$0 | | \$0 |
| | 24 | 2054-2055 | 2054 | | | \$0 | | \$0 |
| | 25 | 2055-2056 | 2055 | | | \$0 | | \$0 |

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* 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 313.021(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.

Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)

Date 4/19/2022
 Applicant Name 1PointFive P1, LLC
 ISD Name Ector County ISD

Form 50-296A

Revised October 2020

| | 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 I&S 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 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2023-2024 | 2023 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2024-2025 | 2024 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2025-2026 | 2025 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2026-2027 | 2026 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2027-2028 | 2027 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | QTP 1 | 2028-2029 | 2028 | \$0 | \$13,944,246 | \$66,379,754 | \$4,819,440 | \$75,504,560 | \$80,324,000 |
| | QTP 2 | 2029-2030 | 2029 | \$0 | \$174,465,222 | \$830,518,778 | \$60,299,040 | \$944,684,960 | \$1,004,984,000 |
| | Referral Year | 2030-2031 | 2030 | \$0 | \$314,880,541 | \$1,498,947,459 | \$108,829,680 | \$1,704,998,320 | \$1,813,828,000 |
| Value Limitation Period | 1 | 2031-2032 | 2031 | \$0 | \$324,284,800 | \$1,543,715,200 | \$112,080,000 | \$1,755,920,000 | \$30,000,000 |
| | 2 | 2032-2033 | 2032 | \$0 | \$605,709,027 | \$2,883,398,273 | \$209,346,438 | \$3,279,760,862 | \$30,000,000 |
| | 3 | 2033-2034 | 2033 | \$0 | \$580,471,152 | \$2,763,256,681 | \$200,623,670 | \$3,143,104,162 | \$30,000,000 |
| | 4 | 2034-2035 | 2034 | \$0 | \$555,233,276 | \$2,643,115,088 | \$191,900,902 | \$3,006,447,462 | \$30,000,000 |
| | 5 | 2035-2036 | 2035 | \$0 | \$529,995,400 | \$2,522,973,496 | \$183,178,134 | \$2,869,790,763 | \$30,000,000 |
| | 6 | 2036-2037 | 2036 | \$0 | \$504,757,525 | \$2,402,831,904 | \$174,455,366 | \$2,733,134,063 | \$30,000,000 |
| | 7 | 2037-2038 | 2037 | \$0 | \$479,519,649 | \$2,282,690,311 | \$165,732,598 | \$2,596,477,363 | \$30,000,000 |
| | 8 | 2038-2039 | 2038 | \$0 | \$454,281,773 | \$2,162,548,719 | \$157,009,830 | \$2,459,820,663 | \$30,000,000 |
| | 9 | 2039-2040 | 2039 | \$0 | \$429,043,898 | \$2,042,407,126 | \$148,287,061 | \$2,323,163,963 | \$30,000,000 |
| Continue to maintain viable presence | 10 | 2040-2041 | 2040 | \$0 | \$403,806,022 | \$1,922,265,534 | \$139,564,293 | \$2,186,507,263 | \$30,000,000 |
| | 11 | 2041-2042 | 2041 | \$0 | \$378,568,146 | \$1,802,123,942 | \$130,841,525 | \$2,049,850,563 | \$2,049,850,563 |
| | 12 | 2042-2043 | 2042 | \$0 | \$353,330,271 | \$1,681,982,349 | \$122,118,757 | \$1,913,193,863 | \$1,913,193,863 |
| | 13 | 2043-2044 | 2043 | \$0 | \$328,092,395 | \$1,561,840,757 | \$113,395,989 | \$1,776,537,163 | \$1,776,537,163 |
| | 14 | 2044-2045 | 2044 | \$0 | \$302,854,520 | \$1,441,699,164 | \$104,673,221 | \$1,639,880,463 | \$1,639,880,463 |
| Additional years for 25 year economic impact as required by 313.026(c)(1) | 15 | 2045-2046 | 2045 | \$0 | \$277,616,644 | \$1,321,557,572 | \$95,950,453 | \$1,503,223,763 | \$1,503,223,763 |
| | 16 | 2046-2047 | 2046 | \$0 | \$252,378,768 | \$1,201,415,980 | \$87,227,685 | \$1,366,567,063 | \$1,366,567,063 |
| | 17 | 2047-2048 | 2047 | \$0 | \$227,140,893 | \$1,081,274,387 | \$78,504,917 | \$1,229,910,363 | \$1,229,910,363 |
| | 18 | 2048-2049 | 2048 | \$0 | \$201,903,017 | \$961,132,795 | \$69,782,149 | \$1,093,253,663 | \$1,093,253,663 |
| | 19 | 2049-2050 | 2049 | \$0 | \$176,665,141 | \$840,991,202 | \$61,059,381 | \$956,596,963 | \$956,596,963 |
| | 20 | 2050-2051 | 2050 | \$0 | \$151,427,266 | \$720,849,610 | \$52,336,613 | \$819,940,263 | \$819,940,263 |
| | 21 | 2051-2052 | 2051 | \$0 | \$129,713,920 | \$617,486,080 | \$44,832,000 | \$702,368,000 | \$702,368,000 |
| | 22 | 2052-2053 | 2052 | \$0 | \$129,713,920 | \$617,486,080 | \$44,832,000 | \$702,368,000 | \$702,368,000 |
| | 23 | 2053-2054 | 2053 | \$0 | \$129,713,920 | \$617,486,080 | \$44,832,000 | \$702,368,000 | \$702,368,000 |
| 24 | 2054-2055 | 2054 | \$0 | \$129,713,920 | \$617,486,080 | \$44,832,000 | \$702,368,000 | \$702,368,000 | |
| 25 | 2055-2056 | 2055 | \$0 | \$129,713,920 | \$617,486,080 | \$44,832,000 | \$702,368,000 | \$702,368,000 | |

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.

Schedule C: Employment Information

Date 4/19/2022
Applicant Name 1PointFive P1, LLC
ISD Name Ector County ISD

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 | Column B | Column C | Column D | Column E |
| | | | | Number of Construction FTE's | Average annual wage rates for construction workers | Number of non-qualifying jobs applicant estimates it will create (cumulative) | Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative) | Annual wage of new qualifying jobs |
| Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i> | 0 | 2022-2023 | 2022 | 0 | \$0 | 0 | 0 | \$0 |
| | 0 | 2023-2024 | 2023 | 0 | \$0 | 0 | 0 | \$0 |
| | 0 | 2024-2025 | 2024 | 0 | \$0 | 0 | 0 | \$0 |
| | 0 | 2025-2026 | 2025 | 0 | \$0 | 0 | 0 | \$0 |
| | 0 | 2026-2027 | 2026 | 0 | \$0 | 0 | 0 | \$0 |
| | 0 | 2027-2028 | 2027 | 10,000 | \$50,000 | 0 | 0 | \$0 |
| | QTP 1 | 2028-2029 | 2028 | 10,000 | \$50,000 | 0 | 0 | \$0 |
| | QTP 2 | 2029-2030 | 2029 | 10,000 | \$50,000 | 0 | 0 | \$0 |
| | Deferral Year 1 | 2030-2031 | 2030 | 10,000 | \$50,000 | 0 | 0 | \$0 |
| Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i> | 1 | 2031-2032 | 2031 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 2 | 2032-2033 | 2032 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 3 | 2033-2034 | 2033 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 4 | 2034-2035 | 2034 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 5 | 2035-2036 | 2035 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 6 | 2036-2037 | 2036 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 7 | 2037-2038 | 2037 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 8 | 2038-2039 | 2038 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 9 | 2039-2040 | 2039 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 10 | 2040-2041 | 2040 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| Years Following Value Limitation Period | 11 through 25 | 2041-2056 | 2055 | 0 | \$0 | 0 | 25 | \$51,640.16 |

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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*)

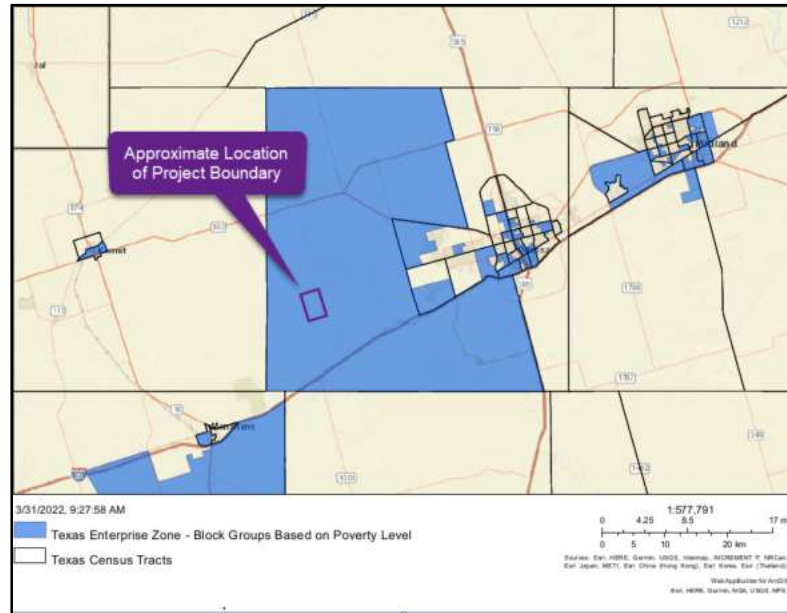
Not applicable

Tab 16

Description of Reinvestment or Enterprise Zone, including:

a) evidence that the area qualifies as an enterprise zone as defined by the Governor’s Office

The area qualifies as an enterprise zone as defined by the Governor’s Office because it is in a block group within the State of Texas that has a poverty rate of 20 percent or more.



b) legal description of reinvestment zone

Not applicable

c) order, resolution or ordinance establishing the reinvestment zone

Not applicable

d) guidelines and criteria for creating the zone

Not applicable

Tab 17

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

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 Muri
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 ▶

Derek Willis
Print Name (Authorized Company Representative (Applicant))

Vice President and Secretary
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.

Dr. Scott Muri
Superintendent of Schools
Ector County Independent School District
802 N. Sam Houston
Odessa, TX 79761

April 19, 2022

Page 1 of 1

Re: Chapter 313 Application for Appraised Value Limitation on Qualified Property for
1PointFive P1, LLC

Dear Dr. Muri:

On behalf of our client, *1PointFive P1, LLC* and its joint venture partners we are pleased to submit for your consideration the enclosed Form 50-296-A application for their proposed project, direct air capture facilities that would manufacture industrial-grade carbon dioxide gas and be located in Ector County Independent School District.

Pursuant to our evaluation of Texas and the target site in Ector County for the proposed project, we respectfully request your support of our completed series of applications, as well as your subsequent submittal of the applications to the Texas Comptroller's Office for its formal review and certification.

We look forward to working with you and the Comptroller toward a final investment decision for this project. If you have any questions, please don't hesitate to reach me at (512) 671-5575.

Sincerely,

Michael Lateur
Managing Director
Property Tax | SSIA

Tab 1

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

April 19, 2022

Date Application Received by District

Dr. Scott

First Name

Superintendent

Title

Ector County ISD

School District Name

802 N. Sam Houston

Street Address

P.O. Box 3912

Mailing Address

Odessa

City

(432) 456-9879

Phone Number

N/A

Mobile Number (optional)

Muri

Last Name

Texas

State

(432) 456-9878

Fax Number

scott.muri@ectorcountysd.org

Email Address

79760

ZIP

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)

| | |
|--------------------------|------------------------|
| Fred | Stormer |
| First Name | Last Name |
| Shareholder | |
| Title | |
| Underwood Law Firm, PC | |
| Firm Name | |
| (806) 379-0306 | N/A |
| Phone Number | Fax Number |
| N/A | fred.stormer@uwlaw.com |
| Mobile Number (optional) | Email Address |

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

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

| | |
|------------------------------|------------------------|
| Derek | Willis |
| First Name | Last Name |
| Vice President and Secretary | 1PointFive P1, LLC |
| Title | Organization |
| 5 Greenway Plaza, Suite 110 | |
| Street Address | |
| 5 Greenway Plaza, Suite 110 | |
| Mailing Address | |
| Houston | TX |
| City | State |
| (713) 497-2556 | N/A |
| Phone Number | Fax Number |
| N/A | Derek_Willis@oxy.com |
| Mobile Number (optional) | Business Email Address |

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.

| | |
|------------------------------|------------------------------|
| Josh | Barvin |
| First Name | Last Name |
| Business Development Manager | Oxy Low Carbon Ventures, LLC |
| Title | Organization |
| 5 Greenway Plaza, Suite 110 | |
| Street Address | |
| 5 Greenway Plaza, Suite 110 | |
| Mailing Address | |
| Houston | TX |
| City | State |
| (713) 840-3007 | N/A |
| Phone Number | Fax Number |
| (832) 607-5092 | Josh_Barvin@oxy.com |
| Mobile Number (optional) | Business Email Address |

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)

| | |
|--|---------------------|
| Michael First Name | Lateur Last Name |
| Managing Director Title | |
| Kroll, LLC Firm Name | |
| (512) 671-5575 Phone Number | N/A Fax Number |
| michael.lateur@kroll.com 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.

| | |
|--|---|
| \$ 90,000.00 Payment Amount | Wire Transfer Transaction Type |
| Kroll, LLC Payor | Ector County Independent School District Payee |
| April 19, 2022 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? 1PointFive P1, LLC

2. Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32076631608

3. Parent Company Name 1Point Five Inc.

4. Parent Company Tax ID 86-2318741

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
Application #1570, Ector County ISD, 2021

SECTION 5: Applicant Business Structure

1. Business Organization of Applicant (corporation, limited liability corporation, etc) Limited Liability Corporation

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

1PointFive P1, LLC

2c. Reporting Entity Taxpayer Number

32076631608

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 December 2022
- 2. Estimated commencement of construction Q3 2028
- 3. Beginning of qualifying time period (MM/DD/YYYY) 01/01/2028
- 4. First year of limitation (YYYY) 2032
- 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 Q2 2031

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, 1.0517, 100%</u> <small>(Name, tax rate and percent of project)</small> | I&S (ISD): <u>Ector County ISD, 0.1262, 100%</u> <small>(Name, tax rate and percent of project)</small> |
| County: <u>Ector County, 0.3650, 100%</u> <small>(Name, tax rate and percent of project)</small> | City: <u>N/A</u> <small>(Name, tax rate and percent of project)</small> |
| Hospital District: <u>Ector County HD, 0.1500, 100%</u> <small>(Name, tax rate and percent of project)</small> | Water District: <u>N/A</u> <small>(Name, tax rate and percent of project)</small> |
| Other (describe): <u>Odessa College, 0.2017, 100%</u> <small>(Name, tax rate and percent of project)</small> | Other (describe): <u>N/A</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: Pending
(Incentive type, percentage, start and end year)

City: N/A
(Incentive type, percentage, start and end year)

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

Water District: N/A
(Incentive type, percentage, start and end year)

Other (describe): Odessa College, Pending
(Incentive type, percentage, start and end year)

Other (describe): N/A
(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? \$ 30,000,000.00

2. What is the amount of appraised value limitation for which you are applying? \$ 30,000,000.00

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? N/A

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? 25
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 \$ 1,153.75
 - b. Qualifying job wage minimum option §313.021(5)(A)
-110% of the average weekly wage for manufacturing jobs in the county is \$ 1,617.00
 - c. Qualifying job wage minimum option §313.021(5)(B)
-110% of the average weekly wage for manufacturing jobs in the region is \$ 993.08
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? \$ 51,640.16
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? \$ 51,640.16
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**.

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

| ATTACHMENT | |
|------------|---|
| 1 | Sections 1-16 |
| 2 | Proof of Payment of Application Fee |
| 3 | Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation <i>(if applicable)</i> |
| 4 | Detailed description of the project |
| 5 | Documentation to assist in determining if limitation is a determining factor |
| 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 <i>(if applicable)</i> |
| 7 | Description of Qualified Investment |
| 8 | Description of Qualified Property |
| 9 | Description of Land |
| 10 | Description of all property not eligible to become qualified property <i>(if applicable)</i> |
| 11 | <p>Maps that clearly show:</p> <ul style="list-style-type: none"> a) Project boundary and project vicinity, including county and school district boundaries b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period c) Qualified property including location of new buildings or new improvements d) Any existing property within the project area e) Any facilities owned or operated by the applicant having interconnections to the proposed project f) Location of project, and related nearby projects within vicinity map g) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size <p>Note: Maps should be high resolution files. Include map legends/markers.</p> |
| 12 | Request for Waiver of Job Creation Requirement and supporting information <i>(if applicable)</i> |
| 13 | Calculation of non-qualifying wage target and two possible qualifying job wage requirements with TWC documentation |
| 14 | Schedules A1, A2, B, and C completed and signed Economic Impact <i>(if applicable)</i> |
| 15 | Economic Impact Analysis, other payments made in the state or other economic information <i>(if applicable)</i> |
| 16 | <p>Description of Reinvestment or Enterprise Zone, including:</p> <ul style="list-style-type: none"> a) evidence that the area qualifies as an enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone c) order, resolution or ordinance establishing the reinvestment zone d) guidelines and criteria for creating the zone |
| 17 | Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i> |

Tab 2

Proof of Application Filing Fee Payment

Please see attached.

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

Occidental Petroleum (Oxy), a leading producer of traditional energy resources, and its subsidiary Oxy Low Carbon Ventures (OLCV) have formed a joint venture with private equity firm Rusheen Capital Management to finance and deploy large-scale Direct Air Capture (DAC) technology licensed from Carbon Engineering, a clean energy company focused on the commercialization of DAC technology, which captures carbon dioxide directly from the atmosphere.

The purpose of the joint venture, named 1PointFive, will be to further OLCV's commitment to reducing the amount of carbon dioxide in the atmosphere by advancing and accelerating carbon capture, utilization, and storage (CCUS) technologies and projects around the world. The significance of the name 1PointFive is the joint venture's mission to achieve climate stabilization and limit global warming to 1.5°C (of which DAC technology is a critical component). Oxy and OLCV will be providing significant financial, operational, and engineering resources to 1PointFive.

As the combined corporate entity for OLCV and its partners' proposed investment, 1PointFive is planning the development of a series of DAC facilities that would produce industrial-grade carbon dioxide gas (CO₂) for its own use, as well as the use of other potential off-takers with similar commercial applications. The DAC facilities will be built in or near one of several United States energy basins in which Oxy operates, within reasonable proximity to its existing enhanced oil recovery (EOR) operations, accessible pipeline infrastructure, and sufficient electric, natural gas, and water utilities.

It is contemplated that the proposed DAC facilities (the Project) would comprise up to six (6) separate builds, each of which will be the subject of its own application, submitted as a part of a series of applications related to the same project. Should all six builds be constructed, they would be capable of capturing and permanently sequestering approximately 26 million tons per annum (Mtpa) of atmospheric CO₂. This application pertains to the fourth of these six proposed builds ("Build 4"). The proposed Build 4 project would capture and permanently sequester approximately 5 million tons per annum (Mtpa) of atmospheric CO₂.

The Project combines the operational expertise of Oxy and OLCV, and the innovative technology of Carbon Engineering to capture and permanently remove carbon dioxide directly from the atmosphere. The high-quality CO₂ product manufactured by the DAC facilities would be used as industrial gas feedstock by Oxy in their traditional energy production process, specifically through downhole injection at their existing EOR sites, to permanently sequester high volumes of carbon dioxide in underground geological storage. Carbon Engineering's proprietary DAC technology is specifically designed to be deployed at a much larger scale than other DAC designs currently operating and demonstrates a significant advantage over less cost-competitive DAC technology developers and facilities.

The proven DAC technology used by the Project would manufacture a continuous stream of high-quality carbon dioxide gas through the process of heating, treating, and compressing atmospheric air using only carbon-free renewable electricity, natural gas, and water as system inputs. Using large fans to draw in ambient air, the system would use two principal chemical loops and industrial processing units to extract and purify the carbon dioxide components of the air input. The DAC system's two chemical loops are a

caustic carbon dioxide capture loop and a solids carbon dioxide purification loop, operated by the carbon dioxide capture and caustic recovery equipment. The closed loop design effectively diminishes the need for material removal and make-up, as the products of each reaction become a reagent for another reaction within the DAC process. The major output streams of the DAC system are compressed CO₂ (for utilization) and CO₂-depleted air (discharged into the surrounding atmosphere).

There are four major process components associated with the proposed DAC facilities:

- Air Contactors
- Pellet Reactors
- Pellet Calciners
- Slakers/Hydrators

Eligible ancillary and necessary equipment would include the following:

- Pellet Separators and Washing
- Pellet Dryers
- CO₂ Purifiers and Compressors
- Cooling Systems
- Compressors
- Evaporators
- Pumps
- Electrical and Instrumentation Controls
- New Piping
- Water Treatment Facilities
- Operations, maintenance, measurement, and monitoring buildings

The construction of the plant would include site preparation and earthworks, installation of foundations and supports, fabrication of major equipment and transportation to site, integration of modules and interconnecting works (i.e. piping, electrical, controls), erection of buildings and support infrastructure, utility interconnections, commissioning and start-up, production ramp-up, and handover to operations.

The pairing of DAC technology and CO₂ sequestration through EOR operations would be a significant environmental commitment for the energy industry, providing a pathway for reduced carbon emissions from traditional energy production and the realization of an economically viable model for significant anthropogenic CO₂ sequestration through EOR operations. The Project and its DAC technology deployment are expected to fundamentally alter the energy landscape by providing a pathway to decarbonize major carbon-emitting industries like fuel production, transportation, and construction. CO₂ credits generated by the plant would be sold into regulated markets like California's Low Carbon Fuel Standards (LCFS) market, as a low-carbon liquid fuel or as emissions offsets directly to corporations committed to decarbonization. Currently, low carbon fuel initiatives are being enacted all over the world, including major markets such as the United States' west coast, Canada, and South America. With countries, industries, and companies continuously looking to offset their CO₂ emissions, it is anticipated that by 2050 the carbon removal industry will be as large as the oil & gas industry is today.

Tab 5

Documentation to Assist in Determining if Limitation is a Determining Factor

The proposed Project would be one of the largest industrial-scale direct atmospheric air capture and carbon sequestration operations anywhere in the world. Given the wide applicability of Carbon Engineering’s process, their DAC technology can be utilized by a variety of industrial and commercial users and could be located anywhere an adequate supply of utility inputs exist. The majority of the manufactured CO₂ from the Project would be permanently sequestered by Oxy’s EOR operations but could also be utilized as a feedstock for many other products. The Project becomes more economically viable when there is access to competitively priced renewable electricity, natural gas, and water.

Additional factors that would impact the location and success of the Project include:

- Proximity to a qualified customer for CO₂
- Suitable topography, geotechnical, and logistical conditions
- Labor availability
- Supporting infrastructure
- Initial development costs and recurring tax liabilities
- Permitting and regulatory environment
- Ability to develop or obtain carbon-free electricity to power the facility

The profitability of the Project is dependent on four main factors:

- The ability to negotiate and sell processed CO₂ for permanent sequestration in enhanced oil recovery operations and other potential commercial off-takers
- The ability to utilize Federal Section 45Q tax credits
- The ability to generate and sell negative emissions credits (e.g. California’s Low Carbon Fuel Standard)
- The ability to negotiate and secure economic development incentives

At this time, Oxy would be the primary recipient of CO₂ offtake for sequestration. Because the Section 45Q and negative emissions credits are not specific to geographic location, the Project could be located anywhere in the United States and secure the necessary savings resulting from these programs.

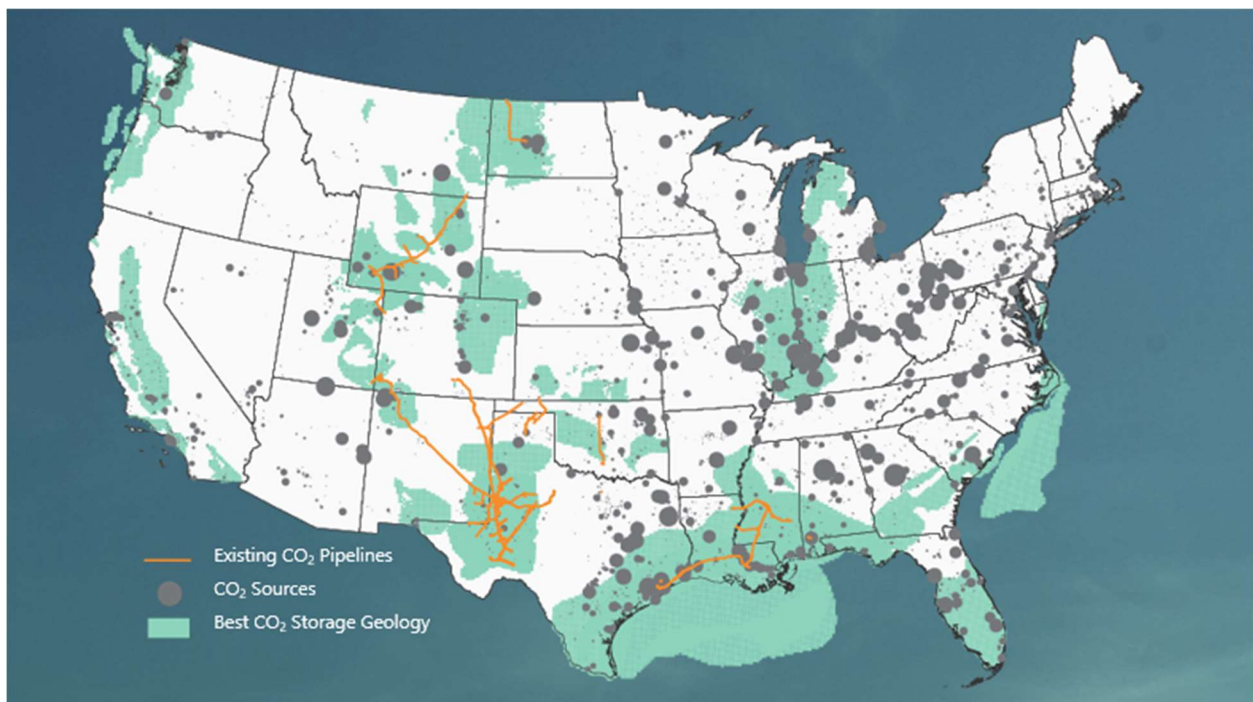
Oxy and Oxy Low Carbon Ventures have a traditional energy production and carbon solutions footprint throughout the United States and the majority of their domestic assets are concentrated in the energy basins of Texas, New Mexico, Colorado, Wyoming, and Utah. 1PointFive is actively evaluating target sites in each of these jurisdictions and plans to site the proposed facilities in the location that offers the best support for profitability and sustainability over the lifetime of the Project.

Reducing the Project’s ad valorem property tax liability and other significant financial impacts to the maximum extent possible is critical to the final investment decision. Property tax is one of the highest annual operating expenses and would be a significant ongoing liability throughout the life of the Project. A Chapter 313 value limitation from Ector County ISD would be critical to reducing up-front operating

costs, increasing return on investment, and maintaining the long-term economic viability of the Project. The Project is not economically viable at the proposed site in Texas without a Chapter 313 value limitation.

The potential to develop industrial scale, cost effective CCUS operations exists anywhere there is a relatively short distance between carbon dioxide emission sources and saline formations or other types of aquifers that could be utilized for permanent CO₂ sequestration. If the proposed plan to capture, process and sequester CO₂ from atmospheric air proves prohibitively expensive to fully scale in Texas or other states with significant EOR operations, Oxy and its partners could explore other attractive alternatives to investing in DAC/EOR-coupled technologies.

The following map illustrates CO₂ sequestration hub development potential in the United States:



The potential to capture and sequester emissions from these sources is virtually unlimited, as approximately 2,700 Mtpa of CO₂ was emitted from U.S. industrial sources in 2018 and approximately 40 Mtpa was captured and sequestered as of January 2021.

Other CO₂ emissions sources such as ethanol plants make a strong case for the construction of carbon sequestration hubs in areas where plants are concentrated, as the cost of sequestration could be spread over a larger production volume. With the right combination of average pipeline distance, estimated capital investment, adequate geology, and minimum ethanol production volumes, OLCV and its partners could choose to dedicate their limited capital resources to the pursuit of other carbon neutralization opportunities with strong estimated returns on investment, including DAC facilities located at sequestration sites near ethanol production.

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)*

Not applicable

Tab 7

Description of Qualified Investment

The Project would be constructed on approximately 1,600 acres at a site known as the Shoe Bar Ranch in Ector County and would be located entirely within the boundaries of Ector County Independent School District.

There are four major process components associated with the Project:

- Air Contactors
- Pellet Reactors
- Pellet Calciners
- Slakers/Hydrators

Eligible ancillary and necessary equipment would include the following:

- Pellet Separators and Washing
- Pellet Dryers
- CO₂ Purifiers and Compressors
- Cooling Systems
- Compressors
- Evaporators
- Pumps
- Electrical and Instrumentation Controls
- New Piping
- Water Treatment Facilities
- Operations, maintenance, measurement, and monitoring buildings

Additional equipment and components would be defined during detail design and procured by the EPCM contractor.

The construction of the plant would include site preparation and earthworks, installation of foundations and supports, fabrication of major equipment and transportation to site, integration of modules and interconnecting works (i.e. piping, electrical, controls), erection of buildings and support infrastructure, utility interconnections, commissioning and start-up, production ramp-up, and handover to operations.

This application covers all qualified investment and qualified property necessary for the commercial operations of the Project, all of which would be located within the project boundary, Enterprise Zone, Ector ISD and Ector County, Texas.

Tab 8

Description of Qualified Property

The Project would be constructed on approximately 1,600 acres at a site known as the Shoe Bar Ranch in Ector County and would be located entirely within the boundaries of Ector County Independent School District.

There are four major process components associated with the Project:

- Air Contactors
- Pellet Reactors
- Pellet Calciners
- Slakers/Hydrators

Eligible ancillary and necessary equipment would include the following:

- Pellet Separators and Washing
- Pellet Dryers
- CO₂ Purifiers and Compressors
- Cooling Systems
- Compressors
- Evaporators
- Pumps
- Electrical and Instrumentation Controls
- New Piping
- Water Treatment Facilities
- Operations, maintenance, measurement, and monitoring buildings

Additional equipment and components would be defined during detail design and procured by the EPCM contractor.

The construction of the plant would include site preparation and earthworks, installation of foundations and supports, fabrication of major equipment and transportation to site, integration of modules and interconnecting works (i.e. piping, electrical, controls), erection of buildings and support infrastructure, utility interconnections, commissioning and start-up, production ramp-up, and handover to operations.

This application covers all qualified investment and qualified property necessary for the commercial operations of the Project, all of which would be located within the project boundary, Enterprise Zone, Ector ISD and Ector County, Texas.

Tab 9

Description of Land

The land on which this proposed project would be developed would **not** be claimed as part of the Qualified Property as described by Texas Statute 313.021(2)(A).

Tab 10

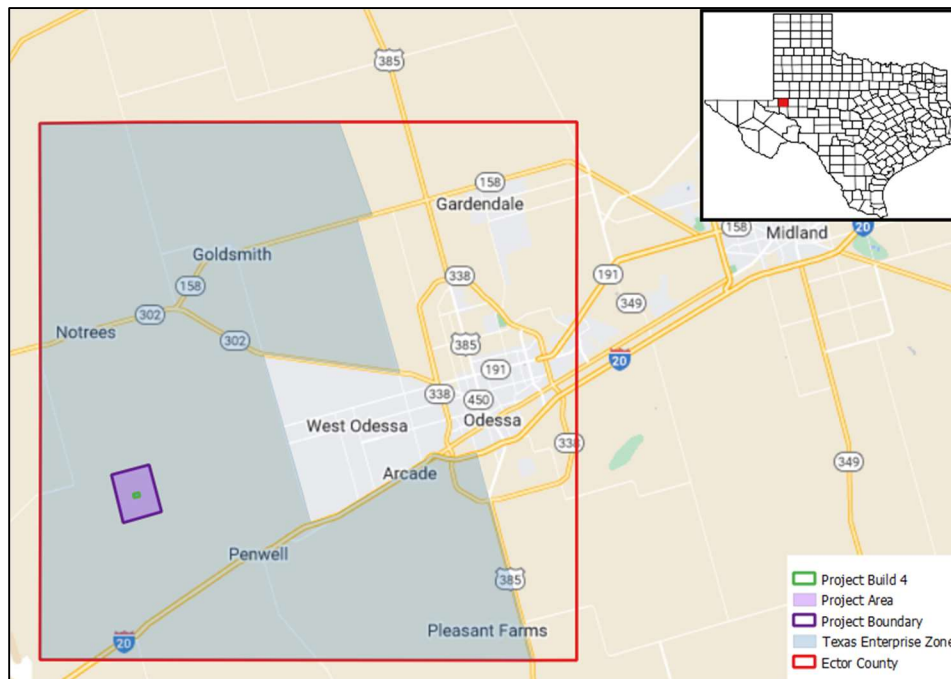
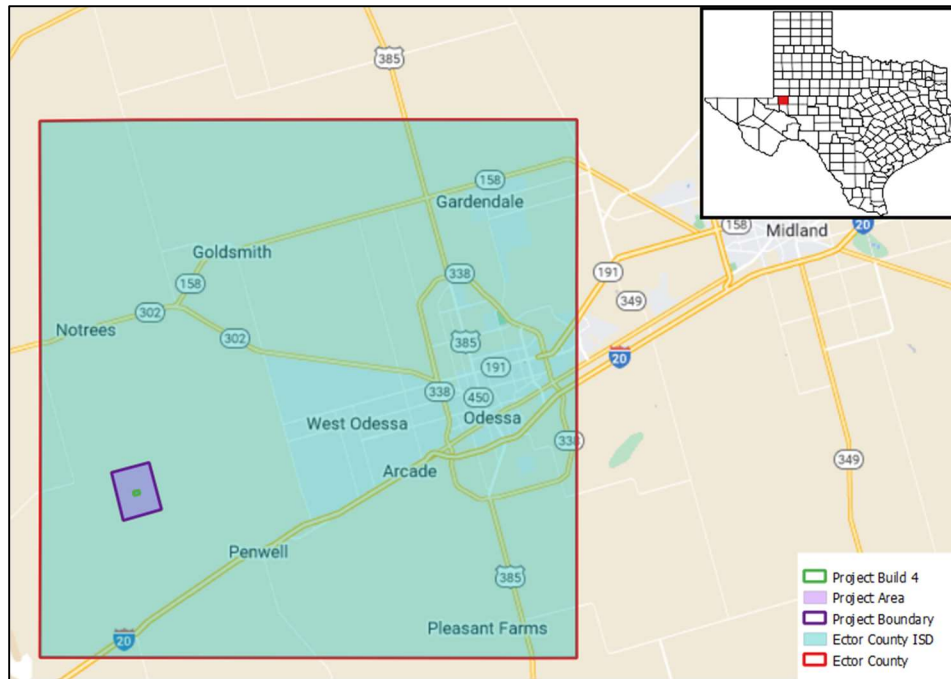
Description of all property not eligible to become qualified property *(if applicable)*

The land on which the Project would be developed would not be claimed as part of the Qualified Property.

Tab 11

Maps that clearly show:

- a) **Project boundary and project vicinity, including county and school district boundaries**
- b) **Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period**
- c) **Qualified property including location of new buildings or new improvements**
- d) **Any existing property within the project area**
- e) **Any facilities owned or operated by the applicant having interconnections to the proposed project**
- f) **Location of project, and related nearby projects within vicinity map**
- g) **Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size**



Tab 12

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

Not applicable

Tab 13

Calculation of non-qualifying wage target and two possible qualifying job wage requirements with TWC documentation

Average Weekly Wages for All jobs, All Industries in Ector County (Four Most Recent Quarters)

| County | Year | Quarter | Ownership | Avg. Weekly Wage |
|----------------------------|------|---------|-----------|--------------------|
| Ector County | 2020 | 4 | Total All | 1,182 |
| Ector County | 2021 | 1 | Total All | 1,094 |
| Ector County | 2021 | 2 | Total All | 1,154 |
| Ector County | 2021 | 3 | Total All | 1,185 |
| Sum Last 4 Quarters | | | | \$ 4,615 |
| Average Weekly Wage | | | | \$ 1,153.75 |

Average Weekly Wages for Manufacturing Jobs in Ector County (Four Most Recent Quarters)

| County | Year | Quarter | Ownership | Avg. Weekly Wage |
|----------------------------------|------|---------|-----------|--------------------|
| Ector County | 2020 | 4 | Private | \$ 1,514 |
| Ector County | 2021 | 1 | Private | \$ 1,425 |
| Ector County | 2021 | 2 | Private | \$ 1,484 |
| Ector County | 2021 | 3 | Private | \$ 1,457 |
| Sum Last 4 Quarters | | | | \$ 5,880 |
| Average Weekly Wage | | | | \$ 1,470 |
| 110 % Average Weekly Wage | | | | \$ 1,617.00 |

Average Weekly Wages for Manufacturing Jobs in Council of Government Region (Most Recent Year)

| COG Region | Year | Hourly | Annual | Avg. Weekly Wage |
|----------------------------------|------|----------|-----------|------------------|
| Permian Basin | 2020 | \$ 22.57 | \$ 46,945 | \$ 902.80 |
| 110 % Average Weekly Wage | | | | \$ 993.08 |

*Backup documentation provided in following pages

Wage data as provided by the Texas Workforce Commission

| Year | Period | Area | Ownership | Industry | Average Weekly Wage |
|------|--------|-------|-----------|-----------------------|---------------------|
| 2020 | 04 | Ector | Total All | Total, All Industries | 1,182 |
| 2021 | 01 | Ector | Total All | Total, All Industries | 1,094 |
| 2021 | 02 | Ector | Total All | Total, All Industries | 1,154 |
| 2021 | 03 | Ector | Total All | Total, All Industries | 1,185 |

| Year | Period | Area | Ownership | Industry | Average Weekly Wage |
|------|--------|-------|-----------|---------------|---------------------|
| 2020 | 04 | Ector | Private | Manufacturing | 1,514 |
| 2021 | 01 | Ector | Private | Manufacturing | 1,425 |
| 2021 | 02 | Ector | Private | Manufacturing | 1,484 |
| 2021 | 03 | Ector | Private | Manufacturing | 1,457 |

**2020 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

| COG | COG Number | Wages | |
|---|------------|---------|----------|
| | | Hourly | Annual |
| Panhandle Regional Planning Commission | 1 | \$23.32 | \$48,501 |
| South Plains Association of Governments | 2 | \$20.42 | \$42,473 |
| NORTEX Regional Planning Commission | 3 | \$20.64 | \$42,928 |
| North Central Texas Council of Governments | 4 | \$32.34 | \$67,261 |
| Ark-Tex Council of Governments | 5 | \$21.30 | \$44,299 |
| East Texas Council of Governments | 6 | \$29.28 | \$60,904 |
| West Central Texas Council of Governments | 7 | \$21.54 | \$44,797 |
| Rio Grande Council of Governments | 8 | \$19.02 | \$39,552 |
| Permian Basin Regional Planning Commission | 9 | \$22.57 | \$46,945 |
| Concho Valley Council of Governments | 10 | \$27.28 | \$56,739 |
| Heart of Texas Council of Governments | 11 | \$23.41 | \$48,696 |
| Capital Area Council of Governments | 12 | \$29.96 | \$62,326 |
| Brazos Valley Council of Governments | 13 | \$18.41 | \$38,286 |
| Deep East Texas Council of Governments | 14 | \$21.07 | \$43,829 |
| South East Texas Regional Planning Commission | 15 | \$27.38 | \$56,957 |
| Houston-Galveston Area Council | 16 | \$29.83 | \$62,050 |
| Golden Crescent Regional Planning Commission | 17 | \$22.09 | \$45,945 |
| Alamo Area Council of Governments | 18 | \$27.45 | \$57,101 |
| South Texas Development Council | 19 | \$19.20 | \$39,945 |
| Coastal Bend Council of Governments | 20 | \$35.39 | \$73,603 |
| Lower Rio Grande Valley Development Council | 21 | \$20.70 | \$43,056 |
| Texoma Council of Governments | 22 | \$19.18 | \$39,897 |
| Central Texas Council of Governments | 23 | \$21.34 | \$44,390 |
| Middle Rio Grande Development Council | 24 | \$22.98 | \$47,809 |
| Texas | | \$28.00 | \$58,233 |

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

Data published: August 2021.

Data published annually, next update will likely be July 31, 2022

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 and Wage Statistics (OEWS) 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, and C completed and signed Economic Impact *(if applicable)*

Schedule A1: Total Investment for Economic Impact (through the Qualifying Time Period)

Date 4/19/2022
Applicant Name 1PointFive P1, LLC
ISD Name Ector County ISD

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| PROPERTY INVESTMENT AMOUNTS | | | | | | | | |
|--|------|-------------------------|---|--|--|--|---|--|
| (Estimated Investment in each year. Do not put cumulative totals.) | | | | | | | | |
| | | | | Column A | Column B | Column C | Column D | Column E |
| | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year below) YYYY | 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 new investment made during this year that will <u>not</u> 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) |
| Investment made before filing complete application with district | | | | Not eligible to become Qualified Property | | | [The only other investment made before filing complete application with district that may become Qualified Property is land.] | |
| Investment made after filing complete application with district, but before final board approval of application | 0 | 2022-2023 | 2022 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period | 0 | 2023-2024 | 2023 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2024-2025 | 2024 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2025-2026 | 2025 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2026-2027 | 2026 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2027-2028 | 2027 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Complete tax years of qualifying time period | QTP1 | 2028-2029 | 2028 | \$156,795,516 | \$32,937,684 | \$0 | \$0 | \$189,733,200 |
| | QTP2 | 2029-2030 | 2029 | \$1,804,971,643 | \$379,166,357 | \$0 | \$0 | \$2,184,138,000 |
| Total Investment through Qualifying Time Period [ENTER this row in Schedule A2] | | | | \$1,961,767,160 | \$412,104,040 | \$0 | \$0 | \$2,373,871,200 |
| | | | | Enter amounts from TOTAL row above in Schedule A2 | | | | |
| Total Qualified Investment (sum of green cells) | | | | \$2,373,871,200 | | | | |

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 that will not become qualified property include 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.

Date 4/19/2022
 Applicant Name 1PointFive P1, LLC
 ISD Name Ector County ISD

Schedule A2: Total Investment for Economic Impact (including Qualified Property and other investments)

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| PROPERTY INVESTMENT AMOUNTS | | | | | | | | |
|--|--------------------------------------|-------------------------|---|--|--|--|---|----------------------------|
| (Estimated Investment in each year. Do not put cumulative totals.) | | | | | | | | |
| | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year below) YYYY | 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 <u>not</u> become Qualified Property [SEE NOTE] | Other investment made during this year that will become Qualified Property [SEE NOTE] | Total Investment (A+B+C+D) |
| Total Investment from Schedule A1* | 0 - QTP2 | TOTALS FROM SCHEDULE A1 | | \$1,961,767,160 | \$412,104,040 | \$0 | \$0 | \$2,373,871,200 |
| Enter amounts from TOTAL row in Schedule A1 in the row below | | | | | | | | |
| Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i> | Deferral Year 1 | 2030-2031 | 2030 | \$1,578,894,387 | \$331,674,813 | \$0 | \$0 | \$1,910,569,200 |
| | Deferral Year 2 | 2031-2032 | 2031 | \$105,745,813 | \$22,213,787 | \$0 | \$0 | \$127,959,600 |
| Value limitation period*** | 1 | 2032-2033 | 2032 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 2 | 2033-2034 | 2033 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 3 | 2034-2035 | 2034 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 4 | 2035-2036 | 2035 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 5 | 2036-2037 | 2036 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 6 | 2037-2038 | 2037 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 7 | 2038-2039 | 2038 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 8 | 2039-2040 | 2039 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Investment made through limitation | | | | \$3,646,407,360 | \$765,992,640 | \$0 | \$0 | \$4,412,400,000 |
| | Continue to maintain viable presence | 11 | 2042-2043 | 2042 | | | \$0 | |
| 12 | | 2043-2044 | 2043 | | | \$0 | | \$0 |
| 13 | | 2044-2045 | 2044 | | | \$0 | | \$0 |
| 14 | | 2045-2046 | 2045 | | | \$0 | | \$0 |
| 15 | | 2046-2047 | 2046 | | | \$0 | | \$0 |
| Additional years for 25 year economic impact as required by 313.026(c)(1) | 16 | 2047-2048 | 2047 | | | \$0 | | \$0 |
| | 17 | 2048-2049 | 2048 | | | \$0 | | \$0 |
| | 18 | 2049-2050 | 2049 | | | \$0 | | \$0 |
| | 19 | 2050-2051 | 2050 | | | \$0 | | \$0 |
| | 20 | 2051-2052 | 2051 | | | \$0 | | \$0 |
| | 21 | 2052-2053 | 2052 | | | \$0 | | \$0 |
| | 22 | 2053-2054 | 2053 | | | \$0 | | \$0 |
| | 23 | 2054-2055 | 2054 | | | \$0 | | \$0 |
| | 24 | 2055-2056 | 2055 | | | \$0 | | \$0 |
| | 25 | 2056-2057 | 2056 | | | \$0 | | \$0 |

* 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 313.021(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.

Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)

Date 4/19/2022
 Applicant Name 1PointFive P1, LLC
 ISD Name Ector County ISD

Form 50-296A
 Revised October 2020

| | 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 I&S 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 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2023-2024 | 2023 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2024-2025 | 2024 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2025-2026 | 2025 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2026-2027 | 2026 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2027-2028 | 2027 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | QTP 1 | 2028-2029 | 2028 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | QTP 2 | 2029-2030 | 2029 | \$0 | \$16,468,842 | \$78,397,758 | \$5,691,996 | \$89,174,604 | \$94,866,600 |
| | Deferral Year 1 | 2030-2031 | 2030 | \$0 | \$206,052,020 | \$980,883,580 | \$71,216,136 | \$1,115,719,464 | \$1,186,935,600 |
| | Deferral Year 2 | 2031-2032 | 2031 | \$0 | \$371,889,427 | \$1,770,330,773 | \$128,533,212 | \$2,013,686,988 | \$2,142,220,200 |
| Value Limitation Period | 1 | 2032-2033 | 2032 | \$0 | \$382,996,320 | \$1,823,203,680 | \$132,372,000 | \$2,073,828,000 | \$30,000,000 |
| | 2 | 2033-2034 | 2033 | \$0 | \$715,372,193 | \$3,405,435,369 | \$247,248,454 | \$3,873,559,109 | \$30,000,000 |
| | 3 | 2034-2035 | 2034 | \$0 | \$685,565,019 | \$3,263,542,232 | \$236,946,435 | \$3,712,160,815 | \$30,000,000 |
| | 4 | 2035-2036 | 2035 | \$0 | \$655,757,845 | \$3,121,649,094 | \$226,644,416 | \$3,550,762,522 | \$30,000,000 |
| | 5 | 2036-2037 | 2036 | \$0 | \$625,950,670 | \$2,979,755,956 | \$216,342,398 | \$3,389,364,229 | \$30,000,000 |
| | 6 | 2037-2038 | 2037 | \$0 | \$596,143,496 | \$2,837,862,819 | \$206,040,379 | \$3,227,965,936 | \$30,000,000 |
| | 7 | 2038-2039 | 2038 | \$0 | \$566,336,322 | \$2,695,969,681 | \$195,738,360 | \$3,066,567,643 | \$30,000,000 |
| | 8 | 2039-2040 | 2039 | \$0 | \$536,529,148 | \$2,554,076,543 | \$185,436,341 | \$2,905,169,350 | \$30,000,000 |
| | 9 | 2040-2041 | 2040 | \$0 | \$506,721,974 | \$2,412,183,406 | \$175,134,323 | \$2,743,771,057 | \$30,000,000 |
| | 10 | 2041-2042 | 2041 | \$0 | \$476,914,800 | \$2,270,290,268 | \$164,832,304 | \$2,582,372,764 | \$30,000,000 |
| Continue to maintain viable presence | 11 | 2042-2043 | 2042 | \$0 | \$447,107,626 | \$2,128,397,131 | \$154,530,285 | \$2,420,974,471 | \$2,420,974,471 |
| | 12 | 2043-2044 | 2043 | \$0 | \$417,300,452 | \$1,986,503,993 | \$144,228,267 | \$2,259,576,178 | \$2,259,576,178 |
| | 13 | 2044-2045 | 2044 | \$0 | \$387,493,277 | \$1,844,610,855 | \$133,926,248 | \$2,098,177,885 | \$2,098,177,885 |
| | 14 | 2045-2046 | 2045 | \$0 | \$357,686,103 | \$1,702,717,718 | \$123,624,229 | \$1,936,779,592 | \$1,936,779,592 |
| | 15 | 2046-2047 | 2046 | \$0 | \$327,878,929 | \$1,560,824,580 | \$113,322,211 | \$1,775,381,299 | \$1,775,381,299 |
| Additional years for 25 year economic impact as required by 313.026(c)(1) | 16 | 2047-2048 | 2047 | \$0 | \$298,071,755 | \$1,418,931,442 | \$103,020,192 | \$1,613,983,005 | \$1,613,983,005 |
| | 17 | 2048-2049 | 2048 | \$0 | \$268,264,581 | \$1,277,038,305 | \$92,718,173 | \$1,452,584,712 | \$1,452,584,712 |
| | 18 | 2049-2050 | 2049 | \$0 | \$238,457,407 | \$1,135,145,167 | \$82,416,154 | \$1,291,186,419 | \$1,291,186,419 |
| | 19 | 2050-2051 | 2050 | \$0 | \$208,650,233 | \$993,252,029 | \$72,114,136 | \$1,129,788,126 | \$1,129,788,126 |
| | 20 | 2051-2052 | 2051 | \$0 | \$178,843,059 | \$851,358,892 | \$61,812,117 | \$968,389,833 | \$968,389,833 |
| | 21 | 2052-2053 | 2052 | \$0 | \$153,198,528 | \$729,281,472 | \$52,948,800 | \$829,531,200 | \$829,531,200 |
| | 22 | 2053-2054 | 2053 | \$0 | \$153,198,528 | \$729,281,472 | \$52,948,800 | \$829,531,200 | \$829,531,200 |
| | 23 | 2054-2055 | 2054 | \$0 | \$153,198,528 | \$729,281,472 | \$52,948,800 | \$829,531,200 | \$829,531,200 |
| | 24 | 2055-2056 | 2055 | \$0 | \$153,198,528 | \$729,281,472 | \$52,948,800 | \$829,531,200 | \$829,531,200 |
| | 25 | 2056-2057 | 2056 | \$0 | \$153,198,528 | \$729,281,472 | \$52,948,800 | \$829,531,200 | \$829,531,200 |

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.

Schedule C: Employment Information

Date 4/19/2022
 Applicant Name 1PointFive P1, LLC
 ISD Name Ector County ISD

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 | 2022-2023 | 2022 | 0 | \$0 | 0 | 0 | \$0 |
| | 0 | 2023-2024 | 2023 | 0 | \$0 | 0 | 0 | \$0 |
| | 0 | 2024-2025 | 2024 | 0 | \$0 | 0 | 0 | \$0 |
| | 0 | 2025-2026 | 2025 | 0 | \$0 | 0 | 0 | \$0 |
| | 0 | 2026-2027 | 2026 | 0 | \$0 | 0 | 0 | \$0 |
| | 0 | 2027-2028 | 2027 | 0 | \$0 | 0 | 0 | \$0 |
| | QTP 1 | 2028-2029 | 2028 | 12,500 | \$50,000 | 0 | 0 | \$0 |
| | QTP 2 | 2029-2030 | 2029 | 12,500 | \$50,000 | 0 | 0 | \$0 |
| | Deferral Year 1 | 2030-2031 | 2030 | 12,500 | \$50,000 | 0 | 0 | \$0 |
| | Deferral Year 2 | 2031-2032 | 2031 | 12,500 | \$50,000 | 0 | 0 | \$0 |
| Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i> | 1 | 2032-2033 | 2032 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 2 | 2033-2034 | 2033 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 3 | 2034-2035 | 2034 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 4 | 2035-2036 | 2035 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 5 | 2036-2037 | 2036 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 6 | 2037-2038 | 2037 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 7 | 2038-2039 | 2038 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 8 | 2039-2040 | 2039 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 9 | 2040-2041 | 2040 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 10 | 2041-2042 | 2041 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| Years Following Value Limitation Period | 11 through 25 | 2042-2057 | 2056 | 0 | \$0 | 0 | 25 | \$51,640.16 |

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*)

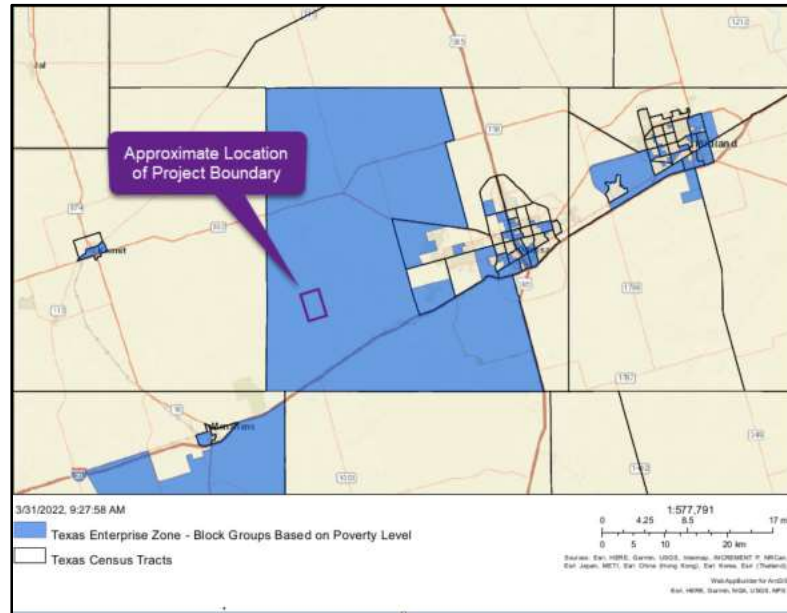
Not applicable

Tab 16

Description of Reinvestment or Enterprise Zone, including:

a) evidence that the area qualifies as an enterprise zone as defined by the Governor’s Office

The area qualifies as an enterprise zone as defined by the Governor’s Office because it is in a block group within the State of Texas that has a poverty rate of 20 percent or more.



b) legal description of reinvestment zone

Not applicable

c) order, resolution or ordinance establishing the reinvestment zone

Not applicable

d) guidelines and criteria for creating the zone

Not applicable

Tab 17

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

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 Muri
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** ▶

Derek Willis
Print Name (Authorized Company Representative (Applicant))

Vice President and Secretary
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.

Dr. Scott Muri
Superintendent of Schools
Ector County Independent School District
802 N. Sam Houston
Odessa, TX 79761

April 19, 2022

Page 1 of 1

Re: Chapter 313 Application for Appraised Value Limitation on Qualified Property for
1PointFive P1, LLC

Dear Dr. Muri:

On behalf of our client, *1PointFive P1, LLC* and its joint venture partners we are pleased to submit for your consideration the enclosed Form 50-296-A application for their proposed project, direct air capture facilities that would manufacture industrial-grade carbon dioxide gas and be located in Ector County Independent School District.

Pursuant to our evaluation of Texas and the target site in Ector County for the proposed project, we respectfully request your support of our completed series of applications, as well as your subsequent submittal of the applications to the Texas Comptroller's Office for its formal review and certification.

We look forward to working with you and the Comptroller toward a final investment decision for this project. If you have any questions, please don't hesitate to reach me at (512) 671-5575.

Sincerely,

Michael Lateur
Managing Director
Property Tax | SSIA

Tab 1

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

April 19, 2022

Date Application Received by District

Dr. Scott

First Name

Superintendent

Title

Ector County ISD

School District Name

802 N. Sam Houston

Street Address

P.O. Box 3912

Mailing Address

Odessa

City

(432) 456-9879

Phone Number

N/A

Mobile Number (optional)

Muri

Last Name

Texas

State

(432) 456-9878

Fax Number

scott.muri@ectorcountysd.org

Email Address

79760

ZIP

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)

| | |
|--------------------------|------------------------|
| Fred | Stormer |
| First Name | Last Name |
| Shareholder | |
| Title | |
| Underwood Law Firm, PC | |
| Firm Name | |
| (806) 379-0306 | N/A |
| Phone Number | Fax Number |
| N/A | fred.stormer@uwlaw.com |
| Mobile Number (optional) | Email Address |

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

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

| | |
|------------------------------|------------------------|
| Derek | Willis |
| First Name | Last Name |
| Vice President and Secretary | 1PointFive P1, LLC |
| Title | Organization |
| 5 Greenway Plaza, Suite 110 | |
| Street Address | |
| 5 Greenway Plaza, Suite 110 | |
| Mailing Address | |
| Houston | TX |
| City | State |
| (713) 497-2556 | N/A |
| Phone Number | Fax Number |
| N/A | Derek_Willis@oxy.com |
| Mobile Number (optional) | Business Email Address |

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.

| | |
|------------------------------|------------------------------|
| Josh | Barvin |
| First Name | Last Name |
| Business Development Manager | Oxy Low Carbon Ventures, LLC |
| Title | Organization |
| 5 Greenway Plaza, Suite 110 | |
| Street Address | |
| 5 Greenway Plaza, Suite 110 | |
| Mailing Address | |
| Houston | TX |
| City | State |
| (713) 840-3007 | N/A |
| Phone Number | Fax Number |
| (832) 607-5092 | Josh_Barvin@oxy.com |
| Mobile Number (optional) | Business Email Address |

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)

| | |
|--|---------------------|
| Michael First Name | Lateur Last Name |
| Managing Director Title | |
| Kroll, LLC Firm Name | |
| (512) 671-5575 Phone Number | N/A Fax Number |
| michael.lateur@kroll.com 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.

| | |
|--|---|
| \$ 90,000.00 Payment Amount | Wire Transfer Transaction Type |
| Kroll, LLC Payor | Ector County Independent School District Payee |
| April 19, 2022 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? | 1PointFive P1, LLC |
| 2. Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) | 32076631608 |
| 3. Parent Company Name | 1Point Five Inc. |
| 4. Parent Company Tax ID | 86-2318741 |
| 5. NAICS code | 325120 |
| 6. Is the applicant a party to any other pending or active Chapter 313 agreements? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| 6a. If yes, please list application number, name of school district and year of agreement | Application #1570, Ector County ISD, 2021 |

SECTION 5: Applicant Business Structure

| | |
|--|---|
| 1. Business Organization of Applicant (corporation, limited liability corporation, etc) | Limited Liability Corporation |
| 2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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. | 123 |

SECTION 5: Applicant Business Structure (continued)

2b. Texas Franchise Tax Reporting Entity Taxpayer Name

1PointFive P1, LLC

2c. Reporting Entity Taxpayer Number

32076631608

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 December 2022
- 2. Estimated commencement of construction Q3 2029
- 3. Beginning of qualifying time period (MM/DD/YYYY) 01/01/2028
- 4. First year of limitation (YYYY) 2033
- 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 Q2 2032

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, 1.0517, 100%</u> <small>(Name, tax rate and percent of project)</small> | I&S (ISD): <u>Ector County ISD, 0.1262, 100%</u> <small>(Name, tax rate and percent of project)</small> |
| County: <u>Ector County, 0.3650, 100%</u> <small>(Name, tax rate and percent of project)</small> | City: <u>N/A</u> <small>(Name, tax rate and percent of project)</small> |
| Hospital District: <u>Ector County HD, 0.1500, 100%</u> <small>(Name, tax rate and percent of project)</small> | Water District: <u>N/A</u> <small>(Name, tax rate and percent of project)</small> |
| Other (describe): <u>Odessa College, 0.2017, 100%</u> <small>(Name, tax rate and percent of project)</small> | Other (describe): <u>N/A</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: Pending (Incentive type, percentage, start and end year) City: N/A (Incentive type, percentage, start and end year)
Hospital District: Pending (Incentive type, percentage, start and end year) Water District: N/A (Incentive type, percentage, start and end year)
Other (describe): Odessa College, Pending (Incentive type, percentage, start and end year) Other (describe): N/A (Incentive type, percentage, start and end year)

- 6. Is the project located entirely within the ISD listed in Section 1? [X] Yes [] No
6a. If no, attach in Tab 6 maps of the entire project...
7. Did you receive a determination from the Texas Economic Development and Tourism Office... [] Yes [X] No
7a. If yes, attach in Tab 6 supporting documentation...

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...

1. At the time of application, what is the estimated minimum qualified investment required for this school district? \$ 30,000,000.00
2. What is the amount of appraised value limitation for which you are applying? \$ 30,000,000.00
Note: The property value limitation amount is based on property values available at the time of application...

- 3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? [X] 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...
b. a description of any new buildings, proposed new improvements or personal property...
c. a detailed map of the qualified investment showing location of tangible personal property...
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023... [X] 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...
1b. a description of any new buildings, proposed new improvements or personal property...
1c. a map or site plan of the proposed qualified property showing the location of the new buildings or new improvements...
1d. Will any of the proposed qualified property be used to renovate, refurbish, upgrade, maintain, modify, improve, or functionally replace existing buildings... [] Yes [X] 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...

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:
- legal description of the land (Tab 9);
 - 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);
 - owner (Tab 9);
 - the current taxable value of the land, attach estimate if land is part of larger parcel (Tab 9); and
 - 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:
- evidence that the area qualifies as an enterprise zone as defined by the Governor's Office (Tab 16);
 - legal description of reinvestment zone (Tab 16);
 - order, resolution or ordinance establishing the reinvestment zone (Tab 16);
 - guidelines and criteria for creating the zone (Tab 16); and
 - 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? _____ N/A

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

- 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.
- 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).
- 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:
 - maps and/or detailed site plan;
 - surveys;
 - appraisal district values and parcel numbers;
 - inventory lists;
 - existing and proposed property lists;
 - model and serial numbers of existing property; or
 - other information of sufficient detail and description.
- Total estimated market value of existing property within the project boundary (that property described in response to statement 1): \$ 0.00
- 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.
- 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? 25
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 \$ 1,153.75
 - b. Qualifying job wage minimum option §313.021(5)(A)
-110% of the average weekly wage for manufacturing jobs in the county is \$ 1,617.00
 - c. Qualifying job wage minimum option §313.021(5)(B)
-110% of the average weekly wage for manufacturing jobs in the region is \$ 993.08
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? \$ 51,640.16
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? \$ 51,640.16
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**.

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

| ATTACHMENT | |
|------------|---|
| 1 | Sections 1-16 |
| 2 | Proof of Payment of Application Fee |
| 3 | Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation <i>(if applicable)</i> |
| 4 | Detailed description of the project |
| 5 | Documentation to assist in determining if limitation is a determining factor |
| 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 <i>(if applicable)</i> |
| 7 | Description of Qualified Investment |
| 8 | Description of Qualified Property |
| 9 | Description of Land |
| 10 | Description of all property not eligible to become qualified property <i>(if applicable)</i> |
| 11 | <p>Maps that clearly show:</p> <ul style="list-style-type: none"> a) Project boundary and project vicinity, including county and school district boundaries b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period c) Qualified property including location of new buildings or new improvements d) Any existing property within the project area e) Any facilities owned or operated by the applicant having interconnections to the proposed project f) Location of project, and related nearby projects within vicinity map g) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size <p>Note: Maps should be high resolution files. Include map legends/markers.</p> |
| 12 | Request for Waiver of Job Creation Requirement and supporting information <i>(if applicable)</i> |
| 13 | Calculation of non-qualifying wage target and two possible qualifying job wage requirements with TWC documentation |
| 14 | Schedules A1, A2, B, and C completed and signed Economic Impact <i>(if applicable)</i> |
| 15 | Economic Impact Analysis, other payments made in the state or other economic information <i>(if applicable)</i> |
| 16 | <p>Description of Reinvestment or Enterprise Zone, including:</p> <ul style="list-style-type: none"> a) evidence that the area qualifies as an enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone c) order, resolution or ordinance establishing the reinvestment zone d) guidelines and criteria for creating the zone |
| 17 | Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i> |

Tab 2

Proof of Application Filing Fee Payment

Please see attached.

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

Occidental Petroleum (Oxy), a leading producer of traditional energy resources, and its subsidiary Oxy Low Carbon Ventures (OLCV) have formed a joint venture with private equity firm Rusheen Capital Management to finance and deploy large-scale Direct Air Capture (DAC) technology licensed from Carbon Engineering, a clean energy company focused on the commercialization of DAC technology, which captures carbon dioxide directly from the atmosphere.

The purpose of the joint venture, named 1PointFive, will be to further OLCV's commitment to reducing the amount of carbon dioxide in the atmosphere by advancing and accelerating carbon capture, utilization, and storage (CCUS) technologies and projects around the world. The significance of the name 1PointFive is the joint venture's mission to achieve climate stabilization and limit global warming to 1.5°C (of which DAC technology is a critical component). Oxy and OLCV will be providing significant financial, operational, and engineering resources to 1PointFive.

As the combined corporate entity for OLCV and its partners' proposed investment, 1PointFive is planning the development of a series of DAC facilities that would produce industrial-grade carbon dioxide gas (CO₂) for its own use, as well as the use of other potential off-takers with similar commercial applications. The DAC facilities will be built in or near one of several United States energy basins in which Oxy operates, within reasonable proximity to its existing enhanced oil recovery (EOR) operations, accessible pipeline infrastructure, and sufficient electric, natural gas, and water utilities.

It is contemplated that the proposed DAC facilities (the Project) would comprise up to six (6) separate builds, each of which will be the subject of its own application, submitted as a part of a series of applications related to the same project. Should all six builds be constructed, they would be capable of capturing and permanently sequestering approximately 26 million tons per annum (Mtpa) of atmospheric CO₂. This application pertains to the fifth of these six proposed builds ("Build 5"). The proposed Build 5 project would capture and permanently sequester approximately 5 million tons per annum (Mtpa) of atmospheric CO₂.

The Project combines the operational expertise of Oxy and OLCV, and the innovative technology of Carbon Engineering to capture and permanently remove carbon dioxide directly from the atmosphere. The high-quality CO₂ product manufactured by the DAC facilities would be used as industrial gas feedstock by Oxy in their traditional energy production process, specifically through downhole injection at their existing EOR sites, to permanently sequester high volumes of carbon dioxide in underground geological storage. Carbon Engineering's proprietary DAC technology is specifically designed to be deployed at a much larger scale than other DAC designs currently operating and demonstrates a significant advantage over less cost-competitive DAC technology developers and facilities.

The proven DAC technology used by the Project would manufacture a continuous stream of high-quality carbon dioxide gas through the process of heating, treating, and compressing atmospheric air using only carbon-free renewable electricity, natural gas, and water as system inputs. Using large fans to draw in ambient air, the system would use two principal chemical loops and industrial processing units to extract and purify the carbon dioxide components of the air input. The DAC system's two chemical loops are a

caustic carbon dioxide capture loop and a solids carbon dioxide purification loop, operated by the carbon dioxide capture and caustic recovery equipment. The closed loop design effectively diminishes the need for material removal and make-up, as the products of each reaction become a reagent for another reaction within the DAC process. The major output streams of the DAC system are compressed CO₂ (for utilization) and CO₂-depleted air (discharged into the surrounding atmosphere).

There are four major process components associated with the proposed DAC facilities:

- Air Contactors
- Pellet Reactors
- Pellet Calciners
- Slakers/Hydrators

Eligible ancillary and necessary equipment would include the following:

- Pellet Separators and Washing
- Pellet Dryers
- CO₂ Purifiers and Compressors
- Cooling Systems
- Compressors
- Evaporators
- Pumps
- Electrical and Instrumentation Controls
- New Piping
- Water Treatment Facilities
- Operations, maintenance, measurement, and monitoring buildings

The construction of the plant would include site preparation and earthworks, installation of foundations and supports, fabrication of major equipment and transportation to site, integration of modules and interconnecting works (i.e. piping, electrical, controls), erection of buildings and support infrastructure, utility interconnections, commissioning and start-up, production ramp-up, and handover to operations.

The pairing of DAC technology and CO₂ sequestration through EOR operations would be a significant environmental commitment for the energy industry, providing a pathway for reduced carbon emissions from traditional energy production and the realization of an economically viable model for significant anthropogenic CO₂ sequestration through EOR operations. The Project and its DAC technology deployment are expected to fundamentally alter the energy landscape by providing a pathway to decarbonize major carbon-emitting industries like fuel production, transportation, and construction. CO₂ credits generated by the plant would be sold into regulated markets like California's Low Carbon Fuel Standards (LCFS) market, as a low-carbon liquid fuel or as emissions offsets directly to corporations committed to decarbonization. Currently, low carbon fuel initiatives are being enacted all over the world, including major markets such as the United States' west coast, Canada, and South America. With countries, industries, and companies continuously looking to offset their CO₂ emissions, it is anticipated that by 2050 the carbon removal industry will be as large as the oil & gas industry is today.

Tab 5

Documentation to Assist in Determining if Limitation is a Determining Factor

The proposed Project would be one of the largest industrial-scale direct atmospheric air capture and carbon sequestration operations anywhere in the world. Given the wide applicability of Carbon Engineering’s process, their DAC technology can be utilized by a variety of industrial and commercial users and could be located anywhere an adequate supply of utility inputs exist. The majority of the manufactured CO₂ from the Project would be permanently sequestered by Oxy’s EOR operations but could also be utilized as a feedstock for many other products. The Project becomes more economically viable when there is access to competitively priced renewable electricity, natural gas, and water.

Additional factors that would impact the location and success of the Project include:

- Proximity to a qualified customer for CO₂
- Suitable topography, geotechnical, and logistical conditions
- Labor availability
- Supporting infrastructure
- Initial development costs and recurring tax liabilities
- Permitting and regulatory environment
- Ability to develop or obtain carbon-free electricity to power the facility

The profitability of the Project is dependent on four main factors:

- The ability to negotiate and sell processed CO₂ for permanent sequestration in enhanced oil recovery operations and other potential commercial off-takers
- The ability to utilize Federal Section 45Q tax credits
- The ability to generate and sell negative emissions credits (e.g. California’s Low Carbon Fuel Standard)
- The ability to negotiate and secure economic development incentives

At this time, Oxy would be the primary recipient of CO₂ offtake for sequestration. Because the Section 45Q and negative emissions credits are not specific to geographic location, the Project could be located anywhere in the United States and secure the necessary savings resulting from these programs.

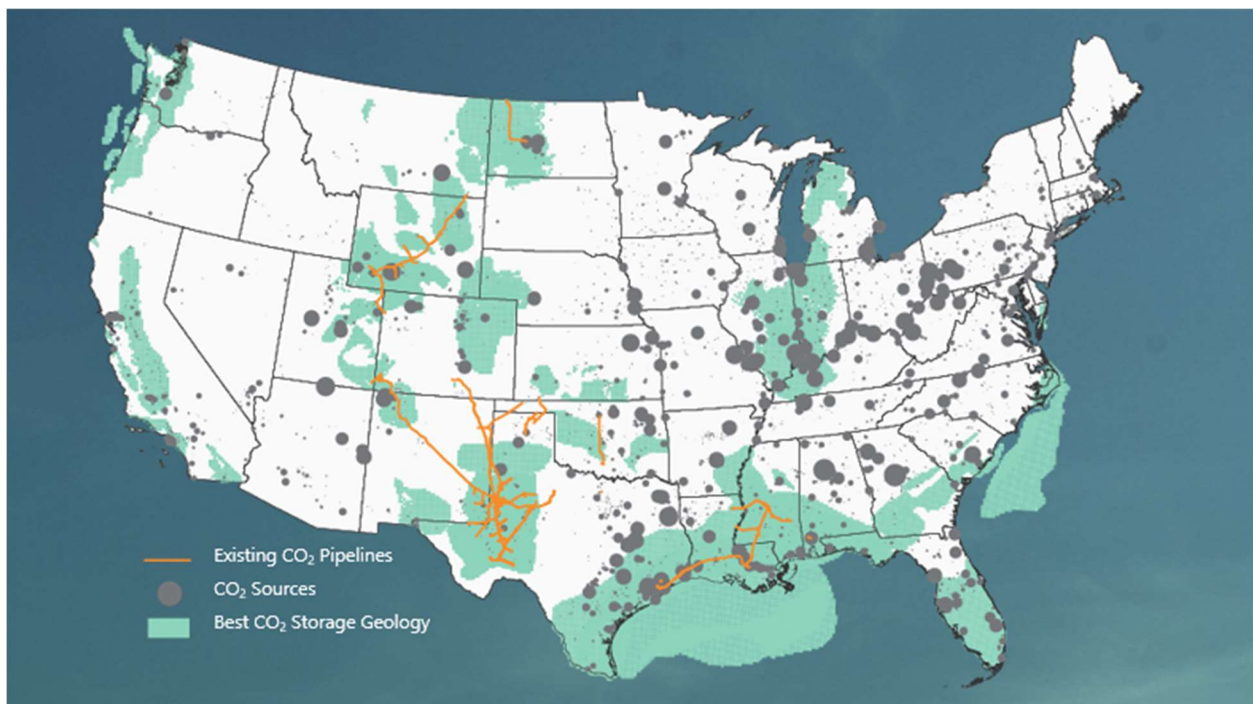
Oxy and Oxy Low Carbon Ventures have a traditional energy production and carbon solutions footprint throughout the United States and the majority of their domestic assets are concentrated in the energy basins of Texas, New Mexico, Colorado, Wyoming, and Utah. 1PointFive is actively evaluating target sites in each of these jurisdictions and plans to site the proposed facilities in the location that offers the best support for profitability and sustainability over the lifetime of the Project.

Reducing the Project’s ad valorem property tax liability and other significant financial impacts to the maximum extent possible is critical to the final investment decision. Property tax is one of the highest annual operating expenses and would be a significant ongoing liability throughout the life of the Project. A Chapter 313 value limitation from Ector County ISD would be critical to reducing up-front operating

costs, increasing return on investment, and maintaining the long-term economic viability of the Project. The Project is not economically viable at the proposed site in Texas without a Chapter 313 value limitation.

The potential to develop industrial scale, cost effective CCUS operations exists anywhere there is a relatively short distance between carbon dioxide emission sources and saline formations or other types of aquifers that could be utilized for permanent CO₂ sequestration. If the proposed plan to capture, process and sequester CO₂ from atmospheric air proves prohibitively expensive to fully scale in Texas or other states with significant EOR operations, Oxy and its partners could explore other attractive alternatives to investing in DAC/EOR-coupled technologies.

The following map illustrates CO₂ sequestration hub development potential in the United States:



The potential to capture and sequester emissions from these sources is virtually unlimited, as approximately 2,700 Mtpa of CO₂ was emitted from U.S. industrial sources in 2018 and approximately 40 Mtpa was captured and sequestered as of January 2021.

Other CO₂ emissions sources such as ethanol plants make a strong case for the construction of carbon sequestration hubs in areas where plants are concentrated, as the cost of sequestration could be spread over a larger production volume. With the right combination of average pipeline distance, estimated capital investment, adequate geology, and minimum ethanol production volumes, OLCV and its partners could choose to dedicate their limited capital resources to the pursuit of other carbon neutralization opportunities with strong estimated returns on investment, including DAC facilities located at sequestration sites near ethanol production.

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)*

Not applicable

Tab 7

Description of Qualified Investment

The Project would be constructed on approximately 1,600 acres at a site known as the Shoe Bar Ranch in Ector County and would be located entirely within the boundaries of Ector County Independent School District.

There are four major process components associated with the Project:

- Air Contactors
- Pellet Reactors
- Pellet Calciners
- Slakers/Hydrators

Eligible ancillary and necessary equipment would include the following:

- Pellet Separators and Washing
- Pellet Dryers
- CO₂ Purifiers and Compressors
- Cooling Systems
- Compressors
- Evaporators
- Pumps
- Electrical and Instrumentation Controls
- New Piping
- Water Treatment Facilities
- Operations, maintenance, measurement, and monitoring buildings

Additional equipment and components would be defined during detail design and procured by the EPCM contractor.

The construction of the plant would include site preparation and earthworks, installation of foundations and supports, fabrication of major equipment and transportation to site, integration of modules and interconnecting works (i.e. piping, electrical, controls), erection of buildings and support infrastructure, utility interconnections, commissioning and start-up, production ramp-up, and handover to operations.

This application covers all qualified investment and qualified property necessary for the commercial operations of the Project, all of which would be located within the project boundary, Enterprise Zone, Ector ISD and Ector County, Texas.

Tab 8

Description of Qualified Property

The Project would be constructed on approximately 1,600 acres at a site known as the Shoe Bar Ranch in Ector County and would be located entirely within the boundaries of Ector County Independent School District.

There are four major process components associated with the Project:

- Air Contactors
- Pellet Reactors
- Pellet Calciners
- Slakers/Hydrators

Eligible ancillary and necessary equipment would include the following:

- Pellet Separators and Washing
- Pellet Dryers
- CO₂ Purifiers and Compressors
- Cooling Systems
- Compressors
- Evaporators
- Pumps
- Electrical and Instrumentation Controls
- New Piping
- Water Treatment Facilities
- Operations, maintenance, measurement, and monitoring buildings

Additional equipment and components would be defined during detail design and procured by the EPCM contractor.

The construction of the plant would include site preparation and earthworks, installation of foundations and supports, fabrication of major equipment and transportation to site, integration of modules and interconnecting works (i.e. piping, electrical, controls), erection of buildings and support infrastructure, utility interconnections, commissioning and start-up, production ramp-up, and handover to operations.

This application covers all qualified investment and qualified property necessary for the commercial operations of the Project, all of which would be located within the project boundary, Enterprise Zone, Ector ISD and Ector County, Texas.

Tab 9

Description of Land

The land on which this proposed project would be developed would **not** be claimed as part of the Qualified Property as described by Texas Statute 313.021(2)(A).

Tab 10

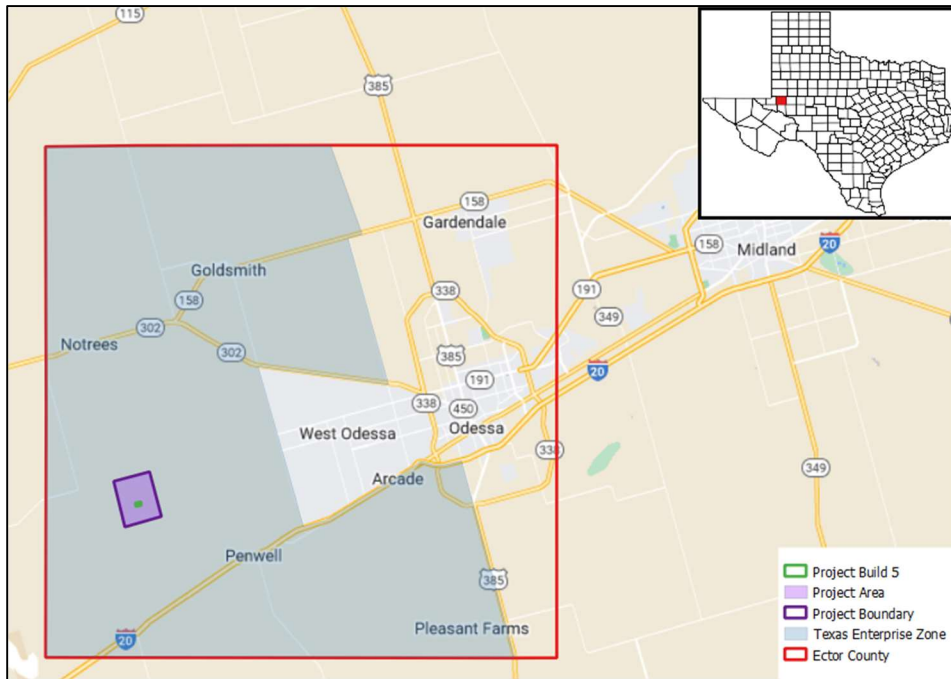
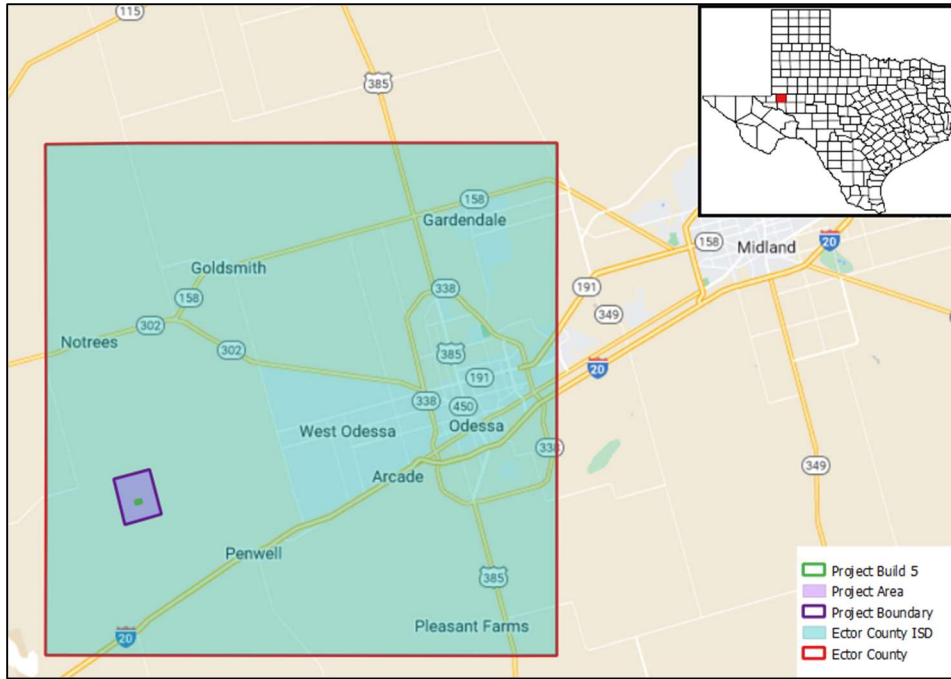
Description of all property not eligible to become qualified property *(if applicable)*

The land on which the Project would be developed would not be claimed as part of the Qualified Property.

Tab 11

Maps that clearly show:

- a) **Project boundary and project vicinity, including county and school district boundaries**
- b) **Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period**
- c) **Qualified property including location of new buildings or new improvements**
- d) **Any existing property within the project area**
- e) **Any facilities owned or operated by the applicant having interconnections to the proposed project**
- f) **Location of project, and related nearby projects within vicinity map**
- g) **Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size**

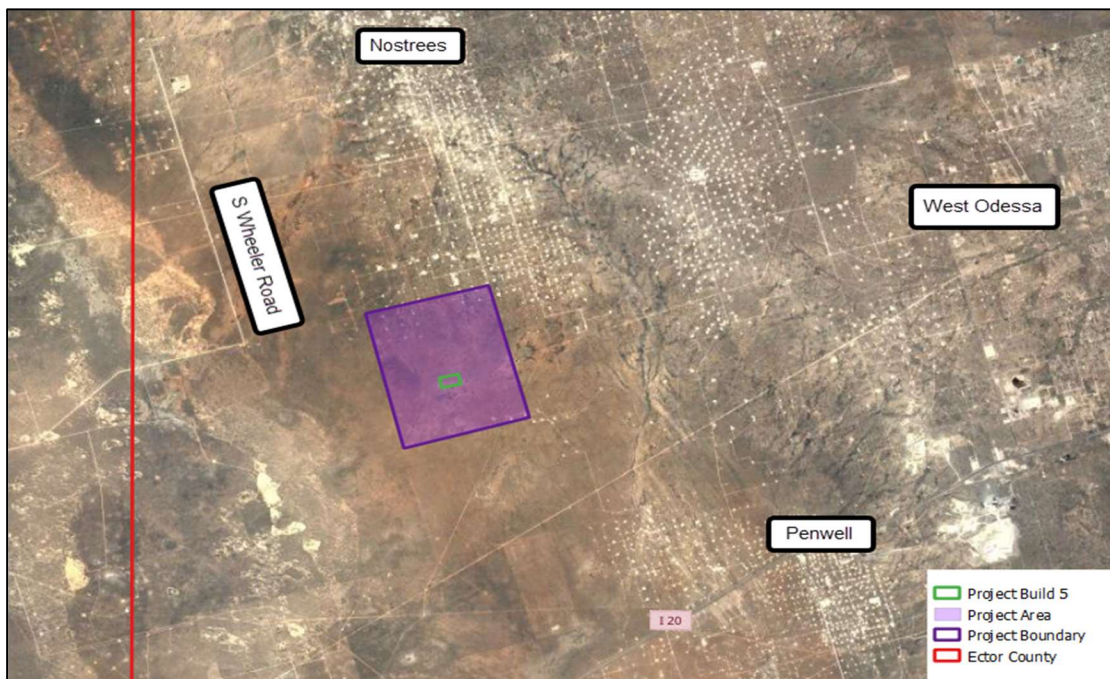
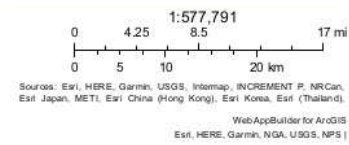


ArcGIS Web Map



3/31/2022, 9:27:58 AM

- Texas Enterprise Zone - Block Groups Based on Poverty Level
- Texas Census Tracts



Tab 12

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

Not applicable

Tab 13

Calculation of non-qualifying wage target and two possible qualifying job wage requirements with TWC documentation

Average Weekly Wages for All jobs, All Industries in Ector County (Four Most Recent Quarters)

| County | Year | Quarter | Ownership | Avg. Weekly Wage |
|----------------------------|------|---------|-----------|--------------------|
| Ector County | 2020 | 4 | Total All | 1,182 |
| Ector County | 2021 | 1 | Total All | 1,094 |
| Ector County | 2021 | 2 | Total All | 1,154 |
| Ector County | 2021 | 3 | Total All | 1,185 |
| Sum Last 4 Quarters | | | | \$ 4,615 |
| Average Weekly Wage | | | | \$ 1,153.75 |

Average Weekly Wages for Manufacturing Jobs in Ector County (Four Most Recent Quarters)

| County | Year | Quarter | Ownership | Avg. Weekly Wage |
|----------------------------------|------|---------|-----------|--------------------|
| Ector County | 2020 | 4 | Private | \$ 1,514 |
| Ector County | 2021 | 1 | Private | \$ 1,425 |
| Ector County | 2021 | 2 | Private | \$ 1,484 |
| Ector County | 2021 | 3 | Private | \$ 1,457 |
| Sum Last 4 Quarters | | | | \$ 5,880 |
| Average Weekly Wage | | | | \$ 1,470 |
| 110 % Average Weekly Wage | | | | \$ 1,617.00 |

Average Weekly Wages for Manufacturing Jobs in Council of Government Region (Most Recent Year)

| COG Region | Year | Hourly | Annual | Avg. Weekly Wage |
|----------------------------------|------|----------|-----------|------------------|
| Permian Basin | 2020 | \$ 22.57 | \$ 46,945 | \$ 902.80 |
| 110 % Average Weekly Wage | | | | \$ 993.08 |

*Backup documentation provided in following pages

Wage data as provided by the Texas Workforce Commission

| Year | Period | Area | Ownership | Industry | Average Weekly Wage |
|------|--------|-------|-----------|-----------------------|---------------------|
| 2020 | 04 | Ector | Total All | Total, All Industries | 1,182 |
| 2021 | 01 | Ector | Total All | Total, All Industries | 1,094 |
| 2021 | 02 | Ector | Total All | Total, All Industries | 1,154 |
| 2021 | 03 | Ector | Total All | Total, All Industries | 1,185 |

| Year | Period | Area | Ownership | Industry | Average Weekly Wage |
|------|--------|-------|-----------|---------------|---------------------|
| 2020 | 04 | Ector | Private | Manufacturing | 1,514 |
| 2021 | 01 | Ector | Private | Manufacturing | 1,425 |
| 2021 | 02 | Ector | Private | Manufacturing | 1,484 |
| 2021 | 03 | Ector | Private | Manufacturing | 1,457 |

**2020 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

| COG | COG Number | Wages | |
|---|------------|---------|----------|
| | | Hourly | Annual |
| Panhandle Regional Planning Commission | 1 | \$23.32 | \$48,501 |
| South Plains Association of Governments | 2 | \$20.42 | \$42,473 |
| NORTEX Regional Planning Commission | 3 | \$20.64 | \$42,928 |
| North Central Texas Council of Governments | 4 | \$32.34 | \$67,261 |
| Ark-Tex Council of Governments | 5 | \$21.30 | \$44,299 |
| East Texas Council of Governments | 6 | \$29.28 | \$60,904 |
| West Central Texas Council of Governments | 7 | \$21.54 | \$44,797 |
| Rio Grande Council of Governments | 8 | \$19.02 | \$39,552 |
| Permian Basin Regional Planning Commission | 9 | \$22.57 | \$46,945 |
| Concho Valley Council of Governments | 10 | \$27.28 | \$56,739 |
| Heart of Texas Council of Governments | 11 | \$23.41 | \$48,696 |
| Capital Area Council of Governments | 12 | \$29.96 | \$62,326 |
| Brazos Valley Council of Governments | 13 | \$18.41 | \$38,286 |
| Deep East Texas Council of Governments | 14 | \$21.07 | \$43,829 |
| South East Texas Regional Planning Commission | 15 | \$27.38 | \$56,957 |
| Houston-Galveston Area Council | 16 | \$29.83 | \$62,050 |
| Golden Crescent Regional Planning Commission | 17 | \$22.09 | \$45,945 |
| Alamo Area Council of Governments | 18 | \$27.45 | \$57,101 |
| South Texas Development Council | 19 | \$19.20 | \$39,945 |
| Coastal Bend Council of Governments | 20 | \$35.39 | \$73,603 |
| Lower Rio Grande Valley Development Council | 21 | \$20.70 | \$43,056 |
| Texoma Council of Governments | 22 | \$19.18 | \$39,897 |
| Central Texas Council of Governments | 23 | \$21.34 | \$44,390 |
| Middle Rio Grande Development Council | 24 | \$22.98 | \$47,809 |
| Texas | | \$28.00 | \$58,233 |

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

Data published: August 2021.

Data published annually, next update will likely be July 31, 2022

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 and Wage Statistics (OEWS) 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, and C completed and signed Economic Impact *(if applicable)*

Schedule A1: Total Investment for Economic Impact (through the Qualifying Time Period)

Date 4/19/2022
Applicant Name 1PointFive P1, LLC
ISD Name Ector County ISD

Form 50-296A
 Revised October 2020

| PROPERTY INVESTMENT AMOUNTS | | | | | | | | |
|--|------|-------------------------|---|--|--|--|---|--|
| (Estimated Investment in each year. Do not put cumulative totals.) | | | | | | | | |
| | | | | Column A | Column B | Column C | Column D | Column E |
| | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year below) YYYY | 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 new investment made during this year that will <u>not</u> 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) |
| Investment made before filing complete application with district | | | | Not eligible to become Qualified Property | | | [The only other investment made before filing complete application with district that may become Qualified Property is land.] | |
| Investment made after filing complete application with district, but before final board approval of application | 0 | 2022-2023 | 2022 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period | 0 | 2023-2024 | 2023 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2024-2025 | 2024 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2025-2026 | 2025 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2026-2027 | 2026 | \$0 | \$0 | \$0 | \$0 | \$0 149 |
| | 0 | 2027-2028 | 2027 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Complete tax years of qualifying time period | QTP1 | 2028-2029 | 2028 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | QTP2 | 2029-2030 | 2029 | \$149,098,592 | \$31,320,808 | \$0 | \$0 | \$180,419,400 |
| Total Investment through Qualifying Time Period [ENTER this row in Schedule A2] | | | | \$149,098,592 | \$31,320,808 | \$0 | \$0 | \$180,419,400 |
| | | | | Enter amounts from TOTAL row above in Schedule A2 | | | | |
| Total Qualified Investment (sum of green cells) | | | | \$180,419,400 | | | | |

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 that will not become qualified property include 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.

Date 4/19/2022
 Applicant Name 1PointFive P1, LLC
 ISD Name Ector County ISD

Schedule A2: Total Investment for Economic Impact (including Qualified Property and other investments)

Form 50-296A
 Revised October 2020

| PROPERTY INVESTMENT AMOUNTS | | | | | | | | |
|--|-----------------|-------------------------|---|--|--|--|---|----------------------------|
| (Estimated Investment in each year. Do not put cumulative totals.) | | | | | | | | |
| | | | | Column A | Column B | Column C | Column D | Column E |
| | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year below) YYYY | 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 <u>not</u> become Qualified Property [SEE NOTE] | Other investment made during this year that will become Qualified Property [SEE NOTE] | Total Investment (A+B+C+D) |
| Total Investment from Schedule A1* | 0 - QTP2 | TOTALS FROM SCHEDULE A1 | | \$149,098,592 | \$31,320,808 | \$0 | \$0 | \$180,419,400 |
| Enter amounts from TOTAL row in Schedule A1 in the row below | | | | | | | | |
| Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i> | Deferral Year 1 | 2030-2031 | 2030 | \$1,716,367,514 | \$360,553,486 | \$0 | \$0 | \$2,076,921,000 |
| | Deferral Year 2 | 2031-2032 | 2031 | \$1,501,388,149 | \$315,393,251 | \$0 | \$0 | \$1,816,781,400 |
| | Deferral Year 3 | 2032-2033 | 2032 | \$100,554,864 | \$21,123,336 | \$0 | \$0 | \$121,678,200 |
| Value limitation period*** | 1 | 2033-2034 | 2033 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 2 | 2034-2035 | 2034 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 3 | 2035-2036 | 2035 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 4 | 2036-2037 | 2036 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 5 | 2037-2038 | 2037 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 6 | 2038-2039 | 2038 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 7 | 2039-2040 | 2039 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 8 | 2040-2041 | 2040 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 9 | 2041-2042 | 2041 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 10 | 2042-2043 | 2042 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Investment made through limitation | | | | \$3,467,409,120 | \$728,390,880 | \$0 | \$0 | \$4,195,800,000 |
| Continue to maintain viable presence | 11 | 2043-2044 | 2043 | | | \$0 | | \$0 |
| | 12 | 2044-2045 | 2044 | | | \$0 | | \$0 150 |
| | 13 | 2045-2046 | 2045 | | | \$0 | | \$0 |
| | 14 | 2046-2047 | 2046 | | | \$0 | | \$0 |
| | 15 | 2047-2048 | 2047 | | | \$0 | | \$0 |
| Additional years for 25 year economic impact as required by 313.026(c)(1) | 16 | 2048-2049 | 2048 | | | \$0 | | \$0 |
| | 17 | 2049-2050 | 2049 | | | \$0 | | \$0 |
| | 18 | 2050-2051 | 2050 | | | \$0 | | \$0 |
| | 19 | 2051-2052 | 2051 | | | \$0 | | \$0 |
| | 20 | 2052-2053 | 2052 | | | \$0 | | \$0 |
| | 21 | 2053-2054 | 2053 | | | \$0 | | \$0 |
| | 22 | 2054-2055 | 2054 | | | \$0 | | \$0 |
| | 23 | 2055-2056 | 2055 | | | \$0 | | \$0 |
| | 24 | 2056-2057 | 2056 | | | \$0 | | \$0 |
| | 25 | 2057-2058 | 2057 | | | \$0 | | \$0 |

* 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 313.021(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.

Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)

Date 4/19/2022
 Applicant Name 1PointFive P1, LLC
 ISD Name Ector County ISD

Form 50-296A

Revised October 2020

| | 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 I&S 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 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2023-2024 | 2023 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2024-2025 | 2024 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2025-2026 | 2025 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2026-2027 | 2026 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2027-2028 | 2027 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | QTP 1 | 2028-2029 | 2028 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | QTP 2 | 2029-2030 | 2029 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Deferral Year 1 | 2030-2031 | 2030 | \$0 | \$15,660,404 | \$74,549,296 | \$5,412,582 | \$84,797,118 | \$90,209,700 |
| | Deferral Year 2 | 2031-2032 | 2031 | \$0 | \$195,937,147 | \$932,733,053 | \$67,720,212 | \$1,060,949,988 | \$1,128,670,200 |
| | Deferral Year 3 | 2032-2033 | 2032 | \$0 | \$353,633,772 | \$1,683,427,128 | \$122,223,654 | \$1,914,837,246 | \$2,037,060,900 |
| Value Limitation Period | 1 | 2033-2034 | 2033 | \$0 | \$364,195,440 | \$1,733,704,560 | \$125,874,000 | \$1,972,026,000 | \$30,000,000 |
| | 2 | 2034-2035 | 2034 | \$0 | \$680,255,336 | \$3,238,266,187 | \$235,111,291 | \$3,683,410,232 | \$30,000,000 |
| | 3 | 2035-2036 | 2035 | \$0 | \$651,911,365 | \$3,103,338,432 | \$225,314,988 | \$3,529,934,809 | \$30,000,000 |
| | 4 | 2036-2037 | 2036 | \$0 | \$623,567,393 | \$2,968,410,677 | \$215,518,684 | \$3,376,459,385 | \$30,000,000 |
| | 5 | 2037-2038 | 2037 | \$0 | \$595,223,421 | \$2,833,482,921 | \$205,722,381 | \$3,222,983,962 | \$30,000,000 |
| | 6 | 2038-2039 | 2038 | \$0 | \$566,879,449 | \$2,698,555,166 | \$195,926,077 | \$3,069,508,538 | \$30,000,000 |
| | 7 | 2039-2040 | 2039 | \$0 | \$538,535,477 | \$2,563,627,411 | \$186,129,773 | \$2,916,033,115 | \$30,000,000 |
| | 8 | 2040-2041 | 2040 | \$0 | \$510,191,506 | \$2,428,699,656 | \$176,333,470 | \$2,762,557,692 | \$30,000,000 |
| | 9 | 2041-2042 | 2041 | \$0 | \$481,847,534 | \$2,293,771,901 | \$166,537,166 | \$2,609,082,268 | \$30,000,000 |
| | 10 | 2042-2043 | 2042 | \$0 | \$453,503,562 | \$2,158,844,145 | \$156,740,862 | \$2,455,606,845 | \$30,000,000 |
| | Continue to maintain viable presence | 11 | 2043-2044 | 2043 | \$0 | \$425,159,590 | \$2,023,916,390 | \$146,944,559 | \$2,302,131,422 |
| 12 | | 2044-2045 | 2044 | \$0 | \$396,815,618 | \$1,888,988,635 | \$137,148,255 | \$2,148,655,998 | \$2,148,655,998 |
| 13 | | 2045-2046 | 2045 | \$0 | \$368,471,647 | \$1,754,060,880 | \$127,351,952 | \$1,995,180,575 | \$1,995,180,575 |
| 14 | | 2046-2047 | 2046 | \$0 | \$340,127,675 | \$1,619,133,125 | \$117,555,648 | \$1,841,705,152 | \$1,841,705,152 |
| 15 | | 2047-2048 | 2047 | \$0 | \$311,783,703 | \$1,484,205,369 | \$107,759,344 | \$1,688,229,728 | \$1,688,229,728 |
| Additional years for 25 year economic impact as required by 313.026(c)(1) | 16 | 2048-2049 | 2048 | \$0 | \$283,439,731 | \$1,349,277,614 | \$97,963,041 | \$1,534,754,305 | \$1,534,754,305 |
| | 17 | 2049-2050 | 2049 | \$0 | \$255,095,759 | \$1,214,349,859 | \$88,166,737 | \$1,381,278,881 | \$1,381,278,881 |
| | 18 | 2050-2051 | 2050 | \$0 | \$226,751,788 | \$1,079,422,104 | \$78,370,433 | \$1,227,803,458 | \$1,227,803,458 |
| | 19 | 2051-2052 | 2051 | \$0 | \$198,407,816 | \$944,494,349 | \$68,574,130 | \$1,074,328,035 | \$1,074,328,035 |
| | 20 | 2052-2053 | 2052 | \$0 | \$170,063,844 | \$809,566,594 | \$58,777,826 | \$920,852,611 | \$920,852,611 |
| | 21 | 2053-2054 | 2053 | \$0 | \$145,678,176 | \$693,481,824 | \$50,349,600 | \$788,810,400 | \$788,810,400 |
| | 22 | 2054-2055 | 2054 | \$0 | \$145,678,176 | \$693,481,824 | \$50,349,600 | \$788,810,400 | \$788,810,400 |
| | 23 | 2055-2056 | 2055 | \$0 | \$145,678,176 | \$693,481,824 | \$50,349,600 | \$788,810,400 | \$788,810,400 |
| | 24 | 2056-2057 | 2056 | \$0 | \$145,678,176 | \$693,481,824 | \$50,349,600 | \$788,810,400 | \$788,810,400 |
| 25 | 2057-2058 | 2057 | \$0 | \$145,678,176 | \$693,481,824 | \$50,349,600 | \$788,810,400 | \$788,810,400 | |

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.

Schedule C: Employment Information

Date 4/19/2022
Applicant Name 1PointFive P1, LLC
ISD Name Ector County ISD

Form 50-296A
 Revised October 2020

| | | | | Construction | | Non-Qualifying Jobs | Qualifying Jobs | |
|---|-----------------|-------------------------|---------------------------------|------------------------------|--|---|--|------------------------------------|
| | | | | Column A | Column B | Column C | Column D | Column E |
| | Year | School Year (YYYY-YYYY) | Tax Year (Actual tax year) YYYY | Number of Construction FTE's | Average annual wage rates for construction workers | Number of non-qualifying jobs applicant estimates it will create (cumulative) | Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative) | Annual wage of new qualifying jobs |
| Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i> | 0 | 2022-2023 | 2022 | 0 | \$0 | 0 | 0 | \$0 |
| | 0 | 2023-2024 | 2023 | 0 | \$0 | 0 | 0 | \$0 |
| | 0 | 2024-2025 | 2024 | 0 | \$0 | 0 | 0 | \$0 |
| | 0 | 2025-2026 | 2025 | 0 | \$0 | 0 | 0 | \$0 |
| | 0 | 2026-2027 | 2026 | 0 | \$0 | 0 | 0 | \$0 |
| | 0 | 2027-2028 | 2027 | 0 | \$0 | 0 | 0 | \$0 |
| | QTP 1 | 2028-2029 | 2028 | 0 | \$0 | 0 | 0 | \$0 |
| | QTP 2 | 2029-2030 | 2029 | 12,500 | \$50,000 | 0 | 0 | \$0 |
| | Deferral Year 1 | 2030-2031 | 2030 | 12,500 | \$50,000 | 0 | 0 | \$0 |
| | Deferral Year 2 | 2031-2032 | 2031 | 12,500 | \$50,000 | 0 | 0 | \$0 |
| Deferral Year 3 | 2032-2033 | 2032 | 12,500 | \$50,000 | 0 | 0 | \$0 | |
| Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i> | 1 | 2033-2034 | 2033 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 2 | 2034-2035 | 2034 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 3 | 2035-2036 | 2035 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 4 | 2036-2037 | 2036 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 5 | 2037-2038 | 2037 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 6 | 2038-2039 | 2038 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 7 | 2039-2040 | 2039 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 8 | 2040-2041 | 2040 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 9 | 2041-2042 | 2041 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 10 | 2042-2043 | 2042 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| Years Following Value Limitation Period | 11 through 25 | 2043-2058 | 2057 | 0 | \$0 | 0 | 25 | \$51,640.16 |

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*)

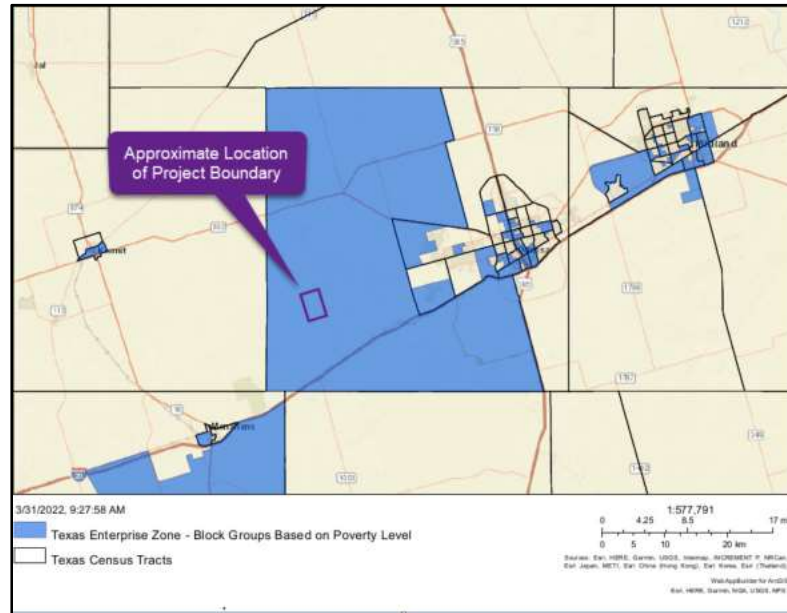
Not applicable

Tab 16

Description of Reinvestment or Enterprise Zone, including:

a) evidence that the area qualifies as an enterprise zone as defined by the Governor’s Office

The area qualifies as an enterprise zone as defined by the Governor’s Office because it is in a block group within the State of Texas that has a poverty rate of 20 percent or more.



b) legal description of reinvestment zone

Not applicable

c) order, resolution or ordinance establishing the reinvestment zone

Not applicable

d) guidelines and criteria for creating the zone

Not applicable

Tab 17

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

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 Muri

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 ▶

Derek Willis

Print Name (Authorized Company Representative (Applicant))

Vice President and Secretary

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.

Dr. Scott Muri
Superintendent of Schools
Ector County Independent School District
802 N. Sam Houston
Odessa, TX 79761

April 19, 2022

Page 1 of 1

Re: Chapter 313 Application for Appraised Value Limitation on Qualified Property for
1PointFive P1, LLC

Dear Dr. Muri:

On behalf of our client, *1PointFive P1, LLC* and its joint venture partners we are pleased to submit for your consideration the enclosed Form 50-296-A application for their proposed project, direct air capture facilities that would manufacture industrial-grade carbon dioxide gas and be located in Ector County Independent School District.

Pursuant to our evaluation of Texas and the target site in Ector County for the proposed project, we respectfully request your support of our completed series of applications, as well as your subsequent submittal of the applications to the Texas Comptroller's Office for its formal review and certification.

We look forward to working with you and the Comptroller toward a final investment decision for this project. If you have any questions, please don't hesitate to reach me at (512) 671-5575.

Sincerely,

Michael Lateur
Managing Director
Property Tax | SSIA

Tab 1

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

April 19, 2022

Date Application Received by District

Dr. Scott

First Name

Muri

Last Name

Superintendent

Title

Ector County ISD

School District Name

802 N. Sam Houston

Street Address

P.O. Box 3912

Mailing Address

Odessa

City

(432) 456-9879

Phone Number

N/A

Mobile Number (optional)

Texas

State

(432) 456-9878

Fax Number

scott.muri@ectorcountysd.org

Email Address

79760

ZIP

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)

| | |
|--------------------------|------------------------|
| Fred | Stormer |
| First Name | Last Name |
| Shareholder | |
| Title | |
| Underwood Law Firm, PC | |
| Firm Name | |
| (806) 379-0306 | N/A |
| Phone Number | Fax Number |
| N/A | fred.stormer@uwlaw.com |
| Mobile Number (optional) | Email Address |

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

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

| | |
|------------------------------|------------------------|
| Derek | Willis |
| First Name | Last Name |
| Vice President and Secretary | 1PointFive P1, LLC |
| Title | Organization |
| 5 Greenway Plaza, Suite 110 | |
| Street Address | |
| 5 Greenway Plaza, Suite 110 | |
| Mailing Address | |
| Houston | TX |
| City | State |
| (713) 497-2556 | N/A |
| Phone Number | Fax Number |
| N/A | Derek_Willis@oxy.com |
| Mobile Number (optional) | Business Email Address |

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.

| | |
|------------------------------|------------------------------|
| Josh | Barvin |
| First Name | Last Name |
| Business Development Manager | Oxy Low Carbon Ventures, LLC |
| Title | Organization |
| 5 Greenway Plaza, Suite 110 | |
| Street Address | |
| 5 Greenway Plaza, Suite 110 | |
| Mailing Address | |
| Houston | TX |
| City | State |
| (713) 840-3007 | N/A |
| Phone Number | Fax Number |
| (832) 607-5092 | Josh_Barvin@oxy.com |
| Mobile Number (optional) | Business Email Address |

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)

Michael _____ Lateur _____
 First Name Last Name
 Managing Director _____
 Title
 Kroll, LLC _____
 Firm Name
 (512) 671-5575 _____ N/A _____
 Phone Number Fax Number
 michael.lateur@kroll.com _____
 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.

\$ 90,000.00 _____ Wire Transfer _____
 Payment Amount Transaction Type
 Kroll, LLC _____ Ector County Independent School District _____
 Payor Payee
 April 19, 2022 _____
 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? _____ 1PointFive P1, LLC _____
 2. Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) _____ 32076631608 _____
 3. Parent Company Name _____ 1Point Five Inc. _____
 4. Parent Company Tax ID _____ 86-2318741 _____
 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
 Application #1570, Ector County ISD, 2021 _____

SECTION 5: Applicant Business Structure

1. Business Organization of Applicant (corporation, limited liability corporation, etc) _____ Limited Liability Corporation _____
 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

1PointFive P1, LLC

2c. Reporting Entity Taxpayer Number

32076631608

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 December 2022
- 2. Estimated commencement of construction Q3 2029
- 3. Beginning of qualifying time period (MM/DD/YYYY) 01/01/2028
- 4. First year of limitation (YYYY) 2034
- 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 Q2 2033

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, 1.0517, 100%</u> <small>(Name, tax rate and percent of project)</small> | I&S (ISD): <u>Ector County ISD, 0.1262, 100%</u> <small>(Name, tax rate and percent of project)</small> |
| County: <u>Ector County, 0.3650, 100%</u> <small>(Name, tax rate and percent of project)</small> | City: <u>N/A</u> <small>(Name, tax rate and percent of project)</small> |
| Hospital District: <u>Ector County HD, 0.1500, 100%</u> <small>(Name, tax rate and percent of project)</small> | Water District: <u>N/A</u> <small>(Name, tax rate and percent of project)</small> |
| Other (describe): <u>Odessa College, 0.2017, 100%</u> <small>(Name, tax rate and percent of project)</small> | Other (describe): <u>N/A</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: Pending (Incentive type, percentage, start and end year)

City: N/A (Incentive type, percentage, start and end year)

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

Water District: N/A (Incentive type, percentage, start and end year)

Other (describe): Odessa College, Pending (Incentive type, percentage, start and end year)

Other (describe): N/A (Incentive type, percentage, start and end year)

6. Is the project located entirely within the ISD listed in Section 1? [checked] 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 [checked] 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? \$ 30,000,000.00

2. What is the amount of appraised value limitation for which you are applying? \$ 30,000,000.00

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)? [checked] 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? [checked] 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 [checked] 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? _____ N/A _____

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? 25
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 \$ 1,153.75
 - b. Qualifying job wage minimum option §313.021(5)(A)
-110% of the average weekly wage for manufacturing jobs in the county is \$ 1,617.00
 - c. Qualifying job wage minimum option §313.021(5)(B)
-110% of the average weekly wage for manufacturing jobs in the region is \$ 993.08
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? \$ 51,640.16
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? \$ 51,640.16
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**.

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

| ATTACHMENT | |
|------------|---|
| 1 | Sections 1-16 |
| 2 | Proof of Payment of Application Fee |
| 3 | Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation <i>(if applicable)</i> |
| 4 | Detailed description of the project |
| 5 | Documentation to assist in determining if limitation is a determining factor |
| 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 <i>(if applicable)</i> |
| 7 | Description of Qualified Investment |
| 8 | Description of Qualified Property |
| 9 | Description of Land |
| 10 | Description of all property not eligible to become qualified property <i>(if applicable)</i> |
| 11 | <p>Maps that clearly show:</p> <ul style="list-style-type: none"> a) Project boundary and project vicinity, including county and school district boundaries b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period c) Qualified property including location of new buildings or new improvements d) Any existing property within the project area e) Any facilities owned or operated by the applicant having interconnections to the proposed project f) Location of project, and related nearby projects within vicinity map g) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size <p>Note: Maps should be high resolution files. Include map legends/markers.</p> |
| 12 | Request for Waiver of Job Creation Requirement and supporting information <i>(if applicable)</i> |
| 13 | Calculation of non-qualifying wage target and two possible qualifying job wage requirements with TWC documentation |
| 14 | Schedules A1, A2, B, and C completed and signed Economic Impact <i>(if applicable)</i> |
| 15 | Economic Impact Analysis, other payments made in the state or other economic information <i>(if applicable)</i> |
| 16 | <p>Description of Reinvestment or Enterprise Zone, including:</p> <ul style="list-style-type: none"> a) evidence that the area qualifies as an enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone c) order, resolution or ordinance establishing the reinvestment zone d) guidelines and criteria for creating the zone |
| 17 | Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i> |

Tab 2

Proof of Application Filing Fee Payment

Please see attached.

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

Occidental Petroleum (Oxy), a leading producer of traditional energy resources, and its subsidiary Oxy Low Carbon Ventures (OLCV) have formed a joint venture with private equity firm Rusheen Capital Management to finance and deploy large-scale Direct Air Capture (DAC) technology licensed from Carbon Engineering, a clean energy company focused on the commercialization of DAC technology, which captures carbon dioxide directly from the atmosphere.

The purpose of the joint venture, named 1PointFive, will be to further OLCV's commitment to reducing the amount of carbon dioxide in the atmosphere by advancing and accelerating carbon capture, utilization, and storage (CCUS) technologies and projects around the world. The significance of the name 1PointFive is the joint venture's mission to achieve climate stabilization and limit global warming to 1.5°C (of which DAC technology is a critical component). Oxy and OLCV will be providing significant financial, operational, and engineering resources to 1PointFive.

As the combined corporate entity for OLCV and its partners' proposed investment, 1PointFive is planning the development of a series of DAC facilities that would produce industrial-grade carbon dioxide gas (CO₂) for its own use, as well as the use of other potential off-takers with similar commercial applications. The DAC facilities will be built in or near one of several United States energy basins in which Oxy operates, within reasonable proximity to its existing enhanced oil recovery (EOR) operations, accessible pipeline infrastructure, and sufficient electric, natural gas, and water utilities.

It is contemplated that the proposed DAC facilities (the Project) would comprise up to six (6) separate builds, each of which will be the subject of its own application, submitted as a part of a series of applications related to the same project. Should all six builds be constructed, they would be capable of capturing and permanently sequestering approximately 26 million tons per annum (Mtpa) of atmospheric CO₂. This application pertains to the sixth of these six proposed builds ("Build 6"). The proposed Build 6 project would capture and permanently sequester approximately 5 million tons per annum (Mtpa) of atmospheric CO₂.

The Project combines the operational expertise of Oxy and OLCV, and the innovative technology of Carbon Engineering to capture and permanently remove carbon dioxide directly from the atmosphere. The high-quality CO₂ product manufactured by the DAC facilities would be used as industrial gas feedstock by Oxy in their traditional energy production process, specifically through downhole injection at their existing EOR sites, to permanently sequester high volumes of carbon dioxide in underground geological storage. Carbon Engineering's proprietary DAC technology is specifically designed to be deployed at a much larger scale than other DAC designs currently operating and demonstrates a significant advantage over less cost-competitive DAC technology developers and facilities.

The proven DAC technology used by the Project would manufacture a continuous stream of high-quality carbon dioxide gas through the process of heating, treating, and compressing atmospheric air using only carbon-free renewable electricity, natural gas, and water as system inputs. Using large fans to draw in ambient air, the system would use two principal chemical loops and industrial processing units to extract and purify the carbon dioxide components of the air input. The DAC system's two chemical loops are a

caustic carbon dioxide capture loop and a solids carbon dioxide purification loop, operated by the carbon dioxide capture and caustic recovery equipment. The closed loop design effectively diminishes the need for material removal and make-up, as the products of each reaction become a reagent for another reaction within the DAC process. The major output streams of the DAC system are compressed CO₂ (for utilization) and CO₂-depleted air (discharged into the surrounding atmosphere).

There are four major process components associated with the proposed DAC facilities:

- Air Contactors
- Pellet Reactors
- Pellet Calciners
- Slakers/Hydrators

Eligible ancillary and necessary equipment would include the following:

- Pellet Separators and Washing
- Pellet Dryers
- CO₂ Purifiers and Compressors
- Cooling Systems
- Compressors
- Evaporators
- Pumps
- Electrical and Instrumentation Controls
- New Piping
- Water Treatment Facilities
- Operations, maintenance, measurement, and monitoring buildings

The construction of the plant would include site preparation and earthworks, installation of foundations and supports, fabrication of major equipment and transportation to site, integration of modules and interconnecting works (i.e. piping, electrical, controls), erection of buildings and support infrastructure, utility interconnections, commissioning and start-up, production ramp-up, and handover to operations.

The pairing of DAC technology and CO₂ sequestration through EOR operations would be a significant environmental commitment for the energy industry, providing a pathway for reduced carbon emissions from traditional energy production and the realization of an economically viable model for significant anthropogenic CO₂ sequestration through EOR operations. The Project and its DAC technology deployment are expected to fundamentally alter the energy landscape by providing a pathway to decarbonize major carbon-emitting industries like fuel production, transportation, and construction. CO₂ credits generated by the plant would be sold into regulated markets like California's Low Carbon Fuel Standards (LCFS) market, as a low-carbon liquid fuel or as emissions offsets directly to corporations committed to decarbonization. Currently, low carbon fuel initiatives are being enacted all over the world, including major markets such as the United States' west coast, Canada, and South America. With countries, industries, and companies continuously looking to offset their CO₂ emissions, it is anticipated that by 2050 the carbon removal industry will be as large as the oil & gas industry is today.

Tab 5

Documentation to Assist in Determining if Limitation is a Determining Factor

The proposed Project would be one of the largest industrial-scale direct atmospheric air capture and carbon sequestration operations anywhere in the world. Given the wide applicability of Carbon Engineering’s process, their DAC technology can be utilized by a variety of industrial and commercial users and could be located anywhere an adequate supply of utility inputs exist. The majority of the manufactured CO₂ from the Project would be permanently sequestered by Oxy’s EOR operations but could also be utilized as a feedstock for many other products. The Project becomes more economically viable when there is access to competitively priced renewable electricity, natural gas, and water.

Additional factors that would impact the location and success of the Project include:

- Proximity to a qualified customer for CO₂
- Suitable topography, geotechnical, and logistical conditions
- Labor availability
- Supporting infrastructure
- Initial development costs and recurring tax liabilities
- Permitting and regulatory environment
- Ability to develop or obtain carbon-free electricity to power the facility

The profitability of the Project is dependent on four main factors:

- The ability to negotiate and sell processed CO₂ for permanent sequestration in enhanced oil recovery operations and other potential commercial off-takers
- The ability to utilize Federal Section 45Q tax credits
- The ability to generate and sell negative emissions credits (e.g. California’s Low Carbon Fuel Standard)
- The ability to negotiate and secure economic development incentives

At this time, Oxy would be the primary recipient of CO₂ offtake for sequestration. Because the Section 45Q and negative emissions credits are not specific to geographic location, the Project could be located anywhere in the United States and secure the necessary savings resulting from these programs.

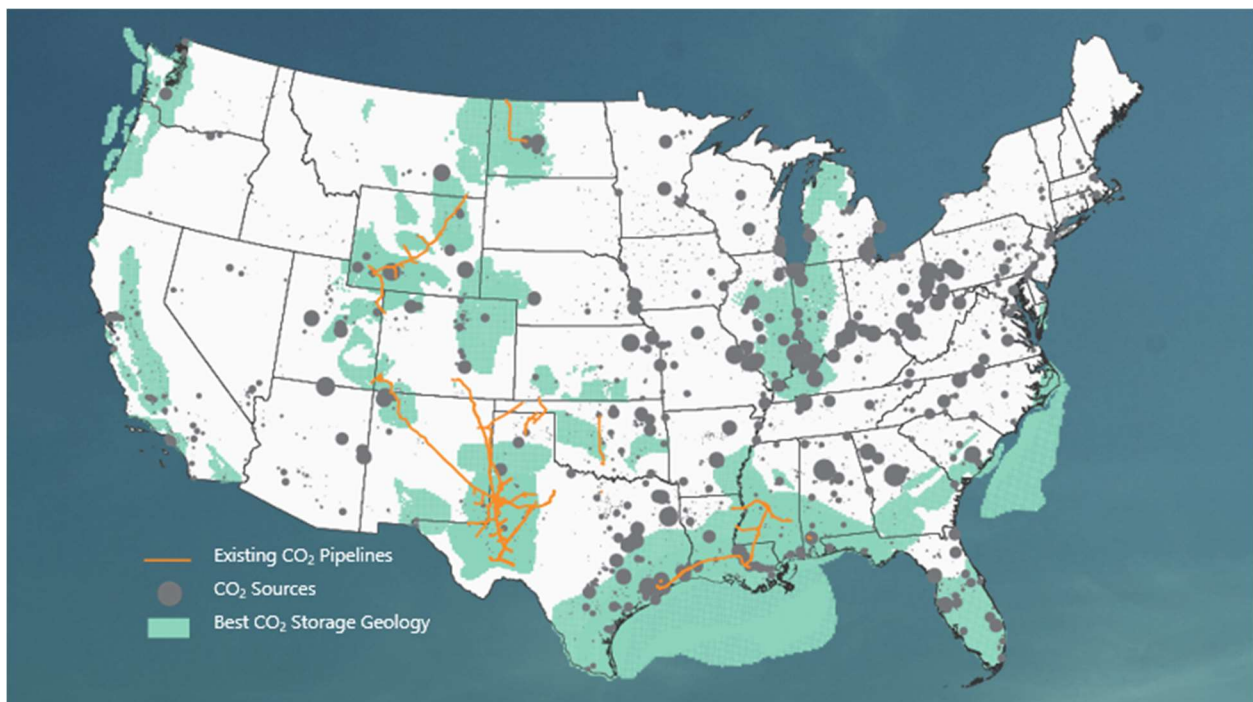
Oxy and Oxy Low Carbon Ventures have a traditional energy production and carbon solutions footprint throughout the United States and the majority of their domestic assets are concentrated in the energy basins of Texas, New Mexico, Colorado, Wyoming, and Utah. 1PointFive is actively evaluating target sites in each of these jurisdictions and plans to site the proposed facilities in the location that offers the best support for profitability and sustainability over the lifetime of the Project.

Reducing the Project’s ad valorem property tax liability and other significant financial impacts to the maximum extent possible is critical to the final investment decision. Property tax is one of the highest annual operating expenses and would be a significant ongoing liability throughout the life of the Project. A Chapter 313 value limitation from Ector County ISD would be critical to reducing up-front operating

costs, increasing return on investment, and maintaining the long-term economic viability of the Project. The Project is not economically viable at the proposed site in Texas without a Chapter 313 value limitation.

The potential to develop industrial scale, cost effective CCUS operations exists anywhere there is a relatively short distance between carbon dioxide emission sources and saline formations or other types of aquifers that could be utilized for permanent CO₂ sequestration. If the proposed plan to capture, process and sequester CO₂ from atmospheric air proves prohibitively expensive to fully scale in Texas or other states with significant EOR operations, Oxy and its partners could explore other attractive alternatives to investing in DAC/EOR-coupled technologies.

The following map illustrates CO₂ sequestration hub development potential in the United States:



The potential to capture and sequester emissions from these sources is virtually unlimited, as approximately 2,700 Mtpa of CO₂ was emitted from U.S. industrial sources in 2018 and approximately 40 Mtpa was captured and sequestered as of January 2021.

Other CO₂ emissions sources such as ethanol plants make a strong case for the construction of carbon sequestration hubs in areas where plants are concentrated, as the cost of sequestration could be spread over a larger production volume. With the right combination of average pipeline distance, estimated capital investment, adequate geology, and minimum ethanol production volumes, OLCV and its partners could choose to dedicate their limited capital resources to the pursuit of other carbon neutralization opportunities with strong estimated returns on investment, including DAC facilities located at sequestration sites near ethanol production.

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)*

Not applicable

Tab 7

Description of Qualified Investment

The Project would be constructed on approximately 1,600 acres at a site known as the Shoe Bar Ranch in Ector County and would be located entirely within the boundaries of Ector County Independent School District.

There are four major process components associated with the Project:

- Air Contactors
- Pellet Reactors
- Pellet Calciners
- Slakers/Hydrators

Eligible ancillary and necessary equipment would include the following:

- Pellet Separators and Washing
- Pellet Dryers
- CO₂ Purifiers and Compressors
- Cooling Systems
- Compressors
- Evaporators
- Pumps
- Electrical and Instrumentation Controls
- New Piping
- Water Treatment Facilities
- Operations, maintenance, measurement, and monitoring buildings

Additional equipment and components would be defined during detail design and procured by the EPCM contractor.

The construction of the plant would include site preparation and earthworks, installation of foundations and supports, fabrication of major equipment and transportation to site, integration of modules and interconnecting works (i.e. piping, electrical, controls), erection of buildings and support infrastructure, utility interconnections, commissioning and start-up, production ramp-up, and handover to operations.

This application covers all qualified investment and qualified property necessary for the commercial operations of the Project, all of which would be located within the project boundary, Enterprise Zone, Ector ISD and Ector County, Texas.

Tab 8

Description of Qualified Property

The Project would be constructed on approximately 1,600 acres at a site known as the Shoe Bar Ranch in Ector County and would be located entirely within the boundaries of Ector County Independent School District.

There are four major process components associated with the Project:

- Air Contactors
- Pellet Reactors
- Pellet Calciners
- Slakers/Hydrators

Eligible ancillary and necessary equipment would include the following:

- Pellet Separators and Washing
- Pellet Dryers
- CO₂ Purifiers and Compressors
- Cooling Systems
- Compressors
- Evaporators
- Pumps
- Electrical and Instrumentation Controls
- New Piping
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Additional equipment and components would be defined during detail design and procured by the EPCM contractor.

The construction of the plant would include site preparation and earthworks, installation of foundations and supports, fabrication of major equipment and transportation to site, integration of modules and interconnecting works (i.e. piping, electrical, controls), erection of buildings and support infrastructure, utility interconnections, commissioning and start-up, production ramp-up, and handover to operations.

This application covers all qualified investment and qualified property necessary for the commercial operations of the Project, all of which would be located within the project boundary, Enterprise Zone, Ector ISD and Ector County, Texas.

Tab 9

Description of Land

The land on which this proposed project would be developed would **not** be claimed as part of the Qualified Property as described by Texas Statute 313.021(2)(A).

Tab 10

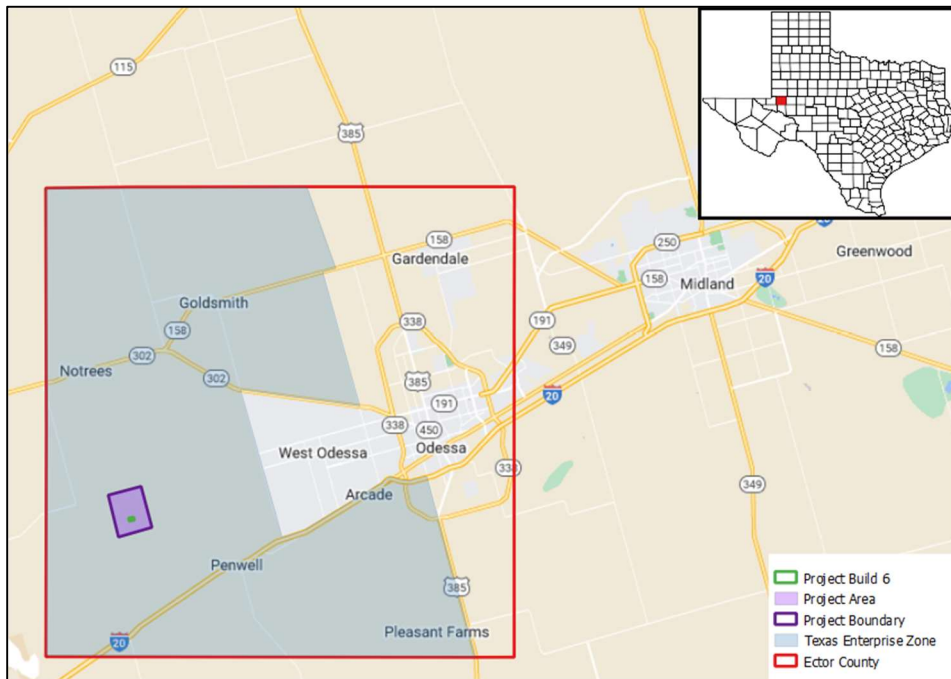
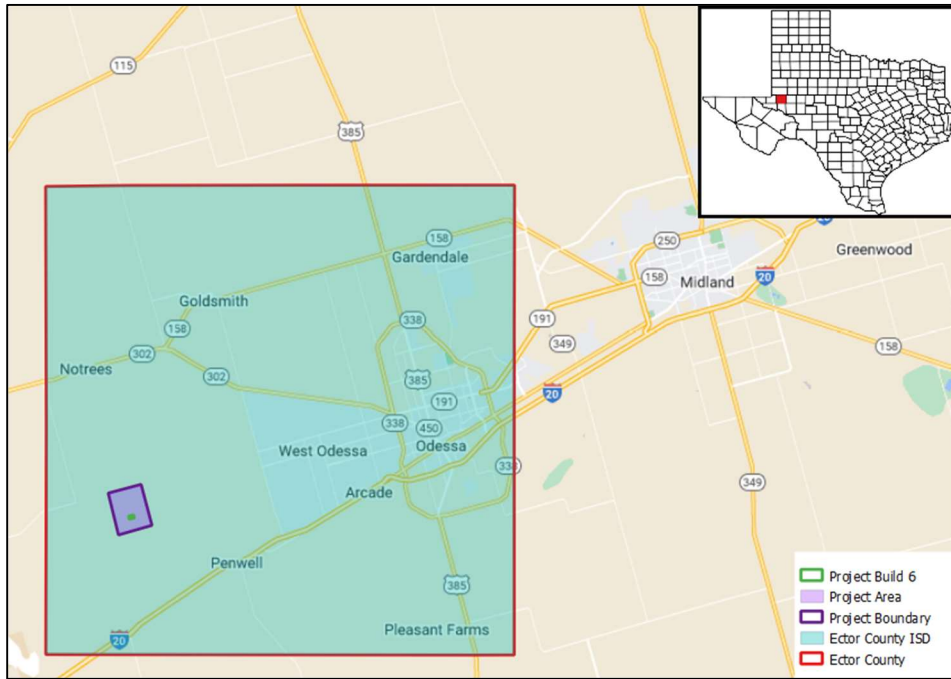
Description of all property not eligible to become qualified property *(if applicable)*

The land on which the Project would be developed would not be claimed as part of the Qualified Property.

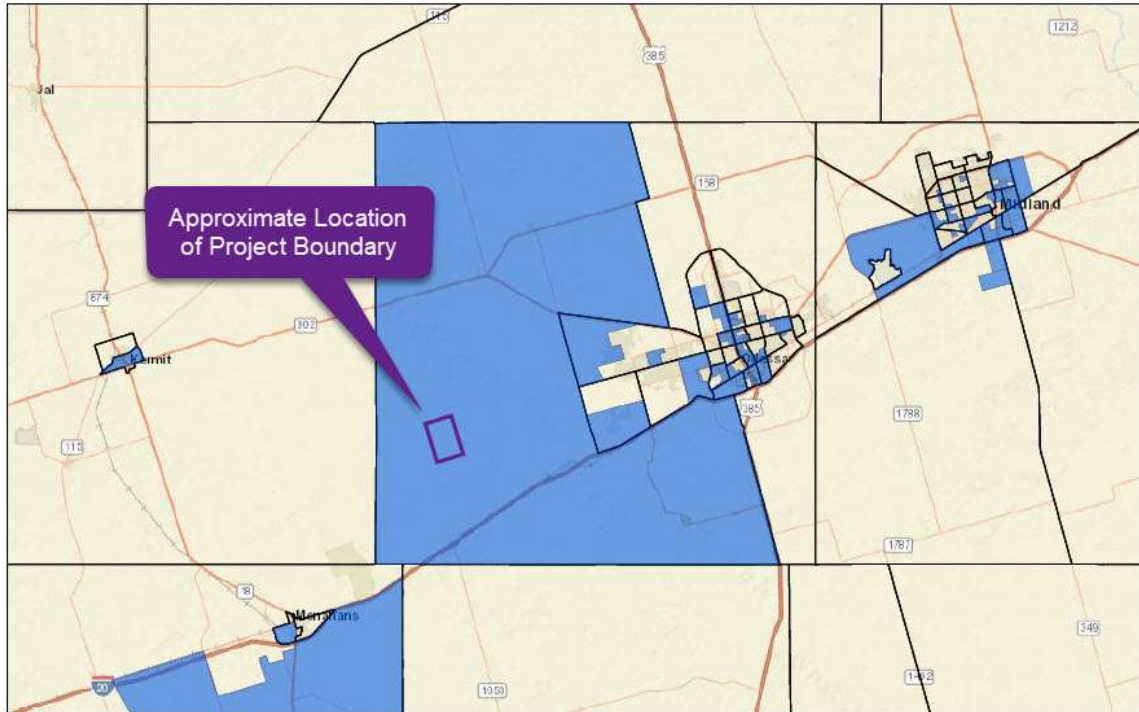
Tab 11

Maps that clearly show:

- a) Project boundary and project vicinity, including county and school district boundaries**
- b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period**
- c) Qualified property including location of new buildings or new improvements**
- d) Any existing property within the project area**
- e) Any facilities owned or operated by the applicant having interconnections to the proposed project**
- f) Location of project, and related nearby projects within vicinity map**
- g) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size**

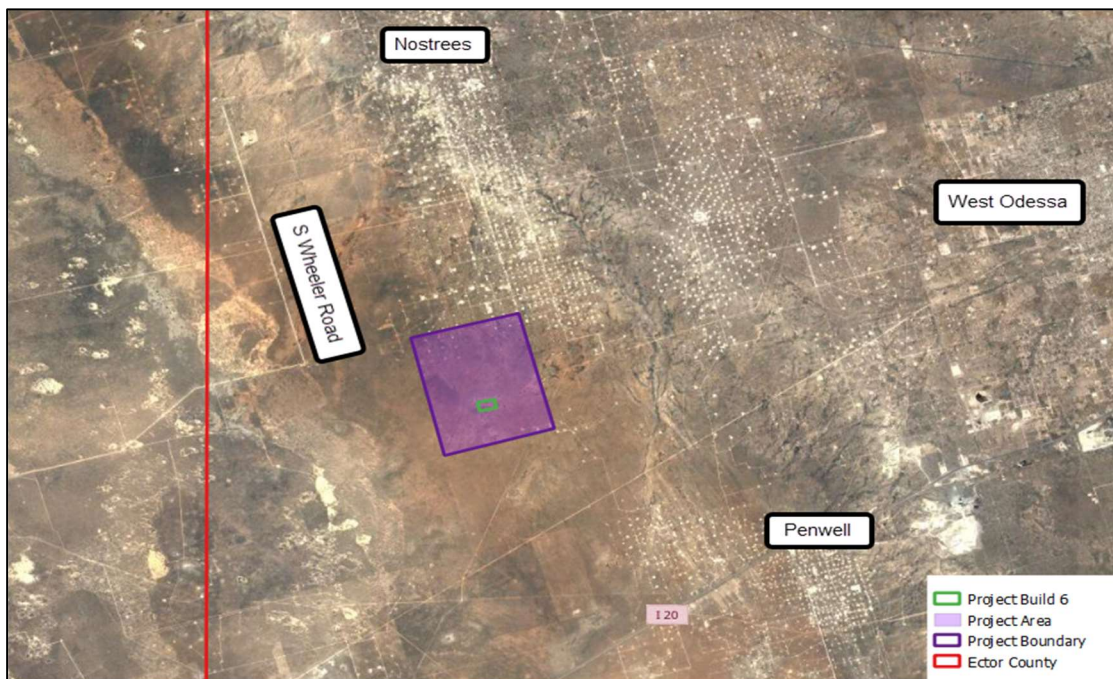


ArcGIS Web Map



3/31/2022, 9:27:58 AM
■ Texas Enterprise Zone - Block Groups Based on Poverty Level
□ Texas Census Tracts

1:577,791
0 4.25 8.5 17 mi
0 5 10 20 km
Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), Swisstopo, IGN, Esri, Swisstopo, Esri, Swisstopo, Esri, Swisstopo
WebAppBuilder for ArcGIS
Esri, HERE, Garmin, NGA, USGS, NPS



Tab 12

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

Not applicable

Tab 13

Calculation of non-qualifying wage target and two possible qualifying job wage requirements with TWC documentation

Average Weekly Wages for All jobs, All Industries in Ector County (Four Most Recent Quarters)

| County | Year | Quarter | Ownership | Avg. Weekly Wage |
|----------------------------|------|---------|-----------|--------------------|
| Ector County | 2020 | 4 | Total All | 1,182 |
| Ector County | 2021 | 1 | Total All | 1,094 |
| Ector County | 2021 | 2 | Total All | 1,154 |
| Ector County | 2021 | 3 | Total All | 1,185 |
| Sum Last 4 Quarters | | | | \$ 4,615 |
| Average Weekly Wage | | | | \$ 1,153.75 |

Average Weekly Wages for Manufacturing Jobs in Ector County (Four Most Recent Quarters)

| County | Year | Quarter | Ownership | Avg. Weekly Wage |
|----------------------------------|------|---------|-----------|--------------------|
| Ector County | 2020 | 4 | Private | \$ 1,514 |
| Ector County | 2021 | 1 | Private | \$ 1,425 |
| Ector County | 2021 | 2 | Private | \$ 1,484 |
| Ector County | 2021 | 3 | Private | \$ 1,457 |
| Sum Last 4 Quarters | | | | \$ 5,880 |
| Average Weekly Wage | | | | \$ 1,470 |
| 110 % Average Weekly Wage | | | | \$ 1,617.00 |

Average Weekly Wages for Manufacturing Jobs in Council of Government Region (Most Recent Year)

| COG Region | Year | Hourly | Annual | Avg. Weekly Wage |
|----------------------------------|------|----------|-----------|------------------|
| Permian Basin | 2020 | \$ 22.57 | \$ 46,945 | \$ 902.80 |
| 110 % Average Weekly Wage | | | | \$ 993.08 |

*Backup documentation provided in following pages

Wage data as provided by the Texas Workforce Commission

| Year | Period | Area | Ownership | Industry | Average Weekly Wage |
|------|--------|-------|-----------|-----------------------|---------------------|
| 2020 | 04 | Ector | Total All | Total, All Industries | 1,182 |
| 2021 | 01 | Ector | Total All | Total, All Industries | 1,094 |
| 2021 | 02 | Ector | Total All | Total, All Industries | 1,154 |
| 2021 | 03 | Ector | Total All | Total, All Industries | 1,185 |

| Year | Period | Area | Ownership | Industry | Average Weekly Wage |
|------|--------|-------|-----------|---------------|---------------------|
| 2020 | 04 | Ector | Private | Manufacturing | 1,514 |
| 2021 | 01 | Ector | Private | Manufacturing | 1,425 |
| 2021 | 02 | Ector | Private | Manufacturing | 1,484 |
| 2021 | 03 | Ector | Private | Manufacturing | 1,457 |

**2020 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

| COG | COG Number | Wages | |
|---|------------|---------|----------|
| | | Hourly | Annual |
| Panhandle Regional Planning Commission | 1 | \$23.32 | \$48,501 |
| South Plains Association of Governments | 2 | \$20.42 | \$42,473 |
| NORTEX Regional Planning Commission | 3 | \$20.64 | \$42,928 |
| North Central Texas Council of Governments | 4 | \$32.34 | \$67,261 |
| Ark-Tex Council of Governments | 5 | \$21.30 | \$44,299 |
| East Texas Council of Governments | 6 | \$29.28 | \$60,904 |
| West Central Texas Council of Governments | 7 | \$21.54 | \$44,797 |
| Rio Grande Council of Governments | 8 | \$19.02 | \$39,552 |
| Permian Basin Regional Planning Commission | 9 | \$22.57 | \$46,945 |
| Concho Valley Council of Governments | 10 | \$27.28 | \$56,739 |
| Heart of Texas Council of Governments | 11 | \$23.41 | \$48,696 |
| Capital Area Council of Governments | 12 | \$29.96 | \$62,326 |
| Brazos Valley Council of Governments | 13 | \$18.41 | \$38,286 |
| Deep East Texas Council of Governments | 14 | \$21.07 | \$43,829 |
| South East Texas Regional Planning Commission | 15 | \$27.38 | \$56,957 |
| Houston-Galveston Area Council | 16 | \$29.83 | \$62,050 |
| Golden Crescent Regional Planning Commission | 17 | \$22.09 | \$45,945 |
| Alamo Area Council of Governments | 18 | \$27.45 | \$57,101 |
| South Texas Development Council | 19 | \$19.20 | \$39,945 |
| Coastal Bend Council of Governments | 20 | \$35.39 | \$73,603 |
| Lower Rio Grande Valley Development Council | 21 | \$20.70 | \$43,056 |
| Texoma Council of Governments | 22 | \$19.18 | \$39,897 |
| Central Texas Council of Governments | 23 | \$21.34 | \$44,390 |
| Middle Rio Grande Development Council | 24 | \$22.98 | \$47,809 |
| Texas | | \$28.00 | \$58,233 |

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

Data published: August 2021.

Data published annually, next update will likely be July 31, 2022

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 and Wage Statistics (OEWS) 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, and C completed and signed Economic Impact *(if applicable)*

Schedule A1: Total Investment for Economic Impact (through the Qualifying Time Period)

Date 4/19/2022
Applicant Name 1PointFive P1, LLC
ISD Name Ector County ISD

Form 50-296A
 Revised October 2020

| PROPERTY INVESTMENT AMOUNTS | | | | | | | | |
|--|------|-------------------------|---|--|--|--|---|--|
| (Estimated Investment in each year. Do not put cumulative totals.) | | | | | | | | |
| | | | | Column A | Column B | Column C | Column D | Column E |
| | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year below) YYYY | 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 new investment made during this year that will <u>not</u> 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) |
| Investment made before filing complete application with district | | | | Not eligible to become Qualified Property | | | [The only other investment made before filing complete application with district that may become Qualified Property is land.] | |
| Investment made after filing complete application with district, but before final board approval of application | 0 | 2022-2023 | 2022 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period | 0 | 2023-2024 | 2023 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2024-2025 | 2024 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2025-2026 | 2025 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2026-2027 | 2026 | \$0 | \$0 | \$0 | \$0 | \$0 187 |
| | 0 | 2027-2028 | 2027 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Complete tax years of qualifying time period | QTP1 | 2028-2029 | 2028 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | QTP2 | 2029-2030 | 2029 | \$57,848,000 | \$12,152,000 | \$0 | \$0 | \$70,000,000 |
| Total Investment through Qualifying Time Period [ENTER this row in Schedule A2] | | | | \$57,848,000 | \$12,152,000 | \$0 | \$0 | \$70,000,000 |
| | | | | Enter amounts from TOTAL row above in Schedule A2 | | | | |
| Total Qualified Investment (sum of green cells) | | | | \$70,000,000 | | | | |

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 that will not become qualified property include 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.

Date 4/19/2022
 Applicant Name 1PointFive P1, LLC
 ISD Name Ector County ISD

Schedule A2: Total Investment for Economic Impact (including Qualified Property and other investments)

Form 50-296A
 Revised October 2020

| PROPERTY INVESTMENT AMOUNTS | | | | | | | | |
|--|-----------------|-------------------------|---|--|--|--|---|----------------------------|
| (Estimated Investment in each year. Do not put cumulative totals.) | | | | | | | | |
| | | | | Column A | Column B | Column C | Column D | Column E |
| | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year below) YYYY | 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 <u>not</u> become Qualified Property [SEE NOTE] | Other investment made during this year that will become Qualified Property [SEE NOTE] | Total Investment (A+B+C+D) |
| Total Investment from Schedule A1* | 0 - QTP2 | TOTALS FROM SCHEDULE A1 | | \$57,848,000 | \$12,152,000 | \$0 | \$0 | \$70,000,000 |
| Enter amounts from TOTAL row in Schedule A1 in the row below | | | | | | | | |
| Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i> | Deferral Year 1 | 2030-2031 | 2030 | \$141,725,038 | \$29,771,862 | \$0 | \$0 | \$171,496,900 |
| | Deferral Year 2 | 2031-2032 | 2031 | \$1,631,485,904 | \$342,722,596 | \$0 | \$0 | \$1,974,208,500 |
| | Deferral Year 3 | 2032-2033 | 2032 | \$1,427,138,175 | \$299,795,725 | \$0 | \$0 | \$1,726,933,900 |
| | Deferral Year 4 | 2033-2034 | 2033 | \$95,582,002 | \$20,078,698 | \$0 | \$0 | \$115,660,700 |
| Value limitation period*** | 1 | 2034-2035 | 2034 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 2 | 2035-2036 | 2035 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 3 | 2036-2037 | 2036 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 4 | 2037-2038 | 2037 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 5 | 2038-2039 | 2038 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 6 | 2039-2040 | 2039 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 7 | 2040-2041 | 2040 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 8 | 2041-2042 | 2041 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 9 | 2042-2043 | 2042 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 10 | 2043-2044 | 2043 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Investment made through limitation | | | | \$3,353,779,120 | \$704,520,880 | \$0 | \$0 | \$4,058,300,000 |
| Continue to maintain viable presence | 11 | 2044-2045 | 2044 | | | \$0 | | \$0 |
| | 12 | 2045-2046 | 2045 | | | \$0 | | \$0 |
| | 13 | 2046-2047 | 2046 | | | \$0 | | \$0 |
| | 14 | 2047-2048 | 2047 | | | \$0 | | \$0 |
| | 15 | 2048-2049 | 2048 | | | \$0 | | \$0 |
| Additional years for 25 year economic impact as required by 313.026(c)(1) | 16 | 2049-2050 | 2049 | | | \$0 | | \$0 |
| | 17 | 2050-2051 | 2050 | | | \$0 | | \$0 |
| | 18 | 2051-2052 | 2051 | | | \$0 | | \$0 |
| | 19 | 2052-2053 | 2052 | | | \$0 | | \$0 |
| | 20 | 2053-2054 | 2053 | | | \$0 | | \$0 |
| | 21 | 2054-2055 | 2054 | | | \$0 | | \$0 |
| | 22 | 2055-2056 | 2055 | | | \$0 | | \$0 |
| | 23 | 2056-2057 | 2056 | | | \$0 | | \$0 |
| | 24 | 2057-2058 | 2057 | | | \$0 | | \$0 |
| | 25 | 2058-2059 | 2058 | | | \$0 | | \$0 |

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* 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 313.021(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.

Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)

Date 4/19/2022
 Applicant Name 1PointFive P1, LLC
 ISD Name Ector County ISD

Form 50-296A

Revised October 2020

| | 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 I&S 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 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2023-2024 | 2023 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2024-2025 | 2024 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2025-2026 | 2025 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2026-2027 | 2026 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | 0 | 2027-2028 | 2027 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | QTP 1 | 2028-2029 | 2028 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | QTP 2 | 2029-2030 | 2029 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | Deferral Year 1 | 2030-2031 | 2030 | \$0 | \$6,076,000 | \$28,924,000 | \$2,100,000 | \$32,900,000 | \$35,000,000 |
| | Deferral Year 2 | 2031-2032 | 2031 | \$0 | \$20,961,931 | \$99,786,519 | \$7,244,907 | \$113,503,543 | \$120,748,450 |
| | Deferral Year 3 | 2032-2033 | 2032 | \$0 | \$192,323,229 | \$915,529,471 | \$66,471,162 | \$1,041,381,538 | \$1,107,852,700 |
| Deferral Year 4 | 2033-2034 | 2033 | \$0 | \$342,221,091 | \$1,629,098,559 | \$118,279,179 | \$1,853,040,471 | \$1,971,319,650 | |
| Value Limitation Period | 1 | 2034-2035 | 2034 | \$0 | \$352,260,440 | \$1,676,889,560 | \$121,749,000 | \$1,907,401,000 | \$30,000,000 |
| | 2 | 2035-2036 | 2035 | \$0 | \$657,962,780 | \$3,132,145,399 | \$227,406,491 | \$3,562,701,688 | \$30,000,000 |
| | 3 | 2036-2037 | 2036 | \$0 | \$630,547,665 | \$3,001,639,343 | \$217,931,220 | \$3,414,255,788 | \$30,000,000 |
| | 4 | 2037-2038 | 2037 | \$0 | \$603,132,549 | \$2,871,133,288 | \$208,455,950 | \$3,265,809,887 | \$30,000,000 |
| | 5 | 2038-2039 | 2038 | \$0 | \$575,717,434 | \$2,740,627,232 | \$198,980,680 | \$3,117,363,986 | \$30,000,000 |
| | 6 | 2039-2040 | 2039 | \$0 | \$548,302,319 | \$2,610,121,176 | \$189,505,410 | \$2,968,918,085 | \$30,000,000 |
| | 7 | 2040-2041 | 2040 | \$0 | \$520,887,203 | \$2,479,615,120 | \$180,030,139 | \$2,820,472,184 | \$30,000,000 |
| | 8 | 2041-2042 | 2041 | \$0 | \$493,472,088 | \$2,349,109,065 | \$170,554,869 | \$2,672,026,284 | \$30,000,000 |
| | 9 | 2042-2043 | 2042 | \$0 | \$466,056,973 | \$2,218,603,009 | \$161,079,599 | \$2,523,580,383 | \$30,000,000 |
| Continue to maintain viable presence | 10 | 2043-2044 | 2043 | \$0 | \$438,641,858 | \$2,088,096,953 | \$151,604,329 | \$2,375,134,482 | \$30,000,000 |
| | 11 | 2044-2045 | 2044 | \$0 | \$411,226,742 | \$1,957,590,897 | \$142,129,058 | \$2,226,688,581 | \$2,226,688,581 |
| | 12 | 2045-2046 | 2045 | \$0 | \$383,811,627 | \$1,827,084,841 | \$132,653,788 | \$2,078,242,680 | \$2,078,242,680 |
| | 13 | 2046-2047 | 2046 | \$0 | \$356,396,512 | \$1,696,578,786 | \$123,178,518 | \$1,929,796,779 | \$1,929,796,779 |
| | 14 | 2047-2048 | 2047 | \$0 | \$328,981,396 | \$1,566,072,730 | \$113,703,248 | \$1,781,350,879 | \$1,781,350,879 |
| Additional years for 25 year economic impact as required by 313.026(c)(1) | 15 | 2048-2049 | 2048 | \$0 | \$301,566,281 | \$1,435,566,674 | \$104,227,977 | \$1,632,904,978 | \$1,632,904,978 |
| | 16 | 2049-2050 | 2049 | \$0 | \$274,151,166 | \$1,305,060,618 | \$94,752,707 | \$1,484,459,077 | \$1,484,459,077 |
| | 17 | 2050-2051 | 2050 | \$0 | \$246,736,050 | \$1,174,554,562 | \$85,277,437 | \$1,336,013,176 | \$1,336,013,176 |
| | 18 | 2051-2052 | 2051 | \$0 | \$219,320,935 | \$1,044,048,507 | \$75,802,167 | \$1,187,567,275 | \$1,187,567,275 |
| | 19 | 2052-2053 | 2052 | \$0 | \$191,905,820 | \$913,542,451 | \$66,326,896 | \$1,039,121,374 | \$1,039,121,374 |
| | 20 | 2053-2054 | 2053 | \$0 | \$164,490,704 | \$783,036,395 | \$56,851,626 | \$890,675,474 | \$890,675,474 |
| | 21 | 2054-2055 | 2054 | \$0 | \$140,904,176 | \$670,755,824 | \$48,699,600 | \$762,960,400 | \$762,960,400 |
| | 22 | 2055-2056 | 2055 | \$0 | \$140,904,176 | \$670,755,824 | \$48,699,600 | \$762,960,400 | \$762,960,400 |
| | 23 | 2056-2057 | 2056 | \$0 | \$140,904,176 | \$670,755,824 | \$48,699,600 | \$762,960,400 | \$762,960,400 |
| | 24 | 2057-2058 | 2057 | \$0 | \$140,904,176 | \$670,755,824 | \$48,699,600 | \$762,960,400 | \$762,960,400 |
| | 25 | 2058-2059 | 2058 | \$0 | \$140,904,176 | \$670,755,824 | \$48,699,600 | \$762,960,400 | \$762,960,400 |

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.

Schedule C: Employment Information

Date 4/19/2022
Applicant Name 1PointFive P1, LLC
ISD Name Ector County ISD

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 | 2022-2023 | 2022 | 0 | \$0 | 0 | 0 | \$0 |
| | 0 | 2023-2024 | 2023 | 0 | \$0 | 0 | 0 | \$0 |
| | 0 | 2024-2025 | 2024 | 0 | \$0 | 0 | 0 | \$0 |
| | 0 | 2025-2026 | 2025 | 0 | \$0 | 0 | 0 | \$0 |
| | 0 | 2026-2027 | 2026 | 0 | \$0 | 0 | 0 | \$0 |
| | 0 | 2027-2028 | 2027 | 0 | \$0 | 0 | 0 | \$0 |
| | QTP 1 | 2028-2029 | 2028 | 0 | \$0 | 0 | 0 | \$0 |
| | QTP 2 | 2029-2030 | 2029 | 12,500 | \$50,000 | 0 | 0 | \$0 |
| | Deferral Year 1 | 2030-2031 | 2030 | 12,500 | \$50,000 | 0 | 0 | \$0 |
| | Deferral Year 2 | 2031-2032 | 2031 | 12,500 | \$50,000 | 0 | 0 | \$0 |
| | Deferral Year 3 | 2032-2033 | 2032 | 12,500 | \$50,000 | 0 | 0 | \$0 |
| Deferral Year 4 | 2033-2034 | 2033 | 12,500 | \$50,000 | 0 | 0 | \$0 | |
| Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i> | 1 | 2034-2035 | 2034 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 2 | 2035-2036 | 2035 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 3 | 2036-2037 | 2036 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 4 | 2037-2038 | 2037 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 5 | 2038-2039 | 2038 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 6 | 2039-2040 | 2039 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 7 | 2040-2041 | 2040 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 8 | 2041-2042 | 2041 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 9 | 2042-2043 | 2042 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| | 10 | 2043-2044 | 2043 | 0 | \$0 | 0 | 25 | \$51,640.16 |
| Years Following Value Limitation Period | 11 through 25 | 2044-2059 | 2058 | 0 | \$0 | 0 | 25 | \$51,640.16 |

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*)

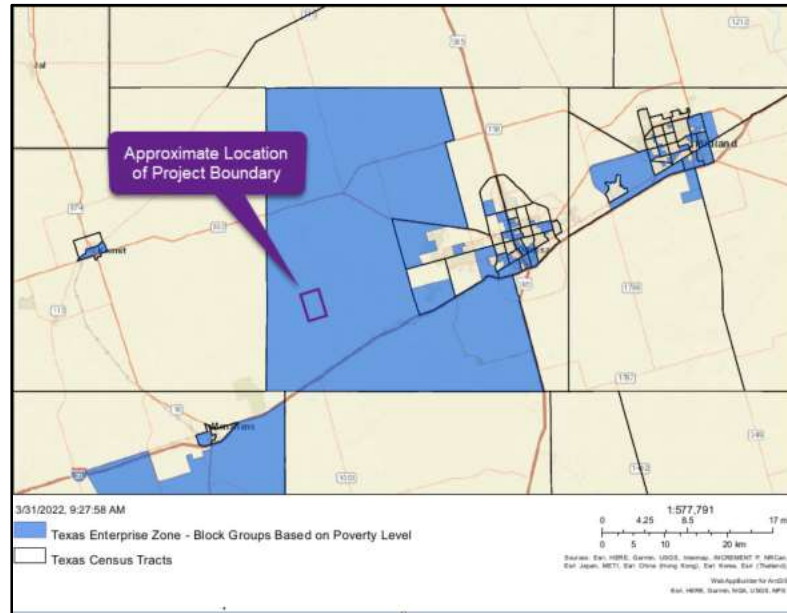
Not applicable

Tab 16

Description of Reinvestment or Enterprise Zone, including:

a) evidence that the area qualifies as an enterprise zone as defined by the Governor’s Office

The area qualifies as an enterprise zone as defined by the Governor’s Office because it is in a block group within the State of Texas that has a poverty rate of 20 percent or more.



b) legal description of reinvestment zone

Not applicable

c) order, resolution or ordinance establishing the reinvestment zone

Not applicable

d) guidelines and criteria for creating the zone

Not applicable

Tab 17

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

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 Muri
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 ▶

Derek Willis
Print Name (Authorized Company Representative (Applicant))

Vice President and Secretary
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.



Ector County Independent School District

Action Page

TO: Board of Trustees

FROM: Deborah Ottmers, Chief Financial Officer

SUBJECT: CONSIDERATION AND POSSIBLE ACTION TO RETAIN SCHOOL FINANCE CONSULTANTS CULWELL CONSULTING TO ASSIST THE DISTRICT IN PROCESSING AND EVALUATING THE FINANCIAL IMPACT OF A SERIES OF SIX APPLICATIONS FOR APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY FROM 1POINTFIVE P1, LLC FOR DIRECT AIR CAPTURE BUILDS ONE THROUGH SIX

DATE: April 19, 2022

Qualified property projects that receive special tax treatment under the Texas Economic Act, Texas Tax Code, Chapter 313 (Chapter 313 agreements) require school districts to engage a “third party” consultant that specializes in Chapter 313 agreements.

Consideration:

Approval of the Board is requested to hire Culwell Consulting to annually calculate the amount necessary to compensate the district for any loss that the district incurs in its Maintenance and Operations revenue solely as a result of, or on account of, entering into its Agreement, after taking into account any payments to be made under this Agreement. The Agreement also provides for such “third party” consultant to prepare and file any financial reports, disclosures, tax credit or other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement. The Applicant, not the school district, is responsible for the financial cost of the third party services as determined by the Agreement.

Administrative Recommendation:
Approval as requested.

Culwell Consulting LLC

5135 Lorraine Drive
Frisco, Texas 75034
Telephone (512) 914-1328

This contract is made between Culwell Consulting LLC (Consultant) and the Ector County Independent School District (District) for services in connection with the six individual applications representing DAC 1-6 of Project Legion (Company) for a value limitation agreement under Chapter 313 of the Tax Code.

I. Services

As a part of this contract, for each application, the Consultant agrees to:

- A. Provide an in-depth presentation to the school board, administration and community regarding the requirements associated with value limitation agreements
- B. Present impact analysis of the potential economic development project on the finances of the District over the period of time within which the projects would be under the elements of such an agreement
- C. Review the application for all necessary inclusions and coordinate with the District's legal representation to ensure the application is submitted to the Texas Comptroller's office in a timely manner
- D. Attend all school board and/or staff meetings as needed to ensure the District is informed of the status of the Ch. 313 application
- E. Negotiate under the direction of the District with the Company regarding the financial implications of the agreement
- F. Coordinate with the District's legal representation to ensure all financial protections are in place in an agreement between the District and Company as to any potential revenue loss and supplemental payments
- G. Present all findings and financial analysis to the school board prior to final adoption of the Chapter 313 agreement between the District and the Company

II. Period of Representation

- A. This contract shall be in force upon approval by the District's Board of Trustees.

III. Fees for Services

- A. The fee for services provided in Section I will be \$40,000 for each of the six applications.
- B. The District will be billed for services upon the submission of the Chapter 313 applications to the Texas Comptroller's office.
- C. The District is not responsible for any invoice from the Consultant should the Company fail to pay the application fee to the District.
- D. All payments are due upon receipt.

IV. Post Agreement Financial Services

- A. Preparation of the annual revenue-loss and school-district benefit report to be submitted for the school district and the company, as required under the agreements.
- B. Assistance with the completion and submission to the Comptroller’s Office the annual eligibility report form, biennial progress report form, and school district form indicating any benefit payments, extraordinary educational expenses, and revenue protection payments.
- C. Providing ongoing interpretation and administration of the existing Chapter 313 Agreements.

V. Fees for Services under Section IV

- A. The Company as defined under the signed value limitation agreement will pay fees for services listed under Section IV.
- B. The school district is not financially responsible for any fees associated with services listed under Section IV.

VI. Termination of Services

- A. The District may terminate this contract without cause at any time.
- B. The Consultant will provide 30-day notice prior to termination.
- C. Any unpaid work at the time of termination shall be paid to the Consultant.

Executed this the _____ day of _____ 2022.



Chris Grammer
Culwell Consulting, LLC

Dr. Scott Muri
Superintendent, Ector County ISD



Ector County Independent School District

Action Page

TO: Board of Trustees

FROM: Deborah Ottmers, Chief Financial Officer

SUBJECT: CONSIDERATION AND POSSIBLE ACTION TO ACCEPT FOR CONSIDERATION AN APPLICATION FOR AN APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT, TEXAS TAX CODE, CHAPTER 313 FROM DG PENWELL NORTH, LLC, ASSESS AN APPLICATION FEE, AND AUTHORIZE THE SUPERINTENDENT TO REVIEW THE APPLICATION FOR COMPLETENESS AND SUBMIT SUCH APPLICATION TO THE COMPTROLLER

DATE: April 19, 2022

We are requesting consideration and acceptance of the Chapter 313 Property Tax Valuation Limitation application.

Acceptance of the application does not bind the district into entering a contract with the applicant, but provides us the option to consider the application and potential future contract for a Chapter 313 agreement for property value limitation and revenue.

Administrative Recommendation:
Approval as requested.

April 19, 2022

Ector County Independent School District
ATT: Dr. Scott Muri
802 North Sam Houston
Odessa, TX 79761

RE: DG Penwell North, LLC Application for Appraised Value Limitation on Qualified Property

Superintendent Muri:

In accordance with Section 313 of the Texas Property Tax Code, please find attached an application for an appraised value limitation on qualified property between DG Penwell North, LLC and Ector County Independent School District.

DG Penwell North, LLC is a 200 MW/AC solar energy generation project. The facility will be located within a proposed reinvestment zone in south-central Ector County and south-central Ector County Independent School District.

Enclosed are additional details and further information regarding the description, location, qualified investment, and job creation associated with the development of DG Penwell North, LLC.

If you have any questions or would like to request further information, please do not hesitate to contact us.

Sincerely,

A handwritten signature in cursive script that reads "Mike Fry".

Mike Fry-Director, Energy Services
mfry@keatax.com



DG Penwell North, LLC

Application for Appraised Value Limitation on Qualified Property with Ector County Independent School District



Tab 1: Pages 1 through 11 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

Date Application Received by District

First Name

Last Name

Title

School District Name

Street Address

Mailing Address

City

State

ZIP

Phone Number

Fax Number

Mobile Number (optional)

Email Address

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)

First Name _____ Last Name _____

Title _____

Firm Name _____

Phone Number _____ Fax Number _____

Mobile Number (optional) _____ Email Address _____

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

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

First Name _____ Last Name _____

Title _____ Organization _____

Street Address _____

Mailing Address _____

City _____ State _____ ZIP _____

Phone Number _____ Fax Number _____

Mobile Number (optional) _____ Business Email Address _____

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.

First Name _____ Last Name _____

Title _____ Organization _____

Street Address _____

Mailing Address _____

City _____ State _____ ZIP _____

Phone Number _____ Fax Number _____

Mobile Number (optional) _____ Business Email Address _____

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)

First Name

Last Name

Title

Firm Name

Phone Number

Fax Number

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.

Payment Amount

Transaction Type

Payor

Payee

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? _____

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

3. Parent Company Name _____

4. Parent Company Tax ID _____

5. NAICS code _____

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) _____

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

2c. Reporting Entity Taxpayer Number

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:
- | | |
|--|---|
| <input type="checkbox"/> Land has no existing improvements | <input type="checkbox"/> Land has existing improvements (complete Section 13) |
| <input type="checkbox"/> Expansion of existing operation on the land (complete Section 13) | <input type="checkbox"/> 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 _____
2. Estimated commencement of construction _____
3. Beginning of qualifying time period (MM/DD/YYYY) _____
4. First year of limitation (YYYY) _____
- 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 _____

SECTION 10: The Property

1. County or counties in which the proposed project will be located _____
2. Central Appraisal District (CAD) that will be responsible for appraising the property _____
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): _____ <small>(Name, tax rate and percent of project)</small> | I&S (ISD): _____ <small>(Name, tax rate and percent of project)</small> |
| County: _____ <small>(Name, tax rate and percent of project)</small> | City: _____ <small>(Name, tax rate and percent of project)</small> |
| Hospital District: _____ <small>(Name, tax rate and percent of project)</small> | Water District: _____ <small>(Name, tax rate and percent of project)</small> |
| Other (describe): _____ <small>(Name, tax rate and percent of project)</small> | Other (describe): _____ 206 <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: _____
(Incentive type, percentage, start and end year)

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

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

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

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

Other (describe): _____
(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? _____

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

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): \$ _____
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): \$ _____

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? _____
2. What is the number of new non-qualifying jobs you are estimating you will create? (See TAC 9.1051(14)) _____
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 _____
 - b. Qualifying job wage minimum option §313.021(5)(A)
-110% of the average weekly wage for manufacturing jobs in the county is _____
 - c. Qualifying job wage minimum option §313.021(5)(B)
-110% of the average weekly wage for manufacturing jobs in the region is _____
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? _____
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? _____
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 Application Fee

Attached.



WARNING: Original document has a reflective watermark on reverse side. Hold at an angle to view.

64-1278
611

DG Project Construction Co LLC
700 Universe Blvd
Juno Beach, FL 33408

Check Date: 04/07/2022

Check No. 5000001660

BANK OF AMERICA, NA

SEVENTY-FIVE THOUSAND DOLLARS

\$75,000.00

Void after 180 days

PAY TO THE
ORDER OF

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
802 N SAM HOUSTON
ODESSA TX 79761

DG Project Construction



SIGNATURE HAS A COLORED BACKGROUND • BORDER CONTAINS MICROPRINTING

⑈ 5000001660⑈ ⑆061112788⑆ 335 999 9029⑈

DG Project Construction (5253 000008)

Check Date : 04/07/2022

Vendor Name: ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT

Check Number: 5000001660

| Invoice Number | Invoice Date | Document Header Text | SAP Document | Gross Amount | Discount | Net Amount |
|----------------|--------------|---|--------------|--------------|----------|----------------------|
| 202203-01 | 03/28/2022 | PENWELL NORTH-PERMITS PERMIT & LIC FEE-PENWELL NORTH | 1900004382 | 75,000.00 | 0.00 | 75,000.00 |
| | | Check Total..... | | | | ----- \$75,000.00 |

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

DG Penwell North, LLC is a 200 MW/AC solar electric generation facility that will be located in south-central Ector County in south-central Ector County Independent School District. The facility will feature approximately 400,000 photovoltaic panels and 48 central inverters.

DG Penwell North, LLC is being developed by NextEra Energy Resources Development, LLC. NextEra Energy is the world's largest producer of wind and solar energy, with nearly \$55 billion in new infrastructure investment planned through 2022 and 45,250 megawatts of net generating capacity.

Please Note: This application covers all qualified property in the reinvestment zone and project boundary within Ector County ISD including the following:

- Substation
- Transmission Line
- Inverter and Transformers
- Foundations
- Roadways, Paving, & Fencing
- Posts & Racking Equipment
- Meteorological Towers & Equipment
- Mounting & Tracker Equipment
- Interconnection Facilities
- Solar Modules & Panels
- Power Conditioning Equipment
- Combiner Boxes
- Operation & Maintenance Buildings
- DC and AC collection wires, cables, and equipment
- SCADA equipment

Generation of Solar Energy:

When sunlight strikes photovoltaic panels, photons from the sun's energy are absorbed by the semiconductors that compose the photovoltaic cells in the panel. After the semiconductor absorbs enough of these photons, electrons are dislodged from the atoms. These electrons then flow to the front of the cell, creating an imbalance in charge due to their negative properties. This imbalance creates a voltage potential which in turn is collected by electrical conductors in the cell and carried to either storage batteries or circuits to provide power.



Tab 5: Documentation to Assist in Determining if Limitation is a Determining Factor

Throughout the United States the production of renewable energy has been increasing as the cost of these systems has decreased and technological advancements have improved efficiency. In 2021, Texas ranked 2nd in installed solar capacity.¹ The state's geographic position and containment of several large population centers has made Texas a favorable location for renewable energy development.

Renewable energy developers face many challenges in the determination of project location—one of these factors being the selection of an area where the greatest return on investment can be achieved. There are several factors that contribute to Texas favorability for development, one however that does not is the state's notoriously high property tax burden—ranking in the top 10 across the United States.

An appraised value limitation on qualified property allows developers to significantly diminish the property tax liability that composes a substantial ongoing cost of operation that directly impacts the economic rate of return for the project. In the absence of an appraised value limitation, the development of renewable energy facilities becomes financially uncertain as the rate of return often fails to meet the minimum return required to proceed. In the event an appraised value limitation agreement is not received by DG Penwell North, LLC it is rather certain that the capital allotted for the development of this project will be reallocated for use in another state where either the property tax burden is lower or economic incentives can be secured, namely locations where NextEra Energy is currently active including Oklahoma, Colorado, and California. Thus, an appraised value limitation agreement between DG Penwell North, LLC and Ector County Independent School District is the determining factor in the decision to locate this facility within the state of Texas.

¹ Solar Energy Industries Association



Tab 5: Documentation to Assist in Determining if Limitation is a Determining Factor (cont.)

Regarding Section 8, question #2 of the Application: The applicant has entered into several agreements typical of development-stage renewable energy projects. These agreements are limited to the procurement of services from consultants who are engaged to perform investigative work only. The services covered by these agreements are industry-standard for development-stage projects and do not represent any commitment to construct the proposed project.



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)

Not Applicable.



Tab 7: Description of Qualified Investment

DG Penwell North, LLC is a 200 MW/AC solar electric generation facility that will be located in south-central Ector County in south-central Ector County Independent School District. The facility will feature approximately 400,000 photovoltaic panels and 48 central inverters.

DG Penwell North, LLC is being developed by NextEra Energy Resources Development, LLC. NextEra Energy is the world's largest producer of wind and solar energy, with nearly \$55 billion in new infrastructure investment planned through 2022 and 45,250 megawatts of net generating capacity.

Please Note: This application covers all qualified property in the reinvestment zone and project boundary within Ector County ISD.

- Substation
- Transmission Line
- Inverter and Transformers
- Foundations
- Roadways, Paving, & Fencing
- Posts & Racking Equipment
- Meteorological Towers & Equipment
- Mounting & Tracker Equipment
- Interconnection Facilities
- Solar Modules & Panels
- Power Conditioning Equipment
- Combiner Boxes
- Operation & Maintenance Buildings
- DC and AC collection wires, cables, and equipment
- SCADA equipment



Tab 8: Description of Qualified Property

DG Penwell North, LLC is a 200 MW/AC solar electric generation facility that will be located in south-central Ector County in south-central Ector County Independent School District. The facility will feature approximately 400,000 photovoltaic panels and 48 central inverters.

DG Penwell North, LLC is being developed by NextEra Energy Resources Development, LLC. NextEra Energy is the world's largest producer of wind and solar energy, with nearly \$55 billion in new infrastructure investment planned through 2022 and 45,250 megawatts of net generating capacity.

Please Note: This application covers all qualified property in the reinvestment zone and project boundary within Ector County ISD.

- Substation
- Transmission Line
- Inverter and Transformers
- Foundations
- Roadways, Paving, & Fencing
- Posts & Racking Equipment
- Meteorological Towers & Equipment
- Mounting & Tracker Equipment
- Interconnection Facilities
- Solar Modules & Panels
- Power Conditioning Equipment
- Combiner Boxes
- Operation & Maintenance Buildings
- DC and AC collection wires, cables, and equipment
- SCADA equipment



Tab 9: Description of Land

Not Applicable.



Tab 10: Description of All Property Not Eligible to Become Qualified Property (if applicable)

Not Applicable.

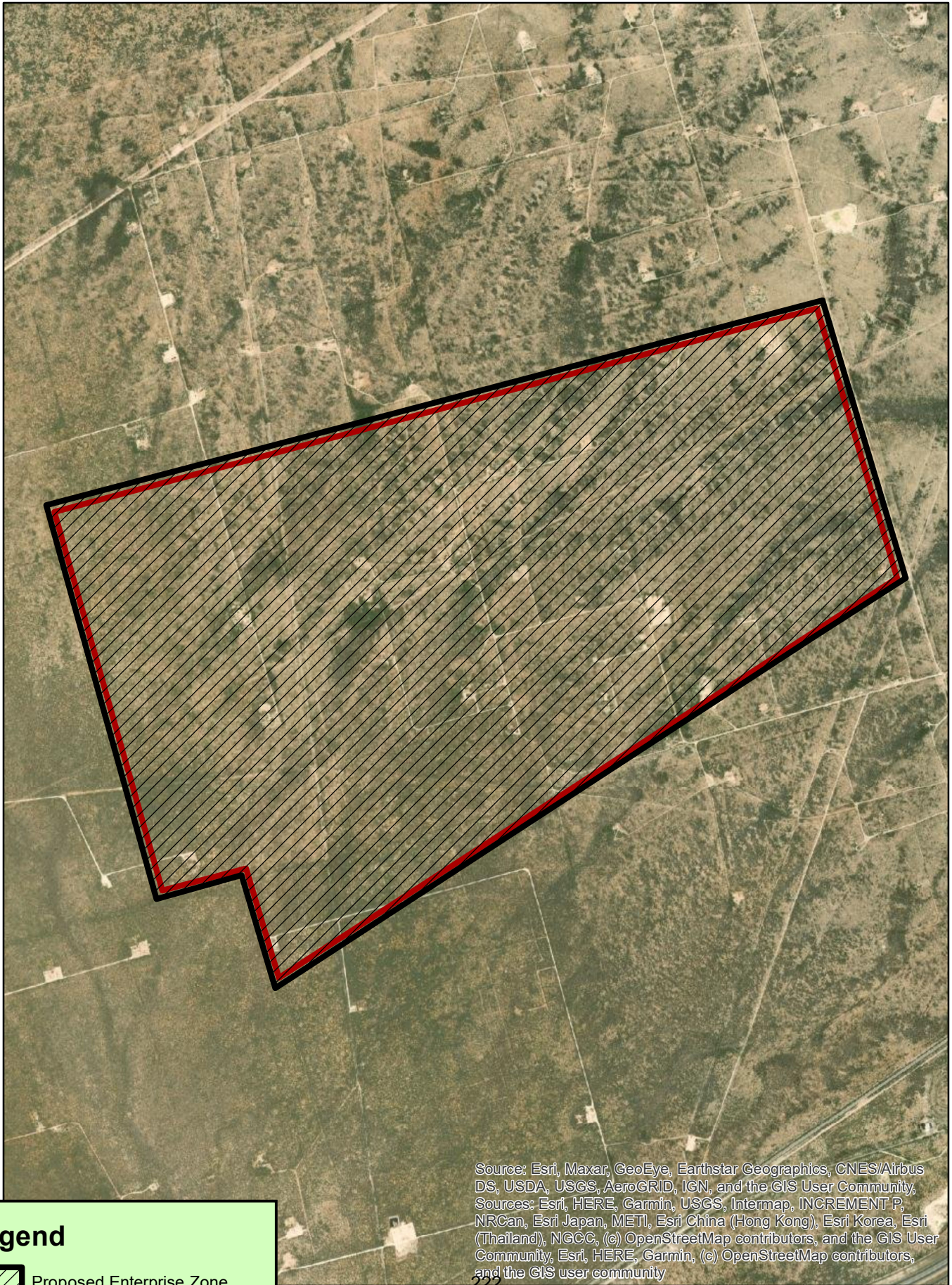


Tab 11: Maps

Please See Attached.





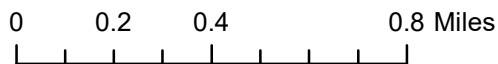
DG Penwell North, LLC



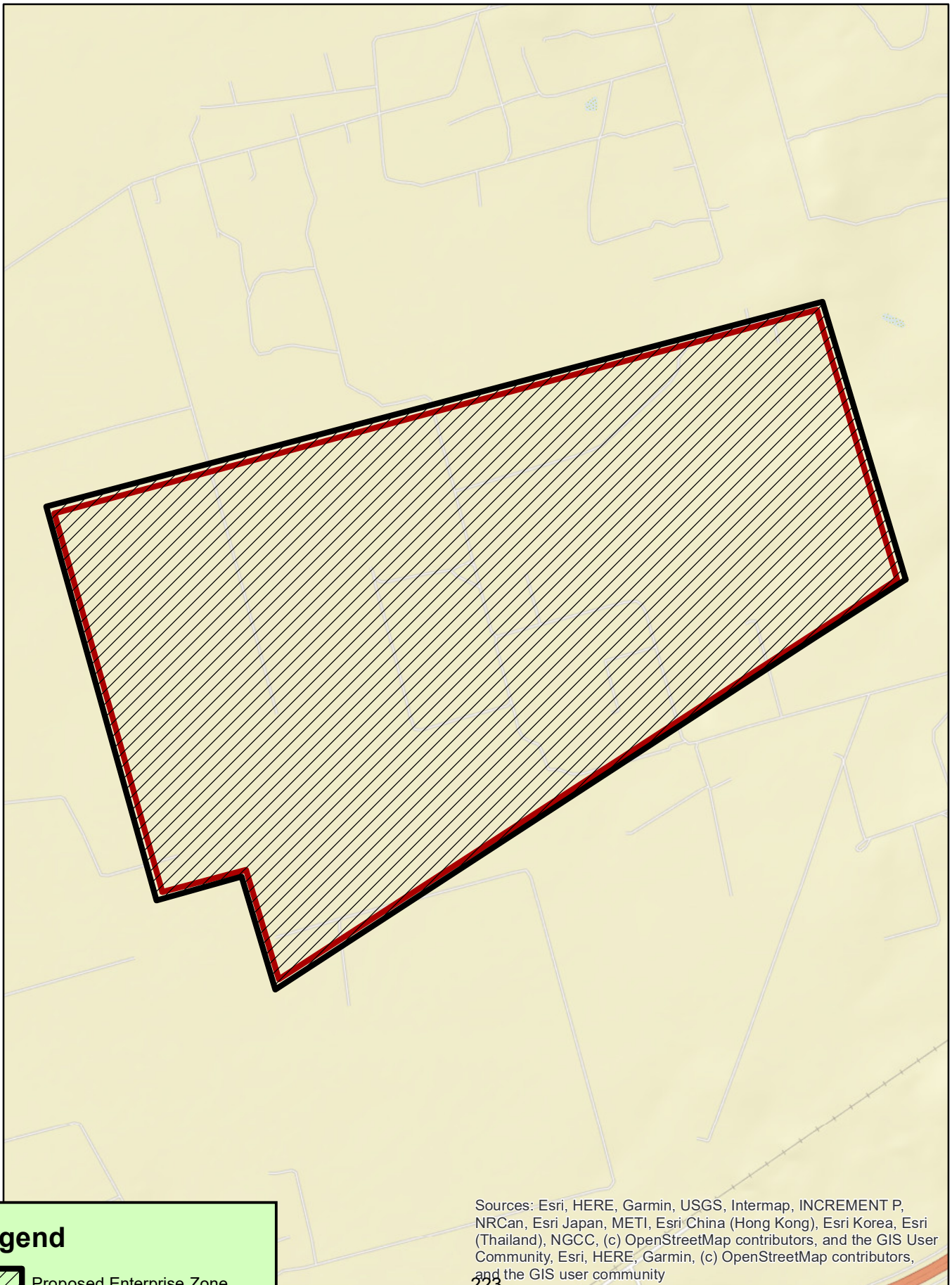
Source: Esri, Maxar, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community, Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community, Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community

Legend


-  Proposed Enterprise Zone
-  Project Boundary



DG Penwell North, LLC

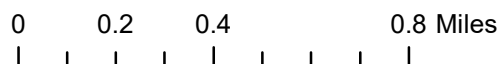


Legend

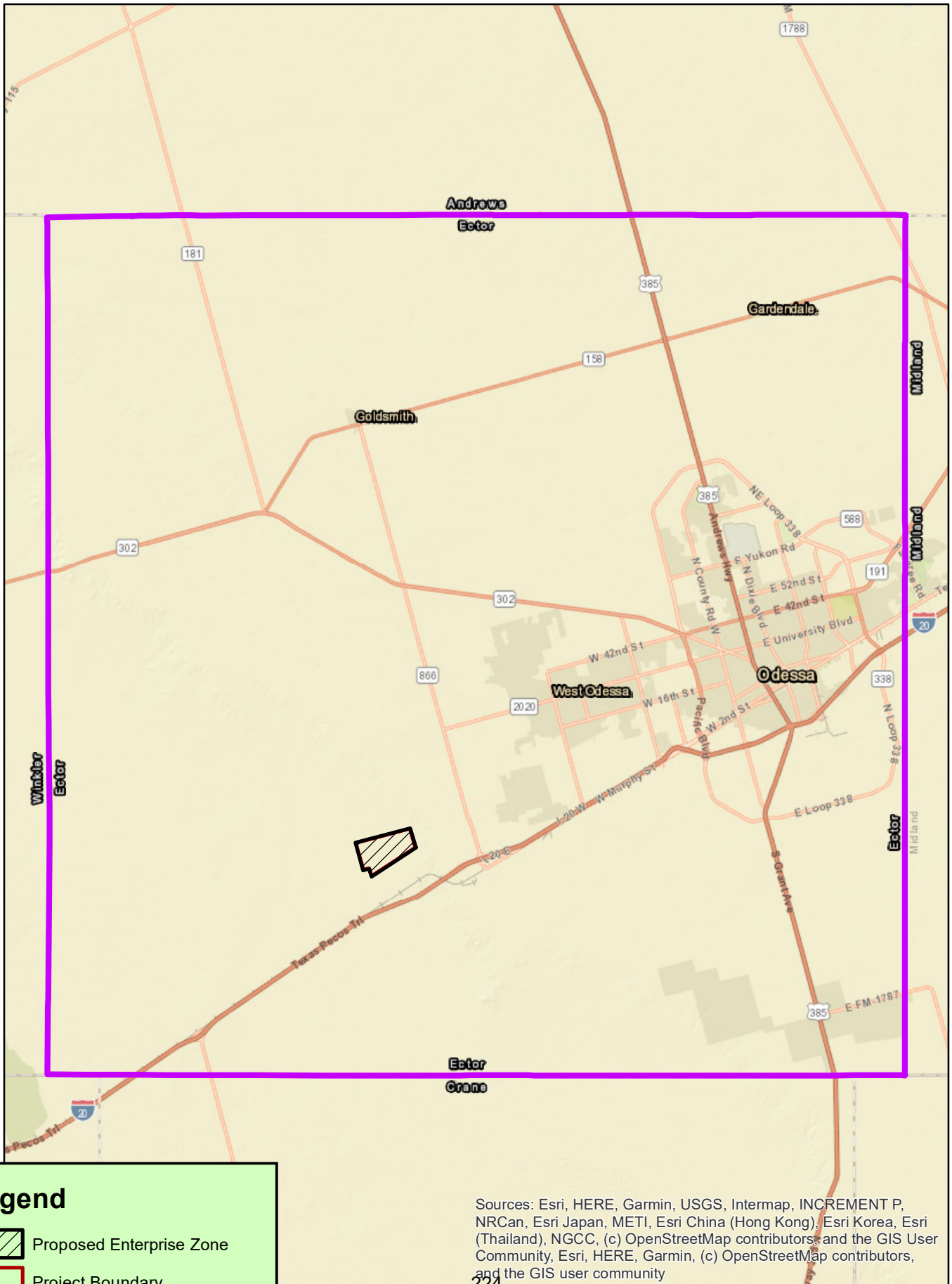
-  Proposed Enterprise Zone
-  Project Boundary

Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community, Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community




223



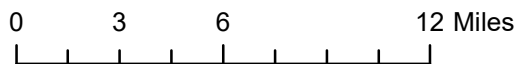
DG Penwell North, LLC



Legend

-  Proposed Enterprise Zone
-  Project Boundary
-  Ector County ISD





Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community, Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community



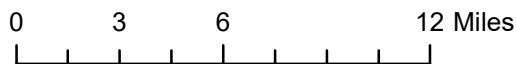
DG Penwell North, LLC



Legend

-  Proposed Enterprise Zone
-  Project Boundary
-  Ector County ISD
-  Ector County

Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community, Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community



Tab 12: Request for Waiver of Job Creation Requirement and Supporting Information (if applicable)

Please See Attached.



Ector County Independent School District
ATT:Dr. Scott Muri
802 North Sam Houston
Odessa, TX 79761

April 19, 2022

RE: DG Penwell North, LLC Application for Appraised Value Limitation on Qualified Property Job Waiver Request

Dear Dr. Muri:

DG Penwell North, LLC is requesting that Ector County ISD's Board of Trustees waive the job requirement provision as allowed by Section 313.025 (f-1) of the Texas Property Tax Code. This waiver would be based on the school district's board findings that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of this facility.

DG Penwell North, LLC requests that Ector County ISD makes such finding and waive the job creation requirement for 10 permanent jobs. DG Penwell North, LLC has committed to create 1 full time permanent position for the operation and maintenance of the facility. The qualifying position will be compensated at the rate of 110% of the regional manufacturing wage as well as offer company benefits. Such positions shall be employed by DG Penwell North, LLC or by the contractor it employs to operate and maintain the facility.

Renewable energy project create many jobs during the development of the facility. It is anticipated that 200-300 construction jobs will be created by DG Penwell North, LLC; however, once construction is complete the facility will require a relatively low number of permanent workers. The current industry standard for solar energy sites is 1 worker per 250 MW.

DG Penwell North, LLC kindly requests that you consider the approval of the job waiver request for this project. Undoubtedly, the establishment of this facility will be very beneficial to Ector County ISD, Ector County, and the advancement of renewable energy in Texas.

Your consideration of this request is greatly appreciated. If you have any questions, please contact us.

Sincerely,



Mike Fry
Director, Energy Services
mfry@keatax.com



Tab 13: Calculation of Three Possible Wage Requirements and Supporting Information (if applicable)

Calculation 1: Ector County Average Weekly Wage: \$1,153.75

| Quarter | Area | Ownership | Industry | Average Weekly Wage |
|---------|------------------|-----------|----------------|---------------------|
| Q4 2020 | Ector County, TX | Total All | All Industries | \$1,182.00 |
| Q1 2021 | Ector County, TX | Total All | All Industries | \$1,094.00 |
| Q2 2021 | Ector County, TX | Total All | All Industries | \$1,154.00 |
| Q3 2021 | Ector County, TX | Total All | All Industries | \$1,185.00 |

Quarterly Census of Employment and Wages (QCEW) Report

[Customize the report/Help with Accessibility](#)

Drag a column header and drop it here to group by that column

| Year | Period | Area | Ownership | Industry Code | Industry | Average Weekly Wage |
|------|--------|-------|-----------|---------------|-----------------------|---------------------|
| 2020 | 01 | Ector | Total All | 10 | Total, All Industries | 1,249 |
| 2020 | 02 | Ector | Total All | 10 | Total, All Industries | 1,134 |
| 2020 | 03 | Ector | Total All | 10 | Total, All Industries | 1,095 |
| 2020 | 04 | Ector | Total All | 10 | Total, All Industries | 1,182 |
| 2021 | 01 | Ector | Total All | 10 | Total, All Industries | 1,094 |
| 2021 | 02 | Ector | Total All | 10 | Total, All Industries | 1,154 |
| 2021 | 03 | Ector | Total All | 10 | Total, All Industries | 1,185 |

Calculation 2: 110% Ector County Average Manufacturing Weekly: 1,617.00

| <i>Quarter</i> | <i>Area</i> | <i>Ownership</i> | <i>Industry</i> | <i>Average Weekly Wage</i> |
|----------------|-------------------------|------------------|----------------------|----------------------------|
| <i>Q4 2020</i> | <i>Ector County, TX</i> | <i>Private</i> | <i>Manufacturing</i> | <i>\$ 1,514.00</i> |
| <i>Q1 2021</i> | <i>Ector County, TX</i> | <i>Private</i> | <i>Manufacturing</i> | <i>\$ 1,425.00</i> |
| <i>Q2 2021</i> | <i>Ector County, TX</i> | <i>Private</i> | <i>Manufacturing</i> | <i>\$ 1,484.00</i> |
| <i>Q3 2021</i> | <i>Ector County, TX</i> | <i>Private</i> | <i>Manufacturing</i> | <i>\$ 1,457.00</i> |

Quarterly Census of Employment and Wages (QCEW) Report

[Customize the report/Help with Accessibility](#)

Drag a column header and drop it here to group by that column

| Year | Period | Area | Ownership | Industry Code | Industry | Average Weekly Wage |
|------|--------|-------|-----------|---------------|---------------|---------------------|
| 2020 | 01 | Ector | Private | 1013 | Manufacturing | 1,466 |
| 2020 | 02 | Ector | Private | 1013 | Manufacturing | 1,348 |
| 2020 | 03 | Ector | Private | 1013 | Manufacturing | 1,295 |
| 2020 | 04 | Ector | Private | 1013 | Manufacturing | 1,514 |
| 2021 | 01 | Ector | Private | 1013 | Manufacturing | 1,425 |
| 2021 | 02 | Ector | Private | 1013 | Manufacturing | 1,484 |
| 2021 | 03 | Ector | Private | 1013 | Manufacturing | 1,457 |

Calculation 3: 110% Regional Manufacturing Wage: \$993.07 weekly or \$51,639.50 annually

2020 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations

| COG | COG Number | Wages | |
|---|------------|---------|----------|
| | | Hourly | Annual |
| Panhandle Regional Planning Commission | 1 | \$23.32 | \$48,501 |
| South Plains Association of Governments | 2 | \$20.42 | \$42,473 |
| NORTEX Regional Planning Commission | 3 | \$20.64 | \$42,928 |
| North Central Texas Council of Governments | 4 | \$32.34 | \$67,261 |
| Ark-Tex Council of Governments | 5 | \$21.30 | \$44,299 |
| East Texas Council of Governments | 6 | \$29.28 | \$60,904 |
| West Central Texas Council of Governments | 7 | \$21.54 | \$44,797 |
| Rio Grande Council of Governments | 8 | \$19.02 | \$39,552 |
| Permian Basin Regional Planning Commission | 9 | \$22.57 | \$46,945 |
| Concho Valley Council of Governments | 10 | \$27.28 | \$56,739 |
| Heart of Texas Council of Governments | 11 | \$23.41 | \$48,696 |
| Capital Area Council of Governments | 12 | \$29.96 | \$62,326 |
| Brazos Valley Council of Governments | 13 | \$18.41 | \$38,286 |
| Deep East Texas Council of Governments | 14 | \$21.07 | \$43,829 |
| South East Texas Regional Planning Commission | 15 | \$27.38 | \$56,957 |
| Houston-Galveston Area Council | 16 | \$29.83 | \$62,050 |
| Golden Crescent Regional Planning Commission | 17 | \$22.09 | \$45,945 |
| Alamo Area Council of Governments | 18 | \$27.45 | \$57,101 |
| South Texas Development Council | 19 | \$19.20 | \$39,945 |
| Coastal Bend Council of Governments | 20 | \$35.39 | \$73,603 |
| Lower Rio Grande Valley Development Council | 21 | \$20.70 | \$43,056 |
| Texoma Council of Governments | 22 | \$19.18 | \$39,897 |
| Central Texas Council of Governments | 23 | \$21.34 | \$44,390 |
| Middle Rio Grande Development Council | 24 | \$22.98 | \$47,809 |
| Texas | | \$28.00 | \$58,233 |

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

Data published: August 2021.

Data published annually, next update will likely be July 31, 2022

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 and Wage Statistics (OEWS) 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 completed and signed Economic Impact (if applicable)

Please See Attached.



Schedule A1: Total Investment for Economic Impact (through the Qualifying Time Period)

Date 4/19/2022
Applicant Name DG Penwell North, LLC
ISD Name Ector County ISD

Form 50-296A
 Revised October 2020

| PROPERTY INVESTMENT AMOUNTS | | | | | | | | |
|--|------|-------------------------|---|--|--|--|---|--|
| (Estimated Investment in each year. Do not put cumulative totals.) | | | | | | | | |
| | | | | Column A | Column B | Column C | Column D | Column E |
| | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year below) YYYY | 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 new investment made during this year that will <u>not</u> 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) |
| Investment made before filing complete application with district | | | | Not eligible to become Qualified Property | | | [The only other investment made before filing complete application with district that may become Qualified Property is land.] | |
| Investment made after filing complete application with district, but before final board approval of application | | 2022-2023 | 2022 | | | | | |
| Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period | | 2023-2024 | 2023 | | | | | |
| Complete tax years of qualifying time period | QTP1 | 2024-2025 | 2024 | \$ 20,000,000.00 | | | | \$ 20,000,000.00 |
| | QTP2 | 2025-2026 | 2025 | \$ 164,500,000.00 | \$ 500,000.00 | | | \$ 165,000,000.00 |
| Total Investment through Qualifying Time Period [ENTER this row in Schedule A2] | | | | \$ 184,500,000.00 | \$ 500,000.00 | | | \$ 185,000,000.00 |
| | | | | Enter amounts from TOTAL row above in Schedule A2 | | | | |
| Total Qualified Investment (sum of green cells) | | | | \$ 185,000,000.00 | | | | |

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 that will not become qualified property include 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)

Date **4/19/2022**
 Applicant Name **DG Penwell North, LLC**
 ISD Name **Ector County ISD**

Form 50-296A
 Revised October 2020

| PROPERTY INVESTMENT AMOUNTS | | | | | | | | |
|---|------|--------------------------------|---|--|--|--|---|----------------------------|
| (Estimated Investment in each year. Do not put cumulative totals.) | | | | | | | | |
| | | | | Column A | Column B | Column C | Column D | Column E |
| | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year below) YYYY | 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 <u>not</u> become Qualified Property [SEE NOTE] | Other investment made during this year that will become Qualified Property (SEE NOTE) | Total Investment (A+B+C+D) |
| Total Investment from Schedule A1* | | TOTALS FROM SCHEDULE A1 | | Enter amounts from TOTAL row in Schedule A1 in the row below | | | | |
| | | | | \$ 184,500,000.00 | \$ 500,000.00 | | | \$ 185,000,000.00 |
| Each year prior to start of value limitation period | 0 | 2022-2023 | 2022 | | | | | |
| Each year prior to start of value limitation period | 0 | 2023-2024 | 2023 | | | | | |
| Each year prior to start of value limitation period | 0 | 2024-2025 | 2024 | \$ 20,000,000.00 | | | | |
| Each year prior to start of value limitation period | 0 | 2025-2026 | 2025 | \$ 164,500,000.00 | \$ 500,000.00 | | | \$ 165,000,000.00 |
| Value limitation period*** | 1 | 2026-2027 | 2026 | | | | | |
| | 2 | 2027-2028 | 2027 | | | | | |
| | 3 | 2028-2029 | 2028 | | | | | |
| | 4 | 2029-2030 | 2029 | | | | | |
| | 5 | 2030-2031 | 2030 | | | | | |
| | 6 | 2031-2032 | 2031 | | | | | |
| | 7 | 2032-2033 | 2032 | | | | | |
| | 8 | 2033-2034 | 2033 | | | | | |
| | 9 | 2034-2035 | 2034 | | | | | |
| | 10 | 2035-2036 | 2035 | | | | | |
| Total Investment made through limitation | | | | \$ 184,500,000.00 | \$ 500,000.00 | | | \$ 185,000,000.00 |
| Continue to maintain viable presence | 11 | 2036-2037 | 2036 | | | | | |
| | 12 | 2037-2038 | 2037 | | | | | |
| | 13 | 2038-2039 | 2038 | | | | | |
| | 14 | 2039-2040 | 2039 | | | | | |
| | 15 | 2040-2041 | 2040 | | | | | |
| Additional years for 25 year economic impact as required by 313.026(c)(1) | 16 | 2041-2042 | 2041 | | | | | |
| | 17 | 2042-2043 | 2042 | | | | | |
| | 18 | 2043-2044 | 2043 | | | | | |
| | 19 | 2044-2045 | 2044 | | | | | |
| | 20 | 2045-2046 | 2045 | | | | | |
| | 21 | 2046-2047 | 2046 | | | | | |
| | 22 | 2047-2048 | 2047 | | | | | |
| | 23 | 2048-2049 | 2048 | | | | | |
| | 24 | 2049-2050 | 2049 | | | | | |
| | 25 | 2050-2051 | 2050 | | | | | |

* 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 313.021(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.

Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)

Date 4/19/2022
 Applicant Name DG Penwell North, LLC
 ISD Name Ector County ISD

Form 50-296A
 Revised October 2020

| | 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 I&S after all reductions | Final taxable value for M&O after all reductions |
| Each year prior to start of Value Limitation Period | 0 | 2022-2023 | 2022 | | | | | | |
| Each year prior to start of Value Limitation Period | 0 | 2023-2024 | 2023 | | | | | | |
| Each year prior to start of Value Limitation Period | 0 | 2024-2025 | 2024 | | | | | | |
| Each year prior to start of Value Limitation Period | 0 | 2025-2026 | 2025 | | | \$ 20,000,000.00 | \$ 20,000,000.00 | \$ 20,000,000.00 | \$ 20,000,000.00 |
| Value Limitation Period | 1 | 2026-2027 | 2026 | | \$ 500,000.00 | \$ 184,500,000.00 | \$ 185,000,000.00 | \$ 185,000,000.00 | \$ 30,000,000.00 |
| | 2 | 2027-2028 | 2027 | | \$ 485,000.00 | \$ 168,817,500.00 | \$ 169,302,500.00 | \$ 169,302,500.00 | \$ 30,000,000.00 |
| | 3 | 2028-2029 | 2028 | | \$ 475,000.00 | \$ 153,135,000.00 | \$ 153,610,000.00 | \$ 153,610,000.00 | \$ 30,000,000.00 |
| | 4 | 2029-2030 | 2029 | | \$ 465,000.00 | \$ 137,452,500.00 | \$ 137,917,500.00 | \$ 137,917,500.00 | \$ 30,000,000.00 |
| | 5 | 2030-2031 | 2030 | | \$ 450,000.00 | \$ 121,770,000.00 | \$ 122,220,000.00 | \$ 122,220,000.00 | \$ 30,000,000.00 |
| | 6 | 2031-2032 | 2031 | | \$ 435,000.00 | \$ 106,087,500.00 | \$ 106,522,500.00 | \$ 106,522,500.00 | \$ 30,000,000.00 |
| | 7 | 2032-2033 | 2032 | | \$ 420,000.00 | \$ 90,405,000.00 | \$ 90,825,000.00 | \$ 90,825,000.00 | \$ 30,000,000.00 |
| | 8 | 2033-2034 | 2033 | | \$ 405,000.00 | \$ 74,722,500.00 | \$ 75,127,500.00 | \$ 75,127,500.00 | \$ 30,000,000.00 |
| | 9 | 2034-2035 | 2034 | | \$ 390,000.00 | \$ 59,040,000.00 | \$ 59,430,000.00 | \$ 59,430,000.00 | \$ 30,000,000.00 |
| | 10 | 2035-2036 | 2035 | | \$ 375,000.00 | \$ 43,357,500.00 | \$ 43,732,500.00 | \$ 43,732,500.00 | \$ 30,000,000.00 |
| Continue to maintain viable presence | 11 | 2036-2037 | 2036 | | \$ 360,000.00 | \$ 36,900,000.00 | \$ 37,260,000.00 | \$ 37,260,000.00 | \$ 37,260,000.00 |
| | 12 | 2037-2038 | 2037 | | \$ 345,000.00 | \$ 36,900,000.00 | \$ 37,245,000.00 | \$ 37,245,000.00 | \$ 37,245,000.00 |
| | 13 | 2038-2039 | 2038 | | \$ 330,000.00 | \$ 36,900,000.00 | \$ 37,230,000.00 | \$ 37,230,000.00 | \$ 37,230,000.00 |
| | 14 | 2039-2040 | 2039 | | \$ 315,000.00 | \$ 36,900,000.00 | \$ 37,215,000.00 | \$ 37,215,000.00 | \$ 37,215,000.00 |
| | 15 | 2040-2041 | 2040 | | \$ 300,000.00 | \$ 36,900,000.00 | \$ 37,200,000.00 | \$ 37,200,000.00 | \$ 37,200,000.00 |
| Additional years for 25 year economic impact as required by 313.026(c)(1) | 16 | 2041-2042 | 2041 | | \$ 285,000.00 | \$ 36,900,000.00 | \$ 37,185,000.00 | \$ 37,185,000.00 | \$ 37,185,000.00 |
| | 17 | 2042-2043 | 2042 | | \$ 270,000.00 | \$ 36,900,000.00 | \$ 37,170,000.00 | \$ 37,170,000.00 | \$ 37,170,000.00 |
| | 18 | 2043-2044 | 2043 | | \$ 255,000.00 | \$ 36,900,000.00 | \$ 37,155,000.00 | \$ 37,155,000.00 | \$ 37,155,000.00 |
| | 19 | 2044-2045 | 2044 | | \$ 240,000.00 | \$ 36,900,000.00 | \$ 37,140,000.00 | \$ 37,140,000.00 | \$ 37,140,000.00 |
| | 20 | 2045-2046 | 2045 | | \$ 225,000.00 | \$ 36,900,000.00 | \$ 37,125,000.00 | \$ 37,125,000.00 | \$ 37,125,000.00 |
| | 21 | 2046-2047 | 2046 | | \$ 210,000.00 | \$ 36,900,000.00 | \$ 37,110,000.00 | \$ 37,110,000.00 | \$ 37,110,000.00 |
| | 22 | 2047-2048 | 2047 | | \$ 195,000.00 | \$ 36,900,000.00 | \$ 37,095,000.00 | \$ 37,095,000.00 | \$ 37,095,000.00 |
| | 23 | 2048-2049 | 2048 | | \$ 180,000.00 | \$ 36,900,000.00 | \$ 37,080,000.00 | \$ 37,080,000.00 | \$ 37,080,000.00 |
| | 24 | 2049-2050 | 2049 | | \$ 165,000.00 | \$ 36,900,000.00 | \$ 37,065,000.00 | \$ 37,065,000.00 | \$ 37,065,000.00 |
| | 25 | 2050-2051 | 2050 | | \$ 150,000.00 | \$ 36,900,000.00 | \$ 37,050,000.00 | \$ 37,050,000.00 | \$ 37,050,000.00 |

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.

Schedule C: Employment Information

Date 4/19/2022
 Applicant Name DG Penwell North, LLC
 ISD Name Ector County ISD

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 | 0 | 2022-2023 | 2022 | | | | | 235 |
| Each year prior to start of Value Limitation Period | 0 | 2023-2024 | 2023 | | | | | |
| Each year prior to start of Value Limitation Period | 0 | 2024-2025 | 2024 | 300 | \$ 50,000.00 | | | |
| Each year prior to start of Value Limitation Period | 0 | 2025-2026 | 2025 | 300 | \$ 50,000.00 | | | |
| Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i> | 1 | 2026-2027 | 2026 | | | | 1 | \$ 51,639.50 |
| | 2 | 2027-2028 | 2027 | | | | 1 | \$ 51,639.50 |
| | 3 | 2028-2029 | 2028 | | | | 1 | \$ 51,639.50 |
| | 4 | 2029-2030 | 2029 | | | | 1 | \$ 51,639.50 |
| | 5 | 2030-2031 | 2030 | | | | 1 | \$ 51,639.50 |
| | 6 | 2031-2032 | 2031 | | | | 1 | \$ 51,639.50 |
| | 7 | 2032-2033 | 2032 | | | | 1 | \$ 51,639.50 |
| | 8 | 2033-2034 | 2033 | | | | 1 | \$ 51,639.50 |
| | 9 | 2034-2035 | 2034 | | | | 1 | \$ 51,639.50 |
| | 10 | 2035-2036 | 2035 | | | | 1 | \$ 51,639.50 |
| Years Following Value Limitation Period | 11 through 25 | 2036-2051 | 2036-2050 | | | | 1 | \$ 51,639.50 |

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)

Not Applicable.



Tab 16: Description of Reinvestment or Enterprise Zone

Currently, it is anticipated that Ector County Independent School District will create the enterprise zone prior to the execution of the agreement. Please find attached their letter of intent.



*Tab 17: Signature and Certification Page, Signed and Dated by
Authorized School District Representative and Authorized
Company Representative (applicant)*

Please 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 ➔

Print Name (Authorized School District Representative)

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 ➔

Print Name (Authorized Company Representative (Applicant))

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

My Commission expires: _____

(Notary Seal)

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.

Schedule A1: Total Investment for Economic Impact (through the Qualifying Time Period)

| PROPERTY INVESTMENT AMOUNTS | | | | | | | | |
|--|------|-------------------------|---|--|--|--|---|---|
| (Estimated Investment in each year. Do not put cumulative totals.) | | | | | | | | |
| | | | | Column A | Column B | Column C | Column D | Column E |
| | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year below) YYYY | 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 new investment made during this year that will <u>not</u> 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) |
| Investment made before filing complete application with district | | | | Not eligible to become Qualified Property | | | [The only other investment made before filing complete application with district that may become Qualified Property is land.] | |
| Investment made after filing complete application with district, but before final board approval of application | | 2022-2023 | 2022 | | | | | |
| Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period | | 2023-2024 | 2023 | | | | | |
| Complete tax years of qualifying time period | QTP1 | 2024-2025 | 2024 | \$ 20,000,000.00 | | | | \$ 20,000,000.00 |
| | QTP2 | 2025-2026 | 2025 | \$ 164,500,000.00 | \$ 500,000.00 | | | \$ 165,000,000.00 |
| Total Investment through Qualifying Time Period [ENTER this row in Schedule A2] | | | | \$ 184,500,000.00 | \$ 500,000.00 | | | \$ 185,000,000.00 |
| | | | | Enter amounts from TOTAL row above in Schedule A2 | | | | |
| Total Qualified Investment (sum of green cells) | | | | \$ 185,000,000.00 | | | | |

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 that will not become qualified property include 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.

| PROPERTY INVESTMENT AMOUNTS | | | | | | | | | |
|---|------|--------------------------------|---|--|--|--|---|----------------------------|--|
| (Estimated Investment in each year. Do not put cumulative totals.) | | | | | | | | | |
| | | | | Column A | Column B | Column C | Column D | Column E | |
| | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year below) YYYY | 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 <u>not</u> become Qualified Property [SEE NOTE] | Other investment made during this year that will become Qualified Property [SEE NOTE] | Total Investment (A+B+C+D) | |
| Total Investment from Schedule A1* | | TOTALS FROM SCHEDULE A1 | | Enter amounts from TOTAL row in Schedule A1 in the row below | | | | | |
| | | | | \$ 184,500,000.00 | \$ 500,000.00 | | | \$ 185,000,000.00 | |
| Each year prior to start of value limitation period | 0 | 2022-2023 | 2022 | | | | | | |
| Each year prior to start of value limitation period | 0 | 2023-2024 | 2023 | | | | | | |
| Each year prior to start of value limitation period | 0 | 2024-2025 | 2024 | \$ 20,000,000.00 | | | | | |
| Each year prior to start of value limitation period | 0 | 2025-2026 | 2025 | \$ 164,500,000.00 | \$ 500,000.00 | | | \$ 165,000,000.00 | |
| Value limitation period*** | 1 | 2026-2027 | 2026 | | | | | | |
| | 2 | 2027-2028 | 2027 | | | | | | |
| | 3 | 2028-2029 | 2028 | | | | | | |
| | 4 | 2029-2030 | 2029 | | | | | | |
| | 5 | 2030-2031 | 2030 | | | | | | |
| | 6 | 2031-2032 | 2031 | | | | | | |
| | 7 | 2032-2033 | 2032 | | | | | | |
| | 8 | 2033-2034 | 2033 | | | | | | |
| | 9 | 2034-2035 | 2034 | | | | | | |
| | 10 | 2035-2036 | 2035 | | | | | | |
| Total Investment made through limitation | | | | \$ 184,500,000.00 | \$ 500,000.00 | | | \$ 185,000,000.00 | |
| Continue to maintain viable presence | 11 | 2036-2037 | 2036 | | | | | | |
| | 12 | 2037-2038 | 2037 | | | | | | |
| | 13 | 2038-2039 | 2038 | | | | | | |
| | 14 | 2039-2040 | 2039 | | | | | | |
| | 15 | 2040-2041 | 2040 | | | | | | |
| Additional years for 25 year economic impact as required by 313.026(c)(1) | 16 | 2041-2042 | 2041 | | | | | | |
| | 17 | 2042-2043 | 2042 | | | | | | |
| | 18 | 2043-2044 | 2043 | | | | | | |
| | 19 | 2044-2045 | 2044 | | | | | | |
| | 20 | 2045-2046 | 2045 | | | | | | |
| | 21 | 2046-2047 | 2046 | | | | | | |
| | 22 | 2047-2048 | 2047 | | | | | | |
| | 23 | 2048-2049 | 2048 | | | | | | |
| | 24 | 2049-2050 | 2049 | | | | | | |
| | 25 | 2050-2051 | 2050 | | | | | | |

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* 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 313.021(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.

Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)

Date 4/19/2022
 Applicant Name DG Penwell North, LLC
 ISD Name Ector County ISD

Form 50-296A
 Revised October 2020

| | 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 I&S after all reductions | Final taxable value for M&O after all reductions |
| Each year prior to start of Value Limitation Period | 0 | 2022-2023 | 2022 | | | | | | |
| Each year prior to start of Value Limitation Period | 0 | 2023-2024 | 2023 | | | | | | |
| Each year prior to start of Value Limitation Period | 0 | 2024-2025 | 2024 | | | | | | |
| Each year prior to start of Value Limitation Period | 0 | 2025-2026 | 2025 | | | \$ 20,000,000.00 | \$ 20,000,000.00 | \$ 20,000,000.00 | \$ 20,000,000.00 |
| Value Limitation Period | 1 | 2026-2027 | 2026 | \$ 500,000.00 | \$ 184,500,000.00 | \$ 185,000,000.00 | \$ 185,000,000.00 | \$ 30,000,000.00 | |
| | 2 | 2027-2028 | 2027 | \$ 485,000.00 | \$ 168,817,500.00 | \$ 169,302,500.00 | \$ 169,302,500.00 | \$ 30,000,000.00 | |
| | 3 | 2028-2029 | 2028 | \$ 475,000.00 | \$ 153,135,000.00 | \$ 153,610,000.00 | \$ 153,610,000.00 | \$ 30,000,000.00 | |
| | 4 | 2029-2030 | 2029 | \$ 465,000.00 | \$ 137,452,500.00 | \$ 137,917,500.00 | \$ 137,917,500.00 | \$ 30,000,000.00 | |
| | 5 | 2030-2031 | 2030 | \$ 450,000.00 | \$ 121,770,000.00 | \$ 122,220,000.00 | \$ 122,220,000.00 | \$ 30,000,000.00 | |
| | 6 | 2031-2032 | 2031 | \$ 435,000.00 | \$ 106,087,500.00 | \$ 106,522,500.00 | \$ 106,522,500.00 | \$ 30,000,000.00 | |
| | 7 | 2032-2033 | 2032 | \$ 420,000.00 | \$ 90,405,000.00 | \$ 90,825,000.00 | \$ 90,825,000.00 | \$ 30,000,000.00 | |
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| | 9 | 2034-2035 | 2034 | \$ 390,000.00 | \$ 59,040,000.00 | \$ 59,430,000.00 | \$ 59,430,000.00 | \$ 30,000,000.00 | |
| | 10 | 2035-2036 | 2035 | \$ 375,000.00 | \$ 43,357,500.00 | \$ 43,732,500.00 | \$ 43,732,500.00 | \$ 30,000,000.00 | |
| Continue to maintain viable presence | 11 | 2036-2037 | 2036 | \$ 360,000.00 | \$ 36,900,000.00 | \$ 37,260,000.00 | \$ 37,260,000.00 | \$ 37,260,000.00 | |
| | 12 | 2037-2038 | 2037 | \$ 345,000.00 | \$ 36,900,000.00 | \$ 37,245,000.00 | \$ 37,245,000.00 | \$ 37,245,000.00 | |
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| | 22 | 2047-2048 | 2047 | \$ 195,000.00 | \$ 36,900,000.00 | \$ 37,095,000.00 | \$ 37,095,000.00 | \$ 37,095,000.00 | |
| | 23 | 2048-2049 | 2048 | \$ 180,000.00 | \$ 36,900,000.00 | \$ 37,080,000.00 | \$ 37,080,000.00 | \$ 37,080,000.00 | |
| | 24 | 2049-2050 | 2049 | \$ 165,000.00 | \$ 36,900,000.00 | \$ 37,065,000.00 | \$ 37,065,000.00 | \$ 37,065,000.00 | |
| | 25 | 2050-2051 | 2050 | \$ 150,000.00 | \$ 36,900,000.00 | \$ 37,050,000.00 | \$ 37,050,000.00 | \$ 37,050,000.00 | |

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.

Schedule C: Employment Information

Date 4/19/2022
Applicant Name DG Penwell North, LLC
ISD Name Ector County ISD

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 | 0 | 2022-2023 | 2022 | | | | | |
| Each year prior to start of Value Limitation Period | 0 | 2023-2024 | 2023 | | | | | |
| Each year prior to start of Value Limitation Period | 0 | 2024-2025 | 2024 | 300 | \$ 50,000.00 | | | |
| Each year prior to start of Value Limitation Period | 0 | 2025-2026 | 2025 | 300 | \$ 50,000.00 | | | |
| Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i> | 1 | 2026-2027 | 2026 | | | | 1 | \$ 51,639.50 |
| | 2 | 2027-2028 | 2027 | | | | 1 | \$ 51,639.50 |
| | 3 | 2028-2029 | 2028 | | | | 1 | \$ 51,639.50 |
| | 4 | 2029-2030 | 2029 | | | | 1 | \$ 51,639.50 |
| | 5 | 2030-2031 | 2030 | | | | 1 | \$ 51,639.50 |
| | 6 | 2031-2032 | 2031 | | | | 1 | \$ 51,639.50 |
| | 7 | 2032-2033 | 2032 | | | | 1 | \$ 51,639.50 |
| | 8 | 2033-2034 | 2033 | | | | 1 | \$ 51,639.50 |
| | 9 | 2034-2035 | 2034 | | | | 1 | \$ 51,639.50 |
| | 10 | 2035-2036 | 2035 | | | | 1 | \$ 51,639.50 |
| Years Following Value Limitation Period | 11 through 25 | 2036-2051 | 2036-2050 | | | | 1 | \$ 51,639.50 |

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



Ector County Independent School District

Action Page

TO: Board of Trustees

FROM: Deborah Ottmers, Chief Financial Officer

SUBJECT: CONSIDERATION AND POSSIBLE ACTION TO RETAIN SCHOOL FINANCE CONSULTANTS CULWELL CONSULTING TO ASSIST THE DISTRICT IN PROCESSING AND EVALUATING THE FINANCIAL IMPACT OF AN APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY FROM DG PENWELL NORTH, LLC

DATE: April 19, 2022

Qualified property projects that receive special tax treatment under the Texas Economic Act, Texas Tax Code, Chapter 313 (Chapter 313 agreements) require school districts to engage a “third party” consultant that specializes in Chapter 313 agreements.

Consideration:

Approval of the Board is requested to hire Culwell Consulting to annually calculate the amount necessary to compensate the district for any loss that the district incurs in its Maintenance and Operations revenue solely as a result of, or on account of, entering into its Agreement, after taking into account any payments to be made under this Agreement. The Agreement also provides for such “third party” consultant to prepare and file any financial reports, disclosures, tax credit or other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement. The Applicant, not the school district, is responsible for the financial cost of the third party services as determined by the Agreement.

Administrative Recommendation:
Approval as requested.

Culwell Consulting LLC

5135 Lorraine Drive
Frisco, Texas 75034
Telephone (512) 914-1328

This contract is made between Culwell Consulting LLC (Consultant) and the Ector County Independent School District (District) for services in connection with the application from DG Penwell North LLC (Company) for a value limitation agreement under Chapter 313 of the Tax Code.

I. Services

As a part of this contract the Consultant agrees to:

- A. Provide an in-depth presentation to the school board, administration and community regarding the requirements associated with value limitation agreements.
- B. Present impact analysis of the potential economic development project on the finances of the District over the period of time within which the project would be under the elements of such an agreement.
- C. Review the application for all necessary inclusions and coordinate with the District's legal representation to ensure the application is submitted to the Texas Comptroller's office in a timely manner.
- D. Attend all school board and/or staff meetings as needed to ensure the District is informed of the status of the Ch. 313 application.
- E. Negotiate under the direction of the District with the Company regarding the financial implications of the agreement.
- F. Coordinate with the District's legal representation to ensure all financial protections are in place in an agreement between the District and Company as to any potential revenue loss and supplemental payments.
- G. Present all findings and financial analysis to the school board prior to final adoption of the Chapter 313 agreement between the District and the Company.

II. Period of Representation

- A. This contract shall be in force upon approval by the District's Board of Trustees.

III. Fees for Services

- A. The fee for services provided in Section I will be \$35,000.
- B. The District will be billed for services upon the submission of the Chapter 313 application to the Texas Comptroller's office.
- C. The District is not responsible for any invoice from the Consultant should the Company fail to pay the application fee to the District.
- D. All payments are due upon receipt.

IV. Post Agreement Financial Services

- A. Preparation of the annual revenue-loss and school-district benefit report to be submitted for the school district and the company, as required under the agreements.
- B. Assistance with the completion and submission to the Comptroller’s Office the annual eligibility report form, biennial progress report form, and school district form indicating any benefit payments, extraordinary educational expenses, and revenue protection payments.
- C. Assistance with the processing of any received applications for tax credits on qualified property, as needed.
- D. Providing ongoing interpretation and administration of the existing Chapter 313 Agreement.

V. Fees for Services under Section IV

- A. The Company as defined under the signed value limitation agreement will pay fees for services listed under Section IV.
- B. The school district is not financially responsible for any fees associated with services listed under Section IV.

VI. Termination of Services

- A. The District may terminate this contract without cause at any time.
- B. The Consultant will provide 30-day notice prior to termination.
- C. Any unpaid work at the time of termination shall be paid to the Consultant.

Executed this the _____ day of _____ 2022.



Chris Grammer
Culwell Consulting, LLC

Dr. Scott Muri
Superintendent, Ector County ISD



Ector County Independent School District

Action Page

TO: Board of Trustees

FROM: Deborah Ottmers, Chief Financial Officer

SUBJECT: CONSIDERATION AND POSSIBLE ACTION TO ACCEPT FOR CONSIDERATION AN APPLICATION FOR AN APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT, TEXAS TAX CODE, CHAPTER 313 FROM OPHELIA SOLAR, LLC, ASSESS AN APPLICATION FEE, AND AUTHORIZE THE SUPERINTENDENT TO REVIEW THE APPLICATION FOR COMPLETENESS AND SUBMIT SUCH APPLICATION TO THE COMPTROLLER

DATE: April 19, 2022

We are requesting consideration and acceptance of the Chapter 313 Property Tax Valuation Limitation application.

Acceptance of the application does not bind the district into entering a contract with the applicant, but provides us the option to consider the application and potential future contract for a Chapter 313 agreement for property value limitation and revenue.

Administrative Recommendation:
Approval as requested.



Ector County Independent School District

Action Page

TO: Board of Trustees

FROM: Deborah Ottmers, Chief Financial Officer

SUBJECT: CONSIDERATION AND POSSIBLE ACTION TO RETAIN SCHOOL FINANCE CONSULTANTS CULWELL CONSULTING TO ASSIST THE DISTRICT IN PROCESSING AND EVALUATING THE FINANCIAL IMPACT OF AN APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY FROM OPHELIA SOLAR, LLC

DATE: April 19, 2022

Qualified property projects that receive special tax treatment under the Texas Economic Act, Texas Tax Code, Chapter 313 (Chapter 313 agreements) require school districts to engage a “third party” consultant that specializes in Chapter 313 agreements.

Consideration:

Approval of the Board is requested to hire Culwell Consulting to annually calculate the amount necessary to compensate the district for any loss that the district incurs in its Maintenance and Operations revenue solely as a result of, or on account of, entering into its Agreement, after taking into account any payments to be made under this Agreement. The Agreement also provides for such “third party” consultant to prepare and file any financial reports, disclosures, tax credit or other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement. The Applicant, not the school district, is responsible for the financial cost of the third party services as determined by the Agreement.

Administrative Recommendation:
Approval as requested.

Culwell Consulting LLC

5135 Lorraine Drive
Frisco, Texas 75034
Telephone (512) 914-1328

This contract is made between Culwell Consulting LLC (Consultant) and the Ector County Independent School District (District) for services in connection with the application from Ophelia Solar LLC (Company) for a value limitation agreement under Chapter 313 of the Tax Code.

I. Services

As a part of this contract the Consultant agrees to:

- A. Provide an in-depth presentation to the school board, administration and community regarding the requirements associated with value limitation agreements.
- B. Present impact analysis of the potential economic development project on the finances of the District over the period of time within which the project would be under the elements of such an agreement.
- C. Review the application for all necessary inclusions and coordinate with the District's legal representation to ensure the application is submitted to the Texas Comptroller's office in a timely manner.
- D. Attend all school board and/or staff meetings as needed to ensure the District is informed of the status of the Ch. 313 application.
- E. Negotiate under the direction of the District with the Company regarding the financial implications of the agreement.
- F. Coordinate with the District's legal representation to ensure all financial protections are in place in an agreement between the District and Company as to any potential revenue loss and supplemental payments.
- G. Present all findings and financial analysis to the school board prior to final adoption of the Chapter 313 agreement between the District and the Company.

II. Period of Representation

- A. This contract shall be in force upon approval by the District's Board of Trustees.

III. Fees for Services

- A. The fee for services provided in Section I will be \$35,000.
- B. The District will be billed for services upon the submission of the Chapter 313 application to the Texas Comptroller's office.
- C. The District is not responsible for any invoice from the Consultant should the Company fail to pay the application fee to the District.
- D. All payments are due upon receipt.

IV. Post Agreement Financial Services

- A. Preparation of the annual revenue-loss and school-district benefit report to be submitted for the school district and the company, as required under the agreements.
- B. Assistance with the completion and submission to the Comptroller’s Office the annual eligibility report form, biennial progress report form, and school district form indicating any benefit payments, extraordinary educational expenses, and revenue protection payments.
- C. Assistance with the processing of any received applications for tax credits on qualified property, as needed.
- D. Providing ongoing interpretation and administration of the existing Chapter 313 Agreement.

V. Fees for Services under Section IV

- A. The Company as defined under the signed value limitation agreement will pay fees for services listed under Section IV.
- B. The school district is not financially responsible for any fees associated with services listed under Section IV.

VI. Termination of Services

- A. The District may terminate this contract without cause at any time.
- B. The Consultant will provide 30-day notice prior to termination.
- C. Any unpaid work at the time of termination shall be paid to the Consultant.

Executed this the _____ day of _____ 2022.



Chris Grammer
Culwell Consulting, LLC

Dr. Scott Muri
Superintendent, Ector County ISD



Ector County Independent School District

Action Page

TO: Board of Trustees

FROM: Deborah Ottmers, Chief Financial Officer

**SUBJECT: PUBLIC HEARING ON APPLICATION OF GCC PERMIAN, LLC
FOR APPRAISED VALUE LIMITATION ON QUALIFIED
PROPERTY, PURSUANT TO CHAPTER 313 OF THE TEXAS TAX
CODE**

DATE: April 19, 2022

A Public Hearing on Application of GCC Permian, LLC for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code.



Ector County Independent School District

Action Page

TO: Board of Trustees

FROM: Deborah Ottmers, Chief Financial Officer

SUBJECT: DISCUSSION AND POSSIBLE ACTION ON A RESOLUTION ADOPTING FINDINGS OF FACT AND APPROVING THE APPLICATION OF GCC PERMIAN, LLC FOR APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY, PURSUANT TO CHAPTER 313 OF THE TEXAS TAX CODE, AND OTHER ACTION INCIDENT THERETO

DATE: April 19, 2022

Attorney Fred Stormer with Underwood Law Firm, P.C. and Financial Consultant Chris Grammer with Culwell Consulting, LLC will present the findings and agreement.

Administrative Recommendation:
Approval as requested.

FINDINGS
of the
ECTOR COUNTY INDEPENDENT
SCHOOL DISTRICT
BOARD OF TRUSTEES

Under Chapter 313 of the
Texas Tax Code

ON THE APPLICATION FOR
APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY

SUBMITTED BY

GCC PERMIAN, LLC

Comptroller Application Number 1652

April 19, 2022

RESOLUTION AND FINDINGS OF FACT
of the
ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER CHAPTER 313 OF THE TEXAS TAX CODE
ON THE APPLICATION FOR APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY
SUBMITTED BY GCC PERMIAN, LLC

STATE OF TEXAS §
COUNTY OF ECTOR §
ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT §

PREAMBLE

On the 19th day of April, 2022, a public meeting of the Board of Trustees of the Ector County Independent School District (the “Board”) was held to solicit input from interested parties on the application by GCC Permian, LLC (“GCC Permian” or “Applicant”) for an appraised value limitation on qualified property under Chapter 313 of the Texas Tax Code. 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 considered the application by GCC Permian for a Limitation on Appraised Value on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations from interested parties within the District. After hearing presentations from the District’s administrative staff and the consultants retained by the District to advise the Board in this matter and reviewing the Comptroller’s Economic Impact Analysis under Texas Tax Code §313.026, the Board of Trustees of the Ector County Independent School District, in accordance with Texas Tax Code §313.025(e) and (f) and 34 T.A.C. §9.1054, makes the following Findings regarding the Application:

On or about the 21st day of September, 2021, the Board of Trustees for the Ector County Independent School District received an Application for Appraised Value Limitation on Qualified Property from GCC Permian, pursuant to Chapter 313 of the Texas Tax Code (the “Application”). The general nature of Applicant’s investment in qualified property set forth in the Application is for a manufacturing facility, and specifically a plant addition to the existing Ector County GCC Permian facility to produce cement, ready-mixed concrete, and aggregates (the “Property”). See Application, §6.2.1, and Tab 4, attached hereto as Attachment A; see also Attachment D. The Board agreed to consider such Application, and the District’s Superintendent formally acknowledged receipt of the Application for consideration on behalf of the District, which was signed on September 23, 2021 and delivered to the Texas Comptroller of Public Accounts immediately upon the District’s determination that the Application was complete. The Comptroller acknowledged receipt of the Application on or about September 27, 2021. Thereafter, the District on behalf of the Applicant, submitted Application Amendment No. 1 dated November 16, 2021 (§§4, and 14; Tabs 4, 11, 12, 13, and 14). The Comptroller issued its notice of completeness and determined the Application complete as of December 10, 2021, the Application Review Start Date.. The Application and Amendment No. 1 are hereafter collectively referred to as the “Application.” A copy of the Application and Comptroller’s completeness letter of December 10, 2021, are collectively attached hereto as Attachment A.

The Texas Taxpayer Identification number for GCC Permian, LLC is 32061586312. GCC Permian is an entity subject to Chapter 171 of the Texas Tax Code and is active and has the right to transact business in Texas, as represented by the Texas Comptroller of Public Accounts and as required by Texas Tax Code §313.024(a). *See Attachments A, B and C.*

The Board acknowledged receipt of the Application and necessary application fee, which was reasonable and did not exceed the estimated cost to the District for processing and acting on the Application, as established by §§313.025(a)(1) and 313.031(b) of the Texas Tax Code, 34 T.A.C. §9.1054(a), and Local District Policy. *See Attachment A at Tab 2.*

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

A copy of the Application was delivered to the Ector County Appraisal District for review pursuant to 34 Texas Administrative Code §9.1054.

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code §§313.024, 313.025 and 313.026. After receipt of the Application, the Texas Comptroller's Office caused an Economic Impact Analysis to be conducted. The Comptroller, pursuant to Texas Tax Code §313.025(h), determined the project subject to the Application meets the requirements for eligibility under Texas Tax Code §313.024 for a limitation on appraised value, and after reviewing the Application based on the criteria set out in Texas Tax Code § 313.026, issued a Certificate for a Limitation on Appraised Value dated March 9, 2022 (the "Certificate Decision"). *See Attachment C.* The Board of Trustees has carefully considered such Evaluation and Certificate Decision. Copies of the Certificate Decision and Economic Impact Analysis are attached to these Findings as Attachments C and D, respectively.

The Board also directed that a specific school financial analysis be conducted of the impact of the proposed value limitation on the finances of Ector County Independent School District. A copy of the Financial Impact Study prepared by Culwell Consulting, dated January 20, 2022 (revised January 31, 2022), is attached to these Findings as Attachment E.

The Board has confirmed that the taxable value of industrial property applicable to the GCC Permian Application in the Ector County Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403 of the Texas Government Code, falls within Category 1 of §313.022 of the Texas Tax Code at the time of the Application Review Start Date. *See the 2020 Final Property Value Study Report, "2020 ISD Summary Worksheet" attached hereto as Attachment G; see also Attachment D.*

After receipt of the completed Application, the District entered into negotiations with GCC Permian regarding the specific language to be included in the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes (the "Agreement") pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District pursuant to §48.256(d) of the Texas Education Code. The parties were able to agree upon language for inclusion into a draft agreement pursuant to Texas Tax Code §313.027. As required by the Comptroller's Office, the parties changed only the provisions of the template that the Comptroller permitted (Form 50-826, revised October 2020). The proposed Agreement is attached to these Findings as Attachment H, and that form of the Agreement (as defined by 34. Tex. Admin. Code

§9.1051 and adopted by §9.1052(a)(6)) was submitted to and approved by the Comptroller, as required by 34 Tex. Admin. Code §9.1015(e)(1). See copy of April 2022, Agreement Review Letter from the Comptroller, attached to these Findings as Attachment I.

After review of the Comptroller’s Certificate Decision and Economic Impact Analysis, and in consideration of its own analysis of GCC Permian’s Application and all other related documentation attached hereto, the Board makes the following additional Findings as follows:

Board Finding Number 1.

Based on the Application and the Comptroller’s Certificate Decision, the Property meets the requirements of Texas Tax Code §313.024 for eligibility for a limitation on appraised value under Texas Tax Code §313.024(b)(1) as a manufacturing facility.

In support of Finding Number 1, the Comptroller’s Certificate Decision states:

Determination required by 313.025(h)

* * *

Sec. 313.024(b) Applicant is proposing to use the property for an eligible project.

* * *

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter B.

See Attachment C. See also Attachment A (Tab 1, §6.2(1) and Tabs 4, 7 and 8) and Attachment D.

Board Finding Number 2.

The project proposed by Applicant is reasonably likely to generate sufficient tax revenue 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.

In support of Finding Number 2, the Certificate Decision states:

Certification decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school 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, see Attachment B.

See Attachment C.

Also in support of Finding Number 2, the Comptroller’s Economic Impact Analysis states:

Attachment B - Tax Revenue before 25th Anniversary of Limitation Start

This [table] represents the Comptroller’s determination that GCC Permian, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, 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. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

| | Tax Year | Estimated ISD M&O Tax Levy Generated (Annual) | Estimated ISD M&O Tax Levy Generated (Cumulative) | Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual) | Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative) |
|--|------------------------------------|---|---|---|---|
| Limitation Pre-Years | 2022 | \$0 | \$0 | \$0 | \$0 |
| | 2023 | \$475,142 | \$475,142 | \$0 | \$0 |
| | 2024 | \$1,728,653 | \$2,203,796 | \$0 | \$0 |
| Limitation Period (10 Years) | 2025 | \$1,054,700 | \$3,258,496 | \$2,620,458 | \$2,620,458 |
| | 2026 | \$1,054,700 | \$4,313,196 | \$2,363,197 | \$4,983,654 |
| | 2027 | \$1,054,700 | \$5,367,896 | \$2,123,944 | \$7,107,598 |
| | 2028 | \$1,054,700 | \$6,422,596 | \$1,901,439 | \$9,009,036 |
| | 2029 | \$1,054,700 | \$7,477,296 | \$1,694,509 | \$10,703,545 |
| | 2030 | \$1,054,700 | \$8,531,996 | \$1,502,064 | \$12,205,610 |
| | 2031 | \$1,054,700 | \$9,586,696 | \$1,323,091 | \$13,528,701 |
| | 2032 | \$1,054,700 | \$10,641,396 | \$1,156,645 | \$14,685,346 |
| | 2033 | \$1,054,700 | \$11,696,096 | \$1,001,851 | \$15,687,197 |
| | 2034 | \$1,054,700 | \$12,750,796 | \$857,893 | \$16,545,090 |
| | Maintain Viable Presence (5 Years) | 2035 | \$1,778,711 | \$14,529,507 | \$0 |
| 2036 | | \$1,654,201 | \$16,183,708 | \$0 | \$16,545,090 |
| 2037 | | \$1,538,407 | \$17,722,116 | \$0 | \$16,545,090 |
| 2038 | | \$1,430,719 | \$19,152,834 | \$0 | \$16,545,090 |
| 2039 | | \$1,330,569 | \$20,483,403 | \$0 | \$16,545,090 |
| Additional Years as Required by 313.026(c)(1) (10 Years) | 2040 | \$1,237,429 | \$21,720,832 | \$0 | \$16,545,090 |
| | 2041 | \$1,150,809 | \$22,871,640 | \$0 | \$16,545,090 |
| | 2042 | \$1,070,252 | \$23,941,892 | \$0 | \$16,545,090 |
| | 2043 | \$995,334 | \$24,937,227 | \$0 | \$16,545,090 |
| | 2044 | \$925,661 | \$25,862,888 | \$0 | \$16,545,090 |
| | 2045 | \$860,865 | \$26,723,753 | \$0 | \$16,545,090 |
| | 2046 | \$800,604 | \$27,524,357 | \$0 | \$16,545,090 |
| | 2047 | \$744,562 | \$28,268,919 | \$0 | \$16,545,090 |
| | 2048 | \$692,443 | \$28,961,361 | \$0 | \$16,545,090 |
| | 2049 | \$643,972 | \$29,605,333 | \$0 | \$16,545,090 |
| | | \$29,605,333 | is greater than | \$16,545,090 | |
| Analysis Summary | | | | | |
| Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement? | | | | | Yes |
| NOTE: The analysis above only takes into account this project’s estimated impact on the M&O portion of the school district property tax levy directly related to this project. | | | | | |
| Source: CPA, GCC Permian, LLC | | | | | |

See Attachment D (at Attachment B thereof).

Board Finding Number 3.

The new qualifying jobs creation requirement under §313.021(2)(a)(iv)(b) meets or exceeds the industry standard for the number of employees reasonably necessary for the operation of the Applicant's facility described in the Application, and Applicant qualifies for a waiver of the new jobs requirement pursuant to § 313.025(f-1).

In support of this Finding, Applicant submitted, as Tab 12 to its Application, information regarding the industry standard for the number of jobs for a project with qualified property of this size and type. The Applicant states that in its experience, the industry standard is five (5) workers in this type of industry for a project of this size. Applicant further states that this number will vary depending on the operations and maintenance requirements of the equipment selected, as well as the support and technical assistance offered by the equipment manufacturer. The permanent employees of a project will be responsible for maintaining and servicing the manufacturing equipment and other infrastructures associated with the safe and reliable operation of the project. In addition to the onsite employees, there may be managers or technicians who support the project from offsite locations. Therefore, in line with the industry standards for this type of facility, GCC Permian has committed to create five (5) jobs for the manufacturing project within Ector County ISD. A copy of Tab 12 submitted with the Application is attached hereto as Attachment J. *See also Attachments A (§14 of Tab 1) and D.*

Board Finding Number 4.

The Applicant will create five (5) new qualifying jobs, which Applicant affirms will meet all of the requirements set out in Texas Tax Code §313.021(3), including: (1) at least 1,600 hours of work per year; (2) provision of group health benefit plan with at least 80% of the premium paid by Applicant; (3) pay an annual wage of \$51,650 (\$993.07 per week), an amount equal to at least 110% of the average weekly wage for manufacturing jobs in the County as defined under §313.021(5)(B); (4) are not created to replace a previous employee; and (5) are not transferred from another area of Texas to the project described the Application.

See Attachments A, D and J.

Board Finding Number 5.

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

In its Application, Applicant indicates that it does not intend to create any non-qualifying jobs. But, for any non-qualifying job which the Applicant may create, the Applicant will be required to pay at least \$1,132.00¹ per week, which exceeds the county average wage for all jobs in the County, in accordance with the provisions of Texas Tax Code §313.024(d). *See Attachments A and D.*

¹ The weekly wage stated in the Comptroller's Economic Impact Analysis is rounded up by \$1; the Application notes a weekly minimum wage for non-qualified jobs of \$1,131.00.

Board Finding Number 6.

Applicant has viable options to locate the proposed manufacturing facility in locations other than Ector County ISD because the company operates globally, with operations in Colorado, Iowa, Minnesota, New Mexico, North Dakota, and South Dakota, with multiple international operations facilities in the State of Chihuahua Mexico. The Applicant's vast footprint enables this project to be built and installed in any of the current operating facilities in the US or Latin America. Therefore, the tax savings realized by the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in Texas and Ector County ISD.

See Attachment A (Tab 5) and Attachment D.

In support of Finding Number 6, the Comptroller's Certificate states, "[t]he Comptroller has determined that 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 Economic Impact Analysis further states:

The Comptroller **has determined** that the limitation on appraised value is a determining factor in the GCC Permian, LLC's decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per GCC Permian, LLC. in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. "GCC's vast footprint enables this project to be built and installed in any of the current operating facilities in the US or Latin America."
 - B. "The ultimate determination for capital investment in a particular country or state depends on the project economics. In the case of the investment on this proposed project in Texas, the decision will be based on a number of commercial and financial considerations, including the ability to obtain relief regarding local property taxes."
 - C. "Obtaining the Chapter 313 value limitation is a necessary part of the economic analysis and a determining factor for investment in Texas. Without the Chapter 313 value limitation, siting the project in Texas is less attractive. In the current capital constrained environment, the economics of each project are challenged against each other and only the best will have a chance to happen."

See Attachment D.

Board Finding Number 7.

The proposed limitation on appraised value for the qualified property is \$100,000,000.

The Comptroller's Minimum School District Limitation Values Report, effective as of January 1, 2021, provides that the District is a Subchapter B, Category 1 District under Texas Tax Code §313.022, with a minimum limitation of \$100,000,000. See Attachments A and D.

Board Finding Number 8.

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

In support of this Finding, the analysis prepared by Culwell Consulting indicates that the Project would add an estimated \$348,455,250 to the tax base for debt service purposes at the peak investment level for the 2025-26 school year (tax year 2025). See Table 3, Attachment E. The Project remains fully taxable for debt services taxes. As a result, local taxpayers should see some benefit from the addition of the project to the local I&S tax roll. In addition, the estimated potential revenue gains from Supplemental Payments as provided for in the proposed Agreement are estimated to be \$5,554,010. See Table of Estimated Effects of the Ch. 313 Application, Column 12, dated April 5, 2022 (“Estimated Effects Table”), at the last page of Attachment E, and Attachment H (Article VI).

Board Finding Number 9.

The effect of the Applicant’s proposed project is not expected to increase the District’s instructional facility needs. Ector County ISD can accommodate the student growth anticipated from Applicant’s project with its existing facilities.

See TEA’s Facilities Impact Review Letter at Attachment F.

Board Finding Number 10.

The projected dollar amount of the maintenance and operations taxes that would be imposed on the qualified property for each year of the Agreement if the property does receive a limitation on appraised value, based on the further estimated depreciation of value provided by Applicant, is shown in Estimated Effects Table at last page of Attachment E (column No. 8, labeled “M&O Taxes Paid After Limitation”) and Table 3 of Attachment E, and the total amount of M&O taxes that would be imposed on the qualified property with the limitation on appraised valued is estimated to be \$20,425,140. Id.

See also Attachment D.

Board Finding Number 11.

The projected dollar amount of the maintenance and operations taxes that would be imposed on the qualified property for each year of the Agreement if the property does not receive a limitation on appraised value, based on the further estimated depreciation of value provided by Applicant, is shown in Estimated Effects Table at last page of Attachment E (column No. 7, labeled “M&O Taxes Paid Before

Limitation”) and Table 3 of Attachment E, and the total amount of M&O taxes that would be imposed on the qualified property without the limitation on appraised value is estimated to be \$36,923,169. Id.

See also Attachment D.

Board Finding Number 12.

Based upon the Applicant’s certification that the Application is true and correct, the Comptroller’s Economic Impact Analysis, the Comptroller’s Certificate Decision, and the consultants’ review of these and other documents, the Board has determined that the information provided by the Applicant in its Application was true and correct when submitted.

Upon acceptance of the Application, the District requested the Comptroller to undertake an economic impact evaluation and retained certain consultants to help the Board determine: (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 the economic incentives available are a determining factor; and, (5) the proposed project meets eligibility requirements for an Agreement under Tax Code Chapter 313.

As a part of its review process, the Board notes that the Application was submitted by Applicant under oath. A Chapter 313 application is a governmental record under Tex. Penal Code §37.01(2)(A), and all representations contained therein are statements 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 Agreement (Attachment H) is an “official proceeding,” a false statement in the Application would constitute perjury under Tex. Penal Code §37.03.

The Board finds that sworn statements are routinely relied upon by fact finders in official governmental proceedings. The Board further finds that reliance 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. See Attachments A, B, C and D.

Board Finding Number 13.

The Applicant (Taxpayer Id. 32061586312) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on the Comptroller’s acknowledgment that Applicant’s right to transact business in Texas is active as a franchise-tax paying entity subject to taxes imposed by Chapter 171 of the Texas Tax Code.

See Attachments A, B and C.

Board Finding Number 14.

The project will be located within an area that is currently designated as an enterprise zone. Pursuant to Texas Tax Code §312.2011, designation of an area as an enterprise zone under Chapter 2303 of the Texas Government Code constitutes designation of the area as a reinvestment zone under Chapter 312 of the Texas Tax Code. Portions of Ector County are designated as an enterprise zone based on poverty level. See Tex. Gov't Code §2303.109.

See Attachment A (Tab 16).

Board Finding Number 15.

Per Applicant's certification in its Application, there are improvements located on the land for the project, consisting of processing and manufacturing equipment for two existing cement processing operations. But, none of the existing equipment will be included in Qualified Property. No construction of Qualified Property has occurred, and construction is scheduled to begin in June 2022.

See Attachment A (§§7.2, 9 and 13 of Tab 1 and Tab 10).

Board Finding Number 16.

The Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment H, meets all the requirements set out in Texas Tax Code §313.027, including adequate and appropriate revenue protection provisions for the District.

In support of this Finding, and based on the information provided and certified by Applicant in its Application, the District's Financial Impact Study demonstrates, pursuant to current school finance law (including Texas Education Code §48.256(d)), that the District is projected to incur a revenue protection payment in tax years 2025 (school year 2025-26) in the estimated total amount of \$2,919,260. See Attachment E at Table 3 and Estimated Effects Table (Column 10) at last page of Attachment E. Therefore, any potential negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District as set out in the Agreement. See proposed Agreement, Article IV, at Attachment H, and Estimated Effects Table at last page of Attachment E.

Board Finding Number 17.

The Board finds that there are no conflicts of interest at the time of its consideration of the Agreement.

In support of this Finding, the Board finds that it has taken appropriate action to ensure that all District Trustees and the Superintendent have disclosed any potential conflicts of interest, and that disclosures

will be made if any conflict of interest is discovered or arises in the future, in compliance with the requirements of Texas Local Government Code, Chapters 171 and 176.

The Board further finds that it has taken appropriate action to ensure that all other applicable District employees and/or consultants have disclosed any potential conflicts of interest, and that disclosures will be made if any conflict of interest is discovered or arises in the future, in compliance with the requirements of Texas Local Government Code, Chapters 171 and 176.

The Board further finds that it is unaware that any conflict exists as to the Application for which these Findings are being made, as of the time of action on these Findings.

Board Finding Number 18.

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

See Attachment D.

Board Finding Number 19.

The Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment H, is in the form of the October, 2020 template Texas Economic Development Act Agreement adopted by the Comptroller, and the Comptroller has verified that the Agreement complies with the provisions of Chapter 313 of the Texas Tax Code and 34 T.A.C. Chapter 9, Subchapter F.

See Attachment I.

IT IS THEREFORE ORDERED, that all of the Findings above, including the recitals and statements set out in the Preamble herein, are adopted and approved as the Findings of the Ector County Independent School District Board of Trustees, and the Board of Trustees has made the above factual Findings in accordance with the Texas Tax Code § 313.025(e) and (f) and Texas Administrative Code 34, Chapter 9, subchapter F; and,

IT IS FURTHER ORDERED that the Application attached hereto as Attachment A is hereby APPROVED; and,

IT IS FURTHER ORDERED that the new qualified jobs requirement pursuant to §313.021(2)(A)(iv)(b) is hereby WAIVED; and,

IT IS FURTHER ORDERED that the Agreement attached hereto as Attachment H is APPROVED contemporaneously with these Findings and is hereby authorized to be executed and delivered by the Trustees whose signatures appear below on behalf of the Ector County Independent

School District, along with a copy of these Findings, which shall be binding upon the parties upon receipt of an executed original of the Agreement from Applicant; and,

IT IS FURTHER ORDERED that these Findings and the Attachments referenced herein be made a part of the official minutes of this meeting, and maintained in the permanent records of the Ector County Independent School District Board of Trustees.

Dated this 19th day of April, 2022.

Ector County Independent School District

By _____
Signature

Printed Name and Title

Attest:

By _____
Signature

Printed Name and Title

DRAFT

LIST OF ATTACHMENTS

| <i>Attachment</i> | <i>Description</i> |
|-------------------|---|
| A | Application and Comptroller's Completeness Letter |
| B | Applicant's Franchise Tax Account Status |
| C | Comptroller's Certificate Letter |
| D | Comptroller Economic Impact Analysis |
| E | District's Financial Impact Study |
| F | TEA's Facilities Impact Letter |
| G | Comptroller's 2020 Property Value Study Report, "2020 ISD Summary Worksheet" |
| H | Proposed Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes |
| I | Comptroller's April [REDACTED], 2022 Agreement Review Letter |



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O. Box 13528 • Austin, TX 78711-3528

December 10, 2021

Dr. Scott Muri
Superintendent
Ector County Independent School District
802 North Sam Houston
Odessa, Texas 79761

Re: Application for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Ector County Independent School District and GCC Permian, LLC, Application 1652

Dear Superintendent Muri:

On September 27, 2021, the Comptroller's office received GCC Permian, LLC's (applicant) application for a limitation on appraised value (Application 1652) from Ector County Independent School District (school district).

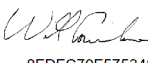
The purpose of this letter is to inform you that the Comptroller's office has reviewed the submitted application and determined that it includes the information necessary to be determined as complete on December 10, 2021.

Texas Tax Code §313.025(d) directs the Comptroller's office to issue a certificate for a limitation on the appraised value of the property, or provide the governing body of the school district with a written explanation of the Comptroller's decision to not issue a certificate no later than the 90th day after receiving the completed application. The requirements to determine eligibility and to issue a certificate for a limitation do not begin until an application is complete as determined by this agency. The Comptroller's office will move forward with our economic impact evaluation and will send a letter of determination to the school district and the applicant.

This letter does not constitute a review of the application under Section 313.025(h) to determine if the project meets the requirements of Section 313.024 for eligibility for a limitation on appraised value. Likewise, this letter does not address the determinations required under Section 313.026(c).

Should you have any questions, please contact Desiree Caufield with our office. She can be reached by email at desiree.caufield@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-8597, or at 512-936-8597.

Sincerely,

DocuSigned by:

8FD7C70F5753487...
vWIII COUiiiiiiII

Director
Data Analysis & Transparency Division

cc: Fred Stormer, Underwood Law Firm, P.C.
Luis Carlos, GCC Permian, LLC
Carlos Lopez, GCC Permian, LLC
Brandon Westlake, Cummings Westlake LLC



TAB 1

Pages 1 through 9 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

September 21, 2021

Date Application Received by District

Dr. Scott

First Name

Muri

Last Name

Superintendent

Title

Ector County Independent School District

School District Name

802 North Sam Houston, Odessa, TX 79761

Street Address

P.O. Box 3912

Mailing Address

Odessa

City

432-456-0000

Phone Number

N/A

Mobile Number (optional)

TX

State

N/A

Fax Number

Scott.Muri@ectorcountyisd.org

Email Address

79760-3912

ZIP

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)

| | |
|--------------------------|------------------------|
| Fred | Stormer |
| First Name | Last Name |
| Shareholder | |
| Title | |
| Underwood Law Firm, P.C. | |
| Firm Name | |
| 806-379-0306 | N/A |
| Phone Number | Fax Number |
| N/A | fred.stormer@uwlaw.com |
| Mobile Number (optional) | Email Address |

4. On what date did the district determine this application complete? September 27, 2021

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

| | | |
|--|------------------------|-------|
| Luis Carlos | Arias | |
| First Name | Last Name | |
| Chief Financial Officer | GCC Permian, LLC | |
| Title | Organization | |
| Calle Vicente Suarez y Sexta, Zona Industrial Nombre de Dios | | |
| Street Address | | |
| Calle Vicente Suarez y Sexta, Zona Industrial Nombre de Dios | | |
| Mailing Address | | |
| Chihuahua | Mexico | 31105 |
| City | State | ZIP |
| 52 (614) 442-3100 | N/A | |
| Phone Number | Fax Number | |
| N/A | larias@gcc.com | |
| Mobile Number (optional) | Business Email Address | |

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.

| | | |
|-------------------------------------|------------------------|-------|
| Carlos | Lopez | |
| First Name | Last Name | |
| Controller | GCC Permian, LLC | |
| Title | Organization | |
| 600 South Cherry Street, Suite 1000 | | |
| Street Address | | |
| 600 South Cherry Street, Suite 1000 | | |
| Mailing Address | | |
| Glendale | CO | 80246 |
| City | State | ZIP |
| 303-739-5981 | N/A | |
| Phone Number | Fax Number | |
| N/A | clopezpe@gcc.com | |
| Mobile Number (optional) | Business Email Address | |

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

First Name

Westlake

Last Name

Partner

Title

Cummings Westlake LLC

Firm Name

713-266-4456

Phone Number

N/A

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.

\$75,000

Payment Amount

Check

Transaction Type

GCC Permian, LLC

Ector County ISD

Payor

Payee

September 9, 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? GCC Permian, LLC

2. Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32061586312

3. Parent Company Name GCC of America, Inc.

4. Parent Company Tax ID 18504299126

5. NAICS code 327310

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

GCC Permian, LLC

2c. Reporting Entity Taxpayer Number

32061586312

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?
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?
3. Does the applicant have current business activities at the location where the proposed project will occur?
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location?
5. Has the applicant received any local or state permits for activities on the proposed project site?
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site?
7. Is the applicant evaluating other locations not in Texas for the proposed project?
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities?
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project?
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?

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 February 2022
2. Estimated commencement of construction June 2022
3. Beginning of qualifying time period (MM/DD/YYYY) January 1, 2023
4. First year of limitation (YYYY) January 1, 2025
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 September 2024

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): Ector County ISD; 100%; \$1.0547
I&S (ISD): Ector County ISD; 100%; \$0.12322
County: Ector County; 100%; \$0.3650
City: N/A
Hospital District: Ector County Hosp. Dist; 100%; \$0.1500
Water District: N/A
Other (describe): Odessa College; 100%; \$0.1890
Other (describe): 273

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: N/A
(Incentive type, percentage, start and end year)

City: N/A
(Incentive type, percentage, start and end year)

Hospital District: N/A
(Incentive type, percentage, start and end year)

Water District: N/A
(Incentive type, percentage, start and end year)

Other (describe): N/A
(Incentive type, percentage, start and end year)

Other (describe): N/A
(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): \$ 83,110,194.00
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? 5
- 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 \$ 1,131.00
 - b. Qualifying job wage minimum option §313.021(5)(A)
 - 110% of the average weekly wage for manufacturing jobs in the county is \$ 1,570.53
 - c. Qualifying job wage minimum option §313.021(5)(B)
 - 110% of the average weekly wage for manufacturing jobs in the region is \$ 993.07
- 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? \$ 51,639.50
- 7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? \$ 51,650.00
- 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**.

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

| ATTACHMENT | |
|------------|---|
| 1 | Sections 1-16 |
| 2 | Proof of Payment of Application Fee |
| 3 | Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation <i>(if applicable)</i> |
| 4 | Detailed description of the project |
| 5 | Documentation to assist in determining if limitation is a determining factor |
| 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 <i>(if applicable)</i> |
| 7 | Description of Qualified Investment |
| 8 | Description of Qualified Property |
| 9 | Description of Land |
| 10 | Description of all property not eligible to become qualified property <i>(if applicable)</i> |
| 11 | <p>Maps that clearly show:</p> <ul style="list-style-type: none"> a) Project boundary and project vicinity, including county and school district boundaries b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period c) Qualified property including location of new buildings or new improvements d) Any existing property within the project area e) Any facilities owned or operated by the applicant having interconnections to the proposed project f) Location of project, and related nearby projects within vicinity map g) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size <p>Note: Maps should be high resolution files. Include map legends/markers.</p> |
| 12 | Request for Waiver of Job Creation Requirement and supporting information <i>(if applicable)</i> |
| 13 | Calculation of non-qualifying wage target and two possible qualifying job wage requirements with TWC documentation |
| 14 | Schedules A1, A2, B, and C completed and signed Economic Impact <i>(if applicable)</i> |
| 15 | Economic Impact Analysis, other payments made in the state or other economic information <i>(if applicable)</i> |
| 16 | <p>Description of Reinvestment or Enterprise Zone, including:</p> <ul style="list-style-type: none"> a) evidence that the area qualifies as an enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone c) order, resolution or ordinance establishing the reinvestment zone d) guidelines and criteria for creating the zone |
| 17 | Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i> |



TAB 2

Proof of Payment of Application Fee

Please find on the attached page, copy of the check for the \$75,000 application fee to Ector County Independent School District.



GCC Permian, LLC
 16501 W Murphy St
 Odessa, TX 79760

Check Number 000000194
 Check Date 09/09/2021
 Stub 1 of 1

Payee: ECTOR COUNTY INDEPENDENT
 SCHOOL DISTRICT
 802 N. SAM HOUSTON
 ODESSA TX 79761

| Date of Inv | Doc Number | Your Invoice No | Text | Discount | Net Amount |
|---------------------|------------|-----------------|------|----------|------------|
| 08/19/2021 | 1900001079 | 202108-01 | | 0.00 | 75,000.00 |
| Additional Remarks: | | | | Total | 75,000.00 |

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER



GCC Permian, LLC
 16501 W Murphy St
 Odessa, TX 79760

JP MORGAN CHASE BANK, N.A 1-2/210
 New York, NY

SEVENTY-FIVE THOUSAND*****

Pay to the order of:
 ECTOR COUNTY INDEPENDENT
 SCHOOL DISTRICT
 802 N. SAM HOUSTON
 ODESSA TX 79761

| PAYEE | CHECK DATE | CHECK NUMBER | AMOUNT |
|--------|------------|--------------|----------------|
| 618945 | 09/09/2021 | 000000194 | *****75,000.00 |

[Signature]
 279

[Signature]

THIS DOCUMENT HAS A TRUE WATERMARK IN THE PAPER • HOLD TO LIGHT TO VIEW.

000000 194 021000021 192845508



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)

See Attached



Franchise Tax Account Status

As of : 08/03/2021 16:24:13

This page is valid for most business transactions but is not sufficient for filings with the Secretary of State

| GCC PERMIAN, LLC | |
|--|---|
| Texas Taxpayer Number | 32061586312 |
| Mailing Address | PO BOX 100 TIJERAS, NM 87059-0100 |
| ⓘ Right to Transact Business in Texas | ACTIVE |
| State of Formation | DE |
| Effective SOS Registration Date | 09/16/2016 |
| Texas SOS File Number | 0802544446 |
| Registered Agent Name | C T CORPORATION SYSTEM |
| Registered Office Street Address | 1999 BRYAN ST., STE. 900 DALLAS, TX 75201 |



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.

The land buildings and equipment currently located at this Ector County GCC Permian facility is used to produce cement, ready-mixed concrete, and aggregates at the existing facility. This proposed project would add 3,000 tons per day production capacity at this existing Odessa, Texas facility. This proposed plant addition would be located in Ector County and entirely within Ector County ISD.

Below is a list of the major new equipment comprising this plant as follows:

- Limestone Storage
- Raw Mill
- Finish Mill
- Exhaust Gas Conditioning Equipment
- Raw Meal Silo
- Kiln Feed Equipment
- Preheater
- Kiln
- Cooler
- Bag House
- Clinker Conveyor System Equipment
- Cement Mill Feed Equipment
- Cement Mill
- Ammonia Injection Tank
- Compressors
- Electrical Switchgear and main electrical components
- Power Distribution Center
- Instrumentation equipment

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



CUMMINGS WESTLAKE

GCC PERMIAN, LLC

Chapter 313 Application Ector County ISD

The equipment proposed for this project will share and interconnect with existing equipment sharing the existing limestone crusher, clinker transport, clinker silos, clinker extraction pan and gypsum system. The finish mill contemplated in this project will grind products from the new line as well as the existing system.



TAB 5

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

Founded in 1941, GCC is a leading producer of cement, ready-mixed concrete, aggregates, and innovative solutions for the construction industry. With leading edge products and state of the art technologies, our passionate team of nearly 3,000 employees drives our growth.

GCC's operations stretch from the State of Chihuahua in northern Mexico through the U.S in what we refer to as the center cut of the U.S. Our distribution network spreads throughout Latin America.

The company operates globally with operations in Colorado, Iowa, Minnesota, Montana, New Mexico, North Dakota, and South Dakota with multiple international operations facilities in the State of Chihuahua Mexico.

GCC's vast footprint enables this project to be built and installed in any of the current operating facilities in the US or Latin America.

The ultimate determination for capital investment in a particular country or state depends on the project economics. In the case of the investment on this proposed project in Texas, the decision will be based on a number of commercial and financial considerations, including the ability to obtain relief regarding local property taxes. Obtaining the Chapter 313 value limitation is a necessary part of the economic analysis and a determining factor for investment in Texas. Without the Chapter 313 value limitation, siting the project in Texas is less attractive. In the current capital constrained environment, the economics of each project are challenged against each other and only the best will have a chance to happen.



GCC targets the center of North America and Mexico with production facilities in multiple states and The State of Chihuahua, Mexico. The company's distribution extends from Canada through the U.S, Mexico and Latin America





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)

| | | |
|--------------------------------|------|-----------|
| Ector County | 100% | \$0.36500 |
| Ector County Hospital District | 100% | \$0.15000 |
| Odessa College | 100% | \$0.18900 |
| Ector County ISD | 100% | \$1.17792 |



TAB 7

Description of Qualified Investment

GCC Permian is proposing to add 3,000 tons per day production capacity at its existing Odessa, Texas facility. This proposed plant addition would be located in Ector County and entirely within Ector County ISD.

Below is a list of the major new equipment comprising this plant as follows:

- Limestone Storage
- Raw Mill
- Exhaust Gas Conditioning Equipment
- Raw Meal Silo
- Kiln Feed Equipment
- Preheater
- Kiln
- Cooler
- Bag House
- Clinker transport Equipment
- Cement Mill Feed Equipment
- Cement Mill
- Ammonia Injection Tank
- Compressors
- Electrical Switchgear and main electrical components
- Power Distribution Center
- Instrumentation equipment

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



TAB 8

Description of Qualified Property

GCC Permian is proposing to add 3,000 tons per day production capacity at its existing Odessa, Texas facility. This proposed plant addition would be located in Ector County and entirely within Ector County ISD.

Below is a list of the major new equipment comprising this plant as follows:

- Limestone Storage
- Raw Mill
- Exhaust Gas Conditioning Equipment
- Raw Meal Silo
- Kiln Feed Equipment
- Preheater
- Kiln
- Cooler
- Bag House
- Clinker transport Equipment
- Cement Mill Feed Equipment
- Cement Mill
- Ammonia Injection Tank
- Compressors
- Electrical Switchgear and main electrical components
- Power Distribution Center
- Instrumentation equipment

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



TAB 9

Description of Land

Not applicable. The land on which the new buildings and new improvements will be built, is not being claimed as part of the qualified property described by §313.021(2)(A).



TAB 10

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

Existing Equipment consists of Processing and Manufacturing Equipment for two existing cement processing operations.

Line 1 existing equipment consists of kiln, kiln feed, cooler, clinker process silo, cement mill, cement feed system, bag house, intermediate cement silo and associated electrical substations and switchgear equipment required for safe operation of the equipment

Line 2 existing equipment consists of kiln, kiln feed, cooler, clinker process silo, cement mill, cement feed system, bag house, intermediate cement silo and associated electrical substations and switchgear equipment required for safe operation of the equipment

Attached is the Ector County CAD appraisal record for the existing equipment



Ector County Appraisal District

1301 E 8th Street
Odessa, Texas 79761-4703
Phone:432-332-6834
Fax:432-332-1726



Last Update-Appraisal Info: July 23, 2021
Last Update-Unpaid Tax Amounts: August 2, 2021
Payments made after this date are not reflected in UNPAID TAX AMOUNTS.

Account Number: 44730.00010.00000

Parcel Number: R100057087

Owner's Information

GCC PERMIAN LLC
600 S CHERRY ST 10TH FLOOR
GLENDALE, CO 80246-0001

Property Legal Description

T-3-S BLK 44 SEC 03
(CARD #1)
PART S OF RR

Property Location

W MURPHY ST

Land Size

500.8000

Undivided Interest Percent

1.000000

DEED & EXEMPTION INFORMATION

| Name | Year | Date | Vol / Pg | Inst.# | Exemptions |
|-----------------|------|------------|----------|---------------|------------|
| GCC PERMIAN LLC | 2021 | 11/21/2016 | / | 2016-00017115 | POL |

IMPROVEMENT INFORMATION

| Description | Year | SQFT | Value |
|------------------|------|-------|-------------|
| O42M - OFFICE | 1965 | 11912 | \$584,355 |
| WA0M - WAREHOUSE | 1965 | 11448 | \$344,602 |
| SB5M - MACH SHOP | 1965 | 8360 | \$271,918 |
| SB2M - MACH SHOP | 1990 | 1936 | \$82,590 |
| O42M - OFFICE | 1965 | 4332 | \$212,510 |
| WC1M - WAREHOUSE | 1965 | 2567 | \$69,109 |
| WA1M - WAREHOUSE | 1976 | 988 | \$23,164 |
| SP4M - MACH SHOP | 1965 | 14240 | \$687,450 |
| SP5M - MACH SHOP | 1965 | 3784 | \$139,879 |
| SP2M - MACH SHOP | 1965 | 5292 | \$205,309 |
| WC1M - WAREHOUSE | 1990 | 2400 | \$80,766 |
| WA1M - WAREHOUSE | 1990 | 10404 | \$281,454 |
| WB1M - WAREHOUSE | 1965 | 1848 | \$43,765 |
| CN1M - CANOPY | 1990 | 42000 | \$1,231,650 |
| CN1M - CANOPY | 1990 | 13816 | \$405,154 |

PROPERTY VALUES

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|-------------------------|--------------|--------------|---------------|---------------|---------------|
| TOTAL IMPROVEMENT VALUE | \$83,110,194 | \$90,305,437 | \$104,522,806 | \$104,497,269 | \$104,497,269 |
| LAND MARKET VALUE | \$125,200 | \$125,200 | \$125,200 | \$125,200 | \$125,200 |
| PRODUCTIVITY VALUE | \$0 | \$0 | \$0 | \$0 | \$0 |
| TOTAL MARKET VALUE | \$83,235,394 | \$90,430,637 | \$104,648,006 | \$104,622,469 | \$104,622,469 |
| 10% HOMESTEAD CAP LOSS | \$0 | \$0 | \$0 | \$0 | \$0 |
| APPRAISED VALUE | \$83,235,394 | \$90,430,637 | \$104,648,006 | \$104,622,469 | \$104,622,469 |

JURISDICTION VALUES & TAX RATES

| | 2021 Value | 2020 Value | 2019 Value | 2018 Value | 2017 Value |
|------------------------|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | Tax Rate | Tax Rate | Tax Rate | Tax Rate | Tax Rate |
| | Tax Amt | | | | |
| ECTOR COUNTY | \$78,786,320 0.003650 \$287,570.07 | \$84,889,250 0.003650 | \$91,905,250 0.003650 | \$91,879,713 0.003970 | \$98,406,039 0.003872 |
| ECTOR COUNTY I S D | \$78,786,320 0.011779 \$928,024.06 | \$84,889,250 0.011779 | \$91,905,250 0.011779 | \$91,879,713 0.012796 | \$98,406,039 0.011496 |
| ECTOR CO HOSPITAL DIST | \$78,786,320 0.001500 \$118,179.48 | \$84,889,250 0.001500 | \$91,905,250 0.001127 | \$91,879,713 0.001127 | \$98,406,039 0.001179 |
| ODESSA COLLEGE | \$78,786,320 0.001890 | \$84,889,250 0.001890 | \$91,905,250 0.001868 | \$91,879,713 0.001997 | \$98,406,039 0.002064 |

291

| | |
|----------------------------|----------------|
| | \$148,906.14 |
| TOTAL ESTIMATED TAX AMOUNT | \$1,482,679.76 |

ORIGINAL TAX AMOUNTS

| Year | TAX | ISD | OC | COU | HOS | ODE | ECUD | GOL | FMLR | CED |
|------|----------------|--------------|--------------|--------------|--------------|--------|--------|--------|--------|--------|
| 2020 | \$1,597,518.06 | \$999,927.45 | \$160,410.97 | \$309,845.76 | \$127,333.88 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

UNPAID TAX AMOUNTS

| Year | Balance | ISD | OC | COU | HOS | ODE | ECUD | GOL | FMLR | CED |
|------|---------------|--------------|------------------------------|--------------|-------------|-------------------------------|--------|--------|--------------------------------|--------|
| 2020 | \$625,518.06* | \$391,527.78 | \$62,809.90 | \$121,322.02 | \$49,858.36 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| | | | Pen/Int: \$118,848.43 | | | Atty Fee: \$148,873.30 | | | Total Due: \$893,239.79 | |

Total due for all years: \$893,239.79

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Developed & Maintained by LX Net Dev

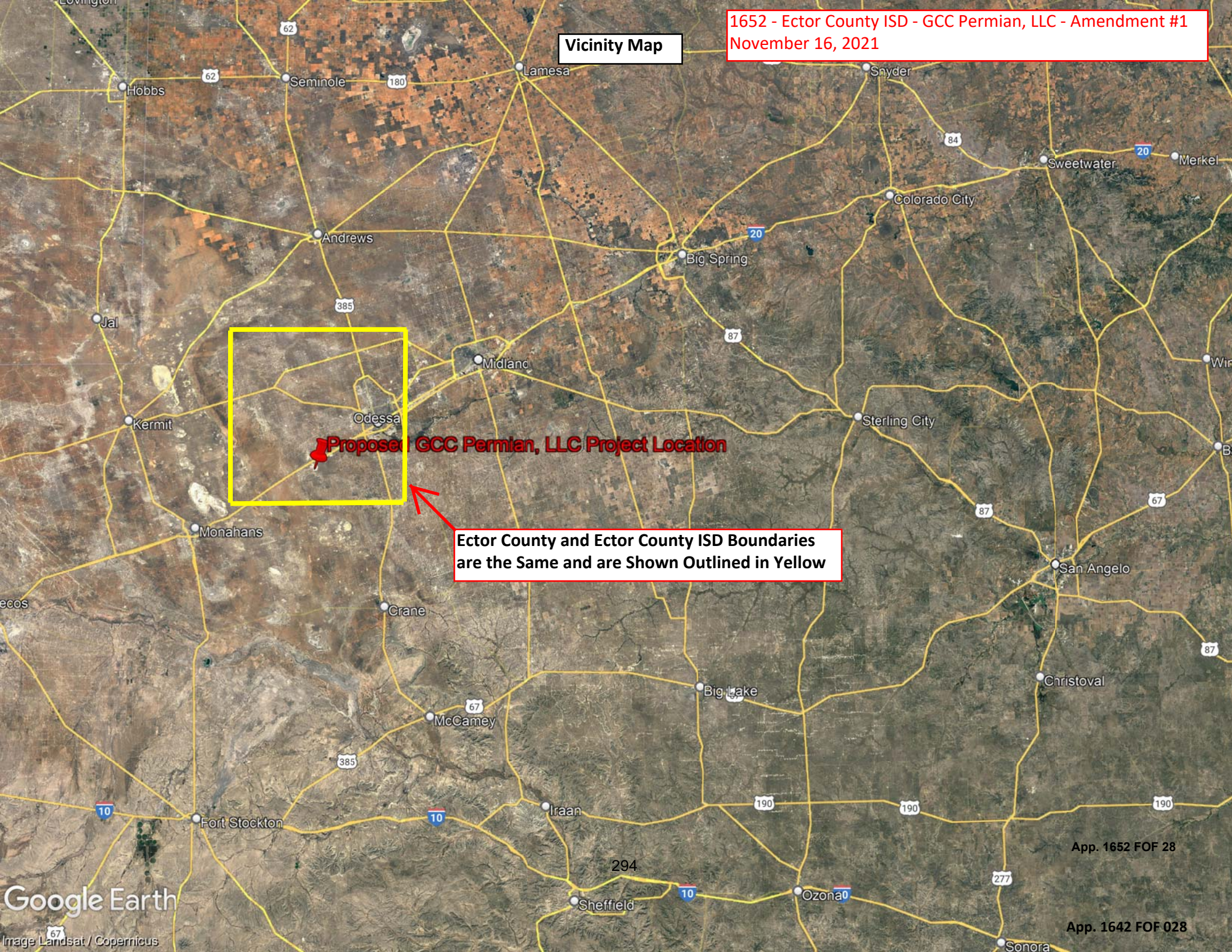


TAB 11

Maps that clearly show:

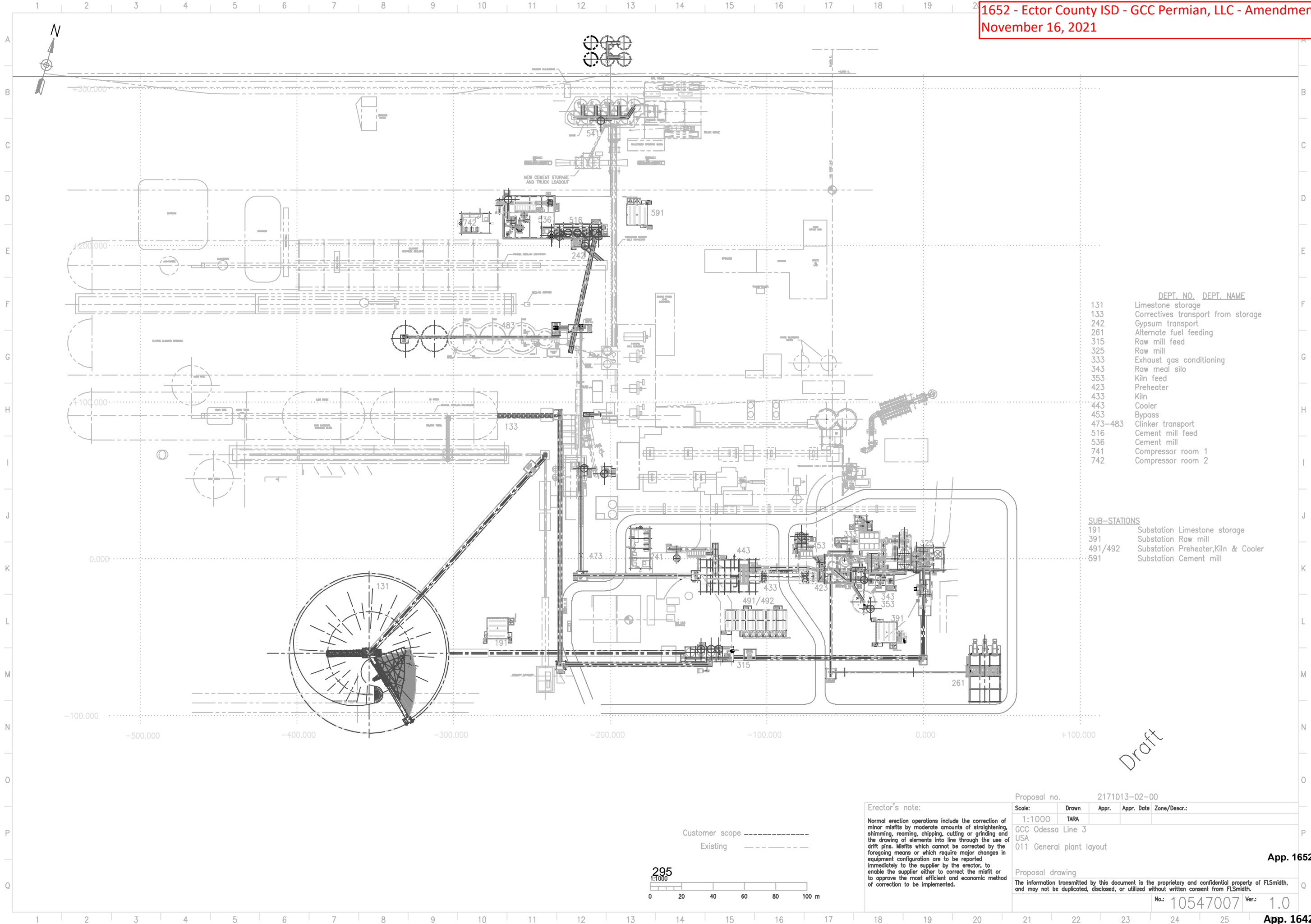
- a) Project vicinity
- b) Qualified investment including location of new building or new improvements
- c) Qualified property including location of new building or new improvements
- d) Existing property
- e) Land location within vicinity map
- f) Reinvestment or Enterprise Zone within vicinity map,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

Vicinity Map



Proposed GCC Permian, LLC Project Location

**Ector County and Ector County ISD Boundaries
are the Same and are Shown Outlined in Yellow**

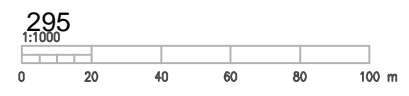


| DEPT. NO. | DEPT. NAME |
|-----------|------------------------------------|
| 131 | Limestone storage |
| 133 | Correctives transport from storage |
| 242 | Gypsum transport |
| 261 | Alternate fuel feeding |
| 315 | Raw mill feed |
| 325 | Raw mill |
| 333 | Exhaust gas conditioning |
| 343 | Raw meal silo |
| 353 | Kiln feed |
| 423 | Preheater |
| 433 | Kiln |
| 443 | Cooler |
| 453 | Bypass |
| 473-483 | Clinker transport |
| 516 | Cement mill feed |
| 536 | Cement mill |
| 741 | Compressor room 1 |
| 742 | Compressor room 2 |

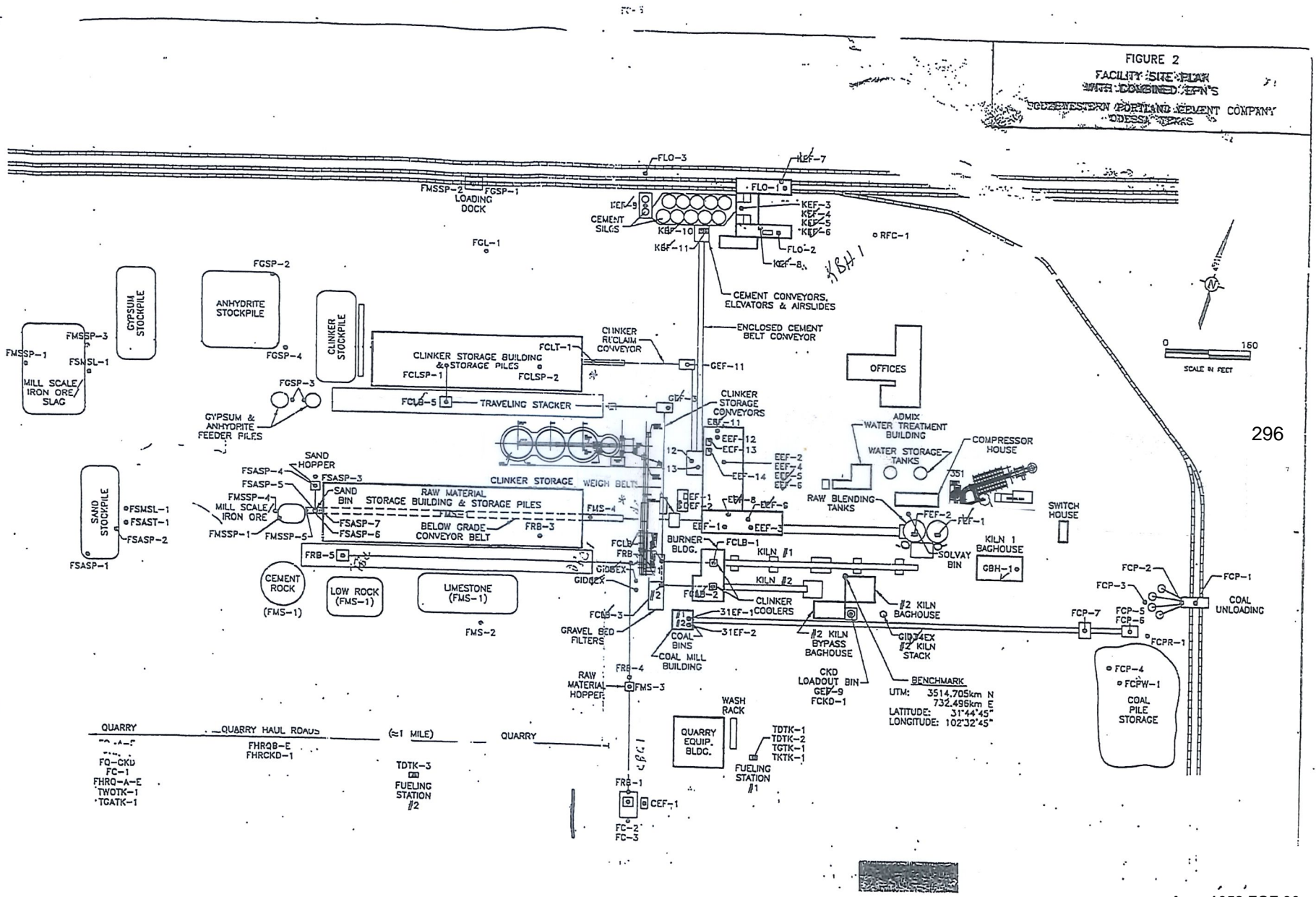
| SUB-STATIONS | DEPT. NO. | DEPT. NAME |
|--------------|------------|--------------------------|
| 191 | Substation | Limestone storage |
| 391 | Substation | Raw mill |
| 491/492 | Substation | Preheater, Kiln & Cooler |
| 591 | Substation | Cement mill |

Draft

Erector's note:
Normal erection operations include the correction of minor misfits by moderate amounts of straightening, shimming, reaming, chipping, cutting or grinding and the drawing of elements into line through the use of drift pins. Misfits which cannot be corrected by the foregoing means or which require major changes in equipment configuration are to be reported immediately to the supplier by the erector, to enable the supplier either to correct the misfit or to approve the most efficient and economic method of correction to be implemented.



| | | | | | | |
|---|---------------|-------|------------|--------------|-------|-----|
| Proposal no. | 2171013-02-00 | | | | | |
| Scale: | Drawn | Appr. | Appr. Date | Zone/Descr.: | | |
| 1:1000 | TARA | | | | | |
| GCC Odessa Line 3 USA 011 General plant layout | | | | | | |
| Proposal drawing | | | | | | |
| The information transmitted by this document is the proprietary and confidential property of FLSmidth, and may not be duplicated, disclosed, or utilized without written consent from FLSmidth. | | | | | | |
| No.: | 10547007 | | | | Ver.: | 1.0 |





New Intermediate
Cement Silos

Green dashed lines indicate new
materials conveyor systems

New Proposed
Cement Mill, Mill
Feed & Gypsum Unit

New
Substation

New Clinker
Process Silo

Proposed New Bag House

Proposed Site of New Kiln 3 Equipment

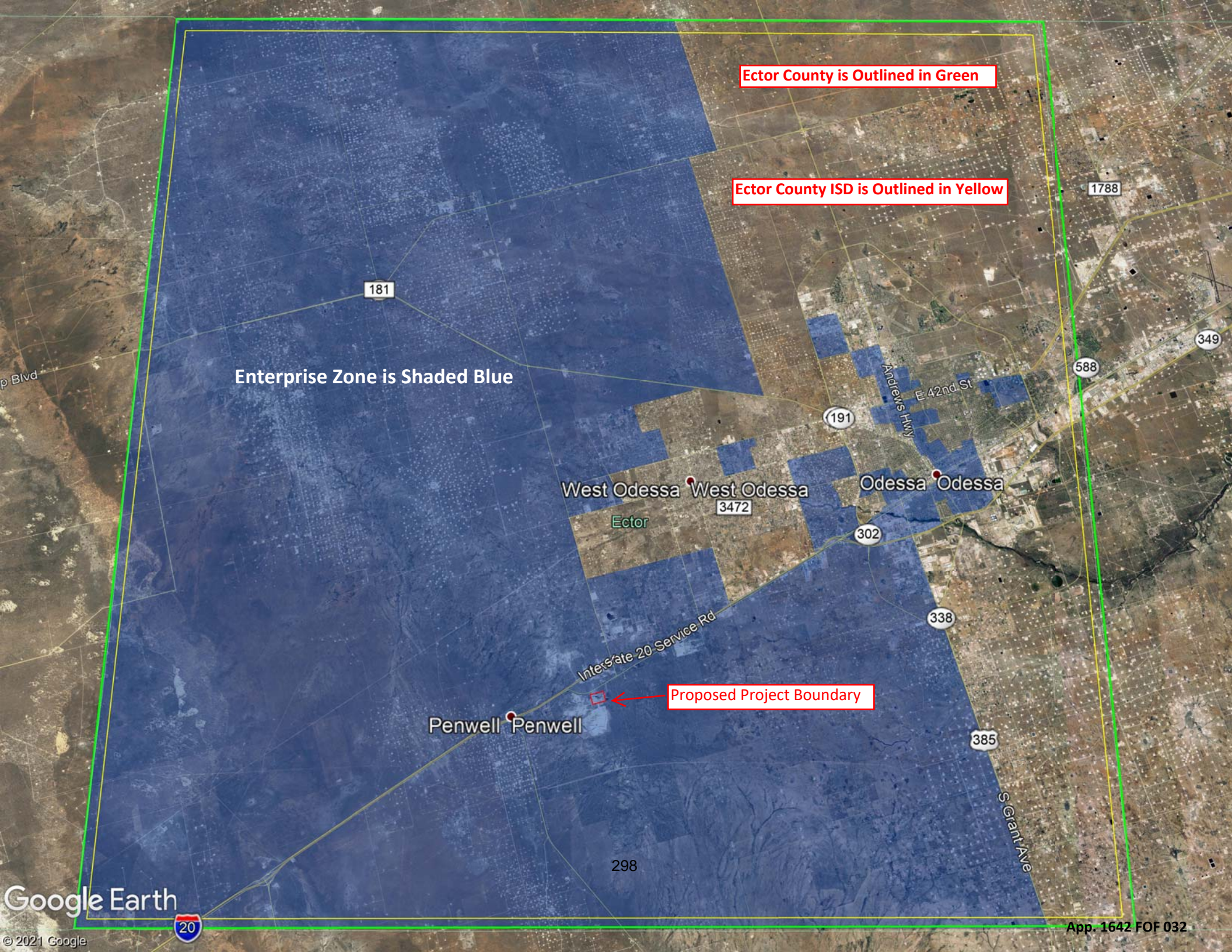
New
Limestone
Process
Silo

New
Substation

New
Substation

Project Boundary is Outlined in Red

App. 1642 FOP 031

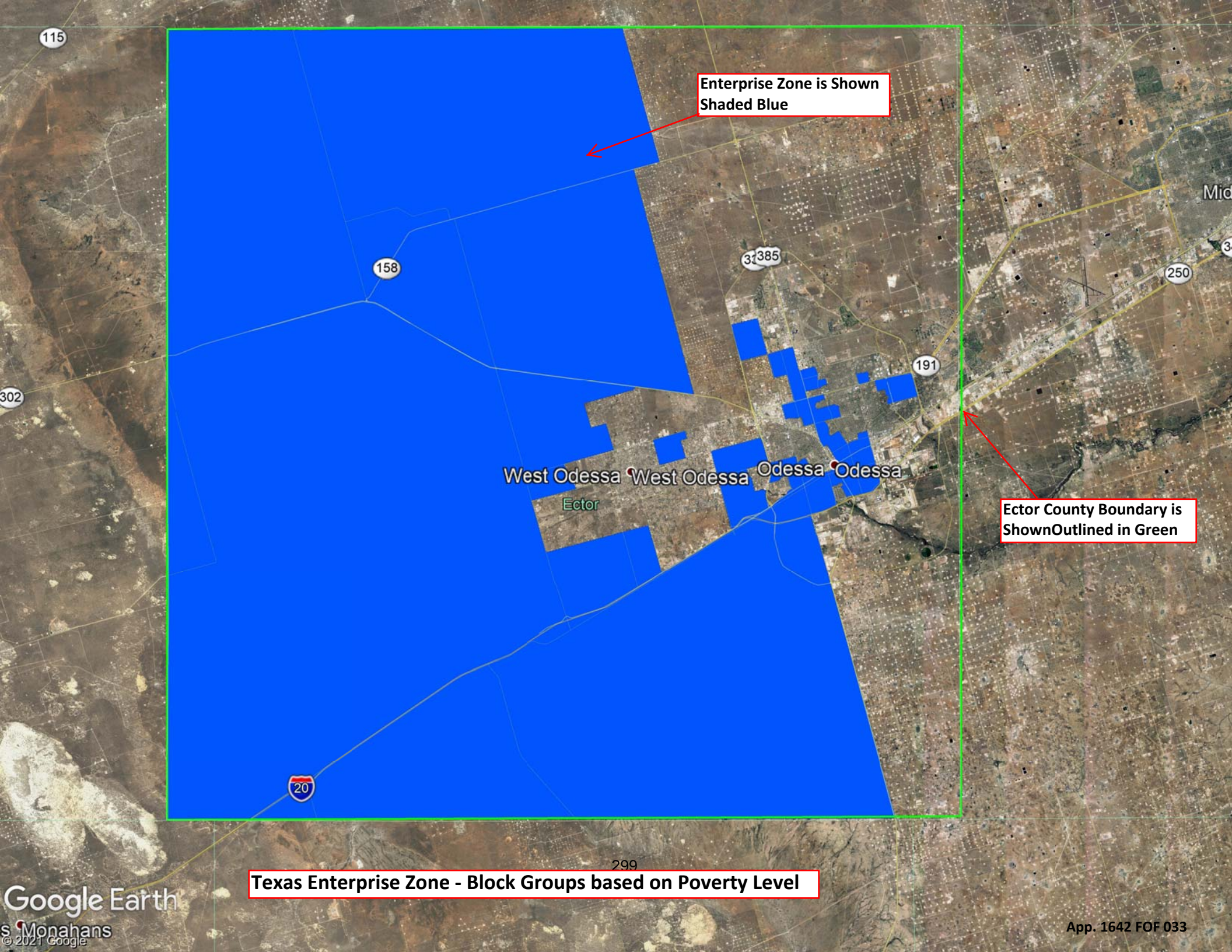


Ector County is Outlined in Green

Ector County ISD is Outlined in Yellow

Enterprise Zone is Shaded Blue

Proposed Project Boundary



Enterprise Zone is Shown Shaded Blue

Ector County Boundary is Shown Outlined in Green

Texas Enterprise Zone - Block Groups based on Poverty Level



TAB 12

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

See Attached



CUMMINGS WESTLAKE
PROPERTY TAX ADVISORS

November 16, 2021

Dr. Scott Muri
Superintendent, Ector County Independent School District
802 North Sam Houston
Odessa, TX 79761

Re: Chapter 313 Jobs Waiver Request

Dear Superintendent Muri,

GCC Permian, LLC requests that the Ector County Independent School District's Board of Trustees waive the job requirement provision as allowed by Section 313.025(f-1) of the Tax Code. This waiver would be based on the school district's board findings that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application.

GCC Permian, LLC requests that the Board of Trustees make such a finding and waive the job creation requirement for 25 permanent jobs. The size of the project will increase capacity of the current facility; however, the industry standard for employment in this type of industry for this size of project is 5 employees. Accordingly, GCC Permian, LLC has committed to create five (5) total jobs for the project.

This number will vary depending on the operations and maintenance requirements of the equipment selected as well as the support and technical assistance offered by the equipment manufacturer. The permanent employees of a project maintain, and service the manufacturing equipment and other infrastructure associated with the safe and reliable operation of the project. In addition to the onsite employees, there may be managers or technicians who support the project from offsite locations.

Sincerely,

Sam A. Gregson
Senior Consultant

16410 N Eldridge Pkwy | Tomball, Texas 77377

P: 713.266.4456 W: cwlp.net



TAB 13

Calculation of three possible wage requirements with TWC documentation

- 1) Ector County average weekly wage for all jobs (all industries)
 - \$1,163.50 Average Weekly Wage or \$60,502.00 Annualized
- 2) Ector County average weekly wage for all jobs (manufacturing)
 - \$1,546.33 Average Weekly Wage or \$80,408.90 Annualized
- 3) See attached Council of Governments Regional Wage Calculation and Documentation
 - \$962.48 Average Weekly Wage or \$50,048.90 Annualized

GCC PERMIAN, LLC
TAB 13 TO CHAPTER 313 APPLICATION

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

| QUARTER | YEAR | AVG WEEKLY WAGES* | ANNUALIZED |
|---------|------|-------------------|--------------|
| THIRD | 2020 | \$ 1,095 | \$ 56,940 |
| FOURTH | 2020 | \$ 1,182 | \$ 61,464 |
| FIRST | 2021 | \$ 1,094 | \$ 56,888 |
| SECOND | 2021 | \$ 1,153 | \$ 59,956 |
| AVERAGE | | \$ 1,131.00 | \$ 58,812.00 |

ECTOR COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS

| QUARTER | YEAR | AVG WEEKLY WAGES* | ANNUALIZED |
|---------|------|-------------------|--------------|
| THIRD | 2020 | \$ 1,295 | \$ 67,340 |
| FOURTH | 2020 | \$ 1,514 | \$ 78,728 |
| FIRST | 2021 | \$ 1,425 | \$ 74,100 |
| SECOND | 2021 | \$ 1,477 | \$ 76,804 |
| AVERAGE | | \$ 1,427.75 | \$ 74,243.00 |
| X | | 110% | 110% |
| | | \$ 1,570.53 | \$ 81,667.30 |

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

| YEAR | AVG WEEKLY WAGES* | ANNUALIZED |
|------|-------------------|--------------|
| 2020 | \$ 903 | \$ 46,945 |
| X | 110% | 110% |
| | \$ 993.07 | \$ 51,639.50 |

* SEE ATTACHED TWC DOCUMENTATION

| Year | Period | Area | Ownership | Industry Code | Industry | Level | Average Weekly Wage |
|------|--------|-------|-----------|---------------|-----------------------|-------|---------------------|
| 2020 | 03 | Ector | Total All | 10 | Total, All Industries | 0 | 1,095 |
| 2020 | 04 | Ector | Total All | 10 | Total, All Industries | 0 | 1,182 |
| 2021 | 01 | Ector | Total All | 10 | Total, All Industries | 0 | 1,094 |
| 2021 | 02 | Ector | Total All | 10 | Total, All Industries | 0 | 1,153 |

| Year | Period | Area | Ownership | Industry Code | Industry | Level | Average Weekly Wage |
|------|--------|-------|-----------|---------------|---------------|-------|---------------------|
| 2020 | 03 | Ector | Private | 31-33 | Manufacturing | 2 | 1,295 |
| 2020 | 04 | Ector | Private | 31-33 | Manufacturing | 2 | 1,514 |
| 2021 | 01 | Ector | Private | 31-33 | Manufacturing | 2 | 1,425 |
| 2021 | 02 | Ector | Private | 31-33 | Manufacturing | 2 | 1,477 |

**2020 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

| COG | COG Number | Wages | |
|---|------------|----------------|-----------------|
| | | Hourly | Annual |
| Panhandle Regional Planning Commission | 1 | \$23.32 | \$48,501 |
| South Plains Association of Governments | 2 | \$20.42 | \$42,473 |
| NORTEX Regional Planning Commission | 3 | \$20.64 | \$42,928 |
| North Central Texas Council of Governments | 4 | \$32.34 | \$67,261 |
| Ark-Tex Council of Governments | 5 | \$21.30 | \$44,299 |
| East Texas Council of Governments | 6 | \$29.28 | \$60,904 |
| West Central Texas Council of Governments | 7 | \$21.54 | \$44,797 |
| Rio Grande Council of Governments | 8 | \$19.02 | \$39,552 |
| Permian Basin Regional Planning Commission | 9 | \$22.57 | \$46,945 |
| Concho Valley Council of Governments | 10 | \$27.28 | \$56,739 |
| Heart of Texas Council of Governments | 11 | \$23.41 | \$48,696 |
| Capital Area Council of Governments | 12 | \$29.96 | \$62,326 |
| Brazos Valley Council of Governments | 13 | \$18.41 | \$38,286 |
| Deep East Texas Council of Governments | 14 | \$21.07 | \$43,829 |
| South East Texas Regional Planning Commission | 15 | \$27.38 | \$56,957 |
| Houston-Galveston Area Council | 16 | \$29.83 | \$62,050 |
| Golden Crescent Regional Planning Commission | 17 | \$22.09 | \$45,945 |
| Alamo Area Council of Governments | 18 | \$27.45 | \$57,101 |
| South Texas Development Council | 19 | \$19.20 | \$39,945 |
| Coastal Bend Council of Governments | 20 | \$35.39 | \$73,603 |
| Lower Rio Grande Valley Development Council | 21 | \$20.70 | \$43,056 |
| Texoma Council of Governments | 22 | \$19.18 | \$39,897 |
| Central Texas Council of Governments | 23 | \$21.34 | \$44,390 |
| Middle Rio Grande Development Council | 24 | \$22.98 | \$47,809 |
| Texas | | \$28.00 | \$58,233 |

110% X \$46,945 = \$51,639.50

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

Data published: August 2021.

Data published annually, next update will likely be July 31, 2022

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 and Wage Statistics (OEWS) 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 and C completed and signed Economic Impact (if applicable)

See attached Schedules A1, A2, B and C

Date 8/19/2021
 Applicant Name GCC PERMAN, LLC
 ISD Name ECTOR ISD

1652 - Ector County ISD - GCC Permian, LLC - Amendment #1
 November 16, 2021

| PROPERTY INVESTMENT AMOUNTS | | | | | | | | |
|--|------|-------------------------|---|--|--|--|---|---|
| (Estimated Investment in each year. Do not put cumulative totals.) | | | | | | | | |
| | | | | Column A | Column B | Column C | Column D | Column E |
| | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year below) YYYY | 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 new investment made during this year that will <u>not</u> 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) |
| Investment made before filing complete application with district | | | | Not eligible to become Qualified Property | | | [The only other investment made before filing complete application with district that may become Qualified Property is land.] | |
| Investment made after filing complete application with district, but before final board approval of application | -- | | | 0 | 0 | 0 | 0 | 0 |
| Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period | | 2022-2023 | 2022 | 90,100,000 | 0 | 0 | 0 | 90,100,000 |
| | QTP1 | 2023-2024 | 2023 | 237,700,000 | 0 | 0 | 0 | 237,700,000 |
| | QTP2 | 2024-2025 | 2024 | 33,200,000 | 0 | 0 | 0 | 33,200,000 |
| Total Investment through Qualifying Time Period [ENTER this row in Schedule A2] | | | | 361,000,000 | 0 | 0 | 0 | 361,000,000 |
| | | | | Enter amounts from TOTAL row above in Schedule A2 | | | | |
| Total Qualified Investment (sum of green cells) | | | | 270,900,000 | | | | |

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 that will not become qualified property include 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.

Date 8/19/2021
 Applicant Name GCC PERMIAN, LLC
 ISD Name ECTOR ISD

Schedule A2: Total Investment for Economic Impact (including Qualified Property and other investments)

1652 - Ector County ISD - GCC Permian, LLC - Amendment #1
 November 16, 2021

| PROPERTY INVESTMENT AMOUNTS | | | | | | | | |
|--|------|--------------------------------|---|--|--|--|---|----------------------------|
| (Estimated Investment in each year. Do not put cumulative totals.) | | | | | | | | |
| | | | | Column A | Column B | Column C | Column D | Column E |
| | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year below) YYYY | 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) |
| Total Investment from Schedule A1* | -- | TOTALS FROM SCHEDULE A1 | | 361,000,000 | 0 | 0 | 0 | 361,000,000 |
| Each year prior to start of value limitation period** <i>Insert as many rows as necessary</i> | 0 | 2022-2023 | 2022 | | | | | |
| | | 2023-2024 | 2023 | | | | | |
| | 0 | 2024-2025 | 2024 | | | | | |
| Value limitation period*** | 1 | 2025-2026 | 2025 | | | | | 0 |
| | 2 | 2026-2027 | 2026 | | | | | |
| | 3 | 2027-2028 | 2027 | | | | | |
| | 4 | 2028-2029 | 2028 | | | | | |
| | 5 | 2029-2030 | 2029 | | | | | |
| | 6 | 2030-2031 | 2030 | | | | | |
| | 7 | 2031-2032 | 2031 | | | | | |
| | 8 | 2032-2033 | 2032 | | | | | |
| | 9 | 2033-2034 | 2033 | | | | | |
| | 10 | 2034-2035 | 2034 | | | | | |
| Total Investment made through limitation | | | | 361,000,000 | 0 | 0 | 0 | 361,000,000 |
| Continue to maintain viable presence | 11 | 2035-2036 | 2035 | | | | | |
| | 12 | 2036-2037 | 2036 | | | | | |
| | 13 | 2037-2038 | 2037 | | | | | |
| | 14 | 2038-2039 | 2038 | | | | | |
| | 15 | 2039-2040 | 2039 | | | | | |
| Additional years for 25 year economic impact as required by 313.026(c)(1) | 16 | 2040-2041 | 2040 | | | | | |
| | 17 | 2041-2042 | 2041 | | | | | |
| | 18 | 2042-2043 | 2042 | | | | | |
| | 19 | 2043-2044 | 2043 | | | | | |
| | 20 | 2044-2045 | 2044 | | | | | |
| | 21 | 2045-2046 | 2045 | | | | | |
| | 22 | 2046-2047 | 2046 | | | | | |
| | 23 | 2047-2048 | 2047 | | | | | |
| | 24 | 2048-2049 | 2048 | | | | | |
| | 25 | 2049-2050 | 2049 | | | | | |

* 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 313.021(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.

Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)

1652 - Ector County ISD - GCC Permian, LLC - Amendment #1
November 16, 2021

Date
Applicant Name
ISD Name

8/19/2021
GCC PERMIAN, LLC
ECTOR ISD

Revised October 2020

| | | | | Qualified Property | | | Estimated Taxable Value | | |
|--|------|-------------------------|---|--------------------------------|---|--|--|--|--|
| | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year) YYYY | 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 I&S 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 | 0 | 0 | 0 | 0 |
| | | 2023-2024 | 2023 | | | 45,050,000 | 45,050,000 | 45,050,000 | 45,050,000 |
| | 0 | 2024-2025 | 2024 | | - | 163,900,000 | 163,900,000 | 163,900,000 | 163,900,000 |
| Value Limitation Period | 1 | 2025-2026 | 2025 | 0 | 0 | 357,390,000 | 348,455,250 | 348,455,250 | 100,000,000 |
| | 2 | 2026-2027 | 2026 | 0 | 0 | 332,372,700 | 324,063,383 | 324,063,383 | 100,000,000 |
| | 3 | 2027-2028 | 2027 | 0 | 0 | 309,106,611 | 301,378,946 | 301,378,946 | 100,000,000 |
| | 4 | 2028-2029 | 2028 | 0 | 0 | 287,469,148 | 280,282,420 | 280,282,420 | 100,000,000 |
| | 5 | 2029-2030 | 2029 | 0 | 0 | 267,346,308 | 260,662,650 | 260,662,650 | 100,000,000 |
| | 6 | 2030-2031 | 2030 | 0 | 0 | 248,632,066 | 242,416,265 | 242,416,265 | 100,000,000 |
| | 7 | 2031-2032 | 2031 | 0 | 0 | 231,227,822 | 225,447,126 | 225,447,126 | 100,000,000 |
| | 8 | 2032-2033 | 2032 | 0 | 0 | 215,041,874 | 209,665,827 | 209,665,827 | 100,000,000 |
| | 9 | 2033-2034 | 2033 | 0 | 0 | 199,988,943 | 194,989,219 | 194,989,219 | 100,000,000 |
| | 10 | 2034-2035 | 2034 | 0 | 0 | 185,989,717 | 181,339,974 | 181,339,974 | 100,000,000 |
| Continue to maintain viable presence | 11 | 2035-2036 | 2035 | 0 | 0 | 172,970,437 | 168,646,176 | 168,646,176 | 168,646,176 |
| | 12 | 2036-2037 | 2036 | 0 | 0 | 160,862,506 | 156,840,944 | 156,840,944 | 156,840,944 |
| | 13 | 2037-2038 | 2037 | 0 | 0 | 149,602,131 | 145,862,077 | 145,862,077 | 145,862,077 |
| | 14 | 2038-2039 | 2038 | 0 | 0 | 139,129,982 | 135,651,732 | 135,651,732 | 135,651,732 |
| | 15 | 2039-2040 | 2039 | 0 | 0 | 129,390,883 | 126,156,111 | 126,156,111 | 126,156,111 |
| Additional years for 25 year economic impact as required by 313.026(c)(1) | 16 | 2040-2041 | 2040 | 0 | 0 | 120,333,521 | 117,325,183 | 117,325,183 | 117,325,183 |
| | 17 | 2041-2042 | 2041 | 0 | 0 | 111,910,175 | 109,112,420 | 109,112,420 | 109,112,420 |
| | 18 | 2042-2043 | 2042 | 0 | 0 | 104,076,462 | 101,474,551 | 101,474,551 | 101,474,551 |
| | 19 | 2043-2044 | 2043 | 0 | 0 | 96,791,110 | 94,371,332 | 94,371,332 | 94,371,332 |
| | 20 | 2044-2045 | 2044 | 0 | 0 | 90,015,732 | 87,765,339 | 87,765,339 | 87,765,339 |
| | 21 | 2045-2046 | 2045 | 0 | 0 | 83,714,631 | 81,621,765 | 81,621,765 | 81,621,765 |
| | 22 | 2046-2047 | 2046 | 0 | 0 | 77,854,607 | 75,908,242 | 75,908,242 | 75,908,242 |
| | 23 | 2047-2048 | 2047 | 0 | 0 | 72,404,784 | 70,594,665 | 70,594,665 | 70,594,665 |
| | 24 | 2048-2049 | 2048 | 0 | 0 | 67,336,449 | 65,653,038 | 65,653,038 | 65,653,038 |
| | 25 | 2049-2050 | 2049 | 0 | 0 | 62,622,898 | 61,057,326 | 61,057,326 | 61,057,326 |

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.

Schedule C: Employment Information

Date 8/19/2021
Applicant Name GCC PERMIAN, LLC
ISD Name ECTOR ISD

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 | 2022-2023 | 2022 | 350 FTE | 52,500 | 0 | 0 | 0 |
| | | 2023-2024 | 2023 | 350 FTE | 52,500 | 0 | 0 | 0 |
| | 0 | 2024-2025 | 2024 | 350FTE | 52,500 | 0 | 0 | 0 |
| Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i> | 1 | 2025-2026 | 2025 | N/A | N/A | | 5 | 51,650 |
| | 2 | 2026-2027 | 2026 | N/A | N/A | 0 | 5 | 51,650 |
| | 3 | 2027-2028 | 2027 | N/A | N/A | 0 | 5 | 51,650 |
| | 4 | 2028-2029 | 2028 | N/A | N/A | 0 | 5 | 311 51,650 |
| | 5 | 2029-2030 | 2029 | N/A | N/A | 0 | 5 | 51,650 |
| | 6 | 2030-2031 | 2030 | N/A | N/A | 0 | 5 | 51,650 |
| | 7 | 2031-2032 | 2031 | N/A | N/A | 0 | 5 | 51,650 |
| | 8 | 2032-2033 | 2032 | N/A | N/A | 0 | 5 | 51,650 |
| | 9 | 2033-2034 | 2033 | N/A | N/A | 0 | 5 | 51,650 |
| | 10 | 2034-2035 | 2034 | N/A | N/A | 0 | 5 | 51,650 |
| Years Following Value Limitation Period | 11 through 25 | 2035-2050 | 2035-2049 | N/A | N/A | 0 | 5 | 51,650 |

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 an 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*

- a) The area qualifies as an Enterprise Zone as defined by the Governor's office because it is in a block group within the State of Texas that has a poverty rate of 20 percent or more
- b) Not Applicable
- c) Not Applicable
- d) Not Applicable



TAB 17

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 Muri
Print Name (Authorized School District Representative)

Superintendent
Title

sign here [Signature]
Signature (Authorized School District Representative)

9-23-21
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.

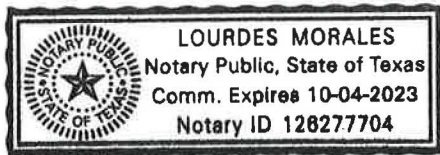
I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print here Luis Carlos Arias
Print Name (Authorized Company Representative (Applicant))

Chief Financial Officer
Title

sign here [Signature]
Signature (Authorized Company Representative (Applicant))

09/02/2021
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

2nd day of September, 2021
Lourdes Morales
Notary Public in and for the State of Texas

My Commission expires: October 04, 2023

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.

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-B

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 Muri

Print Name (Authorized School District Representative)

sign here

Signature (Authorized School District Representative)

Superintendent

Title

11-18-21

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

Luis Carlos Arias

Print Name (Authorized Company Representative (Applicant))

sign here

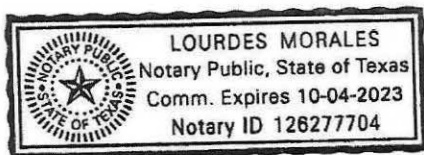
Signature (Authorized Company Representative (Applicant))

Chief Financial Officer

Title

11-16-2021

Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

16th day of November, 2021

Lourdes Morales

Notary Public in and for the State of Texas

My Commission expires: October 04, 2023

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.



Franchise Tax Account Status

As of : 04/09/2022 13:33:39

This page is valid for most business transactions but is not sufficient for filings with the Secretary of State

| GCC PERMIAN, LLC | |
|--|---|
| Texas Taxpayer Number | 32061586312 |
| Mailing Address | PO BOX 100 TIJERAS, NM 87059-0100 |
| Right to Transact Business in Texas | ACTIVE |
| State of Formation | DE |
| Effective SOS Registration Date | 09/16/2016 |
| Texas SOS File Number | 0802544446 |
| Registered Agent Name | C T CORPORATION SYSTEM |
| Registered Office Street Address | 1999 BRYAN ST., STE. 900 DALLAS, TX 75201 |

**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O. Box 13528 • Austin, TX 78711-3528

March 9, 2022

Dr. Scott Muri
Superintendent
Ector County Independent School District
802 North Sam Houston
Odessa, Texas 79761

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Ector County Independent School District and GCC Permian, LLC, Application 1652

Dear Superintendent Muri:

On December 10, 2021, the Comptroller issued written notice that GCC Permian, LLC (applicant) submitted a completed application (Application 1652) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on September 21, 2021, to the Ector County Independent School District (school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter B; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

Sec. 313.024(a) Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b) Applicant is proposing to use the property for an eligible project.

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

Sec. 313.024(d) Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.

Sec. 313.024(d-2) Not applicable to Application 1652.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter B.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school 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, see Attachment B.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state, see Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

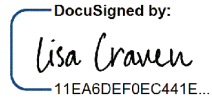
The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement by December 31, 2022.

Note that any building or improvement existing as of the application review start date of December 10, 2021, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at will.counihan@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,

DocuSigned by:

11EA6DEF0EC441E...

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of GCC Permian, LLC (project) applying to Ector County Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of GCC Permian, LLC.

| | |
|---|------------------|
| Applicant | GCC Permian, LLC |
| Tax Code, 313.024 Eligibility Category | Manufacturing |
| School District | Ector County ISD |
| 2020-2021 Average Daily Attendance | 29,754 |
| County | Ector |
| Proposed Total Investment in District | \$361,000,000 |
| Proposed Qualified Investment | \$270,900,000 |
| Limitation Amount | \$100,000,000 |
| Qualifying Time Period (Full Years) | 2023-2024 |
| Number of new qualifying jobs committed to by applicant | 5* |
| Number of new non-qualifying jobs estimated by applicant | 0 |
| Average weekly wage of qualifying jobs committed to by applicant | \$993.27 |
| Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B) | \$993.07 |
| Minimum annual wage committed to by applicant for qualified jobs | \$51,650 |
| Minimum weekly wage required for non-qualifying jobs | \$1,132 |
| Minimum annual wage required for non-qualifying jobs | \$58,864 |
| Investment per Qualifying Job | \$72,200,000 |
| Estimated M&O levy without any limit (15 years) | \$37,028,493 |
| Estimated M&O levy with Limitation (15 years) | \$20,483,403 |
| Estimated gross M&O tax benefit (15 years) | \$16,545,090 |

* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).

Table 2 is the estimated statewide economic impact of GCC Permian, LLC (modeled).

| Year | Employment | | | Personal Income | | |
|------|------------|--------------------|-------|-----------------|--------------------|--------------|
| | Direct | Indirect + Induced | Total | Direct | Indirect + Induced | Total |
| 2022 | 350 | 418 | 768 | \$18,375,000 | \$41,625,000 | \$60,000,000 |
| 2023 | 350 | 438 | 788 | \$18,375,000 | \$48,625,000 | \$67,000,000 |
| 2024 | 350 | 442 | 792 | \$18,375,000 | \$53,625,000 | \$72,000,000 |
| 2025 | 5 | 64 | 69 | \$258,250 | \$15,741,750 | \$16,000,000 |
| 2026 | 5 | 27 | 32 | \$258,250 | \$9,741,750 | \$10,000,000 |
| 2027 | 5 | (3) | 2 | \$258,250 | \$5,741,750 | \$6,000,000 |
| 2028 | 5 | (15) | -10 | \$258,250 | \$3,741,750 | \$4,000,000 |
| 2029 | 5 | (16) | -11 | \$258,250 | \$2,741,750 | \$3,000,000 |
| 2030 | 5 | (11) | -6 | \$258,250 | \$1,741,750 | \$2,000,000 |
| 2031 | 5 | (4) | 1 | \$258,250 | \$2,741,750 | \$3,000,000 |
| 2032 | 5 | 4 | 9 | \$258,250 | \$2,741,750 | \$3,000,000 |
| 2033 | 5 | 10 | 15 | \$258,250 | \$3,741,750 | \$4,000,000 |
| 2034 | 5 | 15 | 20 | \$258,250 | \$3,741,750 | \$4,000,000 |
| 2035 | 5 | 13 | 18 | \$258,250 | \$3,741,750 | \$4,000,000 |
| 2036 | 5 | 14 | 19 | \$258,250 | \$3,741,750 | \$4,000,000 |

Source: CPA REMI, GCC Permian, LLC

Table 3 examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

| Year | Estimated Taxable Value for I&S | Estimated Taxable Value for M&O | Tax Rate* | Ector County ISD I&S Tax Levy | Ector County ISD M&O Tax Levy | Ector County M&O and I&S Tax Levies | Ector County Tax Levy | Ector County Hosp. Dist. Tax Levy | Odessa College Tax Levy | Estimated Total Property Taxes |
|------|---------------------------------|---------------------------------|--------------|-------------------------------|-------------------------------|-------------------------------------|-----------------------|-----------------------------------|-------------------------|--------------------------------|
| | | | | 0.1232 | 1.0547 | | 0.3650 | 0.1500 | 0.1890 | |
| 2023 | \$45,050,000 | \$45,050,000 | | \$55,511 | \$475,142 | \$530,653 | \$164,433 | \$67,575 | \$85,145 | \$847,805 |
| 2024 | \$163,900,000 | \$163,900,000 | | \$201,958 | \$1,728,653 | \$1,930,611 | \$598,235 | \$245,850 | \$309,771 | \$3,084,467 |
| 2025 | \$348,455,250 | \$348,455,250 | | \$429,367 | \$3,675,158 | \$4,104,524 | \$1,271,862 | \$522,683 | \$658,580 | \$6,557,649 |
| 2026 | \$324,063,383 | \$324,063,383 | | \$399,311 | \$3,417,896 | \$3,817,207 | \$1,182,831 | \$486,095 | \$612,480 | \$6,098,614 |
| 2027 | \$301,378,946 | \$301,378,946 | | \$371,359 | \$3,178,644 | \$3,550,003 | \$1,100,033 | \$452,068 | \$569,606 | \$5,671,711 |
| 2028 | \$280,282,420 | \$280,282,420 | | \$345,364 | \$2,956,139 | \$3,301,503 | \$1,023,031 | \$420,424 | \$529,734 | \$5,274,691 |
| 2029 | \$260,662,650 | \$260,662,650 | | \$321,189 | \$2,749,209 | \$3,070,397 | \$951,419 | \$390,994 | \$492,652 | \$4,905,463 |
| 2030 | \$242,416,265 | \$242,416,265 | | \$298,705 | \$2,556,764 | \$2,855,470 | \$884,819 | \$363,624 | \$458,167 | \$4,562,080 |
| 2031 | \$225,447,126 | \$225,447,126 | | \$277,796 | \$2,377,791 | \$2,655,587 | \$822,882 | \$338,171 | \$426,095 | \$4,242,735 |
| 2032 | \$209,665,827 | \$209,665,827 | | \$258,350 | \$2,211,345 | \$2,469,696 | \$765,280 | \$314,499 | \$396,268 | \$3,945,743 |
| 2033 | \$194,989,219 | \$194,989,219 | | \$240,266 | \$2,056,551 | \$2,296,817 | \$711,711 | \$292,484 | \$368,530 | \$3,669,541 |
| 2034 | \$181,339,974 | \$181,339,974 | | \$223,447 | \$1,912,593 | \$2,136,040 | \$661,891 | \$272,010 | \$342,733 | \$3,412,673 |
| 2035 | \$168,646,176 | \$168,646,176 | | \$207,806 | \$1,778,711 | \$1,986,517 | \$615,559 | \$252,969 | \$318,741 | \$3,173,786 |
| 2036 | \$156,840,944 | \$156,840,944 | | \$193,259 | \$1,654,201 | \$1,847,461 | \$572,469 | \$235,261 | \$296,429 | \$2,951,621 |
| 2037 | \$145,862,077 | \$145,862,077 | | \$179,731 | \$1,538,407 | \$1,718,139 | \$532,397 | \$218,793 | \$275,679 | \$2,745,008 |
| 2038 | \$135,651,732 | \$135,651,732 | | \$167,150 | \$1,430,719 | \$1,597,869 | \$495,129 | \$203,478 | \$256,382 | \$2,552,857 |
| 2039 | \$126,156,111 | \$126,156,111 | | \$155,450 | \$1,330,569 | \$1,486,018 | \$460,470 | \$189,234 | \$238,435 | \$2,374,157 |
| | | | Total | \$4,326,018 | \$37,028,493 | \$41,354,511 | \$12,814,450 | \$5,266,212 | \$6,635,427 | \$66,070,600 |

Source: CPA, GCC Permian, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Ector County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

| Year | Estimated Taxable Value for I&S | Estimated Taxable Value for M&O | | Ector County ISD I&S Tax Levy | Ector County ISD M&O Tax Levy | Ector County M&O and I&S Tax Levies | Ector County Tax Levy | Ector County Hosp. Dist. Tax Levy | Odessa College Tax Levy | Estimated Total Property Taxes |
|------|---------------------------------|---------------------------------|--------------|-------------------------------|-------------------------------|-------------------------------------|-----------------------|-----------------------------------|-------------------------|--------------------------------|
| | | | Tax Rate* | 0.1232 | 1.0547 | | 0.3650 | 0.1500 | 0.1890 | |
| 2023 | \$45,050,000 | \$45,050,000 | | \$55,511 | \$475,142 | \$530,653 | \$164,433 | \$67,575 | \$85,145 | \$762,660 |
| 2024 | \$163,900,000 | \$163,900,000 | | \$201,958 | \$1,728,653 | \$1,930,611 | \$598,235 | \$245,850 | \$309,771 | \$2,774,696 |
| 2025 | \$348,455,250 | \$100,000,000 | | \$429,367 | \$1,054,700 | \$1,484,067 | \$1,271,862 | \$522,683 | \$658,580 | \$3,278,611 |
| 2026 | \$324,063,383 | \$100,000,000 | | \$399,311 | \$1,054,700 | \$1,454,011 | \$1,182,831 | \$486,095 | \$612,480 | \$3,122,937 |
| 2027 | \$301,378,946 | \$100,000,000 | | \$371,359 | \$1,054,700 | \$1,426,059 | \$1,100,033 | \$452,068 | \$569,606 | \$2,978,161 |
| 2028 | \$280,282,420 | \$100,000,000 | | \$345,364 | \$1,054,700 | \$1,400,064 | \$1,023,031 | \$420,424 | \$529,734 | \$2,843,518 |
| 2029 | \$260,662,650 | \$100,000,000 | | \$321,189 | \$1,054,700 | \$1,375,889 | \$951,419 | \$390,994 | \$492,652 | \$2,718,301 |
| 2030 | \$242,416,265 | \$100,000,000 | | \$298,705 | \$1,054,700 | \$1,353,405 | \$884,819 | \$363,624 | \$458,167 | \$2,601,849 |
| 2031 | \$225,447,126 | \$100,000,000 | | \$277,796 | \$1,054,700 | \$1,332,496 | \$822,882 | \$338,171 | \$426,095 | \$2,493,549 |
| 2032 | \$209,665,827 | \$100,000,000 | | \$258,350 | \$1,054,700 | \$1,313,050 | \$765,280 | \$314,499 | \$396,268 | \$2,392,829 |
| 2033 | \$194,989,219 | \$100,000,000 | | \$240,266 | \$1,054,700 | \$1,294,966 | \$711,711 | \$292,484 | \$368,530 | \$2,299,160 |
| 2034 | \$181,339,974 | \$100,000,000 | | \$223,447 | \$1,054,700 | \$1,278,147 | \$661,891 | \$272,010 | \$342,733 | \$2,212,048 |
| 2035 | \$168,646,176 | \$168,646,176 | | \$207,806 | \$1,778,711 | \$1,986,517 | \$615,559 | \$252,969 | \$318,741 | \$2,855,045 |
| 2036 | \$156,840,944 | \$156,840,944 | | \$193,259 | \$1,654,201 | \$1,847,461 | \$572,469 | \$235,261 | \$296,429 | \$2,655,192 |
| 2037 | \$145,862,077 | \$145,862,077 | | \$179,731 | \$1,538,407 | \$1,718,139 | \$532,397 | \$218,793 | \$275,679 | \$2,469,328 |
| 2038 | \$135,651,732 | \$135,651,732 | | \$167,150 | \$1,430,719 | \$1,597,869 | \$495,129 | \$203,478 | \$256,382 | \$2,296,475 |
| 2039 | \$126,156,111 | \$126,156,111 | | \$155,450 | \$1,330,569 | \$1,486,018 | \$460,470 | \$189,234 | \$238,435 | \$2,135,722 |
| | | | | | | | | | | |
| | | | Total | \$4,326,018 | \$20,483,403 | \$24,809,421 | \$12,814,450 | \$5,266,212 | \$6,635,427 | \$42,890,082 |
| | | | Diff | \$0 | \$16,545,090 | \$16,545,090 | \$0 | \$0 | \$0 | \$23,180,517 |

Source: CPA, GCC Permian, LLC

*Tax Rate per \$100 Valuation

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

Attachment B – Tax Revenue before 25th Anniversary of Limitation Start

This represents the Comptroller’s determination that GCC Permian, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, 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. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

| | Tax Year | Estimated ISD M&O Tax Levy Generated (Annual) | Estimated ISD M&O Tax Levy Generated (Cumulative) | Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual) | Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative) |
|---|----------|---|---|---|---|
| Limitation Pre-Years | 2022 | \$0 | \$0 | \$0 | \$0 |
| | 2023 | \$475,142 | \$475,142 | \$0 | \$0 |
| | 2024 | \$1,728,653 | \$2,203,796 | \$0 | \$0 |
| Limitation Period (10 Years) | 2025 | \$1,054,700 | \$3,258,496 | \$2,620,458 | \$2,620,458 |
| | 2026 | \$1,054,700 | \$4,313,196 | \$2,363,197 | \$4,983,654 |
| | 2027 | \$1,054,700 | \$5,367,896 | \$2,123,944 | \$7,107,598 |
| | 2028 | \$1,054,700 | \$6,422,596 | \$1,901,439 | \$9,009,036 |
| | 2029 | \$1,054,700 | \$7,477,296 | \$1,694,509 | \$10,703,545 |
| | 2030 | \$1,054,700 | \$8,531,996 | \$1,502,064 | \$12,205,610 |
| | 2031 | \$1,054,700 | \$9,586,696 | \$1,323,091 | \$13,528,701 |
| | 2032 | \$1,054,700 | \$10,641,396 | \$1,156,645 | \$14,685,346 |
| | 2033 | \$1,054,700 | \$11,696,096 | \$1,001,851 | \$15,687,197 |
| | 2034 | \$1,054,700 | \$12,750,796 | \$857,893 | \$16,545,090 |
| Maintain Viable Presence (5 Years) | 2035 | \$1,778,711 | \$14,529,507 | \$0 | \$16,545,090 |
| | 2036 | \$1,654,201 | \$16,183,708 | \$0 | \$16,545,090 |
| | 2037 | \$1,538,407 | \$17,722,116 | \$0 | \$16,545,090 |
| | 2038 | \$1,430,719 | \$19,152,834 | \$0 | \$16,545,090 |
| | 2039 | \$1,330,569 | \$20,483,403 | \$0 | \$16,545,090 |
| Additional Years as Required by 313.026(c)(1) (10 Years) | 2040 | \$1,237,429 | \$21,720,832 | \$0 | \$16,545,090 |
| | 2041 | \$1,150,809 | \$22,871,640 | \$0 | \$16,545,090 |
| | 2042 | \$1,070,252 | \$23,941,892 | \$0 | \$16,545,090 |
| | 2043 | \$995,334 | \$24,937,227 | \$0 | \$16,545,090 |
| | 2044 | \$925,661 | \$25,862,888 | \$0 | \$16,545,090 |
| | 2045 | \$860,865 | \$26,723,753 | \$0 | \$16,545,090 |
| | 2046 | \$800,604 | \$27,524,357 | \$0 | \$16,545,090 |
| | 2047 | \$744,562 | \$28,268,919 | \$0 | \$16,545,090 |
| | 2048 | \$692,443 | \$28,961,361 | \$0 | \$16,545,090 |
| | 2049 | \$643,972 | \$29,605,333 | \$0 | \$16,545,090 |
| | | \$29,605,333 | is greater than | \$16,545,090 | |

| Analysis Summary | |
|---|-----|
| Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement? | Yes |

NOTE: The analysis above only takes into account this project’s estimated impact on the M&O portion of the school district property tax levy directly related to this project.
Source: CPA, GCC Permian, LLC

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

Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that “the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.” This represents the basis for the Comptroller’s determination.

Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

Determination

The Comptroller **has determined** that the limitation on appraised value is a determining factor in the GCC Permian, LLC’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per GCC Permian, LLC. in Tab 4 of their Application for a Limitation on Appraised Value:
 - A. “The land buildings and equipment currently located at this Ector County GCC Permian facility is used to produce cement, ready-mixed concrete, and aggregates at the existing facility. This proposed project would add 3,000 tons per day production capacity at this existing Odessa, Texas facility.”
 - B. “The equipment proposed for this project will share and interconnect with existing equipment sharing the existing limestone crusher, clinker transport, clinker silos, clinker extraction pan and gypsum system. The finish mill contemplated in this project will grind products from the new line as well as the existing system.”
- Per GCC Permian, LLC. in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “GCC’s vast footprint enables this project to be built and installed in any of the current operating facilities in the US or Latin America.”
 - B. “The ultimate determination for capital investment in a particular country or state depends on the project economics. In the case of the investment on this proposed project in Texas, the decision will be based on a number of commercial and financial considerations, including the ability to obtain relief regarding local property taxes.”
 - C. “Obtaining the Chapter 313 value limitation is a necessary part of the economic analysis and a determining factor for investment in Texas. Without the Chapter 313 value limitation, siting the project in Texas is less attractive. In the current capital constrained environment, the economics of each project are challenged against each other and only the best will have a chance to happen.”
- A September 16, 2019 article from *World Cement* states the following:
 - A. “Grupo Cementos de Chihuahua, S.A.B. de C.V., or GCC, a supplier and producer of cement and concrete in the United States, Mexico and Canada today announced that it has signed a long-term agreement with a leading US-based energy provider to supply solar and wind power to GCC’s

Odessa, Texas cement plant, thereby covering 100% of the electricity consumed at these operations.”

- B. “The 10-year fixed-price agreement takes effect beginning July 2022 and represents a ~22% decrease from the current electricity price for the Odessa plant, translating into ~US\$4.6 million in total savings for this period.”

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 4 of the Application for a Limitation on Appraised Value
- c) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- d) Additional information provided by the Applicant or located by the Comptroller

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

Supporting Information

Section 8 of the Application for a Limitation on Appraised Value

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 February 2022
- 2. Estimated commencement of construction June 2022
- 3. Beginning of qualifying time period (MM/DD/YYYY) January 1, 2023
- 4. First year of limitation (YYYY) January 1, 2025
- 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 September 2024

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%; \$0.3650</u> <small>(Name, tax rate and percent of project)</small> | City: <u>N/A</u> <small>(Name, tax rate and percent of project)</small> |
| Hospital District: <u>Ector County Hosp. Dist; 100%; \$0.1500</u> <small>(Name, tax rate and percent of project)</small> | Water District: <u>N/A</u> <small>(Name, tax rate and percent of project)</small> |
| Other (describe): <u>Odessa College; 100%; \$0.1890</u> <small>(Name, tax rate and percent of project)</small> | Other (describe): <u>N/A</u> <small>(Name, tax rate and percent of project)</small> |

Supporting Information

Attachments provided in Tab 4
of the Application for a
Limitation on Appraised Value



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.

The land buildings and equipment currently located at this Ector County GCC Permian facility is used to produce cement, ready-mixed concrete, and aggregates at the existing facility. This proposed project would add 3,000 tons per day production capacity at this existing Odessa, Texas facility. This proposed plant addition would be located in Ector County and entirely within Ector County ISD.

Below is a list of the major new equipment comprising this plant as follows:

- Limestone Storage
- Raw Mill
- Finish Mill
- Exhaust Gas Conditioning Equipment
- Raw Meal Silo
- Kiln Feed Equipment
- Preheater
- Kiln
- Cooler
- Bag House
- Clinker Conveyor System Equipment
- Cement Mill Feed Equipment
- Cement Mill
- Ammonia Injection Tank
- Compressors
- Electrical Switchgear and main electrical components
- Power Distribution Center
- Instrumentation equipment

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



CUMMINGS WESTLAKE

GCC PERMIAN, LLC

Chapter 313 Application Ector County ISD

The equipment proposed for this project will share and interconnect with existing equipment sharing the existing limestone crusher, clinker transport, clinker silos, clinker extraction pan and gypsum system. The finish mill contemplated in this project will grind products from the new line as well as the existing system.

Supporting Information

Attachments provided in Tab 5
of the Application for a
Limitation on Appraised Value



TAB 5

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

Founded in 1941, GCC is a leading producer of cement, ready-mixed concrete, aggregates, and innovative solutions for the construction industry. With leading edge products and state of the art technologies, our passionate team of nearly 3,000 employees drives our growth.

GCC's operations stretch from the State of Chihuahua in northern Mexico through the U.S in what we refer to as the center cut of the U.S. Our distribution network spreads throughout Latin America.

The company operates globally with operations in Colorado, Iowa, Minnesota, Montana, New Mexico, North Dakota, and South Dakota with multiple international operations facilities in the State of Chihuahua Mexico.

GCC's vast footprint enables this project to be built and installed in any of the current operating facilities in the US or Latin America.

The ultimate determination for capital investment in a particular country or state depends on the project economics. In the case of the investment on this proposed project in Texas, the decision will be based on a number of commercial and financial considerations, including the ability to obtain relief regarding local property taxes. Obtaining the Chapter 313 value limitation is a necessary part of the economic analysis and a determining factor for investment in Texas. Without the Chapter 313 value limitation, siting the project in Texas is less attractive. In the current capital constrained environment, the economics of each project are challenged against each other and only the best will have a chance to happen.

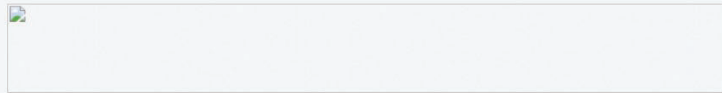
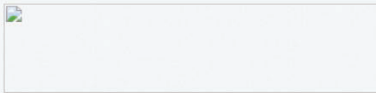


GCC targets the center of North America and Mexico with production facilities in multiple states and The State of Chihuahua, Mexico. The company's distribution extends from Canada through the U.S, Mexico and Latin America



Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller



[https://www.worldcement.com/the-americas/16092019/gcc-signs-long-term-agreement-with-renewable-energy-supplier-for-odessa-texas-cement-plant/ Retrieved 01/31/2022]



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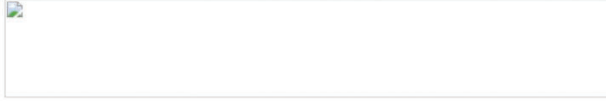
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GCC signs long term agreement with renewable energy supplier for Odessa, Texas cement plant

Published by David Bizley, Editor

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World Cement, Monday, 16 September 2019 09:00



Grupo Cementos de Chihuahua, S.A.B. de C.V., or GCC, a supplier and producer of cement and concrete in the United States, Mexico and Canada today announced that it has signed a long-term agreement with a leading US-based energy provider to supply solar and wind power to GCC's Odessa, Texas cement plant, thereby covering 100% of the electricity consumed at these operations. Resulting in a reduction of approximately 45 000 metric tons of CO₂, annually; equivalent to around 9500 passenger vehicles driven for a year, based on the US Environmental Protection Agency estimate.

The 10-year fixed-price agreement takes effect beginning July 2022 and represents a ~22% decrease from the current electricity price for the Odessa plant, translating into ~US\$4.6 million in total savings for this period.

Today's announcement is further reflection of GCC's unwavering commitment to the use of clean energy at both its Mexico and US operations; reducing overall energy costs while successfully mitigating related price fluctuation.

GCC remains focused on implementing global best practices related to sustainability throughout the organization while further strengthening the Company's overall profitability.

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Lafarge Canada helps protect Ontario ecosystem

Monday 31 January 2022 09:05

The company has announced its role in the massive conservation effort undertaken in the sensitive Great Lakes region as a partner with the Nature Conservancy of Canada (NCC).

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Chapter 313 Financial Impact Study

*A financial analysis of the potential Chapter 313 Agreement
between GCC Permian LLC and the Ector County Independent
School District*



Prepared January 20, 2022

REVISED

January 31, 2022

Overview

On September 21, 2021, GCC Permian LLC (Applicant) submitted an application for appraised value limitation on qualified property to the Ector County Independent School District (ECISD). The Applicant is seeking to add to their concrete manufacturing project and is requesting ECISD agree to limit the maintenance and operations (M&O) taxable value of the project to \$100,000,000 for a ten-year period. As put forth in the application, the first year of the value limitation period would be the 2025 tax year.

Culwell Consulting was engaged by ECISD to analyze the impact of the potential value limitation agreement upon the overall M&O revenue of ECISD. A value limitation agreement entered into by the parties provides ECISD protection against any loss in M&O revenue due to the granting of the \$100 million value limitation. This report provides the programmatic details, pertinent aspects of the Texas school finance system, and in-depth analysis needed to understand the long-term impact of such an agreement upon the ECISD M&O general fund.

This analysis concludes a value limitation agreement would result in ECISD foregoing \$2,919,260 in M&O revenue in the first year of the value limitation period, the 2025-2026 school year. After payout of these losses, the Applicant's tax savings are estimated to be \$13,578,769. This estimate of the Applicant's tax savings does not account for any supplemental payments made to ECISD. Any potential Ch. 313 agreement will not affect the Applicant's taxable value for Interest and Sinking (I&S) tax rate purposes.

Background

In 2001, the 77th Texas Legislature passed HB 1200 enacting the Texas Economic Development Act with the intent to attract qualified economic development to Texas by limiting the M&O taxes paid by the company. Established under Ch. 313 of the Texas Tax Code, the program has become more commonly referred to as Ch. 313.

The Ch. 313 program enables school districts to limit the M&O taxable value of qualified economic development projects for a ten-year period. The State of Texas Comptroller sets the value limitation amount for each school district. At the time the application was deemed complete by the Texas Comptroller, ECISD is permitted to grant a value limitation of \$100 million.

Several types of projects are eligible to receive value limitations under Chapter 313 of the Tax Code. Behind Tab 4 of the Application, it states, "This proposed project would add 3,000 tons per day production capacity at this existing Odessa, Texas facility. This proposed plant addition would be located in Ector County and entirely within Ector County ISD." This type of manufacturing project qualifies under Texas Tax Code 313.024(b)(1).

GCC Permian LLC Application

The application from GCC Permian LLC (Applicant) was presented to and accepted by the ECISD School Board on September 21, 2021. In their application, the Applicant requested a \$100 million value limitation be applied to their manufacturing project beginning in the 2025 tax year. Within the Application, Schedule B behind Tab 14 outlines the estimated taxable value schedule of the project for a 25-year period. In Amendment #1 to the Application submitted to the Comptroller on November 16, 2021, the Applicant updated their investment and taxable value schedules. The values below reflect those in Amendment #1.

Texas Tax Code 313.027(f)(3) requires an agreement holder to maintain a viable presence within the school district for five years after the value limitation expires; therefore, this analysis concludes after the last year of this viable presence period, the 2039-2040 school year. Below is a modified version of Schedule B displaying the estimated taxable values of the project beginning with each year prior to limitation period and concluding five years after the value limitation expires.

GCC Permian LLC Taxable Values, Schedule B of Application

| | Year | School Year (YYYY-YYYY) | Tax Year YYYY | Final taxable value for I&S after all reductions | Final taxable value for M&O after all reductions |
|---|------|----------------------------|------------------|--|--|
| Qualifying Time Period | 0 | 2022-2023 | 2022 | \$0 | \$0 |
| | 1 | 2023-2024 | 2023 | \$45,050,000 | \$45,050,000 |
| | 2 | 2024-2025 | 2024 | \$163,900,000 | \$163,900,000 |
| Value Limitation Period | 1 | 2025-2026 | 2025 | \$348,455,250 | \$100,000,000 |
| | 2 | 2026-2027 | 2026 | \$324,063,383 | \$100,000,000 |
| | 3 | 2027-2028 | 2027 | \$301,378,946 | \$100,000,000 |
| | 4 | 2028-2029 | 2028 | \$280,282,420 | \$100,000,000 |
| | 5 | 2029-2030 | 2029 | \$260,662,650 | \$100,000,000 |
| | 6 | 2030-2031 | 2030 | \$242,416,265 | \$100,000,000 |
| | 7 | 2031-2032 | 2031 | \$225,447,126 | \$100,000,000 |
| | 8 | 2032-2033 | 2032 | \$209,665,827 | \$100,000,000 |
| | 9 | 2033-2034 | 2033 | \$194,989,219 | \$100,000,000 |
| | 10 | 2034-2035 | 2034 | \$181,339,974 | \$100,000,000 |
| Continue to maintain viable presence | 11 | 2035-2036 | 2035 | \$168,646,176 | \$168,646,176 |
| | 12 | 2036-2037 | 2036 | \$156,840,944 | \$156,840,944 |
| | 13 | 2037-2038 | 2037 | \$145,862,077 | \$145,862,077 |
| | 14 | 2038-2039 | 2038 | \$135,651,732 | \$135,651,732 |
| | 15 | 2039-2040 | 2039 | \$126,156,111 | \$126,156,111 |

As a result of such limitation being granted, the project will receive two taxable values beginning in the 2025 tax year: one, a valuation of \$100 million for M&O tax purposes, and the second, a full taxable valuation assessed by the local appraisal district for ECISD's I&S tax purposes. This duality will continue for the ten-year limitation period after which, starting with the 2035-2036 school year, the project

will receive a single taxable value for M&O and I&S tax purposes. Any taxable value of the project outside the ten-year limitation period is fully taxable for M&O tax purposes.

Calculation of Revenue Loss

The Ch. 313 Agreement (Agreement) prepared by the Underwood Law Firm P.C. ensures that ECISD is protected against any loss in revenue incurred by the district's M&O general fund. During each year of the limitation period, the Agreement calls for the annual calculation of loss in M&O revenue. If and when a revenue loss occurs, the Agreement requires the Applicant to hold the school district harmless and pay the school district this calculated amount.

To identify a loss in revenue, two school finance models are established and the outputs compared. One model serves as the control utilizing the full M&O taxable value of the project; the second model substitutes the limited value of \$100 million for the full taxable value. Any revenue loss is accounted for by deducting the resulting M&O revenue of the control model from that of the limited value model.

Note on School Finance

To fund the maintenance and operation of Texas public schools, the state's school finance system relies on local tax collections and state aid. The method of determining state aid is a complex system that further breaks funding into two major components referred to as Tier I and Tier II. Tier I funding is based on the M&O taxes at the compressed rate, program allotments, and ADA and special student populations. Tier II is the enrichment tier based on the tax effort above the school district's compressed rate. State aid works to fill the gap between local revenue and the total funding the school district is entitled to through the state finance system.

In the Spring of 2019, the 86th Texas Legislature passed House Bill 3 which made significant changes to the school finance system in Texas. In passing HB 3, the Legislature sought to equalize funding across school districts, increase teacher compensation, improve learning outcomes, and reduce property taxes.

Of particular note to this analysis, HB 3 now requires the use of current-year local taxable values as opposed to prior-year taxable values when determining state aid. The 2019-20 school year, the first in which this method of calculating state aid was used, differs from the prior school finance system under which state aid was based on the prior year's Comptroller certified property values. However, in specifically addressing the Ch. 313 program, HB 3 states that calculations determining the school districts' revenue loss must continue to use the prior year local taxable values when determining the state aid allotted to the school district.

Due in part to this reliance on prior year values when determining state aid, the first year of the limitation period often results in a loss in revenue for the school district. Under the terms of the agreement, the Applicant is required to hold the district harmless from any such losses. Estimates of revenue losses are based on the current

school finance system and the taxable values provided by the Applicant. **Any future changes in the school finances system or in the project’s taxable value as compared to those put forth in the application, may result in different levels of revenue loss than described in this report.**

Data

The project’s taxable values are accessed from Schedule B, behind Tab 14 of the Application. School district level data was obtained from ECISD in September of 2021 and includes the adopted 2021-2022 M&O tax rate of \$1.0517. In developing the comparison scenarios, all variables and funding factors were held constant as of the 2021-2022 school year with the exception of the project’s taxable value and the district’s resulting tax collections.

Future calculations will utilize the concurrent statewide school funding system, school district data and tax rates, as well as the appraised value of the Applicant’s project as determined by the Ector County Appraisal District.

Results

Table 1 displays ECISD total M&O revenue after including the full taxable value of the project. Table 2 shows the total M&O revenue after substituting the \$100 million limitation value. The highlighted rows outline the ten-year value limitation period.

Table 1 – M&O Revenue at Full Project Taxable Value

| | School Year | M&O Revenue from Local Taxes | M&O Revenue from State | Total Recapture | Total M&O General Fund |
|--------------------------|-------------|------------------------------------|---------------------------|--------------------|---------------------------|
| Qualifying Time Period | 2022-2023 | \$167,205,227 | \$127,619,946 | \$0 | \$294,825,173 |
| | 2023-2024 | \$181,955,046 | \$123,906,699 | \$0 | \$305,861,745 |
| | 2024-2025 | \$172,855,093 | \$106,339,037 | \$0 | \$279,194,131 |
| Value Limitation Period | 2025-2026 | \$168,048,081 | \$115,837,883 | \$0 | \$283,885,964 |
| | 2026-2027 | \$167,791,551 | \$121,174,148 | \$0 | \$288,965,699 |
| | 2027-2028 | \$167,552,979 | \$121,430,629 | \$0 | \$288,983,608 |
| | 2028-2029 | \$167,331,107 | \$121,669,154 | \$0 | \$289,000,261 |
| | 2029-2030 | \$167,124,766 | \$121,890,985 | \$0 | \$289,015,751 |
| | 2030-2031 | \$166,932,869 | \$122,097,287 | \$0 | \$289,030,156 |
| | 2031-2032 | \$166,754,404 | \$122,289,148 | \$0 | \$289,043,552 |
| | 2032-2033 | \$166,588,432 | \$122,467,578 | \$0 | \$289,056,010 |
| | 2033-2034 | \$166,434,078 | \$122,633,518 | \$0 | \$289,067,596 |
| | 2034-2035 | \$190,068,611 | \$125,821,197 | \$0 | \$315,889,809 |
| Maintain Viable Presence | 2035-2036 | \$192,036,873 | \$99,362,134 | \$0 | \$291,399,007 |
| | 2036-2037 | \$190,446,744 | \$97,056,648 | \$0 | \$287,503,393 |
| | 2037-2038 | \$188,922,577 | \$98,667,996 | \$0 | \$287,590,574 |
| | 2038-2039 | \$187,460,938 | \$100,190,714 | \$0 | \$287,651,652 |
| | 2039-2040 | \$187,361,073 | \$101,788,551 | \$0 | \$289,149,624 |

Table 2 – M&O Revenue at Limited Project Taxable Value

| | School Year | M&O Revenue from Local Taxes | M&O Revenue from State | Total Recapture | Total M&O General Fund |
|--|-------------|------------------------------------|---------------------------|--------------------|---------------------------|
| Qualifying Time Period Qualifying Time Period | 2022-2023 | \$167,205,227 | \$127,619,946 | \$0 | \$294,825,173 |
| | 2023-2024 | \$181,955,046 | \$123,906,699 | \$0 | \$305,861,745 |
| | 2024-2025 | \$172,855,093 | \$106,339,037 | \$0 | \$279,194,131 |
| Value Limitation Period | 2025-2026 | \$165,435,077 | \$115,531,627 | \$0 | \$280,966,704 |
| | 2026-2027 | \$165,435,077 | \$123,814,412 | \$0 | \$289,249,489 |
| | 2027-2028 | \$165,435,077 | \$123,814,412 | \$0 | \$289,249,489 |
| | 2028-2029 | \$165,435,077 | \$123,814,412 | \$0 | \$289,249,489 |
| | 2029-2030 | \$165,435,077 | \$123,814,412 | \$0 | \$289,249,489 |
| | 2030-2031 | \$165,435,077 | \$123,814,412 | \$0 | \$289,249,489 |
| | 2031-2032 | \$165,435,077 | \$123,814,412 | \$0 | \$289,249,489 |
| | 2032-2033 | \$165,435,077 | \$123,814,412 | \$0 | \$289,249,489 |
| | 2033-2034 | \$165,435,077 | \$123,814,412 | \$0 | \$289,249,489 |
| | 2034-2035 | \$189,213,159 | \$126,862,281 | \$0 | \$316,075,440 |
| | 2035-2036 | \$192,036,904 | \$101,348,332 | \$0 | \$293,385,237 |
| Maintain Viable Presence | 2036-2037 | \$190,446,744 | \$97,056,648 | \$0 | \$287,503,393 |
| | 2037-2038 | \$188,922,577 | \$98,667,996 | \$0 | \$287,590,574 |
| | 2038-2039 | \$187,460,938 | \$100,190,714 | \$0 | \$287,651,652 |
| | 2039-2040 | \$187,361,073 | \$101,788,551 | \$0 | \$289,149,624 |

Table 3 displays the outcome of comparing the M&O general fund totals within these two models. The column entitled, “School District Revenue Loss,” displays instances in which the projected M&O revenue in Table 2 is less than in Table 1. In doing this, Table 3 captures each instance in which ECISD’s M&O general fund is negatively impacted by ECISD having granted a value limitation agreement. As shown below, it is estimated that ECISD will forego \$2,919,260 in M&O revenue during the 2025-2026 school year. At this time, no revenue loss is anticipated beyond the first year of the limitation period.

The project is estimated to reach a peak taxable value of \$348 million during the 2025-2026 school year, the first year of the limitation period, followed by steady depreciation in value. Any change in the project’s taxable value schedule, school district data or tax rates, or legislative changes to the school finance system may result in additional revenue losses. Of note, it is typically the case that any appreciation of taxable value within the limitation period will result in additional revenue losses for the school district.

The final column, “Company Tax Savings,” displays the tax savings in each year of the limitation with the Applicant’s total savings over the ten-year period totaling \$13,578,769.

Table 3 - Projected School District Revenue Loss & Company Tax Savings

| School Year | Project Full Taxable Value (I&S Value) | Project Limited Tax Value (M&O Value) | M&O Tax Rate | M&O Taxes Paid Before Limitation | M&O Taxes Paid After Limitation | Tax Savings Before District Calculations | School District Revenue Loss | Company Tax Savings Before Supplemental Payment |
|---------------|--|---------------------------------------|--------------|----------------------------------|---------------------------------|--|------------------------------|---|
| 2022-2023 | \$0 | \$0 | \$1.0517 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2023-2024 | \$45,050,000 | \$45,050,000 | \$1.0517 | \$473,791 | \$473,791 | \$0 | \$0 | \$0 |
| 2024-2025 | \$163,900,000 | \$163,900,000 | \$1.0517 | \$1,723,736 | \$1,723,736 | \$0 | \$0 | \$0 |
| 2025-2026 | \$348,455,250 | \$100,000,000 | \$1.0517 | \$3,664,704 | \$1,051,700 | \$2,613,004 | -\$2,919,260 | -\$306,256 |
| 2026-2027 | \$324,063,383 | \$100,000,000 | \$1.0517 | \$3,408,175 | \$1,051,700 | \$2,356,475 | \$0 | \$2,356,475 |
| 2027-2028 | \$301,378,946 | \$100,000,000 | \$1.0517 | \$3,169,602 | \$1,051,700 | \$2,117,902 | \$0 | \$2,117,902 |
| 2028-2029 | \$280,282,420 | \$100,000,000 | \$1.0517 | \$2,947,730 | \$1,051,700 | \$1,896,030 | \$0 | \$1,896,030 |
| 2029-2030 | \$260,662,650 | \$100,000,000 | \$1.0517 | \$2,741,389 | \$1,051,700 | \$1,689,689 | \$0 | \$1,689,689 |
| 2030-2031 | \$242,416,265 | \$100,000,000 | \$1.0517 | \$2,549,492 | \$1,051,700 | \$1,497,792 | \$0 | \$1,497,792 |
| 2031-2032 | \$225,447,126 | \$100,000,000 | \$1.0517 | \$2,371,027 | \$1,051,700 | \$1,319,327 | \$0 | \$1,319,327 |
| 2032-2033 | \$209,665,827 | \$100,000,000 | \$1.0517 | \$2,205,056 | \$1,051,700 | \$1,153,356 | \$0 | \$1,153,356 |
| 2033-2034 | \$194,989,219 | \$100,000,000 | \$1.0517 | \$2,050,702 | \$1,051,700 | \$999,002 | \$0 | \$999,002 |
| 2034-2035 | \$181,339,974 | \$100,000,000 | \$1.0517 | \$1,907,153 | \$1,051,700 | \$855,453 | \$0 | \$855,453 |
| 2035-2036 | \$168,646,176 | \$168,646,176 | \$1.0517 | \$1,773,652 | \$1,773,652 | \$0 | \$0 | \$0 |
| 2036-2037 | \$156,840,944 | \$156,840,944 | \$1.0517 | \$1,649,496 | \$1,649,496 | \$0 | \$0 | \$0 |
| 2037-2038 | \$145,862,077 | \$145,862,077 | \$1.0517 | \$1,534,031 | \$1,534,031 | \$0 | \$0 | \$0 |
| 2038-2039 | \$135,651,732 | \$135,651,732 | \$1.0517 | \$1,426,649 | \$1,426,649 | \$0 | \$0 | \$0 |
| 2039-2040 | \$126,156,111 | \$126,156,111 | \$1.0517 | \$1,326,784 | \$1,326,784 | \$0 | \$0 | \$0 |
| Totals | | | | \$36,923,169 | \$20,425,140 | \$16,498,029 | -\$2,919,260 | \$13,578,769 |

Supplemental Payment

The two parties are able to negotiate a supplemental payment, which allows for a partial sharing of the Applicant's tax savings with the school district. Under Texas Tax Code 313.027(i), these payments may not exceed \$100 per average daily attendance (ADA) and may only occur from the first year of the qualifying time period through the third year after the value limitation expires. In the case of school districts with an ADA below 500, the tax code allows for a maximum annual payment of \$50,000. The exact terms of the supplemental payment are set in the final Ch. 313 Agreement.

Facilities Impact

The project remains fully taxable for I&S tax purposes over the course of the taxable life of the project and should have significant positive impact on ECISD's debt service. The Applicant intends to invest a total of \$361 million resulting in a peak taxable value of \$348 million in the 2025-2026 school year. If applied to ECISD's 2021 tax base, this taxable value would increase the district's I&S tax base by roughly 2.2%.

The project's taxable value is assumed to depreciate quickly, with an average annual reduction in value of \$15.9 million until slowing to an average annual rate of \$10 million by the 2037 tax year. This addition of long-term value combined with the overall increase to the tax base should provide ECISD the ability to service existing debt through a reduced I&S tax rate and offer a more diverse tax base for future debt issuances.

Conclusion

The total estimated ECISD revenue losses of \$2,919,260 and Applicant tax savings of \$13,578,769 are based on the assumptions used in this report. The terms of these calculations are set in the Ch. 313 Agreement and will require the use of the concurrent year's school finance system, assessed taxable value of the project, school district level taxable values and tax rates, and school district student population data. Changes to any of these factors may result in revenue losses and company tax savings in different amounts than estimated in this report.

The Ch. 313 Agreement prepared by the Underwood Law Firm P.C. ensures that ECISD is protected against any loss in revenue and defines the supplemental payment allowing the district to share in the applicant's long-term tax savings. With the Ch. 313 Agreement in place, the proposed project is financially beneficial for both the Ector County Independent School District and the applicant GCC Permian LLC.

Estimated Effects of the Ch. 313 Application from GCC Permian LLC Project upon the Finances of the Ector County Independent School District

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) |
|--------------------------|-------------|----------|---|---------------------------------------|---------------|----------------------------------|---------------------------------|--|--|---------------------|------------------------------|---------------------------|------|
| | School Year | Tax Year | Project Full Taxable Value (I&S Value)* | Project Limited Tax Value (M&O Value) | M&O Tax Rate# | M&O Taxes Paid Before Limitation | M&O Taxes Paid After Limitation | Tax Savings Before District Calculations | Estimate of Revenue Protection Payment | Net Tax Benefit | Supplemental Payment\$ (40%) | Total Company Tax Savings | |
| Qualifying Time Period | 2022-2023 | 2022 | \$0 | \$0 | \$1.0517 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Qualifying Time Period | 2023-2024 | 2023 | \$45,050,000 | \$45,050,000 | \$1.0517 | \$473,791 | \$473,791 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| | 2024-2025 | 2024 | \$163,900,000 | \$163,900,000 | \$1.0517 | \$1,723,736 | \$1,723,736 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Value Limitation Period | 2025-2026 | 2025 | \$348,455,250 | \$100,000,000 | \$1.0517 | \$3,664,704 | \$1,051,700 | \$2,613,004 | -\$2,919,260 | -\$306,256 | \$0 | -\$306,256 | |
| | 2026-2027 | 2026 | \$324,063,383 | \$100,000,000 | \$1.0517 | \$3,408,175 | \$1,051,700 | \$2,356,475 | \$0 | \$2,356,475 | \$942,590 | \$1,413,885 | |
| | 2027-2028 | 2027 | \$301,378,946 | \$100,000,000 | \$1.0517 | \$3,169,602 | \$1,051,700 | \$2,117,902 | \$0 | \$2,117,902 | \$847,161 | \$1,270,741 | |
| | 2028-2029 | 2028 | \$280,282,420 | \$100,000,000 | \$1.0517 | \$2,947,730 | \$1,051,700 | \$1,896,030 | \$0 | \$1,896,030 | \$758,412 | \$1,137,618 | |
| | 2029-2030 | 2029 | \$260,662,650 | \$100,000,000 | \$1.0517 | \$2,741,389 | \$1,051,700 | \$1,689,689 | \$0 | \$1,689,689 | \$675,876 | \$1,013,813 | |
| | 2030-2031 | 2030 | \$242,416,265 | \$100,000,000 | \$1.0517 | \$2,549,492 | \$1,051,700 | \$1,497,792 | \$0 | \$1,497,792 | \$599,117 | \$898,675 | |
| | 2031-2032 | 2031 | \$225,447,126 | \$100,000,000 | \$1.0517 | \$2,371,027 | \$1,051,700 | \$1,319,327 | \$0 | \$1,319,327 | \$527,731 | \$791,596 | |
| | 2032-2033 | 2032 | \$209,665,827 | \$100,000,000 | \$1.0517 | \$2,205,056 | \$1,051,700 | \$1,153,356 | \$0 | \$1,153,356 | \$461,342 | \$692,013 | |
| | 2033-2034 | 2033 | \$194,989,219 | \$100,000,000 | \$1.0517 | \$2,050,702 | \$1,051,700 | \$999,002 | \$0 | \$999,002 | \$399,601 | \$599,401 | |
| | 2034-2035 | 2034 | \$181,339,974 | \$100,000,000 | \$1.0517 | \$1,907,153 | \$1,051,700 | \$855,453 | \$0 | \$855,453 | \$342,181 | \$513,272 | |
| Maintain Viable Presence | 2035-2036 | 2035 | \$168,646,176 | \$168,646,176 | \$1.0517 | \$1,773,652 | \$1,773,652 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| | 2036-2037 | 2036 | \$156,840,944 | \$156,840,944 | \$1.0517 | \$1,649,496 | \$1,649,496 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| | 2037-2038 | 2037 | \$145,862,077 | \$145,862,077 | \$1.0517 | \$1,534,031 | \$1,534,031 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| | 2038-2039 | 2038 | \$135,651,732 | \$135,651,732 | \$1.0517 | \$1,426,649 | \$1,426,649 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| | 2039-2040 | 2039 | \$126,156,111 | \$126,156,111 | \$1.0517 | \$1,326,784 | \$1,326,784 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Totals | | | | | | \$36,923,169 | \$20,425,140 | \$16,498,029 | -\$2,919,260 | \$13,578,769 | \$5,554,010 | \$8,024,759 | |

Summary of Estimated Ch. 313 Payments to Ector County ISD

| | | |
|--|--|--|
| Total M&O Taxes \$20,425,140 | Total Revenue Protection Payment \$2,919,260 | Total Supplemental Payment \$5,554,010 |
|--|--|--|

NOTE: The terms of these calculations are set in the Ch. 313 Agreement; however, each year's calculation during the limitation period requires the use of the concurrent year's school finance system, assessed taxable value of the project, school district level taxable values and tax rates, and school district student population data. These calculations are based upon the current school finance system as of the date of preparation below. Changes to any of these factors may result in revenue losses and company tax savings in different amounts than estimated in this document.

*The project taxable values utilized here are based on those provided in the application submitted by the Company. Calculations made for active agreements during the value limitation period will be based upon the assessed value as determined by the county central appraisal district.

#The M&O tax rate used is based on the district's adopted 2021-2022 M&O tax rate. All future calculations will use the corresponding year's adopted M&O tax rate.

\$The supplemental payment shown represents 40% of the "Net Tax Benefit" as defined by the Agreement

IMPORTANT: You must provide a copy of this letter to the law firm working on the value limitation agreement. Please keep this letter with your district's records.

December 13, 2021

Tammy Hawkins, President
Board of Trustees
Ector County Independent School District
PO Box 3912
Odessa, TX 79760-3912

Dear President Hawkins:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed GCC Permian, LLC project #1652 on the number and size of school facilities in Ector County Independent School District (ECISD). Based on an examination of ECISD enrollment and the number of potential new jobs, the TEA has determined that the GCC Permian, LLC project should not have a significant impact on the number or size of school facilities in ECISD.

Please feel free to contact me by phone at (512) 463-8732 or by email at amy.copeland@tea.texas.gov if you have any questions.

Sincerely,



Amy Copeland
Director of State Funding

Cc: Dr. Scott Muri, Superintendent


Taxes

Property Tax Assistance

2020 ISD Summary Worksheet**068-Ector /Ector County****068-901/Ector County ISD**

| Category | Local Tax Roll Value | 2020 WTD Mean Ratio | 2020 PTAD Value Estimate | 2020 Value Assessed |
|---|-----------------------------|----------------------------|---------------------------------|----------------------------|
| A - SINGLE-FAMILY | 7,099,373,352 | 0.9590 | 7,402,891,921 | 7,099,373,352 |
| B - MULTIFAMILY | 712,079,510 | 0.9121 | 780,703,333 | 712,079,510 |
| C1 - VACANT LOTS | 199,037,068 | N/A | 199,037,068 | 199,037,068 |
| C2 - COLONIAL LOTS | 0 | N/A | 0 | 0 |
| D1 ACRES - QUALIFIED OPEN-SPACE LAND | 3,187,791 | 0.5562 | 5,731,251 | 3,187,791 |
| D2 - FARM & RANCH IMP | 8,460,319 | N/A | 8,460,319 | 8,460,319 |
| E - NON-AG LAND AND IMPROVEMENTS | 81,355,719 | N/A | 81,355,719 | 81,355,719 |
| F1 - COMMERCIAL REAL | 2,526,550,223 | 0.8937 | 2,827,067,498 | 2,526,550,223 |
| F2 - INDUSTRIAL REAL | 658,569,269 | N/A | 658,569,269 | 658,569,269 |
| G - ALL MINERALS | 1,442,600,517 | 1.0089 | 1,429,874,633 | 1,442,600,517 |
| J - ALL UTILITIES | 518,864,830 | 0.8421 | 616,155,837 | 518,864,830 |

| | | | | |
|---|----------------|--------|----------------|----------------|
| L1 - COMMERCIAL PERSONAL | 3,262,161,645 | 1.0140 | 3,217,121,938 | 3,262,161,645 |
| L2 - INDUSTRIAL PERSONAL | 138,326,247 | N/A | 138,326,247 | 138,326,247 |
| M1 - MOBILE HOMES | 480,906,911 | N/A | 480,906,911 | 480,906,911 |
| N - INTANGIBLE PERSONAL PROPERTY | 0 | N/A | 0 | 0 |
| O - RESIDENTIAL INVENTORY | 5,315,854 | N/A | 5,315,854 | 5,315,854 |
| S - SPECIAL INVENTORY | 105,009,538 | N/A | 105,009,538 | 105,009,538 |
| Subtotal | 17,241,798,793 | 0 | 17,956,527,336 | 17,241,798,793 |
| Less Total Deductions | 1,811,545,221 | 0 | 1,872,432,595 | 1,811,545,221 |
| Total Taxable Value | 15,430,253,572 | 0 | 16,084,094,741 | 15,430,253,572 |

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302(J) AND(K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation(M & O) tax purposes and for interest and sinking fund(I & S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T4 will be the same as T7 through T10.

Value Taxable For M & O Purposes

| T1 | T2 | T3 | T4 |
|----------------|----------------|----------------|----------------|
| 15,691,223,115 | 15,430,253,572 | 15,199,514,638 | 14,938,545,095 |

| | |
|---|--|
| <p>Loss To the Additional \$10,000 Homestead Exemption</p> | <p>50% of the loss to the Local Optional Percentage Homestead Exemption</p> |
| <p>260,969,543</p> | <p>491,708,477</p> |

T1 = School district taxable value for M & O purposes before the loss to the additional \$10,000 homestead exemption

T2 = School district taxable value for M & O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I & S Purposes

| T7 | T8 | T9 | T10 |
|----------------|----------------|----------------|----------------|
| 15,753,224,271 | 15,492,254,728 | 15,261,515,794 | 15,000,546,251 |

T7 = School district taxable value for I & S purposes before the loss to the additional \$10, 000 homestead exemption

T8 = School district taxable value for I & S purposes after the loss to the additional \$10, 000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50 % of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50 % of the loss to the local optional percentage homestead exemption

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

068-901-02/Ector County ISD

| Category | Local Tax Roll Value | 2020 WTD Mean Ratio | 2020 PTAD Value Estimate | 2020 Value Assigned |
|---|-----------------------------|----------------------------|---------------------------------|----------------------------|
| A - SINGLE-FAMILY | 7,099,373,352 | 0.9590 | 7,402,891,921 | 7,099,373,352 |
| B - MULTIFAMILY | 712,079,510 | 0.9121 | 780,703,333 | 712,079,510 |
| C1 - VACANT LOTS | 199,037,068 | N/A | 199,037,068 | 199,037,068 |
| C2 - COLONIAL LOTS | 0 | N/A | 0 | 0 |
| D1 ACRES - QUALIFIED OPEN-SPACE LAND | 3,187,791 | 0.5562 | 5,731,251 | 3,187,791 |
| D2 - FARM & RANCH IMP | 8,460,319 | N/A | 8,460,319 | 8,460,319 |
| E - NON-AG LAND AND IMPROVEMENTS | 81,355,719 | N/A | 81,355,719 | 81,355,719 |
| F1 - COMMERCIAL REAL | 2,526,550,223 | 0.8937 | 2,827,067,498 | 2,526,550,223 |
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| J - ALL UTILITIES | 518,864,830 | 0.8421 | 616,155,837 | 518,864,830 |
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| L2 - INDUSTRIAL PERSONAL | 138,326,247 | N/A | 138,326,247 | 138,326,247 |
| M1 - MOBILE HOMES | 480,906,911 | N/A | 480,906,911 | 480,906,911 |
| N - INTANGIBLE PERSONAL PROPERTY | 0 | N/A 350 | 0 | 0 |

| | | | | |
|----------------------------------|----------------|-----|----------------|----------------|
| O - RESIDENTIAL INVENTORY | 5,315,854 | N/A | 5,315,854 | 5,315,854 |
| S - SPECIAL INVENTORY | 105,009,538 | N/A | 105,009,538 | 105,009,538 |
| Subtotal | 17,241,798,793 | | 17,956,527,336 | 17,241,798,793 |
| Less Total Deductions | 1,811,545,221 | | 1,872,432,595 | 1,811,545,221 |
| Total Taxable Value | 15,430,253,572 | | 16,084,094,741 | 15,430,253,572 |

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|--|--|
| 260,969,543 | 491,708,477 |

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| T7 | T8 | T9 | T10 |
|----------------|----------------|----------------|----------------|
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T9 = T7 minus 50 % of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50 % of the loss to the local optional percentage homestead exemption

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

by and between

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT

and

GCC PERMIAN, LLC

(Texas Taxpayer ID #32061586312)

Comptroller Application #1652

Dated

April 19, 2022

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

STATE OF TEXAS §

COUNTY OF ECTOR §

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 **ECTOR COUNTY 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 **GCC PERMIAN, LLC**, Texas Taxpayer Identification Number 32061586312 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 September 21, 2021, the Superintendent of Schools of the Ector County 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 September 21, 2021, 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 CCGB (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 December 10, 2021 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 Ector County Appraisal District established in Ector County, Texas (the “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 March 9, 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 April 19, 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 April 19, 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 April 19, 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 April 11, 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 April 19, 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 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 **GCC PERMIAN, LLC**, (Texas Taxpayer ID # 32061586312), 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 September 21, 2021. 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 Ector County Appraisal District.

“Board of Trustees” means the Board of Trustees of the Ector County Independent School District.

“Commercial Operation” means the date on which the project described in the Application becomes commercially operational and capable of being placed into service, such that such project has been constructed and is capable of producing cement, ready-mixed concrete, and aggregates.

“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 Ector County, Texas.

“District” or “School District” means the Ector County 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 B 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, pandemics, 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 313.027 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 this Agreement, the conflict shall be resolved by reference to Section 10.9.C.

“Additional Loss” shall have the same meaning as assigned to such term in Section 4.4 of this Agreement.

“Aggregate Limit” means for any Tax Year during the term of this Agreement, the cumulative total of the Annual Limit amount for such Tax Year and all previous Tax Years during the term of this Agreement, less all amounts paid by the Applicant to or on behalf of the District under Article VI for all Tax Years during the term of this Agreement that are prior to such Tax Year.

“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 Article VI herein, 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 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 2020-21 school year certified by the Texas Comptroller (which the Parties agree is 29,754, rounded to the nearest whole number), times \$100. The Annual Limit shall first be computed for the first Tax Year (including any partial Tax Year) of the Qualifying Time Period, which 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, and other applicable provisions of the TEXAS EDUCATION CODE, the Texas Economic Development Act (Chapter 313 of the TEXAS TAX CODE); Chapter 403, Subchapter M, of the TEXAS GOVERNMENT CODE applicable to the District; and, the Constitution and general laws of the State applicable to the school districts of the State, including specifically, the applicable rules, regulations and interpretations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State; and judicial decisions construing or interpreting any of the above. The term also includes any amendments or successor statutes that may be adopted in the future which impact or alter the calculation of the Applicant's ad valorem tax obligation or the M&O Amount in Section 4.2 of this Agreement to the District, either with or without the limitation of property values made pursuant to this Agreement.

“Applicant's Stipulated Supplemental Payment Amount” means, for purposes of Article VI, for any Tax Year during the term of this Agreement, an amount equal to forty percent (40%) of the “Net Tax Benefit,” as such term is defined in this Section 1.2, for such Tax Year.

“M&O Amount” means the revenue protection payment required as part of this Agreement as set out in TEXAS EDUCATION CODE Section 48.256(d) and shall have the meaning assigned to such term in Section 4.2 of the 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, or other lawful authority, and Article VII § 3 of the TEXAS CONSTITUTION, plus (ii) all State revenues to which the District is or may be entitled under the applicable provisions of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, as applicable, less (iii) 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 or any other statutory provision as well as any amendment or successor statute to these provisions, as applicable.

“Net Tax Benefit” means, for purposes of Article VI, for any Tax Year during the term of this Agreement, an amount equal to (but not less than zero): (i) the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for such Tax Year if this Agreement had not been entered into by the Parties; minus (ii) an amount equal to the sum of (A) all maintenance and operations ad valorem school taxes actually due from Applicant to the District or any other governmental entity, including the State of Texas, for such Tax Year, plus (B) any payments due to the District under Section 4.2 of this Agreement for such Tax Year.

“New M&O Revenue” shall have the same meaning as assigned to such term in Section 4.2.A.ii of this Agreement.

“Original M&O Revenue” shall have the same meaning as assigned to such term in Section 4.2.A.i of this Agreement.

“Project” means an approximately 3,000 tons per day increased production capacity project at the Odessa, Texas facility to produce cement, ready mix concrete, and aggregates, as described in this Agreement and constituting the Qualified Investment and Qualified Property.

“Third Party Consultant” shall have the same meaning as assigned to such term in Section 4.5 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 December 10, 2021, 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 April 19, 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, the first complete Tax Year that begins after the end of Qualifying Time Period; 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. One Hundred Million Dollars (\$100,000,000).

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 313.022(b) 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 \$100,000,000 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 \$1,132 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 facility.

ARTICLE IV
PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES. Subject to the limitations contained in this Agreement (including Section 6.7), 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 and Section 48.256(d) of the TEXAS EDUCATION CODE, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue resulting, at least in part, because or on account of entering into this Agreement and application of the Tax Limitation set out in Section 2.4 to Applicant's Qualified Property. Payments for such loss shall be independent of, and in addition to such other payments as set forth in Articles V and VI in this Agreement. Subject to the limitations contained in this Agreement, IT IS THE INTENT OF THE PARTIES THAT THE RISK OF ANY NEGATIVE FINANCIAL CONSEQUENCES TO DISTRICT IN MAKING THE DECISION TO ENTER INTO THIS AGREEMENT WILL BE BORNE SOLELY BY APPLICANT AND NOT BY DISTRICT. Applicant recognizes and acknowledges the calculations relating to the District's loss of Maintenance and Operations Revenue under this Agreement will be affected by changes to the timing of construction of the Project and any change to the Qualified Property. As such, Applicant acknowledges that it will bear any and all losses of Maintenance and Operations Revenue suffered by the District as a result of this Agreement, including without limitation any increase in the M&O Amount calculated under Section 4.2 to be paid to the District for losses in Maintenance and Operations Revenue resulting from any change in the timing of construction and/or any change to the Qualified Property.

The Parties expressly understand and agree that for all Tax Years to which the Tax Limitation amount set out in Section 2.4 is applied to Applicant's Qualified Property that is the subject of this Agreement, the calculation of negative financial consequences will be defined for each applicable Tax 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 periodically change in accordance with changes in Applicable School Finance Law. The Parties further agree that 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; (ii) based upon current Applicable School Finance Law which is subject to change by statute, by administrative regulation (or interpretation thereof), or by judicial decision at any time; and (iii) may change in future years to reflect changes in Applicable School Finance Law.

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT. Subject to Section 6.7, 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 Approval Date and ending on the Final Termination Date (as set out in **EXHIBIT 5**), the "M&O Amount," shall be determined in compliance with Applicable School Finance Law in effect for such year and according to the following formula:

A. The M&O Amount owed by Applicant to District (also known as the revenue protection payment as set out in TEXAS EDUCATION CODE Section 48.256(d)) means the Original M&O Revenue *minus* the New M&O Revenue; based on the following definitions:

- i. "Original M&O Revenue" means the total State and local Maintenance and Operations Revenue that the District would have received for such school year, calculated in accordance with TEXAS EDUCATION CODE Section 48.256(d), had this

Agreement not been entered into by the Parties and the Applicant's Qualified Property had been subject to the District's ad valorem maintenance and operations tax without any limitation on value at the rate applicable for such Tax Year. For purposes of this calculation, the Third Party Consultant (as defined in Section 4.5) will base its calculations upon (1) the total Taxable Values for each applicable Tax Year as certified by the Appraisal District for all taxable accounts in the District for the District's maintenance and operations ad valorem tax purposes, save and except for the Applicant's Qualified Property subject to this Agreement, plus (2) the total Taxable Values for such applicable Tax Year as certified by the Appraisal District for the Applicant's Qualified Property subject to this Agreement for the District's debt service (interest and sinking fund) ad valorem tax purposes (which total Taxable Values for the Applicant's Qualified Property subject to this Agreement shall be used in lieu of the total Taxable Values for such applicable Tax Year as certified by the Appraisal District for the Applicant's Qualified Property subject to this Agreement for the District's maintenance and operations ad valorem tax purposes).

- ii. "New M&O Revenue" means the total State and local Maintenance and Operations Revenue that the District would have received for such school year, calculated in accordance with TEXAS EDUCATION CODE Section 48.256(d), with the Limitation Amount specified in Section 2.4 applied to Applicant's Qualified Property.

B. In making the calculations for the M&O Amount required by this Section 4.2 of this Agreement:

- i. The Taxable Value of property for each school year will be determined under Applicable School Finance Law.
- 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 results in a negative number, the negative number will be considered to be zero.
- iv. For all calculations made for any year during the Tax Limitation Period under this Section 4.2, the New M&O Revenue will reflect the Tax Limitation Amount stated in Section 2.4 for such year.
- v. As applicable, the methodology for the calculations made under this Section 4.2 shall include the limited values as set forth in other existing limitation agreements, if any.

Section 4.3. STATUTORY CHANGES AFFECTING M&O REVENUE. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 6.7 of this Agreement, and 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, the District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State or another school district, pursuant to Chapter 49 of the TEXAS

EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, as applicable, because of the District's participation in this Agreement, Applicant shall make payments to District, up to the M&O Amount set forth in this Agreement that are necessary to offset any negative impact on the District as a result of its participation in this Agreement.

Section 4.4. COMPENSATION FOR LOSS OF OTHER REVENUES. To the extent not included in the amounts calculated pursuant to Section 4.2 above, Applicant shall also pay to or on behalf of the District on an annual basis all M&O Revenue losses, and other costs as they are incurred by the District that arise from entering this Agreement (the "Additional Loss"), including without limitation to: (a) any loss incurred by the District resulting from a judicial challenge to this Agreement; (b) any reasonable attorneys' fees or other costs incurred by the District due to any amendment, audit, legal defense, or enforcement of this Agreement brought by or against either party or person or entity, irrespective of whether or not this Agreement or any interpretation thereof by the District is ultimately determined to be valid; and (c) any non-reimbursed reasonable costs or fees incurred by the District and reasonably necessary to administer or maintain this Agreement, either directly or indirectly, including without limitation costs paid to the Appraisal District based on the values of the Qualified Property used for the District's debt service (interest and sinking fund) that exceeds the Tax Limitation Amount provided in Section 2.4 herein. Notwithstanding anything to the contrary in Section 4.8, payment for such Additional Loss shall be made by Applicant no later than 30 days following written notice that such Additional Loss is due and owing, together with supporting calculations by the Third Party Consultant and copies of invoices (redacted as needed) for any such non-reimbursed costs and fees paid.

Section 4.5. CALCULATIONS TO BE MADE BY THIRD PARTY CONSULTANT. All calculations under this Agreement shall be made annually by an independent third party consultant (the "Third Party Consultant") selected and appointed each year by the District.

Section 4.6. DATA FOR CALCULATIONS. The calculations for payments under this Agreement shall be initially based upon the valuations placed upon all taxable property in the District, including the Applicant's Qualified Property by the Ector County Appraisal District in its annual certified appraisal roll submitted to the District pursuant to TEXAS TAX CODE § 26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party Consultant selected under Section 4.5. The certified appraisal 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 Consultant to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party Consultant shall be adjusted from time-to-time by the Third Party Consultant to reflect actual amounts, subsequent adjustments by the Ector County Appraisal District to the District's certified appraisal roll, or any other changes in student counts, tax collections, or other applicable data.

Section 4.7. DELIVERY OF CALCULATIONS. On or before November 1 of each year for which this Agreement is effective, the Third Party Consultant appointed pursuant to Section 4.5 shall forward

to the Parties a certification containing the calculations required under Articles IV, V and VI of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party Consultant shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party Consultant's offices, personnel, books, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party Consultant 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 Consultant shall preserve all documents pertaining to the calculation and fee for a period of four (4) years after payment. The Applicant shall not be liable for any of Third Party Consultant's costs resulting from a review or audit of the Third Party Consultant's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement or the fee paid by the Applicant to the Third Party Consultant pursuant to Section 4.8, if such fee is timely paid.

Section 4.8. PAYMENT BY APPLICANT. The Applicant shall pay any amount determined by the Third Party Consultant 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 Consultant for all calculations under this Agreement under Section 4.7, above, plus any unpaid amount due and owing under Section 4.4, or incurred by the District to its attorneys, auditors or financial consultants for the preparation and filing of any financial reports, disclosures, or tax credit or other reimbursement application 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. Notwithstanding the foregoing, 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 to the Third Party Consultant under this Section 4.8 and Section 4.7, above, in excess of Fifteen Thousand Dollars (\$15,000.00). Except that, for any Tax Year outside of the Tax Limitation Period and for which the required Comptroller's Biennial Report is not due, 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). Payment for all amounts due and owing not made on or before the January 31 or any amount invoiced by or on behalf of the District and not paid within 30 days from the due date shall be considered delinquent. For delinquent payments, the Applicant shall be subject to penalty and interest in accordance with the methodology set forth in Chapter 33 of the TEXAS TAX CODE. Penalties on said amounts shall be calculated in accordance with 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 4.9. CHALLENGING CALCULATION RESULTS. The Applicant may appeal the Third Party Consultant's results, in writing, within thirty (30) days of receipt of such results. The Third Party Consultant will issue a final determination of the calculations within fifteen (15) District business days of receiving Applicant's appeal. The Applicant may appeal the final determination of the

Third Party Consultant to the District within fifteen (15) District business days of its receipt, pursuant to District Policy GF (LOCAL). Applicant shall timely make all payments as required by this Agreement. Applicant's obligation under Section 4.8 to make payments to District pursuant to the Third Party Consultant's final determination shall not abate during an appeal of Third Party Consultant's final determination under this Section 4.9; provided, the District shall within thirty (30) days reimburse to Applicant the amount of any overpayment established by a final determination.

Section 4.10. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT. If at the time the Third Party Consultant selected and appointed under Section 4.5 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 such appeal remains unresolved, the Third Party Consultant shall base its calculations upon the values placed upon the Applicant's Qualified Property by the Appraisal District. If as a result of an appeal the Taxable Value of 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 Consultant who shall immediately issue new calculations required by this Agreement for the applicable year or years using the new Taxable Value. Upon completion of the new calculations, the Third Party Consultant shall transmit the new calculations to the Parties. In the event the new calculations result in a change of any amount paid or payable by the Applicant under this Agreement, the Party owing funds to the other Party shall pay any amounts owed within thirty (30) days of receipt of the new calculations from the Third Party Consultant.

ARTICLE V

PAYMENT OF EXTRAORDINARY EDUCATION RELATED EXPENSES

Section 5.1. EXTRAORDINARY EXPENSES. In addition to the amounts determined pursuant to Article IV or Article VI of this Agreement, 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 proposed by the Applicant that are not directly funded in state aid formulas, including, without limitation, expenses for the purchase or lease of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the Project.

Section 5.2. PAYMENTS. Payments of amounts due under this Article shall be made as set forth in Section 4.8 above.

ARTICLE VI

SUPPLEMENTAL PAYMENTS

Section 6.1. SUPPLEMENTAL PAYMENTS. Applicant shall make annual Supplemental Payments to

the District, as set out in this Article VI. The Supplemental Payments made to the District are in addition to any payments the District is entitled to receive under Articles IV and V. The Supplemental Payments to the District shall not exceed the Supplemental Payment Limitation set out in Section 6.6 below, starting with the first complete or partial year of the Qualifying Time Period, and continuing through the 3rd year following the end of the Tax Limitation Period.

Section 6.2 ANNUAL CALCULATION OF APPLICANT'S STIPULATED SUPPLEMENTAL PAYMENT AMOUNT—SUBJECT TO AGGREGATE LIMIT. For any Tax Year during the term of this Agreement, the District shall be entitled to receive Supplemental Payments that do not exceed the lesser of:

- A. the “Applicant's Stipulated Supplemental Payment Amount,” as such term is defined in Section 1.2. for such Tax Year; or,
- B. the “Aggregate Limit,” as such term is defined in Section 1.2, for such Tax Year.

Section 6.3 ANNUAL CALCULATION OF APPLICANT'S STIPULATED SUPPLEMENTAL PAYMENT AMOUNT. The Parties agree that for each Tax Year of this Agreement, beginning with the first complete or partial year of the Qualifying Time Period, which commences under this Agreement as provided in Section 2.3.C.i, the Applicant's Stipulated Supplemental Payment Amount, described in Section 6.2, will annually be calculated based upon the then most current estimate of tax savings to the Applicant, which will be made, based upon assumptions of student counts, tax collections, and other applicable data, in accordance with the following formula:

Taxable Value of the Applicant's Qualified Property for such Tax Year had this Agreement not been entered into by the Parties (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's interest and sinking fund tax purposes for such Tax Year, or school taxes due to any other governmental entity, including the State of Texas, for such Tax Year);

Minus

The Taxable Value of the Applicant's Qualified Property for such Tax Year after giving effect to this Agreement (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's maintenance and operations tax purposes for such Tax Year, or school taxes due to any other governmental entity, including the State of Texas, for such Tax Year);

Multiplied by

The District's maintenance and operations tax rate for such Tax Year, or the applicable school tax rate of any other governmental entity, including the State of Texas, for such Tax Year;

Minus

Any amounts previously paid to the District under Section 4.2 with respect to such Tax

Year:

Multiplied by

The number 0.40;

Minus

Any amounts previously paid to the District under this Article VI with respect to such Tax Year.

If the amount calculated above results in a negative number, then the Applicant's Stipulated Supplemental Payment Amount shall be zero. In the event that there are changes in the data upon which the calculations set forth herein are made, the Third Party Consultant described in Section 4.5, above shall adjust the Applicant's Stipulated Supplemental Payment Amount calculation to reflect such changes in the data.

Section 6.4 CALCULATION OF ANNUAL SUPPLEMENTAL PAYMENTS TO THE DISTRICT AND APPLICATION OF AGGREGATE LIMIT. For each Tax Year of this Agreement beginning with the first complete or partial year of 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, and ending on December 31st of the third Tax Year following the end of the Tax Limitation Period, the District shall not be entitled to receive Supplemental Payments, computed under Sections 6.1 through 6.6, that exceed the Aggregate Limit.

If, for any Tax Year during the term of this Agreement, the amount of the Applicant's Stipulated Supplemental Payment Amount, calculated under Sections 6.1 through 6.6 for such Tax Year exceeds the Aggregate Limit for such Tax Year, the difference between the Applicant's Stipulated Supplemental Payment Amount so calculated and the Aggregate Limit for such Tax Year shall be carried forward from year-to-year into subsequent Tax Years during the term of this Agreement, and to the extent not limited by the Aggregate Limit in any subsequent Tax Year during the term of this Agreement, shall be paid to the District. If there are changes in Chapter 313 of the Texas Tax Code that increase or decrease the limit on the amount of the Supplemental Payments that may be made to or on behalf of the District by the Applicant under this Article VI, any higher or lower amount of Supplemental Payments that first became due hereunder prior to the effective date of any such statutory change will not be adjusted.

Any of the Applicant's Stipulated Supplemental Payment Amounts which cannot be paid to the District prior to the end of the third Tax Year following the end of the Tax Limitation Period because such payment would exceed the Aggregate Limit, will be deemed to have been cancelled by operation of law, and the Applicant shall have no further obligation with respect thereto.

Section 6.5 CALCULATION OF SUPPLEMENTAL PAYMENTS TO THE DISTRICT.

A. All calculations required by this Article VI, including but not limited to: (i) the calculation of the Applicant's Stipulated Supplemental Payment Amount; (ii) the determination of both the Annual Limit and the Aggregate Limit; (iii) the effect, if any, of the Aggregate Limit upon the actual amount of Supplemental Payments eligible to be paid to the District by the Applicant, and (iv) the carry forward and accumulation of any of the Applicant's Stipulated Supplemental Payment Amounts unpaid by the Applicant due to the Aggregate Limit in previous years, shall be calculated by the Third Party Consultant selected and appointed pursuant to Section 4.5.

B. The calculations made by the Third Party Consultant shall be made at the same time and on the same schedule as the calculations made pursuant to Section 4.7.

C. The payment of all amounts due under this Article VI shall be made as set forth in Section 4.8.

Section 6.6. 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.i. and ending with the year for which the Supplemental Payment is being calculated minus all Supplemental Payments previously made by the Applicant.

B. Supplemental Payments may only be made during the period starting with 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 6.6.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 2020-21 Average Daily Attendance of 29,754, rounded to the whole number.

Section 6.7. ANNUAL LIMITATION. Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year of the Tax Limitation Period beginning with the second Tax Year of the Tax Limitation Period, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles IV, V and VI, of this Agreement with respect to such Tax Year, exceed (ii) the amount of the maintenance and

operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Article IV of this Agreement, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then such excess amount of payments otherwise due from the Applicant to the District under Articles IV, V and VI shall be deferred and carried forward from year to year, and to the extent not limited by this Section 6.7 in any subsequent Tax Year during the term of this Agreement, shall be paid to the District. Subject to the requirements of Section 7.1, any such deferred and carried forward excess which cannot be paid to the District on or before the Final Termination Date of this Agreement will be deemed to have been cancelled by operation of law, and the Applicant shall have no further obligation with respect thereto.

Section 6.8. OPTION TO TERMINATE AGREEMENT. In the event that any payment otherwise due from the Applicant to the District under Section 4.2 or 4.3, Article V or Article VI of this Agreement with respect to a Tax Year is subject to a deferral in accordance with the provisions of Section 6.7, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such 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 with respect to which a deferral under Section 6.7 is applicable. Any termination of this Agreement under the foregoing provisions of this Section 6.8 shall be effective immediately prior to the second Tax Year next following the Tax Year in which the deferral giving rise to the option occurred. Additionally, in the event that prior to the beginning of the Tax Limitation Period, the Applicant determines that it will not commence or complete construction of the Applicant's Qualified Investment, the Applicant shall have the option, prior to the beginning of the Tax Limitation Period, to terminate this Agreement by notifying the District in writing of its exercise of such option. Any termination of this Agreement under the immediately preceding sentence shall be effective immediately upon giving such written notice to the District.

ARTICLE VII

ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

Section 7.1. EFFECT OF OPTIONAL TERMINATION. Upon the exercise of the option to terminate, pursuant to Section 6.7 regarding the annual limitation of payments and Section 6.8 regarding 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 thirty (30) 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 Ector 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 Ector 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 thirty (30) 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 6.8 and 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

\$100,000,000 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:

To the District:

Ector County Independent School District
Attn: Dr. Scott Muri, Superintendent
(or the successor Superintendent)
802 N. Sam Houston
Odessa, Texas 79760
Phone #: (432) 456-9879
Fax #: (432) 456-9878
Email: scott.muri@ectorcountysd.org

With a copy to:

Underwood Law Firm, P.C.
Attn: Fred Stormer
500 South Taylor, LB 233, Suite 1200
Amarillo, Texas 79101
Phone #: (806) 379-0306
Fax #: (806) 379-0316
Email: fred.stormer@uwlaw.com

And:

Culwell Consulting, LLC
Attn: Chris Grammer
1303 Darter Lane
Austin, Texas 78746
Phone #: (512) 914-1328
Email: chris@culwellconsulting.com

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

To Applicant:

Luis Carlos Arias, Chief Financial Officer
GCC Permian, LLC
Calle Vicente Suarez y Sexta,
Zona Industrial Nombre de Dias
Chihuahua, Mexico 31105
Phone: 52 (614) 442-3100
Email: larias@gcc.com

With a copy to:

Carlos Lopez, Controller
GCC Permian, LLC
600 South Cherry Street, Suite 1000
Glendale, Colorado 80246
Phone: (303) 739-5981
Email: clopezpe@gcc.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 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.

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 Ector 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 the 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).

[signatures follow on next page]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this ____ day of _____, 2022.

GCC PERMIAN, LLC

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT

BY: _____

BY: _____

NAME: _____

NAME: _____

TITLE: _____

TITLE: _____

ATTEST:

BY: _____

NAME: _____

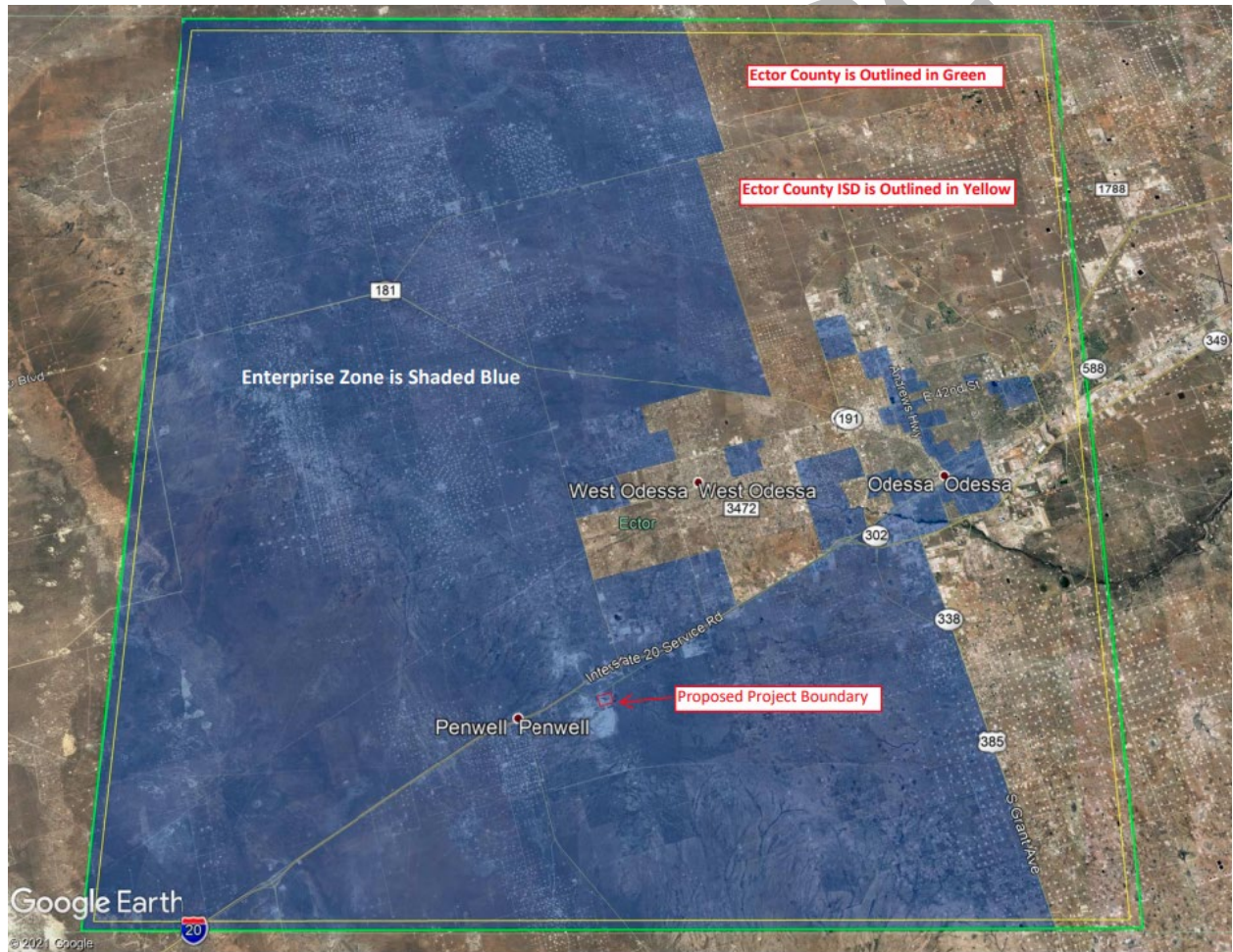
TITLE: _____

DRAFT

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

Ector County is a designated enterprise zone, based on poverty level. See link to Enterprise Zone Finder on this page <https://gov.texas.gov/business/page/texas-enterprise-zone-program> and map below.



Agreement for Limitation on Appraised Value
Between Ector County ISD and GCC Permian, LLC
(App. No. 1652), April 19, 2022
Exhibit 1

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

EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

All Qualified Property owned by the Applicant is located within the boundaries of the project area, Ector County Independent School District, Ector County and the Enterprise Zone, as depicted in **EXHIBITS 1, 3 and 4.**

Draft

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

GCC Permian is proposing to add 3,000 tons per day production capacity at its existing Odessa, Texas facility. This proposed plant addition would be located in Ector County and entirely within Ector County ISD.

Below is a list of the major new equipment comprising this plant as follows:

- Limestone Storage
- Raw Mill
- Exhaust Gas Conditioning Equipment
- Raw Meal Silo
- Kiln Feed Equipment
- Preheater
- Kiln
- Cooler
- Bag House
- Clinker transport Equipment
- Cement Mill Feed Equipment
- Cement Mill
- Ammonia Injection Tank
- Compressors
- Electrical Switchgear and main electrical components
- Power Distribution Center
- Instrumentation equipment

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

MAP OF QUALIFIED INVESTMENT



EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

GCC Permian is proposing to add 3,000 tons per day production capacity at its existing Odessa, Texas facility. This proposed plant addition would be located in Ector County and entirely within Ector County ISD.

Below is a list of the major new equipment comprising this plant as follows:

- Limestone Storage
- Raw Mill
- Exhaust Gas Conditioning Equipment
- Raw Meal Silo
- Kiln Feed Equipment
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- Cement Mill Feed Equipment
- Cement Mill
- Ammonia Injection Tank
- Compressors
- Electrical Switchgear and main electrical components
- Power Distribution Center
- Instrumentation equipment

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

MAP OF QUALIFIED PROPERTY



**EXHIBIT 5
AGREEMENT SCHEDULE**

| | <u>Year of Agreement</u> | <u>Date of Appraisal</u> | <u>School Year</u> | <u>Tax Year</u> | <u>Summary Description</u> |
|--------------------------------------|---------------------------------|---------------------------------|---------------------------|------------------------|--|
| Limitation Pre-Years | 0 | January 1, 2021 | 2021-22 | 2021 | QTP Pre Year |
| | 0 | January 1, 2022 | 2022-23 | 2022 | QTP Pre Year |
| | QTP 1 | January 1, 2023 | 2023-24 | 2023 | QTP year 1, begins January 1, 2023 |
| | QTP 2 | January 1, 2024 | 2024-25 | 2024 | QTP year 2, ends December 31, 2024 |
| Limitation Period (10 Years) | 1 | January 1, 2025 | 2025-26 | 2025 | \$100 million appraisal limitation |
| | 2 | January 1, 2026 | 2026-27 | 2026 | \$100 million appraisal limitation |
| | 3 | January 1, 2027 | 2027-28 | 2027 | \$100 million appraisal limitation |
| | 4 | January 1, 2028 | 2028-29 | 2028 | \$100 million appraisal limitation |
| | 5 | January 1, 2029 | 2029-30 | 2029 | \$100 million appraisal limitation |
| | 6 | January 1, 2030 | 2030-31 | 2030 | \$100 million appraisal limitation |
| | 7 | January 1, 2031 | 2031-32 | 2031 | \$100 million appraisal limitation |
| | 8 | January 1, 2032 | 2032-33 | 2032 | \$100 million appraisal limitation |
| | 9 | January 1, 2033 | 2033-34 | 2033 | \$100 million appraisal limitation |
| | 10 | January 1, 2034 | 2034-35 | 2034 | \$100 million appraisal limitation |
| Maintain a Viable Presence (5 Years) | 11 | January 1, 2035 | 2035-36 | 2035 | No appraisal limitation; must maintain a viable presence |
| | 12 | January 1, 2036 | 2036-37 | 2036 | No appraisal limitation; must maintain a viable presence |
| | 13 | January 1, 2037 | 2037-38 | 2037 | No appraisal limitation; must maintain a viable presence |
| | 14 | January 1, 2038 | 2038-39 | 2038 | No appraisal limitation; must maintain a viable presence |
| | 15 | January 1, 2039 | 2039-40 | 2039 | No appraisal limitation; must maintain a viable presence |



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O. Box 13528 • Austin, TX 78711-3528

April 11, 2022

Dr. Scott Muri
Superintendent
Ector County Independent School District
802 North Sam Houston
Odessa, Texas 79761

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Ector County Independent School District and GCC Permian, LLC, Application 1652

Dear Superintendent Muri:

This office has been provided with the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Ector County Independent School District and GCC Permian, LLC (Agreement). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

Based on our review, this office concludes that the Agreement complies with the provisions of Tax Code, Chapter 313 and 34 TAC Chapter 9, Subchapter F.

Should you have any questions, please contact Desiree Caufield with our office. She can be reached by email at desiree.caufield@cpa.texas.gov or by phone at 1-800-531-5441, ext. 6-8597, or at 512-936-8597.

Sincerely,

DocuSigned by:

A handwritten signature in black ink, appearing to read "Will Counihan", is written over a blue DocuSign signature line.

8FDFG70F5753487...

Will Counihan

Director

Data Analysis & Transparency Division

cc: Fred Stormer, Underwood Law Firm, P.C.
Luis Carlos, GCC Permian, LLC
Carlos Lopez, GCC Permian, LLC
Brandon Westlake, Cummings Westlake LLC



CUMMINGS WESTLAKE
PROPERTY TAX ADVISORS

November 16, 2021

Dr. Scott Muri
Superintendent, Ector County Independent School District
802 North Sam Houston
Odessa, TX 79761

Re: Chapter 313 Jobs Waiver Request

Dear Superintendent Muri,

GCC Permian, LLC requests that the Ector County Independent School District's Board of Trustees waive the job requirement provision as allowed by Section 313.025(f-1) of the Tax Code. This waiver would be based on the school district's board findings that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application.

GCC Permian, LLC requests that the Board of Trustees make such a finding and waive the job creation requirement for 25 permanent jobs. The size of the project will increase capacity of the current facility; however, the industry standard for employment in this type of industry for this size of project is 5 employees. Accordingly, GCC Permian, LLC has committed to create five (5) total jobs for the project.

This number will vary depending on the operations and maintenance requirements of the equipment selected as well as the support and technical assistance offered by the equipment manufacturer. The permanent employees of a project maintain, and service the manufacturing equipment and other infrastructure associated with the safe and reliable operation of the project. In addition to the onsite employees, there may be managers or technicians who support the project from offsite locations.

Sincerely,

Sam A. Gregson
Senior Consultant

16410 N Eldridge Pkwy | Tomball, Texas 77377

P: 713.266.4456 W: cwlp.net



Ector County Independent School District

Action Page

TO: Board of Trustees

FROM: Deborah Ottmers, Chief Financial Officer

SUBJECT: **DISCUSSION AND POSSIBLE ACTION ON AN AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATION TAXES, PURSUANT TO CHAPTER 313 OF THE TEXAS TAX CODE, WITH GCC PERMIAN, LLC**

DATE: April 19, 2022

Attorney Fred Stormer with Underwood Law Firm, P.C. and Financial Consultant Chris Grammer with Culwell Consulting, LLC will present the findings and agreement.

Administrative Recommendation:
Approval as requested.



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

April 11, 2022

Dr. Scott Muri
Superintendent
Ector County Independent School District
802 North Sam Houston
Odessa, Texas 79761

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Dear Superintendent Muri:

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Based on our review, this office concludes that the Agreement complies with the provisions of Tax Code, Chapter 313 and 34 TAC Chapter 9, Subchapter F.

Should you have any questions, please contact Desiree Caufield with our office. She can be reached by email at desiree.caufield@cpa.texas.gov or by phone at 1-800-531-5441, ext. 6-8597, or at 512-936-8597.

Sincerely,

DocuSigned by:

A handwritten signature in black ink, appearing to read "Will Counihan", is written over a blue DocuSign signature line.

8FDFG70F5753487...

Will Counihan

Director

Data Analysis & Transparency Division

cc: Fred Stormer, Underwood Law Firm, P.C.
Luis Carlos, GCC Permian, LLC
Carlos Lopez, GCC Permian, LLC
Brandon Westlake, Cummings Westlake LLC



Ector County Independent School District

Action Page

TO: Board of Trustees

FROM: Dr. Kellie Wilks, Chief Technology Officer

SUBJECT: DISCUSSION OF AND REQUEST FOR APPROVAL OF STUDENT INFORMATION SYSTEM REQUEST FOR PROPOSAL

DATE: April 19, 2022

Dr. Kellie Wilks will present a recommendation for approval of a new Student Information System.

Administrative Recommendation:

Approval of Purchase of Student Information Systemtem Ret Prsal



Ector County Independent School District

Action Page

TO: Board of Trustees

FROM: Deborah Ottmers, Chief Financial Officer

SUBJECT: DISCUSSION OF AND REQUEST FOR APPROVAL OF PURCHASES OVER \$50,000

DATE: April 19, 2022

As Required by Board Policy CH (Local), following is a list of contracts/projects recommended to be awarded by purchase orders once approved.

| Item | Vendor(s) | Service/ Product | Estimated Contract Price | Funding | Requestor | Service/Product Summary |
|------|-------------------------------|--------------------------------------|--------------------------------|------------------|------------------|-----------------------------------|
| 1 | Focus School Software, LLC | RFP #22-15 Contracted Services | \$ 249,995 | General Funds | Dr. Kellie Wilks | Student Information Solutions SIS |

Dr. Kellie Wilks
Chief Technology Officer
Phone: 432-456-8641
Email: kellie.wilks@ectorcounttyisd.org



RFP #22-15 for Student Information Solutions (SIS)

Purpose: The selected SIS will replace Ascender.

Background Info: Selecting a new Student Information Solution (SIS) for the district. The RFP is for the 2021-2022 school year and implementation will go through the 2022-2023 school year. The SIS provider will be responsible for delivering all services necessary to implement the proposed solution. This includes providing the necessary people, processes and technologies to project manage the implementation, validate requirements, environment readiness and deployment, configuration, training, testing, release and go-live management. ECISD plans to start the new SIS implementation at contract signing (estimated May 2022). While this represents a highly accelerated timeline, ECISD desires the introduction of new functionality to some or all users ahead of School Year 2022-2023. A full implementation resulting in a production environment with all core functionality must be live by December 2022 to ensure master schedule creation and student scheduling in the new SIS for School Year 2023-2024, as well as full PEIMS reporting in Fall 2023.

Premium Renewal Cost: \$249,995

(If awarded, the contract shall be for the remainder of the current fiscal year 2021–2022 and for the 2022 – 2023 fiscal year, with the option to renew for multiply years. Renewals of the contract may be made in one (1) year intervals with the year immediately following the initial term being the First Renewal Term, not to exceed a total of five years, at the sole discretion of ECISD.)

Funding Source: General funds

Recommended Supplier/Service Provider: Focus School Software, LLC

Board Approval

Date

OUR students ⁴⁰³ THE future



Ector County Independent School District

Action Page

TO: Board of Trustees

FROM: Dr. Anthony Sorola, Associate Superintendent of Athletics, Human Capital and Operations

SUBJECT: DISCUSSION OF AND REQUEST FOR APPROVAL OF INTERLOCAL PARTICIPATION AGREEMENT (IPA) BETWEEN ECTOR COUNTY ISD AND TEXAS ASSOCIATION OF SCHOOL BOARDS (TASB) RISK MANAGEMENT FUND FOR PERFORMING ADMINISTRATIVE SERVICES AND GOVERNMENTAL FUNCTIONS RELATIVE TO RISK MANAGEMENT

DATE: April 19, 2022

The attached Interlocal Participation Agreement (IPA) between Ector County ISD and TASB Risk Management Fund (Fund) will replace the current IPA with the Fund effective May 1, 2022. It was last amended in 2012. This Agreement shall be effective from the date of the last signature and shall remain in effect unless terminated as provided in this Agreement.

Administrative Recommendation:

It is recommended that the Board of Trustees Approve the Interlocal Participation Agreement between Ector County ISD and TASB Risk Management Fund as presented.



March 1, 2022

Dr. Scott Muri
Ector County ISD
scott.muri@ectorcountyisd.org

Participation in TASB Risk Management Fund Coverage Programs

Dear Dr. Muri:

Please accept this letter as formal written notice that the Interlocal Participation Agreement (IPA) between Ector County ISD and the TASB Risk Management Fund (Fund) is amended by the Fund effective May 1, 2022. The IPA is the foundational agreement by which eligible organizations join the Fund.

The amended IPA will replace your current IPA with the Fund. A copy of the new IPA is included for review and execution. It was last amended in 2012. Pursuant to Chapter 791 of the Texas Government Code, the new IPA must be authorized and approved by your Board of Trustees.

Along with the new IPA, a Frequently Asked Questions document with more information and a summary of changes is included to assist you in executing the agreement. The updates to the IPA focus on three areas: 1) clarity of purpose and meaning, 2) updates to Fund Member duties and obligations, and 3) revisions to the dispute resolution provisions.

The IPA must be approved through Board action and returned to the Fund. Your organization may take one of following approaches related to the new IPA:

- Seek authorization from your Board of Trustees and return the executed IPA to the TASB Risk Management Fund at tasbrmf@tasbrmf.org no later than May 13, 2022. A countersigned copy will be returned to you for your records.
- Take no action. The IPA will go into effect May 1, 2022, and your current coverage will continue under the terms of the new IPA. However, your next renewal proposal for Fund coverage will require a board-approved executed IPA unless you terminate coverage at that time.
- Terminate coverage in all Fund programs effective April 30, 2022, by providing written notice of termination to the Fund by April 29, 2022.

Please reach out to your TASB Risk Management Marketing Consultant for assistance with this process. We thank you for your membership in the TASB Risk Management Fund. We are very



proud of our 48-year record of proven strength, stability, and service to Texas public school districts and other educational entities and look forward to our continued partnership.

Sincerely,

A handwritten signature in black ink that reads "Dubravka H. Romano".

Dubravka H. Romano
Associate Executive Director
Risk Management Services
Texas Association of School Boards, Inc.

CC: Yolanda Gordon
Jacqueline Spencer (Jacqueline.Spencer@tasb.org)

Attachments: Frequently Asked Questions and Explanation of Changes, Amended Interlocal Participation Agreement

TASB Risk Management Fund Interlocal Participation Agreement Frequently Asked Questions

What is the IPA?

The Interlocal Participation Agreement (IPA) is the foundational agreement of the TASB Risk Management Fund (Fund). The Fund is a self-funded risk pool, and the IPA is the agreement through which Fund Members participate in the Fund. The IPA sets out the basic terms, conditions, and requirements of Fund membership.

Through an executed IPA, Fund Members may participate in the various lines of coverage offered by the Fund. Membership in each specific Fund program is created and controlled through a Contribution and Coverage Summary (CCS).

The IPA is approved once by each Fund Member's board. It remains in effect until the Fund Member ceases to participate in at least one Fund coverage program or the Fund terminates the IPA.

Does the IPA require Board approval?

Yes. The Fund is an interlocal entity formed under the provisions of Chapter 791 of the Texas Government Code. This law requires that an interlocal agreement be authorized by the governing body of each party to the agreement.

What is the effective date of the IPA?

The amended IPA is effective on May 1, 2022, for all Fund Members. Members should return a board-approved IPA prior to May 13, 2022. If the Fund Member takes no action, the IPA will still go into effect.

For Members who take no action, renewal proposals for coverage on or after May 1, 2022, will be contingent on the member returning a board-approved IPA. Coverage effective on or after May 1, 2022, will not be renewed without a properly executed IPA.

Members may also terminate coverage in all Fund programs effective April 30, 2022, by providing written notice to the Fund by April 29, 2022.

Why is the IPA Changing?

The IPA was last approved by the Fund Board in April 2012 as a universal IPA covering all Fund programs. It has not been modified since 2012. The Fund reviews and updates its IPA at least once every ten years or more frequently, as needed.

The amendments to the IPA focus on three separate areas: 1) clarity of purpose and meaning, 2) updating Fund Member duties and obligations, and 3) revising the dispute resolution provisions.

What are the specific changes to the IPA?

A thorough explanation of the changes is included in this document on the following page.

Can my organization make changes to the IPA?

No. This IPA was approved by the TASB Risk Management Fund Board on November 12, 2021, and is effective on May 1, 2022. The IPA is a Board-approved agreement and is universal. All members of the Fund agree to the same terms of participation.

What if my organization doesn't agree to the terms of the new IPA?

Fund Members who do not agree to the terms of the new IPA may terminate coverage in all Fund programs effective April 30, 2022, by providing written notice to the Fund by April 29, 2022, prior to the IPA going into effect on May 1, 2022.

Who can I contact for additional information?

General questions can be directed to your Risk Management Marketing Consultant. If your questions are specific to the terms of the IPA, please contact Paul Taylor, Director of Legal and Regulatory Affairs in TASB Risk Management Services, at paul.taylor@tasb.org.

What are the steps for signing and returning the IPA?

As part of the Board approval process, the Board may authorize an administrator to sign the IPA. Electronic signatures are acceptable. The date of Board approval must be recorded on the signature page.

Please return the executed IPA to tasbrmf@tasbrmf.org no later than May 13th, 2022. Once the executed IPA is received, it will be countersigned by the Fund and a copy will be provided for your records.

Explanation of Changes to the IPA

The amendments to the IPA focus on three separate areas: 1) clarity of purpose and meaning, 2) updating Fund Member duties and obligations, and 3) revising the dispute resolution provisions.

Clarity:

- Section 2, **Program Participation**, removes references to the original Fund programs to allow expansion of programs and services by the Fund.
- Section 5, **Agreement to Pay Contributions**, now separately addresses situations where Fund Members fail to pay contributions or fail to repay the Fund any other amounts owed. The adjusted contribution provision is also moved to this section.
- Section 6, **Contribution and Coverage Summary**, states the CCS, Coverage Agreements, Endorsements, and Addenda are incorporated into the IPA as one agreement.
- Section 8, **Other Duties of Fund Member**, is expanded to address Cooperation and Access and authorizes the Fund access to member data held by the Fund's administrator and its other affiliated entities.
- Section 11, **Subrogation and Assignment of Rights**, combines the two former sections on Subrogation into one section.

Updates to Member Duties and Obligations:

- Section 4, **Termination**, specifies that a Fund Member attempting to terminate the agreement after their renewal term begins still owes the full contribution amount.
- Section 7, **Loss Prevention**, states that loss prevention recommendations are given without warranty.
- Section 15, **Fund Member's Designation of Coordinator**, states the Fund Member must appoint an employee with appropriate authority as Program Coordinator and may not delegate communication to a third-party.
- Section 16, **Risk Sharing Agreement**, states the IPA is a risk sharing and risk participation agreement and is not a contract of insurance. This section also provides that any ambiguity in the agreement will not be construed against the Fund.
- Section 23, **Authorization**, states the Fund Member authorizes the Program Coordinator or CEO to approve and bind current and future agreements with the Fund.
- In addition to the authorized signature, the new IPA requires entry of the date of approval of the IPA by the Fund Member's Board of Trustees.

Revisions to Dispute Resolution provisions:

- Section 22, **Dispute Resolution**, requires an appeal to the Fund Board and mediation in Travis County, before pursuing litigation. The IPA requires that a suit against the Fund be filed in Travis County.
- A **Waiver and Estoppel** provision is added to the IPA to ensure that the parties to the agreement can enforce the contractual provisions in the IPA.
- The **Assignment** clause is updated and moved to Section 22 and states that a Fund Member may not transfer any interest in claim-related payments from the Fund to a third party. Action by the Fund Member which grants or attempts to grant interest or control over any claim payments suspends the Fund's obligation to make any claim payments under the agreement. This provision prohibits assignments to a third-party under a contingency fee contract or similar agreement.

TASB RISK MANAGEMENT FUND INTERLOCAL PARTICIPATION AGREEMENT

Pursuant to the Texas Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, this Interlocal Participation Agreement (Agreement) is entered into by and between the Texas Association of School Boards Risk Management Fund (Fund) and the undersigned local government of the State of Texas (Fund Member). The Fund is an administrative agency of local governments (Fund Members) that cooperate in performing administrative services and governmental functions relative to risk management.

TERMS AND CONDITIONS

In consideration of the mutual covenants and conditions contained in this Agreement and other good and valuable consideration, including, without limitation, the agreement of the Fund and Fund Members to provide risk management programs as detailed in this Agreement, the receipt and sufficiency of which are hereby acknowledged, Fund Member and the Fund, intending to be legally bound, and subject to the terms, conditions, and provisions of this Agreement, agree as follows:

1. **Authority.** Fund Member hereby approves and adopts the Restatement of Interlocal Agreement, dated May 20, 1997, which restated the Interlocal Agreement dated July 2, 1974, establishing the predecessor of the Fund. The Restatement of Interlocal Agreement is incorporated into this Agreement by reference and is available from the Fund upon request. This Agreement serves to outline the relationship between the Fund and Fund Member. While the Texas Interlocal Cooperation Act provides the overarching basis for the Fund, certain Fund programs are further authorized pursuant to various statutes, such as Chapter 504 of the Texas Labor Code, pertaining to workers' compensation; and Chapter 2259, Subchapter B, of the Texas Government Code, pertaining to other risks or hazards.
2. **Program Participation.** This Agreement enables Fund Member to participate in one or more of the Fund's available programs. Because this is an enabling Agreement, Fund Member must also execute a separate Contribution and Coverage Summary (CCS) for each Fund program from which it seeks coverage and/or administrative services. Only a valid CCS will confer the right to participate in a specific program and each CCS shall be incorporated into this Agreement. Through participation in any Fund program, Fund Member waives none of its immunities and authorizes the Fund, or its designee, to assert such immunities on its behalf and on behalf of the Fund or its designee.
3. **Term of Agreement.** This Agreement shall be effective from the date of the last signature below and shall remain in effect unless terminated as provided in this Agreement. This Agreement will automatically terminate if Fund Member ceases to participate in at least one of the Fund's programs (due to the expiration of a CCS participation term or the valid termination of same) or fails to meet the membership qualifications of the Fund as provided in this Agreement and as determined by the Fund in writing.
4. **Termination.** Unless this Agreement is automatically terminated as described above, this Agreement, and/or any component CCS applicable to Fund Member, can be terminated as set forth below. However, unless specifically required in a CCS, the termination of any single Fund program under a CCS shall not also result in the automatic termination of another pending CCS, or this enabling Agreement if any other CCS is still in force for Fund Member. Rather, each Fund program can only be terminated as provided in this Agreement.
 - a. **By Either Party with 30 Days Notice before Renewal.** Any CCS may be terminated by either party with termination to be effective on any successive renewal date by giving written notice to the other party no later than 30 days prior to automatic renewal.
 - b. **By Fund Member upon Payment of Late Notice Fee.** If Fund Member fails to terminate a CCS as provided above, it may still terminate participation in any Fund program prior to the renewal date by paying a late notice fee as herein provided. If Fund Member terminates the CCS before the renewal date, but with fewer than 30 days' advance written notice, Fund Member agrees to pay the Fund a late notice fee in the amount of 25% of the annual contribution for the expiring participation term. Fund Member expressly acknowledges that the late notice fee is not a penalty, but a reasonable approximation of the Fund's damages for the Fund Member's untimely withdrawal from the program identified in the CCS. However, once the renewal term of a CCS commences, Fund Member can no longer terminate the CCS by paying a late notice fee; the CCS shall renew and Fund Member must pay 100% of the annual contribution for the renewal period.
 - c. **By the Fund upon Breach by Fund Member.** The Fund may terminate this Agreement or any CCS based on breach of any of the following obligations, by giving 10 days' written notice to Fund Member of the breach; and Fund Member's failure to cure the breach within said 10 days (or other time period allowed by the Fund):
 - 1) Fund Member fails or refuses to make the payments or contributions required by this Agreement;
 - 2) Fund Member fails to cooperate and comply with any reasonable requests for information and/or records made by the Fund;

- 3) Fund Member fails or refuses to follow loss prevention or statutory compliance requirements of the Fund, as provided in this Agreement; or
- 4) Fund Member otherwise breaches this Agreement.

If the Fund terminates this Agreement, or any CCS, based on breach as described above, Fund Member agrees that the Fund will have no responsibility of any kind or nature to provide coverage on the terminated Fund program post-termination. Further, Fund Member shall bear the full financial responsibility for any unpaid open claim and expense related to any claim, asserted or unasserted and reported or unreported, against the Fund or Fund Member, or incurred by the agents or representatives of Fund Member.

In addition to the foregoing, if termination is due to Fund Member's failure to make required payments or contributions, Fund Member agrees that it shall pay the Fund liquidated damages in the amount of 50% of the annual contribution for the participation term identified in the terminated CCS.

5. Contributions.

- a. **Agreement to Pay Contribution.** Fund Member agrees to pay its contribution for each Fund program in which it participates based on a plan developed by the Fund. The amount of contribution will be stated in the relevant CCS and will be payable upon receipt of an invoice from the Fund. Late fees amounting to the maximum interest allowed by law, but not less than the rate of interest authorized under Chapter 2251, Texas Government Code, shall begin to accrue daily on the first day following the due date and continue until the contribution and late fees are paid in full. If Fund Member fails to pay the amounts due under this Agreement, including any CCS, the Fund may redirect other amounts due to the Fund Member, payments received from Fund Member, or amounts held by the Fund for Fund Member's benefit, to offset the amount owed. Any offset will not extinguish Fund Member's obligation for any and all payments due under this Agreement, including any CCS.
- b. **Other Payments Due to the Fund.** In addition to contributions, if the Fund Member owes other payments to the Fund, such as deductibles or claim overpayments, and Fund Member fails to timely pay the amounts due, the Fund may redirect other amounts due to the Fund Member, payments received from Fund Member, or amounts held by the Fund for the Fund Member's benefit to offset the amounts owed.
- c. **Estimated Contribution and Contribution Adjustment.** In specified situations, the amount of contribution shown in the CCS will be identified as an estimate. The Fund reserves the right to request an audit of updated exposure information at the end of the CCS participation term and adjust contributions if Fund Member's exposure changes during the CCS participation term. As a result of the exposure review, any additional contribution payable to the Fund shall be paid by Fund Member, and any overpayment of contribution by Fund Member shall be returned or credited by the Fund. The Fund reserves the right to audit the relevant records of Fund Member in order to conduct this exposure review.

Upon expiration of each participation period, Fund Member may request a contribution adjustment due to exposure changes. Such request must be made in writing within 60 days after the end of the participation period. Fund Member must provide documentation as requested by the Fund to demonstrate that the exposure change warrants a contribution adjustment.

The annual contribution may be adjusted due to an exposure change or audit as presented in the CCS. The Fund may also request a contribution adjustment should the Fund's underwriting income for any program within a given program year be inadequate to pay the ultimate cost of claims incurred for that year, the Fund may collect an adjusted contribution from any current or former Fund Member if that Fund Member's contribution is inadequate to pay the Fund Member's claims incurred during that year.

6. **Contribution and Coverage Summary.** Fund Member agrees to abide by each CCS that governs its participation. A CCS will incorporate the program specific coverage document, if any, which sets forth the scope of coverage and/or services from the Fund. This Agreement will be construed to incorporate the CCS, Coverage Agreements, Endorsements, and Addenda, if any, whether or not physically attached. A CCS for a Fund program will state the participation term. After Fund Member's execution of a CCS, the CCS will automatically renew annually, unless terminated in accordance with this Agreement. Any renewal containing a change in the amount of contribution or other terms will be subject to the Amendment by Notice process described in this Agreement.
7. **Loss Prevention.** The Fund may provide loss prevention services to Fund Member. Fund Member agrees to adopt the Fund's reasonable and customary standards for loss prevention and to cooperate in implementing any and all reasonable loss prevention and statutory compliance recommendations or requirements. The Fund makes no warranty on Fund loss prevention recommendations.

8. Other Duties of Fund Member.

- a. **Standards of Performance.** Time shall be of the essence in Fund Member's reporting of any and all claims to the Fund, payment of any contributions or monies due to the Fund, and delivery of any written notices under this Agreement.
- b. **Claims Reporting.** Notice of any claim must be provided to the Fund as required by law or the applicable Coverage Agreement. Failure by Fund Member to timely report a claim may result in denial of coverage or payment of fines or penalties imposed by law or regulatory agencies. If the Fund advances payment of any fine or penalty arising from Fund Member's late claim reporting, Fund Member will reimburse the Fund for all such costs.
- c. **Cooperation and Access.** Fund Member agrees to cooperate and to comply in a timely manner with all reasonable requests for access, information and/or records made by the Fund or by a third-party acting for the Fund. Fund Member further agrees to provide complete and accurate statements of material facts, to not misrepresent or omit such facts, or make false statements to the Fund. The Fund Member agrees that any information held by the Fund's Administrator, or its' affiliated entities may be provided to the Fund. The Fund reserves the right to audit the relevant records of Fund Member to determine compliance with this Agreement.

9. **Administration of Claims.** The Fund or its designee agrees to administer all claims for which Fund Member has coverage after Fund Member provides timely written notice to the Fund. Fund Member hereby authorizes the Fund or its designee to act in all matters pertaining to handling of claims for which Fund Member has coverage pursuant to this Agreement. Fund Member expressly agrees that the Fund has sole authority in all matters pertaining to the administration of claims and grants the Fund or its designee full decision-making authority in all matters, including without limitation, discussions with claimants and their attorneys or other duly authorized representatives. Fund Member further agrees to be fully cooperative in supplying any information reasonably requested by the Fund in the handling of claims. All decisions on individual claims shall be made by the Fund or its designee, including, without limitation, decisions concerning claim values, payment due on the claim, settlement, subrogation, litigation, or appeals.

10. **Excess Coverage/Reinsurance.** The Fund, in its sole discretion, may purchase excess coverage or reinsurance for any or all Fund programs. In the event of a substantial change in terms or cost of such coverage, the Fund reserves the right to make adjustments to the terms and conditions of a CCS as allowed by the Amendment by Notice process under this Agreement. If any reinsurer, stop loss carrier, and/or excess coverage provider fails to meet its obligations to the Fund or any Fund Member, the Fund is not responsible for any payment or any obligations to Fund Member from any reinsurer, stop loss carrier, or excess coverage provider.

11. Subrogation and Assignment of Rights.

- a. Fund Member, on its own behalf and on behalf of any person entitled to benefits under this Agreement, assigns all subrogation rights to the Fund. The Fund has the right, in its sole discretion, without notice to Fund Member, to bring all claims and lawsuits in the name of Fund Member or the Fund. Fund Member agrees that all subrogation rights and recoveries belong first to the Fund, up to the amount of benefits, expenses, and attorneys' fees incurred by the Fund, with the balance, if any, being paid to Fund Member, unless otherwise specifically stated in the Agreement. Award of funds to any person entitled to coverage, whether by judgment or settlement, shall be conclusive proof that the injured party has been made whole. Fund Member's right to be made whole is expressly superseded by the Fund's subrogation rights. If Fund Member procures alternate coverage for a risk covered by the Fund, the latter acquired coverage shall be deemed primary coverage concerning that risk.
- b. Fund Member shall do nothing to prejudice or waive the Fund's existing or prospective subrogation rights under this Agreement. If Fund Member has waived any subrogation right without first obtaining the Fund's written approval, the Fund shall be entitled to recover from Fund Member any sums that it would have been able to recover absent such waiver. Recoverable amounts include attorneys' fees, costs, and expenses.

12. **Appeals.** Fund Member shall have the right to appeal any written decision or recommendation to the Fund's Board of Trustees, and the Board's determination will be final. Any appeal shall be made in writing to the Board Chair within 30 days of the decision or recommendation.

13. **Bylaws, Policies, and Procedures.** Fund Member agrees to abide by the Bylaws of the Fund, as they may be amended from time to time, and any and all written policies and procedures established by the Fund (which are available from the Fund upon written request). If a change is made to the Fund's Bylaws, written policies or procedures which conflicts with or impairs a CCS, such change will not apply to Fund Member until the renewal of such CCS, unless Fund Member specifically agrees otherwise.

14. **Payments.** Fund Member represents and warrants that all payments required under this Agreement of Fund Member shall be made from its available current revenues.

15. **Fund Member's Designation of Coordinator.** Fund Member agrees to designate an employee with appropriate authority as coordinator (Program Coordinator) for Fund Member on this Agreement or any CCS executed by Fund Member. Fund Member's Program Coordinator shall have express authority to represent and to bind Fund Member, shall fully communicate with the Fund regarding Fund business, and shall not delegate this communication to a third party. The Fund will not be required to contact any other individual regarding matters arising from or related to this Agreement. Fund Member reserves the right to change its Program Coordinator as needed, by giving written notice to the Fund; such notice is not effective until actually received by the Fund. Notice provided to the Chief Executive Officer of Fund Member shall also serve as notice to the Program Coordinator.
16. **Risk Sharing Agreement.** This Agreement is a risk sharing and risk participation agreement and should not be construed to be a contract of insurance. If any ambiguity exists in this Agreement, including any CCS or specific coverage document, the provision shall not be construed against the Fund as drafter of this Agreement. The Fund is not an insurance company nor is any member an insured. The Fund is a self-insured risk pool through which its members agree to share risk and actively participate in their contractual obligations to lessen risk and cost for all members. Any reference in this Agreement to an insurance term or concept is coincidental, is not intended to characterize the Fund as "insurance" as defined by law, shall be deemed to apply to self-insurance, and is not to be construed as being contrary to the self-insurance concept.
17. **Representation.** Fund Member authorizes the Fund to represent Fund Member in any lawsuit, dispute, or proceeding arising under or relating to any Fund program and/or coverage in which Fund Member participates. The Fund may exercise this right in its sole discretion and to the fullest extent permitted or authorized by law. Fund Member shall fully cooperate with the Fund, its designee, and the Fund's chosen counsel, including, without limitation, supplying any information necessary or relevant to the lawsuit, dispute, or proceeding in a timely fashion. Subject to specific revocation, Fund Member designates the Fund to act as a class representative on its behalf in matters arising out of this Agreement.
18. **Members' Equity.** The Fund Board, in its sole discretion, may declare a distribution of the Fund's members' equity to Fund Members. Members' equity belongs to the Fund. No current or former individual Fund Member is entitled to an individual allocation or portion of members' equity.
19. **Entire Agreement.** This Agreement, together with the Restated Interlocal Agreement, Bylaws, CCSs, and Coverage Agreements that are in effect as to Fund Member from time to time, represent and contain the complete understanding and agreement of the Fund and Fund Member, and there are no representations, agreements, arrangements, or undertakings, oral or written, between the Fund and Fund Member other than those set forth in this Agreement duly executed in writing. In the event of conflict between the terms of this Agreement and the Restated Interlocal Agreement, Bylaws, CCS, or any Coverage Agreement, the specific terms of the later adopted agreement shall prevail to the extent necessary to resolve the conflict. This Agreement replaces all previous Interlocal Participation Agreements between the Fund and Fund Member. Notwithstanding the foregoing, this Agreement does not supersede any unexpired participation term or pending claim under an existing agreement between Fund Member and Fund.
20. **Amendment by Notice.** This Agreement, including any of its component CCSs or coverage documents, may be amended by the Fund, in writing, by providing Fund Member with written notice before the earlier of (i) the effective date of the amendment or (ii) the date by which Fund Member can terminate without payment of late notice fees or liquidated damages. Unless this Agreement expressly provides otherwise, an amendment shall only apply prospectively and Fund Member shall have the right to terminate this Agreement, or a component CCS to which the amendment applies, before the amendment becomes effective, as provided in this Agreement. If Fund Member fails to give the Fund timely written notice of termination, Fund Member shall be deemed to have consented to the Fund's amendment and agrees to abide by and be bound by the amendment, without necessity of obtaining Fund Member's signature.

The Fund may amend this Agreement or any CCS effective upon renewal. Amendments may be for any reason including changes to the terms or contribution amount.

The Fund may also amend this Agreement or any CCS, effective during the term of a CCS, for any reason including but not limited to the following:

- a. State or federal governments, including any court, regulatory body, or agency thereof, adopt a statute, rule, decision, or take any action that would substantially impact the rights or financial obligations of the Fund as it pertains to this Agreement, or any Fund program or CCS.
- b. The terms of the Fund's stop-loss or excess coverage or reinsurance change substantially.

If the Fund exercises the option to amend the Agreement or any CCS during the term of a CCS and prior to renewal, the Fund shall give Fund Member 30 days advance written notice. Fund Member will then have the right during the 30-day period to give the Fund written notice of termination of the applicable Fund program, effective upon the expiration of the 30-day notice period (or longer period if so provided by the Fund in writing).

21. **Severability; Interpretation.** If any portion of this Agreement shall be declared illegal or held unenforceable for any reason, the remaining portions shall continue in full force and effect. Any questions of particular interpretation shall not be interpreted against the drafter of this Agreement, but rather in accordance with the fair meaning thereof.
22. **Dispute Resolution.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to conflict of law principles that would require the application of the laws of another state. The Fund retains its governmental immunity except to the extent it is waived by the legislature. The parties agree that the following adjudication procedures apply to any legal dispute, and that the Fund Member's right to file suit against the Fund is contingent upon compliance with these procedures pursuant to Texas Local Government Code section 271.154:
- Prior to filing suit, the Fund Member must comply with all of its obligations under this Agreement and any specific Coverage Agreement including an appeal to the Fund Board as described by Section 12 of this Agreement. A good-faith appeal to the Fund Board is a pre-suit adjudication procedure that is required before litigation by a Fund Member against the Fund.
 - Prior to filing suit, the Fund Member will participate in good faith in mediation in Travis County, Texas before a mediator approved by both parties; and
 - Any suit against the Fund must be brought in Travis County, Texas.

In the event of a lawsuit or formal adjudication between Fund Member and the Fund, the prevailing party is entitled to recover reasonable and necessary attorneys' fees and expenses, including expert fees, that are equitable and just.

Waiver and Estoppel. No provision of this Agreement will be deemed waived by either party unless expressly waived in writing by the waiving party. No waiver shall be implied by delay or any other act or omission. No waiver by either party of any provision of this Agreement shall be deemed a waiver of such provision with respect to any subsequent matter relating to such provision. Estoppel may not be asserted against either party so as to prevent that party from enforcing or insisting on the other party's compliance with any provision of this Agreement.

Assignment. This Agreement or any duties or obligations imposed by this Agreement shall not be assignable by Fund Member without the prior written consent of the Fund. Fund Member shall not transfer any interest in Fund claim related payments to any third party, including, but not limited to litigation finance companies, attorneys, banks, public adjusters, architects, engineers, or contractors. Any action by the Fund Member which grants or attempts to grant to any third party an interest in or control over any claim payment, including, but not limited to, the Member's entry into a contingent fee contract, will immediately suspend any obligation by the Fund to make any claim payment under this Agreement. The obligation of the Fund to make any such claim payments shall not be restored unless and until the Fund Member provides the Fund with evidence reasonably satisfactory to the Fund that any such transfer or attempt to transfer an interest in or control over such claim payment to a third party has effectively been terminated.

23. **Authorization.** By the execution of this Agreement, the undersigned individuals warrant that they have been authorized by all requisite governance action to enter into and to perform the terms and conditions of this Agreement and that the Fund Member authorizes the Program Coordinator or Chief Executive Officer to approve and bind the Fund Member to any current or future CCS entered into under this Agreement
24. **Notice.** Unless expressly stated otherwise in this Agreement, any notice required or provided under this Agreement by either party to the other party shall be in writing and shall be sent by first class mail, postage prepaid or by a carrier for overnight service or by electronic means typically used in commerce. Notice to the Fund shall be sufficient if made or addressed as follows: TASB Risk Management Fund, P.O. Box 301, Austin, Texas 78767-0301, or tasbrmf@tasbrmf.org. The Fund's required notice address may be updated through explicit written or electronic notice to Fund Members. Notice to a Fund Member shall be sufficient if addressed to the Program Coordinator or Fund Member's Chief Executive Officer and mailed to Fund Member's physical or electronic address of record on file with the Fund.
25. **Miscellaneous.** These provisions apply throughout this Agreement:
- Fund reference.** Any reference to the Fund in this Agreement includes reference to its designees.
 - CCS reference.** References to a Contribution and Coverage Summary (CCS) includes a reference to all separate coverage portions of a CCS and/or any similar service agreement between the Fund and a Fund Member.
 - "Including."** Unless the context requires otherwise, the term "including" means "including but not limited to."
 - Successors.** This Agreement binds and inures to the benefit of the parties and their successors.
 - Headings.** The headings are for convenience only and do not affect the interpretation of this Agreement.

26. **Signatures/Counterparts.** The failure of a party to provide an original, manually executed signature to the other party shall not affect the validity or enforceability of this Agreement. Either party may rely upon a facsimile or imaged signature as if it were an original. This Agreement may be executed in several separate counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

WHEREFORE, the parties agree to be bound by this Agreement by signing below.

For FUND MEMBER: **Ector County ISD**

By: _____

Date: _____

Signature of Fund Member's Authorized Representative

Printed Name of Fund Member's Authorized Representative

Date approved by Fund Member's Board of Trustees: _____

For TASB Risk Management Fund Use Only

For TASB RISK MANAGEMENT FUND:

By: _____

Date: _____

Chair, TASB Risk Management Fund Board of Trustees



BOARD OF TRUSTEES

SUBJECT: Consent Agenda

PRESENTED BY: Dr. Scott R. Muri

BACKGROUND INFORMATION:

Ector County ISD adopted the use of the consent agenda as a means of expediting regular meetings. Consent agenda items consist of typical or routine matters in nature and typically have been discussed in a prior Board Work Study session. As such, the Board can consider all items included in the Consent Agenda with one motion. Should the Board choose to consider any item on the Consent Agenda separately, that item can be removed from the Consent Agenda, discussed, and voted on separately.

ADMINISTRATIVE RECOMMENDATION:

Approval of the Consent Agenda.



REQUEST FOR APPROVAL OF MINUTES OF MEETINGS

Attached you will find minutes of meetings of the Board of Trustees for:

March 22, 2022 – Board Workshop Meeting

AT A BOARD WORKSHOP MEETING OF THE BOARD OF TRUSTEES OF THE ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT HELD AT THE ADMINISTRATION BOARD ROOM, 802 NORTH SAM HOUSTON, ODESSA, ECTOR COUNTY, TEXAS, AT 6:00 P.M., MARCH 22, 2022, WITH THE FOLLOWING MEMBERS:

Present:

Delma Abalos
Carol Gregg
Tammy Hawkins
Dr. Donna Smith
Christopher Stanley

Absent:

Dr. Steve Brown

School Officials: Dr. Scott Muri, Mike Adkins, Dr. Lilia Nanez, Deborah Ottmers, Dr. Keeley Simpson, Dr. Anthony Sorola, Alicia Syverson, Dr. Kellie Wilks

Others: Tatiana Dennis, Staci Ashley, Tracey Borchardt, Dr. Corey Seymour, Jason Osborne, Cortney Smith, Robert Cedillo, Jaime Miller, Annette Macias, Cindy Retana, Erin Bueno, Brandon Reyes, Robin Fawcett, Edith Sanchez, Javier Ruiz, Lisa Wills, Krysten Vesely, Betsabe Salcido, Carla Byrne, Claudia Richards, Melanie Sheehan, Maryela Ibarra, Anthony Garcia, Dr. Michael Hawley, Chad Crowson, Dawn Miller, Devin Benavides, Mary Franco

25809 Meeting Called to Order: Tammy Hawkins, Board President, called the Board of Trustees Meeting to order at 6:00 p.m.

25810 Verification of Compliance with Open Meeting Law – this is to certify that the provisions of Section 551.001 of the Texas Government Code have been met in connection with the public notice of this meeting: Board President Tammy Hawkins, verified that the provisions of Section 551.001 of the Texas Government Code have been met in connection with public notice of this meeting.

25811 Opening Remarks by Superintendent: In Dr. Muri's opening remarks he offered congratulations to ECISD's Executive Director Ashley Osborne for being appointed to the state's Teacher Vacancy Task Force. He said it is the human capital work being done in our school district that is garnering results locally and drawing the attention of many outside West Texas. Dr. Muri also reminded Trustees they are one of just nine school boards accepted into the Trustees Advocacy program through Raise Your Hand Texas, and that work is about to begin. Board members will take turns attending these learning sessions throughout the next year.

Public Comment: Individuals who wish to participate during the portion of the meeting designated for public comment shall sign up with the presiding officer or designee before the meeting begins as specified in the Board's procedures on public comment and shall indicate the agenda item on which they wish to address the Board. *BED(LOCAL)*

Action Items

- 25812** **Discussion of and Request for Approval to Accept a \$275,000 Gift to Fund HEPA Filters**: Moved by Smith, seconded by Abalos to Accept a \$275,000 Gift to Fund HEPA Filters from the Environmental Integrity Project as presented.

Motion unanimously approved.

- 25813** **Discussion of and Request for Approval of Building Location of the Proposed New High School**: Moved by Stanley, seconded by Smith to approve Building Location of the Proposed New High School on the ECISD owned land at the intersection of Faudree Road and Yukon Road as presented.

Motion unanimously approved.

Report/Discussion Items

- 25814** **Schools of Choice Presentation**: The Executive Director of Planning and School Choice Chad Crowson presented this item for discussion. Currently, ECISD has 13 Choice Schools; 9 of those are full choice (they have no school attendance zones) and 4 are a hybrid neighborhood/choice campus. Approximately 4,500 students, or 15% of ECISD's student body attends these schools. During this review, ECISD asked parents and community to offer suggestions for future Choice School programs/themes. A couple of the key elements of the survey responses: the community sees technology programs, preparing kids for the future, and project-based learning as important. Parents also want to see more options for middle school students and high school students. Several projects already in the works will address these concerns – a partnership that will bring the UTPB STEM Academy to ECISD, an International Baccalaureate Middle Years Program, and a project-based learning model. Long term opportunities under consideration are: shifting the program focus at low-interest elementary schools, launching a fellowship or training program for leaders to assist with the design of future choice experiences and then lead those programs, and to possibly expand Austin Montessori to PK-8.

No action required.

- 25815** **Gifted & Talented Plan Presentation**: Executive Director of Curriculum & Instruction Jaime Miller and Director of Advanced Academic Services Dr. Kristen Vesely presented this item for discussion. District leaders formed an advisory committee of parents, teachers, G/T teachers, principals and administrators; surveyed other school districts, surveyed ECISD parents, and surveyed ECISD teachers. The committee found 24 of 25 school districts surveyed provide G/T services through inclusion (daily classroom) and partial-day pull-outs (average 100 minutes per week); teachers at all levels understand the importance of differentiating instruction for G/T students and they need

more opportunities to work with certified G/T staff and need more information on recognizing and meeting the needs of gifted students. Parents want gifted students to be given chances to work with other gifted students, do not see that gifted students are provided learning experiences different from others students, and would like to attend parent meetings to learn more about giftedness. The Advanced Academics Department is redesigning GT services with more professional learning, strong curriculum, more family and community involvement work. In the classroom, GT services will look this way: Kindergarten-2nd grade, in an inclusion setting (supported by a certified specialist); 3-5 pull-out (for two-hours per week); middle school students will be served in their Honors classes (supported by a certified specialist); high school students will be served in Honors, AP, IB and Career & Technical Education classes (supported by a certified specialist).

No action required.

25816 **Winter 2022 MAP Assessment Presentation:** Associate Superintendent of Curriculum & Instruction Dr. Lilia Nanez presented this item for discussion. MAP stands for Measure of Academic Progress. The Winter 2022 MAP Assessment scores were reviewed. These assessments, which are given three times per year, measure what students know and what they're ready to learn next. MAP Growth measures performance - whether a student performs on, above, or below grade level over time. This report compares to the report from one year ago (Winter 2021). Areas to note: In Reading, growth is apparent in nearly all grade levels with kindergarten, 3rd grade and 6th grade all hitting or surpassing projected gains. In Math, results are very similar with kindergarten, 2nd, 3rd, 4th, and 5th grades meeting or exceeding projected gains. A few areas fell below expectations; however, student achievement is growing in both Reading and Math across grade levels – especially in Kindergarten, where children are benefiting from the full-day kindergarten program implemented last year. The data also show a very clear picture that regular school attendance directly correlates to higher academic achievement. In a look at subgroups of students, the largest growth took place among Gifted/Talented students. Growth in Math is more rapid than Reading among all subgroups. ECISD uses MAP assessments in Kindergarten through 8th grade Reading and Math; English I and II Language, and Algebra I. More areas will be added. MAP Growth is one of the measurements our school board uses as an Indicator of Success.

No action required.

25817 **District of Innovation Renewal Plan Presentation:** Associate Superintendent of Curriculum & Instruction Dr. Lilia Nanez presented this item for discussion. Trustees reviewed the renewal plan for ECISD's District of Innovation plan. ECISD originally applied for, and received, District of Innovation (DOI) status in 2017. The current DOI committee used the strategic plan, finalized in 2019, and indicators of success to keep the plan focused on

district priorities. The DOI committee consisted of 22 people including teachers, parents, and one community member. This five-year plan will be presented again to Trustees at next week's meeting for approval.

25818 **Possible Request for Approval to Move to Closed Meeting - Personnel Matters - Section 551.074 of the Texas Government Code - [Board will deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of public employees of the District or hear a complaint or charge against an officer or employee.] Consultations with Attorney – Section 551.071 of the Texas Open Meetings Act [The Board will meet in Closed Session in Consultation with the Board's Attorney Regarding all Matters as Authorized by Law.]**

There was no closed session.

25819 **Closing Remarks by Superintendent:** In closing remarks, Board President Tammy Hawkins congratulated Superintendent Dr. Scott Muri for being selected by the Governor of Texas to serve on the State Board for Educator Certification.

25820 **Adjournment:** Tammy Hawkins, Board President, adjourned the Board meeting at 8:30 p.m.

Board President
Tammy Hawkins

Board Secretary
Carol Gregg



REQUEST FOR APPROVAL OF BILLS FOR PAYMENT

Attached you will find printouts listing disbursements from March 24, 2022 thru April 13, 2022 for your approval.

TO: BOARD OF TRUSTEES
ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT

FROM: ACCOUNTS PAYABLE

RE: CHECK REGISTER

The following check amounts for the operations, materials and supplies for the maintenance of the School District are presented for your approval.

For the period 03/24/2022 to 04/13/2022

| ANALYSIS RECAPITULATION | AMOUNT |
|-------------------------|------------------------|
| Operating Fund: | \$ <u>8,642,620.94</u> |

APPROVED: _____

DATE: _____

ECTOR COUNTY ISD
CHECK REGISTER
03/24/2022 - 04/13/2022

| DATE | PAYEE | AMOUNT |
|-------------|--|---------------|
| 3/30 | 4IMPRINT INC | \$ 1,455.01 |
| 3/30 | ALERT SERVICES INC | 160.00 |
| 3/30 | BIO CORPORATION INC | 161.23 |
| 3/30 | BSN SPORTS, INC DBA US GAMES | 47.96 |
| 3/30 | BUCK'S WHEEL & EQUIPMENT COMPANY | 189.17 |
| 3/30 | CAROLINA BIOLOGICAL SUPPLY CO | 91.17 |
| 3/30 | CENTERS FOR CHILDREN & FAMILIES | 2,250.00 |
| 3/30 | CMC BUSINESS SYSTEMS INC | 549.83 |
| 3/30 | CUMMINS SOUTHERN PLAINS LLC | 1,532.92 |
| 3/30 | FRANKLIN-COVEY CLIENT SALES, INC. | 10,465.94 |
| 3/30 | HENRY SCHEIN INC | 5,184.95 |
| 3/30 | J W PEPPER & SON INC | 164.13 |
| 3/30 | LAKESHORE LEARNING MATERIALS | 891.70 |
| 3/30 | MARK'S PLUMBING PARTS | 2,244.60 |
| 3/30 | PLANK ROAD PUBLISHING INC | 146.35 |
| 3/30 | ODESSA COLLEGE | 214,599.00 |
| 3/30 | ODESSA WINLECTRIC | 1,114.28 |
| 3/30 | O REILLY AUTO ENTERPRISES LLC | 285.83 |
| 3/30 | ORIENTAL TRADING COMPANY INC | 3,750.98 |
| 3/30 | PALOS SPORTS | 938.57 |
| 3/30 | POSITIVE PROMOTIONS | 500.41 |
| 3/30 | PRO-ED | 572.00 |
| 3/30 | REGION IV SERVICE CENTER | 400.00 |
| 3/30 | SCHOLASTIC BOOK FAIRS | 10,293.23 |
| 3/30 | SCHOLASTIC BOOK FAIR INC. | 11,176.44 |
| 3/30 | SCHOLASTIC INC | 348.81 |
| 3/30 | SIMS PLASTIC INC | 108.41 |
| 3/30 | SPECTRUM CORPORATION | 1,020.00 |
| 3/30 | TEXAS COMPUTER EDUCATION ASSOCIATION | 70.00 |
| 3/30 | TEACHER CREATED MATERIALS INC | 6,250.00 |
| 3/30 | TEXAS ASSOCIATION OF SCHOOL BUSINESS OFFICIALS | 250.00 |
| 3/30 | TRANE U.S. INC. | 40,039.18 |
| 3/30 | ULINE INC. | 1,540.80 |
| 3/30 | WEST MUSIC CO | 34.16 |
| 3/30 | WOODWIND & BRASSWIND INC | 1,979.23 |
| 3/30 | WOODWIND & BRASSWIND INC. | 167.77 |
| 3/30 | BROADWAY MOTORS INC | 15,275.60 |
| 3/30 | FOLLETT SCHOOL SOLUTIONS INC | 304.92 |
| 3/30 | NAPA AUTO PARTS | 943.37 |
| 3/30 | BARNES & NOBLE BOOKSELLERS | 127.31 |
| 3/30 | OFFICE DEPOT, INC | 2,317.36 |
| 3/30 | ARAMARK UNIFORM & CAREER APPAREL GROUP INC | 1,178.93 |
| 3/30 | SCHOOL SPECIALTY LLC | 8,172.14 |
| 4/6 | ALL ABOARD AMERICA! | 425 16,149.38 |
| 4/6 | ALL ABOUT HEARING | 8,000.00 |

| | | |
|------|--|-----------|
| 4/6 | AMERICAN SALES AND SERVICE INC | 1,560.00 |
| 4/6 | AMERIPRIDE SERVICES INC. | 1,369.72 |
| 4/6 | AVID CENTER | 3,500.00 |
| 4/6 | B-LINE FILTER & SUPPLY INC | 1,567.93 |
| 4/6 | BOUND TO STAY BOUND BOOKS, INC. | 480.10 |
| 4/6 | BSN SPORTS, INC DBA US GAMES | 475.30 |
| 4/6 | BUCK'S WHEEL & EQUIPMENT COMPANY | 285.29 |
| 4/6 | AUTOMATIC ICE MACHINE | 165.00 |
| 4/6 | CUMMINS SOUTHERN PLAINS LLC | 1,536.42 |
| 4/6 | DIAMOND BUSINESS SERVICES INC | 765.40 |
| 4/6 | FACTS ON FILE | 6,490.30 |
| 4/6 | FLINN SCIENTIFIC INC | 83.08 |
| 4/6 | GOPHER SPORT | 69.33 |
| 4/6 | HENRY SCHEIN INC | 2,472.85 |
| 4/6 | J W PEPPER & SON INC | 95.18 |
| 4/6 | JONES SCHOOL SUPPLY CO | 176.40 |
| 4/6 | KELLY-MOORE PAINT | 215.76 |
| 4/6 | LAKESHORE LEARNING MATERIALS | 1,342.87 |
| 4/6 | MORRISON SUPPLY CO | 1,644.40 |
| 4/6 | PLANK ROAD PUBLISHING INC | 40.40 |
| 4/6 | NASSP | 250.00 |
| 4/6 | ODESSA COLLEGE | 40,110.00 |
| 4/6 | O REILLY AUTO ENTERPRISES LLC | 1,097.49 |
| 4/6 | ORIENTAL TRADING COMPANY INC | 479.90 |
| 4/6 | POSITIVE PROMOTIONS | 582.23 |
| 4/6 | REGION IV SERVICE CENTER | 50.00 |
| 4/6 | RENAISSANCE LEARNING INC | 1,261.13 |
| 4/6 | SCHOLASTIC BOOK FAIRS | 3,928.53 |
| 4/6 | SCHOLASTIC BOOK FAIRS | 1,608.39 |
| 4/6 | SCHOLASTIC INC | 130.00 |
| 4/6 | SCHOOL NURSE SUPPLY INC | 4,119.09 |
| 4/6 | SIMS PLASTIC INC | 5,615.78 |
| 4/6 | SOLUTION TREE INC | 5,532.10 |
| 4/6 | TEXAS ART EDUCATION ASSOCIATION (TAEA) | 590.00 |
| 4/6 | TEXAS ASSOCIATION OF SCHOOL BUSINESS OFFICIALS | 840.00 |
| 4/6 | THE BOSWORTH LTD | 5,849.97 |
| 4/6 | TRANE U.S. INC. | 315.38 |
| 4/6 | WEST MUSIC CO | 2,230.22 |
| 4/6 | BROADWAY MOTORS INC | 2,226.00 |
| 4/6 | BRAINPOP, LLC | 3,250.00 |
| 4/6 | NAPA AUTO PARTS | 5,519.98 |
| 4/6 | SCARBOROUGH SPECIALTIES, INC | 246.00 |
| 4/6 | OFFICE DEPOT INC | 10.99 |
| 4/6 | OFFICE DEPOT, INC | 310.17 |
| 4/6 | ARAMARK UNIFORM & CAREER APPAREL GROUP INC | 825.32 |
| 4/6 | SCHOOL SPECIALTY LLC | 5,664.07 |
| 4/13 | AMERIPRIDE SERVICES INC. | 451.94 |
| 4/13 | CENTERS FOR CHILDREN & FAMILIES | 2,250.00 |
| 4/13 | CONSOLIDATED ELECTRICAL DISTRIBUTORS | 5,805.00 |
| 4/13 | DUGAN'S BODY SHOP | 1,570.97 |

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| 4/13 | FLAGHOUSE INC | 532.49 |
| 4/13 | FLINN SCIENTIFIC INC | 1,041.97 |
| 4/13 | GANDY INK | 1,283.84 |
| 4/13 | GOPHER SPORT | 320.57 |
| 4/13 | J W PEPPER & SON INC | 1,528.20 |
| 4/13 | LAKESHORE LEARNING MATERIALS | 189.79 |
| 4/13 | MARK'S PLUMBING PARTS | 125.03 |
| 4/13 | MSC INDUSTRIAL SUPPLY CO. | 26.14 |
| 4/13 | ODESSA COLLEGE | 51,359.00 |
| 4/13 | O REILLY AUTO ENTERPRISES LLC | 366.44 |
| 4/13 | ORIENTAL TRADING COMPANY INC | 1,119.61 |
| 4/13 | SCHOLASTIC BOOK FAIR INC. | 4,766.81 |
| 4/13 | SCHOLASTIC INC | 10.00 |
| 4/13 | SCHOOL NURSE SUPPLY INC | 78.25 |
| 4/13 | SECURED DOCUMENT SHREDDING INC | 2,484.00 |
| 4/13 | TEXAS ART EDUCATION ASSOCIATION (TAEA) | 1,783.00 |
| 4/13 | TEACHER CREATED MATERIALS INC | 6,250.00 |
| 4/13 | TEACHER'S DISCOVERY | 1,353.20 |
| 4/13 | TEXAS ASSOCIATION OF SCHOOL BUSINESS OFFICIALS | 2,620.00 |
| 4/13 | PARK PLACE PULBICATION LP | 1,260.00 |
| 4/13 | THE BOSWORTH LTD | 415.00 |
| 4/13 | TRANE U.S. INC. | 94,012.04 |
| 4/13 | UNITED STATES ACADEMIC | 4,661.75 |
| 4/13 | WEST MUSIC CO | 787.47 |
| 4/13 | NAPA AUTO PARTS | 442.20 |
| 4/13 | MULTICARE PLUS | 75.00 |
| 4/13 | SPORTS IMPORTS, INC. | 1,119.65 |
| 4/13 | OFFICE DEPOT, INC | 3,489.42 |
| 4/13 | ARAMARK UNIFORM & CAREER APPAREL GROUP INC | 1,977.65 |
| 4/13 | SCHOOL SPECIALTY LLC | 52,590.96 |
| 3/30 | 806 TECHNOLOGIES INC. | 19,800.00 |
| 3/30 | ABILENE ISD | 230.78 |
| 3/30 | ACT DALLAS LLC | 406.00 |
| 3/30 | AIR TUTORS LLC | 84,450.00 |
| 3/30 | ALEJANDRA MOLINA ARMENDARIZ | 58.23 |
| 3/30 | ALMA D GUERRERO | 2,400.00 |
| 3/30 | AMAZON CAPITAL SERVICES | 18,208.40 |
| 3/30 | AMERICAN FAMILY LIFE & CANCER | 164.46 |
| 3/30 | AMERICAN FAMILY LIFE & CANCER | 12.00 |
| 3/30 | ANNIE ARREDONDO | 61.61 |
| 3/30 | ANTHONY SCOTT | 135.37 |
| 3/30 | ANTONIO R GONZALEZ | 700.00 |
| 3/30 | APPLE, INC | 186.00 |
| 3/30 | ASSOCIATION OF TEXAS | 2,495.20 |
| 3/30 | AT&T | 692.32 |
| 3/30 | ATHLETIC SUPPLY INC | 12,728.90 |
| 3/30 | BECKY RAMIREZ | 86.58 |
| 3/30 | BERKSHIRE PRODUCTION SUPPLY LLC | 706.52 |
| 3/30 | BERNARD HOOPER | 2,619.51 |
| 3/30 | BERNARD HOOPER | 241.93 |

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| 3/30 | BEST CHOICE RESTAURANTS LLC | 2,262.50 |
| 3/30 | BEST CHOICE COFFEE SERVICES LLC | 398.61 |
| 3/30 | BETSABE GONZALEZ SALCIDO | 1,191.00 |
| 3/30 | BIMBO BAKERIES USA | 1,618.38 |
| 3/30 | DICK BLICK COMPANY | 2,220.06 |
| 3/30 | BLUE STAR BUS SALES LTD | 237.58 |
| 3/30 | BRAKES AND WHEELS INC. | 266.04 |
| 3/30 | BRECKON REED | 72.00 |
| 3/30 | BRIDGFORD MARKETING COMPANY | 4,221.00 |
| 3/30 | BROOKLYN ANDERSON | 500.00 |
| 3/30 | CASEY WERNER | 700.00 |
| 3/30 | CASHWAY WEST, INC. | 194.90 |
| 3/30 | CDW-G | 11,359.67 |
| 3/30 | CHELSEA REYES | 168.00 |
| 3/30 | CIRCLE P RANCH SUPPLY, INC | 1,114.09 |
| 3/30 | THE COLLEGE BOARD | 24,600.00 |
| 3/30 | COLLIN VALLEY | 72.00 |
| 3/30 | CONSERVE | 608.42 |
| 3/30 | CRAIG J GRANSBERY | 185.00 |
| 3/30 | CREIGHTON REED | 72.00 |
| 3/30 | CURRICULUM ASSOCIATES INC | 2,209.92 |
| 3/30 | CUSTOM WHOLESALE SUPPLY INC | 93.83 |
| 3/30 | DALE C. CALLEN, JR. | 162.38 |
| 3/30 | DAVID EDSON | 241.93 |
| 3/30 | DECKER INC | 2,469.54 |
| 3/30 | DIADEM SPORTS LLC | 510.00 |
| 3/30 | DR. ZELAYA EDUCATIONAL CONSULTING LLC | 10,000.00 |
| 3/30 | DS WATERS OF AMERICA INC | 133.86 |
| 3/30 | EASON HORTICULTURAL RESOURCES | 376.82 |
| 3/30 | ECTOR COUNTY COLISEUM | 700.00 |
| 3/30 | ECTOR COUNTY COLISEUM | 2,100.00 |
| 3/30 | ED PRICE | 15.00 |
| 3/30 | ELIZABETH HERNANDEZ | 196.87 |
| 3/30 | ELLIOTT WITNEY | 40,300.00 |
| 3/30 | EPALLET INC | 34,736.26 |
| 3/30 | EXHAUST SOUNDS INC. | 717.00 |
| 3/30 | RANDAL D GLENN | 18,900.00 |
| 3/30 | FAMILY & CONSUMER SCIENCES | 26.00 |
| 3/30 | FIRST FINANCIAL ADMINISTRATORS | 34,514.50 |
| 3/30 | FIRST FINANCIAL ADMINISTRATORS | 1,935.18 |
| 3/30 | FIRST FINANCIAL ADMINISTRATORS | 3,343.98 |
| 3/30 | FW WALTON DALLAS, LLC | 158,637.67 |
| 3/30 | G H DAIRY | 43,305.77 |
| 3/30 | GARDENDALE WATER CO | 465.00 |
| 3/30 | GERMAN F MOIX MONCLUS | 800.00 |
| 3/30 | GRAINGER | 1,707.88 |
| 3/30 | HENRY R CANAS | 2,123.88 |
| 3/30 | HENRY R CANAS | 185.00 |
| 3/30 | IDAHO CHILD SUPPORT RECEIPTING | 278.00 |
| 3/30 | INSOURCE INSURANCE GROUP, LLC | 71.00 |

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| 3/30 | INTERNATIONAL SOCIETY FOR | 1,180.00 |
| 3/30 | KEVIN D BALLARD INC | 667.00 |
| 3/30 | INDUSTRIAL IGNITION LLC | 310.00 |
| 3/30 | JENNIFER COLEMAN | 1,050.00 |
| 3/30 | K. B. SAFE & LOCK CO | 90.00 |
| 3/30 | KATELYN WATTS | 120.00 |
| 3/30 | KEITH A RODRIGUEZ | 250.00 |
| 3/30 | L WALLACE CONSTRUCTION CO., INC. | 597,784.65 |
| 3/30 | L WALLACE CONSTRUCTION CO., INC. | 44,206.35 |
| 3/30 | LABATT FOOD SERVICE | 179,167.35 |
| 3/30 | LAW ENFORCEMENT SEMINARS LLC | 385.00 |
| 3/30 | LAWNMOWER SALES AND SERVICE, INC | 4,066.50 |
| 3/30 | LENNOX INDUSTRIES INC | 3,561.22 |
| 3/30 | LINDE GAS & EQUIPMENT INC | 299.75 |
| 3/30 | LORENZO R MASONSONG | 15.00 |
| 3/30 | LUIS CARMONA | 305.15 |
| 3/30 | LVR COMMERCIAL FLOORING | 57,158.95 |
| 3/30 | MACEE LANE | 300.00 |
| 3/30 | MACMILLAN HOLDINGS LLC | 4,633.37 |
| 3/30 | MARIA ORTIZ | 3,776.85 |
| 3/30 | MARK KNOX FLOWERS | 82.95 |
| 3/30 | MARQUEE ALLISON | 72.00 |
| 3/30 | MATIAS PATINO | 270.00 |
| 3/30 | MATT VINSON | 72.00 |
| 3/30 | MICHAEL SCOWN | 252.00 |
| 3/30 | N-TUNE MUSIC & SOUND INC | 500.00 |
| 3/30 | NEKODA WITSKEN | 8,500.00 |
| 3/30 | NEW MEXICO CHILD SUPPORT | 300.00 |
| 3/30 | NEW MEXICO CHILD SUPPORT | 659.00 |
| 3/30 | NORA ISELA CRUZ | 196.87 |
| 3/30 | NORTH TEXAS TOLLWAY AUTHORITY | 50.23 |
| 3/30 | SEWCO INC | 208.00 |
| 3/30 | SEWCO INC | 13,027.94 |
| 3/30 | LANA J PENLEY | 6,500.00 |
| 3/30 | PENSKE COMMERCIAL VEHICLES US LLC | 618.05 |
| 3/30 | PERIPOLE BERGERAULT INC | 143.00 |
| 3/30 | PETROLEUM TRADERS CORPORATION | 69,330.06 |
| 3/30 | PILOT CLUB OF ODESSA INC | 500.00 |
| 3/30 | RAISSA RENACIA | 132.00 |
| 3/30 | RAISSA RENACIA | 110.00 |
| 3/30 | REGION 13 EDUCATION SERVICE CENTER | 390.00 |
| 3/30 | REGION 18 EDUCATION SERVICE CENTER | 46,000.00 |
| 3/30 | REGION 18 EDUCATION SERVICE CENTER | 300.00 |
| 3/30 | REGION 18 EDUCATION SERVICE CENTER | 800.00 |
| 3/30 | RIVERSIDE ASSESSMENTS LLC | 20,610.64 |
| 3/30 | ROB RANKIN | 42.00 |
| 3/30 | SEWELL FORD INC | 278.40 |
| 3/30 | SHERWIN WILLIAMS | 959.46 |
| 3/30 | SHERWIN WILLIAMS (FLOORING) | 329.40 |
| 3/30 | PINNACLE PROPANE LLC | 34.00 |

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| 3/30 | SOUTH PLAINS AREA TRACK OFFICIALS INC | 430.00 |
| 3/30 | SOUTHERN TIRE MART LLC | 1,248.69 |
| 3/30 | T&K HOLDINGS INC | 960.00 |
| 3/30 | TEXAS AFT AMP | 350.00 |
| 3/30 | TEXAS ASSOCIATION FOR | 1,980.00 |
| 3/30 | TEXAS ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS | 163.93 |
| 3/30 | TEXAS ELEMENTARY PRINCIPALS & SUPERVISORS ASSOC | 500.16 |
| 3/30 | TEXAS INDUSTRIAL VOCATIONAL ASSOCIATION | 92.00 |
| 3/30 | TEXAS LIFE INSURANCE CO | 137,223.65 |
| 3/30 | THE LINCOLN ELECTRIC COMPANY | 498.00 |
| 3/30 | THE RON CLARK ACADEMY | 3,980.00 |
| 3/30 | TIM GILLEY | 1,937.92 |
| 3/30 | TREY ENRIQUEUZ | 350.00 |
| 3/30 | TREY ENRIQUEUZ | 150.00 |
| 3/30 | TROXELL COMMUNICATIONS INC | 210.00 |
| 3/30 | UNITED REFRIGERATION | 1,597.14 |
| 3/30 | UNITED WAY OF ODESSA | 6,189.12 |
| 3/30 | THE UNIVERSITY OF TEXAS AT AUSTIN | 5.60 |
| 3/30 | VERIZON WIRELESS SERVICES LLC | 265.97 |
| 3/30 | IMPERIAL BAG & PAPER LLC | 22,260.22 |
| 3/30 | WALSWORTH PUBLISHING CO | 5,400.00 |
| 3/30 | WATSON TRUCK & SUPPLY | 1,818.95 |
| 3/30 | WEST TEXAS A & M | 278.00 |
| 3/30 | WEST TEXAS EDUCATORS | 3,132.50 |
| 3/30 | WEST TEXAS EDUCATORS | 268,761.66 |
| 4/6 | AARON ALEX MOLINA | 28.55 |
| 4/6 | ABECEDARIAN | 133.32 |
| 4/6 | ABEL AVILA | 684.45 |
| 4/6 | ABEL AVILA | 1,136.82 |
| 4/6 | ACCELERATION ACADEMIES | 39,644.00 |
| 4/6 | AIDE EMILIANO | 25.86 |
| 4/6 | AIDE EMILIANO | 30.01 |
| 4/6 | ALBERT J VALENCIA | 253.83 |
| 4/6 | ALBERT VALENCIA JR | 781.52 |
| 4/6 | ALEX ORTIZ | 480.00 |
| 4/6 | ALEX ORTIZ | 360.00 |
| 4/6 | ALLBRIGHT & ASSOCIATES, INC | 1,357.32 |
| 4/6 | AMAZON.COM LLC | 508.70 |
| 4/6 | AMAZON CAPITAL SERVICES | 32,211.20 |
| 4/6 | ANNIE ARREDONDO | 38.79 |
| 4/6 | ANNIE ARREDONDO | 80.48 |
| 4/6 | ANYSSA MATA | 500.00 |
| 4/6 | APPLE, INC | 11,130.00 |
| 4/6 | APPLE, INC | 37,575.00 |
| 4/6 | ARMADILLO CLAY & SUPPLY | 817.73 |
| 4/6 | ATHLETIC SUPPLY INC | 10,636.00 |
| 4/6 | ATKINS HOLLMAN JONES PEACOCK | 34,695.65 |
| 4/6 | AUDIO ACOUSTICS HEARING CENTERS | 550.00 |
| 4/6 | AUDIO ACOUSTICS HEARING CENTERS 430 | 170.00 |
| 4/6 | BERKSHIRE PRODUCTION SUPPLY LLC | 232.88 |

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| 4/6 | BEST CHOICE RESTAURANTS LLC | 139.45 |
| 4/6 | BEST CHOICE COFFEE SERVICES LLC | 205.50 |
| 4/6 | BILLY HARDEN | 400.00 |
| 4/6 | BIMBO BAKERIES USA | 2,306.88 |
| 4/6 | DICK BLICK COMPANY | 636.87 |
| 4/6 | BLUE STAR BUS SALES LTD | 318.28 |
| 4/6 | BRITTANY CROWLEY | 20.30 |
| 4/6 | C H GUENTHER & SON LLC | 3,084.00 |
| 4/6 | SPARKLIGHT | 5,154.13 |
| 4/6 | CARASOFT TECHNOLOGY CORPORATION | 22,631.30 |
| 4/6 | CASEY WERNER | 570.00 |
| 4/6 | CASIE GRANADO | 350.00 |
| 4/6 | CDW-G | 2,874.59 |
| 4/6 | CECILIA NUNEZ | 95.71 |
| 4/6 | CHARLES AND LEZIEE CHURCHFIELD | 17,780.00 |
| 4/6 | NBCEC INC | 204.00 |
| 4/6 | CHRISTI HANSEN | 36.45 |
| 4/6 | CINERGY ENTERTAINMENT ODESSA INC | 3,773.17 |
| 4/6 | CIRCLE P RANCH SUPPLY, INC | 79.00 |
| 4/6 | CLARISA ARRAS | 56.57 |
| 4/6 | CUSTOM WHOLESALE SUPPLY INC | 481.54 |
| 4/6 | CYNTHIA SUE BISHOP | 2,000.00 |
| 4/6 | DANIEL BUSTAMANTE | 66.34 |
| 4/6 | DAVID LAY | 8,457.50 |
| 4/6 | DEBORAH OTTMERS | 218.44 |
| 4/6 | DELESA STYLES | 228.41 |
| 4/6 | DELMA ABALOS | 915.60 |
| 4/6 | DIANE HARLAN | 78.33 |
| 4/6 | DIANE HARLAN | 50.49 |
| 4/6 | DISCOUNT SCHOOL SUPPLY | 128.16 |
| 4/6 | DUSTY BAUMANN | 739.62 |
| 4/6 | E. ANN KENNEDY | 5.69 |
| 4/6 | ECISD EDUCATION FOUNDATION | 682.00 |
| 4/6 | EDMIS: EDUCATION MANAGEMENT INFORMATION | 450.00 |
| 4/6 | EDWARD HANDLEY | 600.00 |
| 4/6 | ESSENCE BOTTLING COMPANY OF TEXAS INC | 9,320.64 |
| 4/6 | FOCUS CARE INC | 684,562.50 |
| 4/6 | FIRST FINANCIAL ADMINISTRATORS | 21,976.59 |
| 4/6 | FIRST FINANCIAL ADMINISTRATORS | 25,723.33 |
| 4/6 | FIRST FINANCIAL ADMINISTRATORS | 91,763.00 |
| 4/6 | FIRST FINANCIAL ADMINISTRATORS | 3,550.00 |
| 4/6 | FIRST FINANCIAL ADMINISTRATORS | 225.00 |
| 4/6 | FIRST FINANCIAL ADMINISTRATORS | 225.00 |
| 4/6 | FIRST FINANCIAL ADMINISTRATORS | 225.00 |
| 4/6 | FIRST FINANCIAL ADMINISTRATORS | 225.00 |
| 4/6 | FIRST FINANCIAL ADMINISTRATORS | 6,472.00 |
| 4/6 | FIRST FINANCIAL ADMINISTRATORS | 1,289.98 |
| 4/6 | FIRST FINANCIAL ADMINISTRATORS | 16,718.44 |
| 4/6 | FIRST FINANCIAL ADMINISTRATORS | 11,809.99 |
| 4/6 | FIRST FINANCIAL ADMINISTRATORS | 7,994.50 |

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| 4/6 | FIRST FINANCIAL ADMINISTRATORS | 4,791.68 |
| 4/6 | FIRST FINANCIAL ADMINISTRATORS | 3,375.34 |
| 4/6 | FIRST FINANCIAL ADMINISTRATORS | 131,949.13 |
| 4/6 | FIRST FINANCIAL ADMINISTRATORS | 29,859.63 |
| 4/6 | FIRST FINANCIAL ADMINISTRATORS | 12,310.54 |
| 4/6 | FIRST FINANCIAL ADMINISTRATORS | 98,626.28 |
| 4/6 | JACQUELINE H LIGHT | 1,200.00 |
| 4/6 | FLOR YUDHIT LEYVA | 280.00 |
| 4/6 | FORDE-FERRIER EDUCATIONAL SERVICE | 920.00 |
| 4/6 | G H DAIRY | 33,568.09 |
| 4/6 | GARDENDALE WATER CO | 297.00 |
| 4/6 | GRACE DOWNEY | 271.84 |
| 4/6 | GRAINGER | 1,226.85 |
| 4/6 | GRANDE COMMUNICATIONS NETWORK LLC | 646.75 |
| 4/6 | HURT EXTERMINATING | 8,200.00 |
| 4/6 | HARMONY HOME CHILDREN'S ADVOCACY CENTER | 50.00 |
| 4/6 | HEALTH SERVICES ADMINISTRATION | 1,111.95 |
| 4/6 | HEALTH SERVICES ADMINISTRATION | 28,130.10 |
| 4/6 | HEATHER DOLLOFF | 118.87 |
| 4/6 | HEATHER DOLLOFF | 65.52 |
| 4/6 | HEATHER DRIGGERS | 51.65 |
| 4/6 | HECTOR ESCOBAR | 800.00 |
| 4/6 | HOMETOWN LIVING LLC | 2,660.00 |
| 4/6 | HORACE MANN INS CO | 48.82 |
| 4/6 | HORTENCIA DEL BOSQUE | 245.06 |
| 4/6 | INDUSTRIAL COMMUNICATIONS | 85.00 |
| 4/6 | INSOURCE INSURANCE GROUP, LLC | 121.00 |
| 4/6 | INVESTRUST | 40,656.20 |
| 4/6 | ISTATION | 253.03 |
| 4/6 | JACQUELINE FRANCO | 62.24 |
| 4/6 | JANA AVERY | 30.36 |
| 4/6 | JANICE CRAWFORD | 3,900.00 |
| 4/6 | JD PALATINE LLC | 68.40 |
| 4/6 | JENNIFER WIMBERLEY | 83.30 |
| 4/6 | JENNIFER WIMBERLEY | 64.58 |
| 4/6 | JESSICA DOMINGUEZ | 1,119.74 |
| 4/6 | JNT RESOURCES PARTNERS, LP | 616.80 |
| 4/6 | JNT RESOURCES PARTNERS, LP | 20,676.49 |
| 4/6 | JOHNNY SALDIVAR | 13.16 |
| 4/6 | B L JONES | 708.00 |
| 4/6 | JOSE CAMPOS JR | 447.30 |
| 4/6 | JOSE CAMPOS JR | 7,818.90 |
| 4/6 | JOSE L DIAZ | 265.00 |
| 4/6 | JOSTENS INC | 4,401.28 |
| 4/6 | JOYCE COLLINS | 125.95 |
| 4/6 | KIMBERLY BRYER | 242.13 |
| 4/6 | KRISTA BRADDOCK | 58.85 |
| 4/6 | KRISTA BRADDOCK | 54.64 |
| 4/6 | KRONOS INC. | 7,500.06 |
| 4/6 | KRYSTAL STEFANI | 60.00 |

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| 4/6 | KYLE RIPPE | 97.00 |
| 4/6 | LABATT FOOD SERVICE | 188,672.54 |
| 4/6 | LENNOX INDUSTRIES INC | 60.44 |
| 4/6 | LES BLACKBURN | 250.00 |
| 4/6 | LINDA GONZALES | 378.33 |
| 4/6 | LINDE GAS & EQUIPMENT INC | 76,804.52 |
| 4/6 | LUIS MENDOZA | 75.29 |
| 4/6 | LUISANA MAURICIO | 85.00 |
| 4/6 | LUNCH MONY INC | 411.60 |
| 4/6 | LUZ MELENDEZ | 94.90 |
| 4/6 | LYNETA MENDOZA | 31.12 |
| 4/6 | MARK DAWSON | 750.00 |
| 4/6 | MARK HARRIS HJ INC | 4,182.31 |
| 4/6 | MARK HARRIS HJ INC | 168.00 |
| 4/6 | MEDLEY MATERIAL HANDLING CO | 2,272.00 |
| 4/6 | MEGAN SNYDER | 47.62 |
| 4/6 | MEGAN SNYDER | 41.12 |
| 4/6 | MELINA RENTERIA | 18.95 |
| 4/6 | MELINA RENTERIA | 21.59 |
| 4/6 | MICAH PETTIGREW | 615.00 |
| 4/6 | MICAH PETTIGREW | 375.00 |
| 4/6 | MICHELE HARMON LLC | 2,400.00 |
| 4/6 | MODERN SIGNS PRESS | 659.82 |
| 4/6 | N-TUNE MUSIC & SOUND INC | 1,939.00 |
| 4/6 | NATIONAL ASSOCIATION OF STATE DIRECTORS | 950.00 |
| 4/6 | NATIONAL TRAVEL SYSTEMS | 347.20 |
| 4/6 | NETSYNC NETWORK SOLUTIONS | 3,407.20 |
| 4/6 | NORTH TEXAS TOLLWAY AUTHORITY | 205.12 |
| 4/6 | SEWCO INC | 21,630.27 |
| 4/6 | SEWCO INC | 13,426.72 |
| 4/6 | OHS GRAPHIC DESIGN | 300.00 |
| 4/6 | OLIVIA PORRAS | 57.45 |
| 4/6 | COLLIN COLLEGE | 140.00 |
| 4/6 | COLLIN COLLEGE | 164.00 |
| 4/6 | ENOS THOMAS | 49.26 |
| 4/6 | JAIME RICKS | 46.75 |
| 4/6 | MELINDA MCCARTY | 49.26 |
| 4/6 | RICK H MARTIN | 262.74 |
| 4/6 | PENSKE COMMERCIAL VEHICLES US LLC | 206.13 |
| 4/6 | PERLA QUINTANA | 96.00 |
| 4/6 | REED BOYD ENTERPRISES INC | 8,900.00 |
| 4/6 | PERMIAN SEPTIC INC | 2,550.00 |
| 4/6 | PETER C GORMAN | 2,250.00 |
| 4/6 | PETROLEUM TRADERS CORPORATION | 20,579.77 |
| 4/6 | PHILIP HILL | 720.00 |
| 4/6 | PHILIP HILL | 654.00 |
| 4/6 | PIRAINO CONSULTING, INC | 224.00 |
| 4/6 | POCKET NURSE ENTERPRISES INC | 274.19 |
| 4/6 | PROFESSIONAL TUTORS OF AMERICA INC | 7,275.00 |
| 4/6 | RANDY MILLER | 65.00 |

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| 4/6 | RAY DOMINGUEZ | 22.74 |
| 4/6 | REGINA SAENZ | 85.00 |
| 4/6 | REGION 18 EDUCATION SERVICE CENTER | 18,930.00 |
| 4/6 | REGION 20 EDUCATION SERVICE CENTER | 50.00 |
| 4/6 | RICHARD A. ONTIVEROZ | 227.24 |
| 4/6 | RICHARD A. ONTIVEROZ | 182.78 |
| 4/6 | ROBERTS TRUCK CENTER OF TEXAS | 3,100.70 |
| 4/6 | ROSA M DOMINGUEZ | 39.37 |
| 4/6 | SAM'S CLUB DIRECT | 5,074.78 |
| 4/6 | SAM'S CLUB DIRECT | 716.41 |
| 4/6 | SELERIX SYSTEMS, INC | 2,211.25 |
| 4/6 | SEWELL FORD INC | 102.72 |
| 4/6 | SHARI RILEY | 48.38 |
| 4/6 | SHELLIE ALVARADO | 4,375.00 |
| 4/6 | SHERWIN WILLIAMS | 324.02 |
| 4/6 | SOFT SUDS INC | 332.00 |
| 4/6 | SONIA ROCHA | 98.05 |
| 4/6 | SOUTHEASTERN PERFORMANCE | 3,129.75 |
| 4/6 | SPIRIT MONKEY, LLC | 2,171.75 |
| 4/6 | STANLEY WATSON | 48.40 |
| 4/6 | STONE TOWER GRAFIX | 2,052.00 |
| 4/6 | STOUT IMAGES, INC. | 416.18 |
| 4/6 | SUMMIT K12 HOLDING INC | 1,196.50 |
| 4/6 | SUSAN BUTLER | 3,040.00 |
| 4/6 | SWAGIT PRODUCTIONS, LLC | 695.00 |
| 4/6 | SWEETWATER MUSIC EDUCATION TECHNOLOGY | 248.10 |
| 4/6 | TEXAS CHRISTIAN UNIVERSITY | 550.00 |
| 4/6 | TEXAS COUNCIL OF ADMINISTRATORS OF | 465.00 |
| 4/6 | TEXAS DEPARTMENT OF PUBLIC SAFETY | 238.00 |
| 4/6 | TEXAS DEPARTMENT OF INFORMATION RESOURCES | 395.48 |
| 4/6 | TEXAS SCHOOL NURSE ADMINISTRATORS ASSOCIATION | 560.00 |
| 4/6 | TEXAS STATE TEACHERS ASSOCIATION | 31,418.49 |
| 4/6 | TEXAS TECH HEALTH SCIENCES CENTER | 1,000.00 |
| 4/6 | THE BELL FOUNDATION INC | 147,510.00 |
| 4/6 | THE CINCINNATI LIFE INS. CO | 44.51 |
| 4/6 | THE CINCINNATI LIFE INS. CO | 44.51 |
| 4/6 | THE CINCINNATI LIFE INS. CO | 311.91 |
| 4/6 | THE HON COMPANY LLC C/O OFFICEWISE | 12,468.44 |
| 4/6 | THE LINCOLN ELECTRIC COMPANY | 498.00 |
| 4/6 | THE SUPPLY ROOM, INC | 1,462.50 |
| 4/6 | THIRD FUTURE SCHOOLS TEXAS | 296,895.00 |
| 4/6 | TNTP. INC. | 83,249.00 |
| 4/6 | TRIPLE T AUTO REPAIR | 2,070.56 |
| 4/6 | UNITED REFRIGERATION | 68.40 |
| 4/6 | UNIVERSITY OF VIRGINIA DARDEN SCHOOL FOUNDATION | 10,400.00 |
| 4/6 | VICTORIA NORENA | 70.72 |
| 4/6 | VICTORIA NORENA | 49.61 |
| 4/6 | VITAL SIGNS | 1,260.30 |
| 4/6 | VONTOURE LEARNING LLC | 2,000.00 |
| 4/6 | WATSON TRUCK & SUPPLY | 413.24 |

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| 4/6 | WEISSMAN'S DESIGN FOR DANCE | 1,183.44 |
| 4/6 | WILLIAM MILLER | 320.00 |
| 4/6 | XEROX CORPORATION | 13,533.25 |
| 4/13 | 304 HOTEL OPERATING, LLC | 958.39 |
| 4/13 | ABILENE ISD | 1,085.70 |
| 4/13 | ACCELERATE LEARNING INC. | 14,785.20 |
| 4/13 | ADVANCED MAILING SOLUTIONS | 698.96 |
| 4/13 | ADVENTURE PARK LUBBOCK | 2,299.00 |
| 4/13 | AIDE GARCIA | 18.25 |
| 4/13 | AMANDA PARSONS | 157.84 |
| 4/13 | AMAZON.COM LLC | 623.22 |
| 4/13 | AMAZON CAPITAL SERVICES | 23,341.41 |
| 4/13 | ANDREA VALERO | 66.16 |
| 4/13 | ANH NGUYEN | 90.73 |
| 4/13 | ADVANCED NETWORK MANAGEMENT INC | 17,707.25 |
| 4/13 | ANNETTE MACIAS | 678.26 |
| 4/13 | ANNIE ARREDONDO | 135.71 |
| 4/13 | ANNIE NELSON | 222.65 |
| 4/13 | ANTHONY SCOTT | 158.89 |
| 4/13 | APPLE, INC | 3,988.00 |
| 4/13 | ASHLEY MENDOZA | 31.47 |
| 4/13 | ATHLETIC SUPPLY INC | 12,494.50 |
| 4/13 | AUDRA MUNOZ | 95.48 |
| 4/13 | BATTERSHELL VETERINARY SERVICES | 602.50 |
| 4/13 | BECKY QUIROZ | 138.89 |
| 4/13 | BEST CHOICE RESTAURANTS LLC | 780.63 |
| 4/13 | BEST CHOICE COFFEE SERVICES LLC | 300.00 |
| 4/13 | BILLIE SHIPMAN | 61.19 |
| 4/13 | BIMBO BAKERIES USA | 4,993.90 |
| 4/13 | BLANCA ANAYA | 42.65 |
| 4/13 | DICK BLICK COMPANY | 1,030.32 |
| 4/13 | BLUE CROSS BLUE SHIELD TEXAS | 10,576.45 |
| 4/13 | BLUE STAR BUS SALES LTD | 254.11 |
| 4/13 | BLUEFIN LLC | 8,007.47 |
| 4/13 | BLUEFIN LLC | 104,713.08 |
| 4/13 | BRIANNA GARCIA | 46.74 |
| 4/13 | BYRNE BROS FOODS INC | 16,395.00 |
| 4/13 | SPARKLIGHT | 3,386.81 |
| 4/13 | SPARKLIGHT | 215.24 |
| 4/13 | CAITLIN BOAL | 75.71 |
| 4/13 | CALDWELL COUNTRY CHEVROLET | 99,716.00 |
| 4/13 | CAVALLO ENERGY TEXAS LLC | 99,288.00 |
| 4/13 | CAMBIAR EDUCATION | 49,900.00 |
| 4/13 | CARDIO PARTNERS INC | 1,554.74 |
| 4/13 | CAROL GREGG | 266.18 |
| 4/13 | CDW-G | 215,789.55 |
| 4/13 | CECILIA VENEGAS | 119.15 |
| 4/13 | CHERALDIN CELIS | 1,967.18 |
| 4/13 | RUSSELL DUNN | 523.00 |
| 4/13 | NBCEC INC | 455.29 |

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|------|---|-----------|
| 4/13 | CHRISTI HANSEN | 46.04 |
| 4/13 | CHRISTINE MASON | 192.11 |
| 4/13 | CHRISTINE VAN SYOC | 9.01 |
| 4/13 | CHRISTY KENNEDY | 271.21 |
| 4/13 | CLAUDIA CALLEROS | 23.80 |
| 4/13 | CLINT STOWE | 131.45 |
| 4/13 | COFIROUTE CORPORATIO | 10.62 |
| 4/13 | COMMERCIAL ELECTRONIC SUPPLY | 3,528.32 |
| 4/13 | COMMERCIAL FOOD SERVICE | 380.00 |
| 4/13 | CORRAL ENVIRONMENTAL CONSULTING, LLC | 1,800.00 |
| 4/13 | COSENZA & ASSOCIATES, LLC | 35,400.00 |
| 4/13 | CRISTA MITCHEL | 38.96 |
| 4/13 | CRYSTAL DAY | 370.00 |
| 4/13 | CRYSTAL HERNANDEZ | 1,206.06 |
| 4/13 | CRYSTAL PENA | 6.08 |
| 4/13 | CULLIGAN WATER CONDITIONING OF WEST TEXAS | 52.50 |
| 4/13 | DALE C. CALLEN, JR. | 180.00 |
| 4/13 | DESTINY RAMIREZ | 601.99 |
| 4/13 | DORA HINOJOS | 43.88 |
| 4/13 | DORIAN BUSINESS SYSTEMS | 349.00 |
| 4/13 | EASON HORTICULTURAL RESOURCES | 2,383.07 |
| 4/13 | ED PRICE | 118.00 |
| 4/13 | ELIZABETH QUINTELA | 66.98 |
| 4/13 | ELSA ENRIQUEZ | 94.36 |
| 4/13 | EOFFICIAL ENTERPRISES, INC. | 13,873.88 |
| 4/13 | EVA FRANKS | 95.01 |
| 4/13 | FOSTER POULTRY FARMS | 26,868.36 |
| 4/13 | FRANCES CARLOS | 21.28 |
| 4/13 | FRANCISCO GONZALEZ | 690.25 |
| 4/13 | G FORCE ELECTRICAL SERVICES | 24,415.00 |
| 4/13 | GABRIELA GRANADO | 1,040.00 |
| 4/13 | GABRIELA GRANADO | 160.00 |
| 4/13 | GABRIELA GUTIERREZ | 600.00 |
| 4/13 | GARDENDALE WATER CO | 278.00 |
| 4/13 | GARY MCMILLAN | 80.00 |
| 4/13 | GERARDO RAMIREZ | 207.00 |
| 4/13 | GRAINGER | 5,529.20 |
| 4/13 | HARRIS COUNTY TX | 13.75 |
| 4/13 | HASKELL RESTURANT GROUP2 LLC | 420.00 |
| 4/13 | HEATHER POTTS | 864.08 |
| 4/13 | HELLAS CONSTRUCTION INC | 5,000.00 |
| 4/13 | HELLAS CONSTRUCTION INC | 5,750.00 |
| 4/13 | HONEY JACKSON | 114.37 |
| 4/13 | I-CAR | 500.00 |
| 4/13 | INTERNATIONAL ASSURANCE | 60,506.69 |
| 4/13 | JACQUELINE FRANCO | 94.13 |
| 4/13 | JANA AVERY | 20.65 |
| 4/13 | JAVIER RUIZ | 128.00 |
| 4/13 | INDUSTRIAL IGNITION LLC | 269.22 |
| 4/13 | JENNIFER BAKLEY | 18.60 |

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| 4/13 | JENNIFER TIJERINA | 601.97 |
| 4/13 | JOHN'S SALES & SERVICE | 954.84 |
| 4/13 | JOHNA STRAW | 779.96 |
| 4/13 | JUDITH CAWLEY | 20.00 |
| 4/13 | JULIA KELTON | 386.39 |
| 4/13 | JULIA WILLETT-WEEKLY | 1,109.46 |
| 4/13 | K. B. SAFE & LOCK CO | 32.50 |
| 4/13 | KENDRA SALGADO | 601.99 |
| 4/13 | KENT ADHESIVE PRODUCTS COMPANY - KAPCO | 241.73 |
| 4/13 | KIM CHANCELLOR | 146.31 |
| 4/13 | KIMBERLY CARRASCO | 97.99 |
| 4/13 | KINVOLVED INC | 8,752.80 |
| 4/13 | KISH YOQUELET | 1,700.00 |
| 4/13 | KRISTI EICHER | 396.57 |
| 4/13 | L WALLACE CONSTRUCTION CO., INC. | 588,044.30 |
| 4/13 | L WALLACE CONSTRUCTION CO., INC. | 115,773.65 |
| 4/13 | LAKRISHA RODRIGUEZ | 21.06 |
| 4/13 | LORRI PETTY | 33.64 |
| 4/13 | LOWE'S | 1,111.52 |
| 4/13 | LUNCH MONY INC | 779.43 |
| 4/13 | LYNDSAY FREEMAN | 42.65 |
| 4/13 | LYNETA MENDOZA | 22.99 |
| 4/13 | LYNSEY WOODY | 157.01 |
| 4/13 | MABEL MORALES | 29.02 |
| 4/13 | MAHIRA SALINAS | 70.20 |
| 4/13 | MARGARET U. RODRIGUEZ | 30.07 |
| 4/13 | MARGARET U. RODRIGUEZ | 36.51 |
| 4/13 | MARIA STUTES | 36.50 |
| 4/13 | MARIA ZUBIATE | 83.01 |
| 4/13 | MARK CRISSINGER | 217.41 |
| 4/13 | MARK HARRIS HJ INC | 5,065.89 |
| 4/13 | MARK KNOX FLOWERS | 248.90 |
| 4/13 | MARLA HOPPINS | 77.34 |
| 4/13 | MAYRA LEYVA | 219.67 |
| 4/13 | MDT ALLSTAR CLEANERS | 108.00 |
| 4/13 | MEDLEY MATERIAL HANDLING CO | 36,978.10 |
| 4/13 | MELISSA LEE DAVIS | 48.26 |
| 4/13 | MIA HIGNOJOS | 350.00 |
| 4/13 | MICAH PETTIGREW | 784.13 |
| 4/13 | MIRNA JIMENEZ | 258.00 |
| 4/13 | MIROIR ARMENDARIZ | 12.99 |
| 4/13 | MISTY HINER | 43.76 |
| 4/13 | MISTY MICHELLE MORGAN | 144.20 |
| 4/13 | N-TUNE MUSIC & SOUND INC | 3,099.00 |
| 4/13 | NANCY COOK | 27.03 |
| 4/13 | NAOMI FUENTES | 128.00 |
| 4/13 | NATALIE GUARA | 101.79 |
| 4/13 | NATALIE THOMS | 28.14 |
| 4/13 | NATIONAL ASSOCIATION OF SCHOOL NURSES | 3,690.00 |
| 4/13 | NATIONAL INSTITUTE FOR EXCELLENCE IN TEACHING | 11,679.97 |

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| 4/13 | NATIONAL TRAVEL SYSTEMS | 12,013.96 |
| 4/13 | NETSYNC NETWORK SOLUTIONS | 29,203.60 |
| 4/13 | NIMBUS DRINKING WATER SYSTEMS | 155.00 |
| 4/13 | NOBUYUKI SHIRAIISHI | 79.56 |
| 4/13 | NORTH TEXAS TOLLWAY AUTHORITY | 18.00 |
| 4/13 | ODESSA CHAMBER OF COMMERCE | 1,200.00 |
| 4/13 | SEWCO INC | 22,907.29 |
| 4/13 | SEWCO INC | 37.74 |
| 4/13 | ONCOURSE HEALTHCARE GROUP | 1,593.12 |
| 4/13 | OTIS ELEVATOR COMPANY INC | 13,043.70 |
| 4/13 | PADRINO FOODS | 39,582.80 |
| 4/13 | PATRICIA LOGAN | 28.65 |
| 4/13 | LANA J PENLEY | 6,500.00 |
| 4/13 | PENSKE COMMERCIAL VEHICLES US LLC | 1,143.49 |
| 4/13 | PETROLEUM TRADERS CORPORATION | 13,063.02 |
| 4/13 | PIONEER VALLEY EDUCATIOINAL PRESS INC | 71.45 |
| 4/13 | PIRAINO CONSULTING, INC | 7,668.32 |
| 4/13 | PROFESSIONAL TUTORS OF AMERICA INC | 8,100.00 |
| 4/13 | RAISSA RENACIA | 110.00 |
| 4/13 | RAKIA MUSA | 237.00 |
| 4/13 | RANDY LIGHTFOOT | 206.75 |
| 4/13 | REGION 18 EDUCATION SERVICE CENTER | 25.00 |
| 4/13 | RHONDA LONG | 49.61 |
| 4/13 | RICK YEAGER | 106.94 |
| 4/13 | RIGO NUNEZ | 140.69 |
| 4/13 | RIGO NUNEZ | 158.54 |
| 4/13 | ROCIO DAVILA | 54.11 |
| 4/13 | ROSA HERNANDEZ | 30.77 |
| 4/13 | ROSAS CAFE / BOBBY COX Co. | 43.44 |
| 4/13 | ROSE VALDERAZ | 1,178.86 |
| 4/13 | ROSELL D CAUFIELD | 2,600.00 |
| 4/13 | SAM'S CLUB DIRECT | 218.91 |
| 4/13 | SAM'S CLUB DIRECT | 103.16 |
| 4/13 | SANDY EMMERSON | 937.50 |
| 4/13 | SARAH PATTON | 23.87 |
| 4/13 | SCOT STRAW | 1,178.76 |
| 4/13 | SHANNON CRISWELL | 57.10 |
| 4/13 | SHELBY HILL | 258.00 |
| 4/13 | SHERWIN WILLIAMS | 73.02 |
| 4/13 | SIDNEY H NORTON | 60.00 |
| 4/13 | SIDNEY H NORTON | 135.00 |
| 4/13 | SIRIA DUTCHOVER | 79.68 |
| 4/13 | SIRIUS EDUCATION SOLUTIONS LLC | 450.00 |
| 4/13 | SOUTHERN FLORAL COMPANY | 351.89 |
| 4/13 | STAR TECH GROUP | 10,000.00 |
| 4/13 | STEPHANIE EVANS | 26.09 |
| 4/13 | STEPHEN FROHNHOFER | 87.17 |
| 4/13 | STERICYCLE | 80.85 |
| 4/13 | STONE TOWER GRAFIX | 2,186.00 |
| 4/13 | STOUT IMAGES, INC. | 362.15 |

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|------|---|-----------------|
| 4/13 | SU CLAYPOOLE | 312.74 |
| 4/13 | TEXAS BOOK COMPANY | 9,595.15 |
| 4/13 | TENNIS OUTLET | 1,562.30 |
| 4/13 | TEXAS DEPARTMENT OF TRANSPORTATION | 7.45 |
| 4/13 | TEXAS STATE FLORISTS ASSOCIATION | 1,100.00 |
| 4/13 | THE SUPPLY ROOM, INC | 7,369.90 |
| 4/13 | TIL-LOIS FIFER | 350.00 |
| 4/13 | TRACI AVILA | 58.15 |
| 4/13 | TRANS GLOBAL PRODUCTIONS INC | 700.00 |
| 4/13 | TRINIDAD DOMINGUEZ | 85.00 |
| 4/13 | TROPHY DEN | 1,558.40 |
| 4/13 | UNITED PARCEL SERVICE INC | 4.02 |
| 4/13 | UNITED REFRIGERATION | 31.30 |
| 4/13 | UTPB | 750.00 |
| 4/13 | VALERIE RIVERA | 18.13 |
| 4/13 | IMPERIAL BAG & PAPER LLC | 28,103.19 |
| 4/13 | WATSON TRUCK & SUPPLY | 187.83 |
| 4/13 | WEIDNER & PHILLIPS LTD BY F & B OPERATORS | 110.00 |
| 4/13 | WEST TEXAS CHAPTER TASO | 100.00 |
| 4/13 | WEST TEXAS EDUCATORS | 3,132.50 |
| 4/13 | WHITNEY CREEKMORE | 49.96 |
| 4/13 | WILLIAM UTSLER | 289.76 |
| 4/13 | XEROX CORPORATION | 206.73 |
| 4/13 | XEROX CORPORATION | 38,858.00 |
| 4/13 | ZULEMA PALOMINO | 85.06 |
| 3/24 | EXPRESS SCRIPTS | 223.39 |
| 3/24 | BLUE CROSS BLUE SHIELD TEXAS | 1,387.37 |
| 3/24 | WELLSPRING TELEHEALTH | 11,471.25 |
| 3/24 | AETNA LIFE INSURANCE COMPANY | 99,640.84 |
| 3/24 | PCARX LLC | 25,543.06 |
| 3/31 | PCARX LLC | 21,564.00 |
| 3/31 | AETNA LIFE INSURANCE COMPANY | 366,404.19 |
| 3/31 | PCARX LLC | 99,526.55 |
| 3/31 | CAREATC INC | 123,059.25 |
| 3/31 | BLUE CROSS BLUE SHIELD TEXAS | 27,091.67 |
| 4/7 | AETNA LIFE INSURANCE COMPANY | 674.70 |
| 4/7 | PCARX LLC | 132,171.18 |
| 4/7 | AETNA LIFE INSURANCE COMPANY | 293,572.35 |
| 4/7 | PCARX LLC | 19,882.04 |
| 4/7 | BLUE CROSS BLUE SHIELD TEXAS | 10,122.03 |
| 4/7 | BLUE CROSS BLUE SHIELD TEXAS | 5,006.15 |
| 4/7 | CAREATC INC | 6,553.68 |
| 4/7 | EXPRESS SCRIPTS | 8.94 |
| 4/7 | WELLSPRING TELEHEALTH | 11,441.25 |
| | TOTAL NUMBER OF CHECKS WRITTEN FOR DISTRICT | 739 |
| | TOTAL AMOUNT WRITTEN FOR DISTRICT | \$ 8,642,620.94 |



Request for Approval of Acceptance of Donations over \$10,000

In accordance with policy CDC (local), Ector County ISD is requesting approval to receive the following donations greater than \$10,000.

| Amount | Fund | From | Description |
|---------------|-------------|----------------|--|
| \$50,000 | 199 | Odessa College | Reduction of dual credit tuition cost |
| \$10,000 | 199 | Odessa College | Reduction of Dental/HVAC dual credit tuition |



OUR students...THE future

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
Odessa, Texas

TO: Chief Financial Officer

FOR: Recommendation to Accept Donation/Gift

FROM: _____ / _____
Principal OR Director
_____ / _____
School OR Department

Odessa College
Name of Donor (if organization, please include name of president)

Mailing address _____ City _____ State _____ Zip Code _____
has offered a donation or gift in the following category: _____ Donation/Gift (describe below)

| Description of Donation/Gift | Value* | Purpose of Donation |
|----------------------------------|-----------|--|
| Reduction of dual credit tuition | \$ 50,000 | Reduce ECISD costs for dual credit courses |
| | \$ 10,000 | Partial HVAC courses |

*Values assigned for donation of equipment or services is for internal reporting purposes only. This value may not be used as an appraisal value for IRS purposes.

Permission is requested to accept this donation/gift for our school/department. The donor understands that the donation/gift will become the property of the Ector County Independent School District and will be under the jurisdiction of the school/department in accordance with School Board Policy and administrative rules and regulations. Approved donation/gift should be added to fixed assets inventory if applicable.

REMARKS: _____

() Approval () Disapproval _____
PRINCIPAL / DIRECTOR Date

✓ Approval () Disapproval Celeste Potter 4-6-22
DIRECTOR OF DEVELOPMENT Date

✓ Approval () Disapproval Deborah Offner 4/5/2022
CHIEF FINANCIAL OFFICER Date
(The following approval required for a single donation/gift of \$10,000 or more)

() Approval () Disapproval _____
SUPERINTENDENT OF SCHOOLS Date



BOARD OF TRUSTEES' CONTINUING EDUCATION REPORT

The State Legislature requires school districts to provide the public with a record of school board member continuing education credit hours. Continuing Education Credit hours for all Board members, as recorded by the Texas Association of School Boards will be provided under separate cover.



Ector County Independent School District

Action Page

TO: Board of Trustees
FROM: Staci Ashley, Executive Director of Human Resources
SUBJECT: **DISCUSSION OF AND REQUEST FOR APPROVAL OF THE 2022-2023 EMPLOYMENT CONTRACT RENEWALS FOR ADMINISTRATORS, TEACHERS, AND OTHER PROFESSIONAL SUPPORT EMPLOYEES.**
DATE: April 19, 2022

It is the recommendation of the administration that the contracts for the following personnel be renewed for the 2022-2023 school year.

Administrative Recommendation:

Approval of the 2022-2023 Employment Contracts and Personnel Recommendations.



Ector County Independent School District

Action Page

TO: Board of Trustees
FROM: Staci Ashley, Executive Director of Human Resources
SUBJECT: **REQUEST FOR APPROVAL OF PERSONNEL RECOMMENDATION FOR THE EXECUTIVE DIRECTOR OF CHOICE PROGRAMS, ACCESS AND SUPPORT**
DATE: April 19, 2022

Recommendation to hire the Executive Director of Choice Programs, Access and Support.

Administrative Recommendation:
Approval of Personnel Recommendations.



INFORMATION ITEMS

- Acknowledgement of Donations
- Financials
- Purchasing Report
- Routine Personnel Report

TO: Board of Trustees
Ector County ISD

FROM: Deborah Ottmers, Chief Financial Officer

SUBJECT: Acknowledgement of Donations
January through March 2022

DATE: April 19, 2022



\$ 648,618.26

| Donor | Donation Description | Campus/Dept Name | Org # | Value | Total |
|----------------------------|--|---|------------|---------------|----------------------|
| Education Foundation | Steinway Pianos thru FMH Foundation | Odessa High School | 002 | \$ 269,097.50 | |
| Golder Alignment & Inspect | OHS Prom | Odessa High School | 002 | \$ 50.00 | |
| Marlena Cabral | OHS Prom | Odessa High School | 002 | \$ 25.00 | |
| Jax Fuentes | OHS Prom | Odessa High School | 002 | \$ 30.00 | |
| Stringray Oilfield Svcs | Admin Polo shirts | Odessa High School | 002 | \$ 634.00 | |
| Education Foundation | Book Vending Machine | Odessa High School | 002 | \$ 4,895.00 | |
| | | Odessa High School | 002 | | \$ 274,731.50 |
| Education Foundation | Steinway Pianos thru FMH Foundation | Permian High School | 003 | \$ 269,097.50 | |
| Education Foundation | Book Vending Machine | Permian High School | 003 | \$ 4,895.00 | |
| Permian Gymnastics Booste | equipment | Permian High School | 003 | \$ 4,919.00 | |
| | | Permian High School | 003 | | \$ 278,911.50 |
| Education Foundation | Book Vending Machine | New Tech Odessa High School | 011 | \$ 4,895.00 | |
| | | New Tech Odessa High School | 011 | | \$ 4,895.00 |
| Permian Back Treatment Ct | Student Council activities | OC Techs | 014 | \$ 100.00 | |
| NTAG Operations | Spirit Club | OC Techs | 014 | \$ 500.00 | |
| | | OC Techs | 014 | | \$ 600.00 |
| Education Foundation | Book Vending Machine | Bowie Middle School | 043 | \$ 4,895.00 | |
| | | Bowie Middle School | 043 | | \$ 4,895.00 |
| Education Foundation | Book Vending Machine | Crockett Middle School | 044 | \$ 4,895.00 | |
| | hoverboard, earbuds, tablet | Crockett Middle School | 044 | \$ 362.76 | |
| | | Crockett Middle School | 044 | | \$ 5,257.76 |
| Education Foundation | Book Vending Machine | Wilson & Young Middle School | 045 | \$ 4,895.00 | |
| | | Wilson & Young Middle School | 045 | | \$ 4,895.00 |
| Education Foundation | Book Vending Machine | Alamo Pond Elementary School | 101 | \$ 4,395.00 | |
| | | Alamo Pond Elementary School | 101 | | \$ 4,395.00 |
| Education Foundation | Book Vending Machine | Hays Elementary School | 112 | \$ 4,395.00 | |
| | | Hays Elementary School | 112 | | \$ 4,395.00 |
| Superior Health | T shirts for musical ensembles | Sam Houston Elementary School | 113 | \$ 2,000.00 | |
| Jr League of Odessa | Latinex ensembles music program | Sam Houston Elementary School | 113 | \$ 2,500.00 | |
| | | Sam Houston Elementary School | 113 | | \$ 4,500.00 |
| Education Foundation | Book Vending Machine | Lamar Early Education Center | 115 | \$ 4,395.00 | |
| | | Lamar Early Education Center | 115 | | \$ 4,395.00 |
| Young Professionals Odessa | Teaching Supplies | Zavala Elementary School | 123 | \$ 1,000.00 | |
| | | Zavala Elementary School | 123 | | \$ 1,000.00 |
| Ector County Sherrifs | Clothes & Coats for children | Murry Fly Elementary School | 126 | \$ 600.00 | |
| | | Murry Fly Elementary School | 126 | | \$ 600.00 |
| Education Foundation | Grant Writer Salary | Development Office | 705 | \$ 12,500.00 | |
| Education Foundation | Awards for Excellence | Development Office | 705 | \$ 10,000.00 | |
| CVA Advertising | \$5 gift cards for counselors | Guidance & Counseling | 855 | \$ 390.00 | |
| Invenergy | school supplies and other items for students in need | Community Outreach | 856 | \$ 2,237.50 | |
| The TSX Companies Inc | school supplies and other items for students in need | Community Outreach | 856 | \$ 325.00 | |
| Dan and Hermine Hemphill | school supplies and other items for students in need | Community Outreach | 856 | \$ 10,000.00 | |
| PICK Education | Speaker series | Innovation | 877 | \$ 2,000.00 | |
| Education Foundation | Geosciences Dual Credit Tuition costs in Spring 2022 | Innovation | 877 | \$ 8,800.00 | |
| | | Total Departments | | | \$ 46,252.50 |

446

GENERAL FUND (199) YTD BUDGET REPORT
 JANUARY 31, 2022

FOR 2022 07

| | ORIGINAL APPROP | TRANFRS/ ADJSTMTS | REVISED BUDGET | YTD ACTUAL | ENCUMBRANCES | AVAILABLE BUDGET | PCT USE/COL |
|-----------------------------------|--------------------|----------------------|-------------------|----------------------|-----------------------|-----------------------|----------------|
| 199 GENERAL FUND | | | | | | | |
| 00 GENERAL LEDGER AND REVENUE | -314,005,610 | 8,797,075 | -305,208,535 | -169,895,145.90 | .00 | -135,313,389.10 | 55.7% |
| 11 INSTRUCTION | 188,222,263 | -114,049 | 188,108,214 | 89,737,660.19 | 75,752,118.55 | 22,618,435.26 | 88.0% |
| 12 INSTRUCTIONAL RES & MEDIA SERV | 2,334,270 | 175,000 | 2,509,270 | 1,042,414.74 | 868,462.21 | 598,393.05 | 76.2% |
| 13 CURRICULUM & STAFF DEVELOPMENT | 6,192,063 | -94,309 | 6,097,754 | 3,025,218.96 | 1,776,252.90 | 1,296,282.14 | 78.7% |
| 21 INSTRUCTIONAL LEADERSHIP | 6,572,561 | 140,000 | 6,712,561 | 3,694,677.61 | 2,356,140.22 | 661,743.17 | 90.1% |
| 23 SCHOOL LEADERSHIP | 21,706,538 | -175,000 | 21,531,538 | 11,363,579.58 | 8,010,265.21 | 2,157,693.21 | 90.0% |
| 31 GUID, COUNS & EVALUATION SERVS | 13,441,605 | -100,000 | 13,341,605 | 6,402,047.41 | 4,963,903.73 | 1,975,653.86 | 85.2% |
| 32 SOCIAL WORK SERVICES | 1,339,176 | 96,000 | 1,435,176 | 1,043,229.83 | 548,435.87 | -156,489.70 | 110.9% |
| 33 HEALTH SERVICES | 2,935,834 | 135,000 | 3,070,834 | 1,401,247.58 | 1,185,104.37 | 484,482.05 | 84.2% |
| 34 STUDENT TRANSPORTATION | 7,746,553 | 1,567,500 | 9,314,053 | 4,035,100.41 | 3,974,680.39 | 1,304,272.20 | 86.0% |
| 35 FOOD SERVICE | 0 | 47,215 | 47,215 | 2,061.73 | .00 | 45,153.27 | 4.4% |
| 36 CO/EXTRACURRICULAR ACTIVITIES | 7,420,234 | 54,525 | 7,474,759 | 3,481,736.95 | 1,465,013.50 | 2,528,008.55 | 66.2% |
| 41 GENERAL ADMINISTRATION | 9,503,593 | 590,000 | 10,093,593 | 4,983,392.45 | 2,938,049.61 | 2,172,150.94 | 78.5% |
| 51 FACILITIES MAINT & OPERATIONS | 30,021,389 | 19,833,122 | 49,854,511 | 26,477,473.24 | 12,994,366.79 | 10,382,670.97 | 79.2% |
| 52 SECURITY & MONITORING SERVICES | 2,545,870 | 380,000 | 2,925,870 | 1,840,247.93 | 1,002,122.93 | 83,499.14 | 97.1% |
| 53 DATA PROCESSING SERVICES | 10,577,409 | -84,000 | 10,493,409 | 5,963,569.05 | 3,390,035.25 | 1,139,804.70 | 89.1% |
| 61 COMMUNITY SERVICES | 1,477,002 | 89,000 | 1,566,002 | 741,918.12 | 587,340.68 | 236,743.20 | 84.9% |
| 81 FACILITIES ACQUISITION & CONST | 0 | 520,000 | 520,000 | 487,570.00 | 45,170.00 | -12,740.00 | 102.5% |
| 99 INTERGOVERNMENTAL CHARGES | 1,969,250 | 0 | 1,969,250 | 925,764.75 | 1,043,485.25 | .00 | 100.0% |
| TOTAL GENERAL FUND | 0 | 31,857,079 | 31,857,079 | -3,246,235.37 | 122,900,947.46 | -87,797,633.09 | 375.6% |
| TOTAL REVENUES | -314,555,610 | 8,797,075 | -305,758,535 | -169,895,145.90 | .00 | -135,863,389.10 | |
| TOTAL EXPENSES | 314,555,610 | 23,060,004 | 337,615,614 | 166,648,910.53 | 122,900,947.46 | 48,065,756.01 | |
| GRAND TOTAL | 0 | 31,857,079 | 31,857,079 | -3,246,235.37 | 122,900,947.46 | -87,797,633.09 | 375.6% |

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** END OF REPORT - Generated by BAUMANN, DUSTY **

SCHOOL NUTRITION (240) YTD BUDGET REPORT
 JANUARY 31, 2022

FOR 2022 07

| | ORIGINAL APPROP | TRANFRS/ ADJSTMTS | REVISED BUDGET | YTD ACTUAL | ENCUMBRANCES | AVAILABLE BUDGET | PCT USE/COL |
|----------------------------------|--------------------|----------------------|-------------------|----------------|--------------|---------------------|----------------|
| 240 SCHOOL NUTRITION | | | | | | | |
| 00 GENERAL LEDGER AND REVENUE | -18,705,494 | -5,100,000 | -23,805,494 | -13,384,175.16 | .00 | -10,421,318.84 | 56.2% |
| 35 FOOD SERVICE | 18,268,355 | 5,100,000 | 23,368,355 | 9,432,000.92 | 1,251,525.03 | 12,684,829.05 | 45.7% |
| 51 FACILITIES MAINT & OPERATIONS | 437,139 | 0 | 437,139 | 80,081.17 | 52,726.09 | 304,331.74 | 30.4% |
| TOTAL SCHOOL NUTRITION | 0 | 0 | 0 | -3,872,093.07 | 1,304,251.12 | 2,567,841.95 | 100.0% |
| TOTAL REVENUES | -18,705,494 | -5,100,000 | -23,805,494 | -13,384,175.16 | .00 | -10,421,318.84 | |
| TOTAL EXPENSES | 18,705,494 | 5,100,000 | 23,805,494 | 9,512,082.09 | 1,304,251.12 | 12,989,160.79 | |
| GRAND TOTAL | 0 | 0 | 0 | -3,872,093.07 | 1,304,251.12 | 2,567,841.95 | 100.0% |

** END OF REPORT - Generated by BAUMANN, DUSTY **

DEBT SERVICE (599) YTD BUDGET REPORT
 JANUARY 31, 2022

FOR 2022 07

| | ORIGINAL APPROP | TRANFRS/ ADJSTMTS | REVISED BUDGET | YTD ACTUAL | ENCUMBRANCES | AVAILABLE BUDGET | PCT USE/COL |
|-------------------------------|--------------------|----------------------|-------------------|----------------|--------------|---------------------|----------------|
| 599 DEBT SERVICE FUND | | | | | | | |
| 00 GENERAL LEDGER AND REVENUE | -19,250,666 | 0 | -19,250,666 | -10,588,081.45 | .00 | -8,662,584.55 | 55.0% |
| 71 DEBT SERVICE | 19,250,666 | 0 | 19,250,666 | 10,934,720.13 | 8,310,195.87 | 5,750.00 | 100.0% |
| TOTAL DEBT SERVICE FUND | 0 | 0 | 0 | 346,638.68 | 8,310,195.87 | -8,656,834.55 | 100.0% |
| TOTAL REVENUES | -19,250,666 | 0 | -19,250,666 | -10,588,081.45 | .00 | -8,662,584.55 | |
| TOTAL EXPENSES | 19,250,666 | 0 | 19,250,666 | 10,934,720.13 | 8,310,195.87 | 5,750.00 | |
| GRAND TOTAL | 0 | 0 | 0 | 346,638.68 | 8,310,195.87 | -8,656,834.55 | 100.0% |

** END OF REPORT - Generated by BAUMANN, DUSTY **

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
 MONTHLY REPORT OF TAX COLLECTIONS
 FOR THE PERIOD OF JULY 1, 2021 THRU JANUARY 31, 2022

| YEAR CURRENT TAX | OUTSTANDING COLLECTIBLE AS OF 2021 TAX ROLL | CUMULATIVE ADJUSTMENT | ADJUSTED ROLL | PRIOR MONTH'S COLLECTION CURRENT YEAR | CURRENT MONTH'S COLLECTION | UNCOLLECTED BALANCE | PERCENT UNCOLLECTED | |
|--------------------------------------|--|--------------------------|------------------|--|----------------------------------|------------------------|------------------------|---------------|
| | | | | | | | OVERALL | CURRENT |
| 2021 | 170,212,203.39 | (292,581.24) | 169,919,622.15 | 55,872,783.75 | 37,051,771.85 | 76,995,066.55 | | 45.31% |
| DELINQUENT TAX | | | | | | | | |
| 2020 | 6,718,656.66 | (474,930.18) | 6,243,726.48 | 1,641,094.79 | 85,456.98 | 4,517,174.71 | 67.23% | 72.35% |
| 2019 | 3,038,991.50 | (171,238.67) | 2,867,752.83 | 356,914.39 | 36,659.66 | 2,474,178.78 | 81.41% | 86.28% |
| 2018 | 1,948,831.77 | (112,194.58) | 1,836,637.19 | 244,603.49 | 26,687.17 | 1,565,346.53 | 80.32% | 85.23% |
| 2017 | 1,428,485.86 | (173,245.01) | 1,255,240.85 | 119,973.33 | 13,706.03 | 1,121,561.49 | 78.51% | 89.35% |
| 2016 | 1,340,456.06 | (186,393.29) | 1,154,062.77 | 66,354.33 | 6,895.54 | 1,080,812.90 | 80.63% | 93.65% |
| 2015 | 980,781.94 | 9,770.19 | 990,552.13 | 63,412.37 | 2,184.10 | 924,955.66 | 94.31% | 93.38% |
| 2014 | 947,078.00 | (603.76) | 946,474.24 | 40,460.10 | 2,680.20 | 903,333.94 | 95.38% | 95.44% |
| 2013 | 618,982.77 | (621.09) | 618,361.68 | 18,787.92 | 5,199.65 | 594,374.11 | 96.02% | 96.12% |
| 2012 | 439,498.65 | (308.50) | 439,190.15 | 11,573.19 | 292.98 | 427,323.98 | 97.23% | 97.30% |
| 2011 | 443,636.65 | (515.60) | 443,121.05 | 8,429.62 | 305.40 | 434,386.03 | 97.91% | 98.03% |
| 2010 | 341,678.34 | (67,204.01) | 274,474.33 | 6,139.93 | 53.21 | 268,281.19 | 78.52% | 97.74% |
| 2009+ | 2,052,952.85 | (14,041.45) | 2,038,911.40 | 15,072.25 | 583.36 | 2,023,255.79 | 98.55% | 99.23% |
| | | | 0.00 | | | | | |
| TOTAL DELINQUENT TAX | 20,300,031.05 | (1,191,525.95) | 19,108,505.10 | 2,592,815.71 | 180,704.28 | 16,334,985.11 | 81.57% | 85.98% |
| CED # 24 SII TAXES | 48,164.56 | 0.00 | 48,164.56 | 342.67 | | 47,821.89 | 99.29% | 99.29% |
| TOTAL ALL TAXES | 190,560,399.00 | (1,484,107.19) | 189,076,291.81 | 58,465,942.13 | 37,232,476.13 | 93,377,873.55 | | |
| PENALTY / INTEREST / DISCOUNT | | | | | | YEAR TO DATE | | |
| | | | | | 221.88 | 221.88 | | |
| | | | | | 0.00 | 0.00 | | |
| | | | | | 820,702.66 | 93,531.80 | 914,234.46 | |
| TOTAL PENALTY / INTEREST / DISCOUNT | | | | | 820,702.66 | 93,753.68 | 914,456.34 | |
| OTHER COLLECTIONS | | | | | | | | |
| | | | | | 0.00 | 0.00 | 0.00 | |
| | | | | | 1,319.74 | 265.09 | 1,584.83 | |
| | | | | | 50,296.67 | 55,803.19 | 106,099.86 | |
| | | | | | 0.00 | 0.00 | 0.00 | |
| | | | | | 0.00 | 0.00 | 0.00 | |
| | | | | | 0.00 | 0.00 | 0.00 | |
| | | | | | 0.00 | 0.00 | 0.00 | |
| | | | | | 0.00 | 0.00 | 0.00 | |
| TOTAL OTHER | | | | | 51,616.41 | 56,068.28 | 107,684.69 | |
| TOTAL SCHOOL | | | | | 59,338,261.20 | 37,382,298.09 | 96,720,559.29 | |
| | | | | GENERAL FUND | | DEBT SERVICE | | |
| | | | | TAXES PAID | P + I + C | TAXES PAID | P + I + C | TOTAL |
| | | | | 33,241,154.69 | 133,761.05 | 3,991,321.44 | 16,060.91 | 37,382,298.09 |

ECISD Over \$50,000 Report for March 2022

| PO# | PO Date | Vendor Name | Order Amount | General Comments | Approval Process | 1st GL Account | Requestor |
|------------|----------------|---|---------------------|--|---|--|-------------------|
| 22010839 | 03/25/2022 | CAREATC INC | \$ 1,350,000 | ECISD Wellness Center - Long-term PO | Board Approved October 2021 | 772-41-6299-01-978-99 | Maria Melendez |
| 22010284 | 03/08/2022 | HOUGHTON MIFFLIN HARCOURT PUBLISHING CO | \$ 190,400 | ELAR-HMH Into Reading Spring Coaching | Board Approved RFP #21-16 | 211-13-6299-00-851-30-21122 | Margarita Brooker |
| 22010937 | 03/29/2022 | CDW-G | \$ 153,000 | Chromebook w/white glove service | National IPA Contract #R160201 & #R171001 | 199-53-6299-38-864-99 | Terrie Flowers |
| 22010603 | 03/22/2022 | APPLE, INC | \$ 121,050 | NTO Student Macbooks Airs for 2022-23 | Texas DIR Coop Contract #DIR-TSO-3789 | 199-11-6397-99-011-11 | Irene Nunez |
| 22009631 | 02/26/2022 | LVR COMMERCIAL FLOORING | \$ 110,950 | Pease Top Polish/Terrazzo Refresh A Wing | BuyBoard Coop Contract #642-21 | 199-51-6246-00-965-99 | Diana Ornelas |
| 22009881 | 03/02/2022 | DOMTECH ELECTRICAL AND CONTROLS LLC | \$ 69,247 | Electrical Upgrade New Welding Lab | Board Approved RFP #20-11 | 199-11-6399-00-698-22 199-11-6397-00-698-22 | Jessica Marichala |
| 22010564 | 03/21/2022 | CALDWELL COUNTRY CHEVROLET | \$ 68,746 | MAINTENANCE SINGLE CAB TRUCKS | BuyBoard Coop Contract #601-19 | 199-51-6631-00-955-99 | Kent Clark |
| 22009622 | 02/26/2022 | CONSOLIDATED TRAFFIC CONTROLS | \$ 57,480 | District-Wide Traffic Control Equipment | HGAC Coop Contract #PE05-19 | 199-51-6299-00-965-99 | Diana Ornelas |

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
Odessa, Texas

MEMORANDUM

TO: Dr. Scott Muri, Superintendent of Schools

FROM: Staci Ashley, Executive Director of Human Resources

RE: Routine Personnel Report for March 2022

DATE: 3/31/2022

Elementary Level Recommendations

| NAME | JOB CLASS | CAMPUS | EFFECTIVE DATE |
|------------------|----------------|-----------------------|----------------|
| LLUVIA GUTIERREZ | SPED INCLUSION | BLACKSHEAR ELEMENTARY | 3/28/2022 |
| LANCE WOLF | FIFTH (REG) | JOHNSON ELEMENTARY | 3/21/2022 |

Secondary Level Recommendations

| NAME | JOB CLASS | CAMPUS | EFFECTIVE DATE |
|------------------|------------------------------|----------------------|----------------|
| KAYCEE BANNER | ENGLISH LANGUAGE ART READING | ECTOR MIDDLE SCHOOL | 3/1/2022 |
| KARIM PATNI | SCIENCE | PERMIAN HIGH SCHOOL | 3/25/2022 |
| LATASHA KECHAH | SCIENCE | BONHAM MIDDLE SCHOOL | 3/28/2022 |
| CYNTHIA WILLIAMS | SCIENCE | ECTOR MIDDLE SCHOOL | 3/9/2022 |

Administrative Level Recommendations

| NAME | JOB CLASS | CAMPUS/DEPARTMENT | EFFECTIVE DATE |
|------|-----------|-------------------|----------------|
| NONE | | | |

Elementary Level Resignations

| NAME | JOB CLASS | CAMPUS | EFFECTIVE DATE |
|----------------|--------------|------------------------|----------------|
| ALEXA GRANT | KINDER (REG) | BLACKSHEAR ELEM SCHOOL | 3/12/2022 |
| HOLLY MCELYEA | FIFTH (REG) | BURNET ELEMENTARY | 3/25/2022 |
| STEPHEN STONER | ELM-P E | BURNET ELEMENTARY | 3/10/2022 |

Secondary Level Resignations

| NAME | JOB CLASS | CAMPUS | EFFECTIVE DATE |
|-------------------|-------------------|----------------------|----------------|
| BENEDETTA CARGILE | BAND DIRECTOR | ECTOR MIDDLE SCHOOL | 3/22/2022 |
| DORI BUTTS | SECONDARY SPED-SC | REGIONAL DEAF SCHOOL | 3/3/2022 |
| TAMMY WILKERSON | SECONDARY SPED-SC | ECTOR MIDDLE SCHOOL | 3/18/2022 |

Administrative Level Resignations

| NAME | JOB CLASS | CAMPUS/DEPARTMENT | EFFECTIVE DATE |
|------|-----------|-------------------|----------------|
| NONE | | | |