

**FINDINGS OF THE BRAZOSPORT
INDEPENDENT SCHOOL DISTRICT BOARD
OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE
APPLICATION SUBMITTED
BY
THE FREEPORT LNG (2) DEVELOPMENT, LP**



February 19, 2013

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OF THE
BRAZOSPORT INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
THE FREEPORT LNG DEVELOPMENT, L.P.
(APPLICATION #245)**

FEBRUARY 19, 2013

Board Findings of the Brazosport Independent School District

FINDINGS OF THE BRAZOSPORT INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
THE FREEPORT LNG DEVELOPMENT, L.P.
(APPLICATION #245)

STATE OF TEXAS

§

COUNTY OF BRAZORIA

§

On the 19th day of February, 2013, a public meeting of the Board of Trustees of the Brazosport Independent School District was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the application of The Freeport LNG Development, L.P. (Freeport #245) for an Appraised Value Limitation on Qualified Property for its second phase of a new natural gas liquefaction project, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. After hearing presentations from the District's administrative staff, and from consultants retained by the District to advise the Board in this matter, the Board of Trustees of the Brazosport Independent School District makes the following findings with respect to the application of Freeport #245, and the economic impact of that application:

On September 21, 2012 the Superintendent of Schools of the Brazosport Independent School District, acting as an agent of the Board of Trustees, and the Texas Comptroller of Public Accounts received a completed Application from Freeport #245 for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code for its . A copy of the Application is attached as **Attachment A**.

The Applicant, Freeport LNG Development, L.P. (Texas Taxpayer Id. 12700304111), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be in good standing with the Texas Comptroller of Public Accounts. See **Attachment B**.

Board Findings of the Brazosport Independent School District

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

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

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code § 313.026 and a favorable recommendation was issued on December 19, 2012. A copy of the Comptroller's letter is attached to the findings as **Attachment C**.

After receipt of the Application, the Texas Comptroller of Public Accounts caused to be conducted an economic impact evaluation pursuant to Texas Tax Code § 313.026 and the Board of Trustees has carefully considered such evaluation. A copy of the economic impact evaluation is attached to these findings as **Attachment D**.

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

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

After receipt of the Application, the District entered into negotiations with Freeport #245, over the specific language to be included in the Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District. The proposed Agreement is attached to these findings as **Attachment G**.

After review of the Comptroller's recommendation, and in consideration of its own economic impact study the Board finds:

Board Finding Number 1.

There is a strong relationship between the Applicant's industry and the types of qualifying jobs to be created by the Applicant and the long-term economic growth plan of this State as described in the strategic plan for economic development (ED Plan) submitted by the Texas Strategic Economic Development Planning Commission under Section 481.033, Texas Government Code.

In support of Finding 1, the economic impact evaluation states:

The Texas Economic Development Plan focuses on attracting and developing industries using technology. It also identifies opportunities for existing Texas industries. The plan centers on promoting economic prosperity throughout Texas and the skilled workers that the Freeport LNG Development, L.P., project requires appear to be in line with the focus and themes of the plan. Texas identified manufacturing as one of six target clusters in the Texas Cluster Initiative. The plan stresses the importance of technology in all sectors of the manufacturing industry.

Board Finding Number 2.

The economic condition of Brazoria County, Texas, is in need of long-term improvement.

Based on information provided by the Comptroller's Office, Brazoria County is the 15th largest county in the state in terms of population. Population growth in Brazoria County is positive, although at a relatively modest growth rate. The state population grew by 1.8 percent between 2009 and 2010, while the population of Brazoria County increased by 1.7 percent over the same period.

September 2011 employment for Brazoria County was up 1.8 percent from September 2010, above the state's 0.9 percent increase in total employment during the same period. The unemployment rate in Brazoria County was 9.0 percent in September 2011, above the current state average of 8.5 percent. The Brazoria County unemployment rate increased slightly from 8.9 percent a year ago to the 9.0 percent level in September 2011.

Board Findings of the Brazosport Independent School District

Brazoria County continues to have a slightly lower per capita personal income than the state as a whole. In terms of per capita income, Brazoria County's \$37,523 in 2009 ranked 54th among the 254 counties in Texas, while the Texas average was \$38,609 for the same period.

Brazoria County will benefit from economic activity like that associated with the Freeport #245 project. Major capital investments like this project are beneficial to the community on a number of fronts, including direct and indirect employment, expanded opportunities for existing businesses and increased local tax bases. This should be beneficial, given Brazoria County's relatively high unemployment rate and below-state-average per capita personal income.

Board Finding Number 3.

The average salary level of qualifying jobs is expected to be at least \$65,000 per year. The review of the application by the State Comptroller's Office indicated that this amount—based on Texas Workforce Commission data—complies with the requirement that qualifying jobs must pay 110 percent of the regional average manufacturing wage. Freeport #245 indicates that total employment once the project begins operations will be 52 new jobs, of which 42 will be qualifying jobs.

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

After construction, the project will create 52 new jobs when fully operational. Forty-two jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the Houston-Galveston Area Council of Governments Region, where Brazoria County is located was \$53,711 in 2011. The annual average manufacturing wage for 2011-2012 for Brazoria County is \$91,429. That same year, the county annual average wage for all industries was \$49,374. In addition to a salary of \$65,000, each qualifying position will receive benefits including medical coverage (company pays 80% of employee health insurance premiums), dental plan, group life insurance, paid holidays, paid vacation and 401(k) retirement savings plan.

Board Finding Number 4.

The level of the applicant's average investment per qualifying job over the term of the Agreement is estimated to be approximately \$42.85 million on the basis of the goal of 42 new qualifying positions for the entire Freeport #245 project.

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

The project's total investment is \$1.7 billion, resulting in a relative level of investment per qualifying job of \$42.85 million.

Board Finding Number 5.

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

Table 1 depicts Freeport LNG Development, L.P.'s estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 18 years of annual investment and employment levels using software from Regional Economic Models, Inc. (REMI). The impact includes the construction period and the operating period of the project.

Table 1: Estimated Statewide Economic Impact of Investment and Employment in Freeport LNG Development, L.P.

| Year | Employment | | | Personal Income | | |
|------|------------|--------------------|-------|-----------------|--------------------|---------------|
| | Direct | Indirect + Induced | Total | Direct | Indirect + Induced | Total |
| 2014 | 200 | 193 | 393 | \$12,480,000 | \$11,520,000 | \$24,000,000 |
| 2015 | 1200 | 1134 | 2334 | \$74,880,000 | \$76,120,000 | \$151,000,000 |
| 2016 | 1400 | 1349 | 2749 | \$87,360,000 | \$104,640,000 | \$192,000,000 |
| 2017 | 1225 | 1251 | 2476 | \$76,420,000 | \$112,580,000 | \$189,000,000 |
| 2018 | 452 | 597 | 1049 | \$28,163,200 | \$75,836,800 | \$104,000,000 |
| 2019 | 52 | 200 | 252 | \$3,203,200 | \$44,796,800 | \$48,000,000 |
| 2020 | 52 | 210 | 262 | \$3,203,200 | \$41,796,800 | \$45,000,000 |
| 2021 | 52 | 250 | 302 | \$3,203,200 | \$41,796,800 | \$45,000,000 |
| 2022 | 52 | 279 | 331 | \$3,203,200 | \$42,796,800 | \$46,000,000 |
| 2023 | 52 | 316 | 368 | \$3,203,200 | \$44,796,800 | \$48,000,000 |
| 2024 | 52 | 350 | 402 | \$3,203,200 | \$47,796,800 | \$51,000,000 |
| 2025 | 52 | 374 | 426 | \$3,203,200 | \$50,796,800 | \$54,000,000 |
| 2026 | 52 | 393 | 445 | \$3,203,200 | \$54,796,800 | \$58,000,000 |
| 2027 | 52 | 344 | 396 | \$3,203,200 | \$51,796,800 | \$55,000,000 |
| 2028 | 52 | 339 | 391 | \$3,203,200 | \$51,796,800 | \$55,000,000 |
| 2029 | 52 | 337 | 389 | \$3,203,200 | \$53,796,800 | \$57,000,000 |
| 2030 | 52 | 335 | 387 | \$3,203,200 | \$55,796,800 | \$59,000,000 |
| 2031 | 52 | 335 | 387 | \$3,203,200 | \$57,796,800 | \$61,000,000 |

Source: CPA, REMI, Freeport LNG Development, L.P.

The statewide average ad valorem tax base for school districts in Texas was \$1.7 billion in 2011-2012. Brazosport ISD's ad valorem tax base in 2011-2012 was \$6.3 billion. The statewide average wealth per WADA was estimated at \$347,943 for fiscal 2011-2012. During that same year, Brazosport ISD's estimated wealth per WADA was \$417,778. The impact on the facilities and finances of the district are presented in Attachment 2.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Brazoria County, Velasco Drainage District, Port of Freeport, and Brazosport Junior College District, with all property tax incentives sought being granted using estimated market value from Freeport LNG Development, L.P.'s application. Freeport LNG Development, L.P. has applied for both a value limitation under Chapter 313, Tax Code and tax abatements with the county, drainage district, port, and college district. Table 3

Board Findings of the Brazosport Independent School District

illustrates the estimated tax impact of the Freeport LNG Development, L.P. project on the region if all taxes are assessed.

| Year | Estimated Taxable Value for I&S | Estimated Taxable Value for M&O | Tax Rate ¹ | Brazosport ISD I&S Levy | Brazosport ISD M&O Levy | Brazosport ISD M&O and I&S Tax Levies (Before Credit Credited) | Brazosport ISD M&O and I&S Tax Levies (After Credit Credited) | Brazoria County Tax Levy | Velasco Drainage District Tax Levy | Brazosport Junior College District Tax Levy | Port of Freeport Tax Levy | Estimated Total Property Taxes |
|------|---------------------------------|---------------------------------|-----------------------|-------------------------|-------------------------|--|---|--------------------------|------------------------------------|---|---------------------------|--------------------------------|
| | | | | 0.2015 | 1.0400 | | | 0.4731 | 0.0942 | 0.2392 | 0.0535 | |
| 2017 | \$472,149,901 | \$472,149,901 | | \$951,382 | \$4,910,359 | \$5,861,741 | \$5,861,741 | \$0 | \$0 | \$0 | \$0 | \$5,861,741 |
| 2018 | \$695,800,000 | \$695,800,000 | | \$1,402,037 | \$7,236,320 | \$8,638,357 | \$8,638,357 | \$0 | \$0 | \$0 | \$0 | \$8,638,357 |
| 2019 | \$1,771,308,000 | \$30,000,000 | | \$3,569,186 | \$312,000 | \$3,881,186 | \$3,881,186 | \$0 | \$0 | \$0 | \$0 | \$3,881,186 |
| 2020 | \$1,709,312,220 | \$30,000,000 | | \$3,444,264 | \$312,000 | \$3,756,264 | \$2,110,167 | \$0 | \$0 | \$0 | \$0 | \$2,110,167 |
| 2021 | \$1,649,486,243 | \$30,000,000 | | \$3,323,715 | \$312,000 | \$3,635,715 | \$1,989,618 | \$0 | \$0 | \$0 | \$0 | \$1,989,618 |
| 2022 | \$1,591,754,226 | \$30,000,000 | | \$3,207,385 | \$312,000 | \$3,519,385 | \$1,873,288 | \$0 | \$0 | \$0 | \$0 | \$1,873,288 |
| 2023 | \$1,496,519,980 | \$30,000,000 | | \$3,015,488 | \$312,000 | \$3,327,488 | \$1,681,391 | \$0 | \$0 | \$0 | \$0 | \$1,681,391 |
| 2024 | \$1,418,878,839 | \$30,000,000 | | \$2,859,041 | \$312,000 | \$3,171,041 | \$1,585,520 | \$0 | \$0 | \$0 | \$0 | \$1,585,520 |
| 2025 | \$1,345,268,765 | \$30,000,000 | | \$2,710,717 | \$312,000 | \$3,022,717 | \$1,511,358 | \$6,364,480 | \$1,267,432 | \$3,217,856 | \$719,719 | \$13,080,845 |
| 2026 | \$1,264,796,116 | \$30,000,000 | | \$2,548,564 | \$312,000 | \$2,860,564 | \$1,430,282 | \$5,983,763 | \$1,191,615 | \$3,025,367 | \$676,666 | \$12,307,693 |
| 2027 | \$1,189,143,372 | \$1,189,143,372 | | \$2,396,124 | \$12,367,091 | \$14,763,215 | \$14,352,085 | \$5,625,849 | \$1,120,340 | \$2,844,407 | \$636,192 | \$24,578,872 |
| 2028 | \$1,118,021,579 | \$1,118,021,579 | | \$2,252,813 | \$11,627,424 | \$13,880,238 | \$13,880,238 | \$5,289,371 | \$1,053,333 | \$2,674,285 | \$598,142 | \$23,495,369 |
| 2029 | \$1,051,159,175 | \$1,051,159,175 | | \$2,118,086 | \$10,932,055 | \$13,050,141 | \$13,050,141 | \$4,973,045 | \$990,339 | \$2,514,352 | \$562,370 | \$22,090,247 |
| 2030 | \$988,300,802 | \$988,300,802 | | \$1,991,426 | \$10,278,328 | \$12,269,754 | \$12,269,754 | \$4,675,661 | \$931,118 | \$2,363,996 | \$528,741 | \$20,769,270 |
| 2031 | \$929,206,607 | \$929,206,607 | | \$1,872,351 | \$9,663,749 | \$11,536,100 | \$11,536,100 | \$4,396,086 | \$875,443 | \$2,222,644 | \$497,126 | \$19,527,398 |
| | | | | | | Total | \$95,651,226 | \$37,308,255 | \$7,429,618 | \$18,862,907 | \$4,218,955 | \$163,470,961 |

Assumes School Value Limitation and Tax Abatements with the County, Drainage District, College District, and Port.

Source: CPA, Freeport LNG Development, L.P.

¹Tax Rate per \$100 Valuation

| Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives | | | | | | | | | | | | |
|---|---------------------------------|---------------------------------|-----------------------|-------------------------|-------------------------|---------------------------------------|--------------------------|------------------------------------|---|---------------------------|--------------------------------|---------------|
| Year | Estimated Taxable Value for I&S | Estimated Taxable Value for M&O | | Brazosport ISD I&S Levy | Brazosport ISD M&O Levy | Brazosport ISD M&O and I&S Tax Levies | Brazoria County Tax Levy | Velasco Drainage District Tax Levy | Brazosport Junior College District Tax Levy | Port of Freeport Tax Levy | Estimated Total Property Taxes | |
| | | | Tax Rate ¹ | 0.2015 | 1.0400 | | 0.4731 | 0.0942 | 0.2392 | 0.0535 | | |
| 2017 | \$472,149,901 | \$472,149,901 | | \$951,382 | \$4,910,359 | \$5,861,741 | \$2,233,746 | \$444,831 | \$1,129,373 | \$252,600 | \$9,922,292 | |
| 2018 | \$695,800,000 | \$695,800,000 | | \$1,402,037 | \$7,236,320 | \$8,638,357 | \$3,291,837 | \$655,541 | \$1,664,340 | \$372,253 | \$14,622,327 | |
| 2019 | \$1,771,308,000 | \$1,771,308,000 | | \$3,569,186 | \$18,421,603 | \$21,990,789 | \$8,380,076 | \$1,668,820 | \$4,236,933 | \$947,650 | \$37,224,268 | |
| 2020 | \$1,709,312,220 | \$1,709,312,220 | | \$3,444,264 | \$17,776,847 | \$21,221,111 | \$8,086,773 | \$1,610,411 | \$4,088,641 | \$914,482 | \$35,921,419 | |
| 2021 | \$1,649,486,243 | \$1,649,486,243 | | \$3,323,715 | \$17,154,657 | \$20,478,372 | \$7,803,736 | \$1,554,047 | \$3,945,538 | \$882,475 | \$34,664,168 | |
| 2022 | \$1,591,754,226 | \$1,591,754,226 | | \$3,207,385 | \$16,554,244 | \$19,761,629 | \$7,530,605 | \$1,499,655 | \$3,807,444 | \$851,589 | \$33,450,922 | |
| 2023 | \$1,496,519,980 | \$1,496,519,980 | | \$3,015,488 | \$15,563,808 | \$18,579,296 | \$7,080,051 | \$1,409,931 | \$3,579,646 | \$800,638 | \$31,449,562 | |
| 2024 | \$1,418,878,839 | \$1,418,878,839 | | \$2,859,041 | \$14,756,340 | \$17,615,381 | \$6,712,730 | \$1,336,783 | \$3,393,930 | \$759,100 | \$29,817,923 | |
| 2025 | \$1,345,268,765 | \$1,345,268,765 | | \$2,710,717 | \$13,990,795 | \$16,701,512 | \$6,364,480 | \$1,267,432 | \$3,217,856 | \$719,719 | \$28,270,998 | |
| 2026 | \$1,264,796,116 | \$1,264,796,116 | | \$2,548,564 | \$13,153,880 | \$15,702,444 | \$5,983,763 | \$1,191,615 | \$3,025,367 | \$676,666 | \$26,579,855 | |
| 2027 | \$1,189,143,372 | \$1,189,143,372 | | \$2,396,124 | \$12,367,091 | \$14,763,215 | \$5,625,849 | \$1,120,340 | \$2,844,407 | \$636,192 | \$24,990,003 | |
| 2028 | \$1,118,021,579 | \$1,118,021,579 | | \$2,252,813 | \$11,627,424 | \$13,880,238 | \$5,289,371 | \$1,053,333 | \$2,674,285 | \$598,142 | \$23,495,369 | |
| 2029 | \$1,051,159,175 | \$1,051,159,175 | | \$2,118,086 | \$10,932,055 | \$13,050,141 | \$4,973,045 | \$990,339 | \$2,514,352 | \$562,370 | \$22,090,247 | |
| 2030 | \$988,300,802 | \$988,300,802 | | \$1,991,426 | \$10,278,328 | \$12,269,754 | \$4,675,661 | \$931,118 | \$2,363,996 | \$528,741 | \$20,769,270 | |
| 2031 | \$929,206,607 | \$929,206,607 | | \$1,872,351 | \$9,663,749 | \$11,536,100 | \$4,396,086 | \$875,443 | \$2,222,644 | \$497,126 | \$19,527,398 | |
| | | | | | | Total | \$232,050,079 | \$88,427,809 | \$17,609,638 | \$44,708,751 | \$9,999,742 | \$392,796,019 |

Source: CPA, Freeport LNG Development, L.P.

¹Tax Rate per \$100 Valuation

Board Finding Number 6.

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

The Freeport #245 project remains fully taxable for debt services taxes, with BISD currently levying a \$0.202 per \$100 I&S rate. The value of the project is expected to depreciate over the life of the agreement and beyond, although the gain in taxable value will assist BISD in meeting its debt service obligations.

Board Finding Number 7.

The effect of the applicant's proposal, if approved, on the number or size of needed school district instructional facilities is not expected to increase the District's facility needs, with current trends suggest little underlying enrollment growth based on the impact of the Freeport #245 project.

The summary of financial impact prepared by Moak, Casey & Associates, Inc., indicates that there will not be a significant impact on school facilities created by the new natural gas liquefaction project. This finding is confirmed by the TEA evaluation of this project's impact on the number and size of school facilities in Brazosport ISD as stated in Attachment D.

Board Finding Number 8.

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

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

According to Freeport LNG Development, L.P.'s application, "Freeport LNG (FLNG) is keen to invest in LNG liquefaction and export facilities at its Quintana Island terminal because of its pre-existing assets there that would enable such an investment and the generally favorable business environment in Brazoria County and Texas. However, there are no other fundamental advantages to the location and FLNG could seek to invest in such facilities elsewhere. The three existing LNG terminals in Louisiana, which are similar to FLNG's, are all considering developing

Board Findings of the Brazosport Independent School District

liquefaction and export facilities and would enjoy that state's 100% across-the-board 10-year industrial tax abatement. Those facilities enjoy a shipping advantage because they are somewhat closer to both the Atlantic and Pacific Basin markets (the latter, though the expanded Panama Canal, being the world's fastest growing energy markets). FLNG could partner with the owners of one of those terminals to co-develop new facilities with them on their site.

Alternatively, FLNG is aware of several completely undeveloped greenfield sites along the Texas and Louisiana coasts that could be suitable for LNG liquefaction and export facilities. FLNG could seek to acquire and develop on those sites. In any case, competition to develop new LNG liquefaction and export facilities is likely to be intense, especially in light of well advanced plans to do so in Australia, Russia, Africa and Middle East. To maximize its competitiveness, FLNG has selected the most energy-efficient liquefaction technology available, would leverage off its pre-existing assets to the greatest extent practicable, and would endeavor to economize on operations and maintenance costs as much as possible. Any economic development incentives received from Brazosport ISD or other Brazoria County jurisdictions would facilitate FLNG's competitiveness in this global marketplace and could be decisive towards the success of this project. A successful project development on Quintana Island would benefit not just FLNG but the entire Brazoria County economy and the Texas natural gas market, which would deliver very substantial quantities to the new facilities for decades to come."

Board Finding Number 9.

During the past two years, 23 projects in the Houston-Galveston Area Council of Governments Region applied for value limitation agreements under Tax Code, Chapter 313.

Board Finding Number 10.

The Board of Trustees hired consultants to review and verify the information in the Application from Freeport #245. Based upon the consultants' review, the Board has determined that the information provided by the Applicant is true and correct.

Board Finding Number 11.

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

According to the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2011 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year, Attachment F, the total 2011 taxable value for Brazosport ISD is \$6.3 billion, with industrial property valued at \$4.7 billion. Brazosport ISD is categorized as Subchapter C, rural district. Given that the total amount of taxable industrial property in Brazosport ISD exceeds \$200 million, it is classified as a Category I district which can offer a minimum value limitation of \$30 million.

Board Finding Number 12.

The Applicant (Taxpayer Id. 1270030411) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on its "good standing" certification as a franchise-tax paying entity.

Board Finding Number 13.

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

In support of this finding, the report of Moak, Casey & Associates, Inc. shows that the District is not expected to incur a revenue loss in the several years that the value limitation is in effect, based on the current school finance laws. This Agreement is structured in a manner that it protects the District from any negative consequences of granting the value limitation through the revenue protection provisions agreed to by the Applicant and the District. Revenue protection measures are in place for the duration of the Agreement and are designed to adapt to future changes in school finance law.

Board Findings of the Brazosport Independent School District

Board Finding Number 14.

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


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

Dated the 19th day of February 2013.

BRAZOSPORT INDEPENDENT SCHOOL DISTRICT

By: 
Ruth Ann Few, President, Board of Trustees

ATTEST:

By: 
Ron Damian, Secretary, Board of Trustees



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

February 15, 2013

President and Members
Board of Trustees
Brazosport Independent School District
301 Brazoswood Drive
Clute, Texas 77531

Re: Recommendations and Findings of the firm Concerning Application of Freeport LNG Development for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Brazosport Independent School District, with respect to the pending Application of Freeport LNG Development for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. Based upon our review we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.
4. All applicable school finance implications arising from the contemplated Agreement have been explored.
5. The proposed Agreement contains adequate revenue protection provisions to protect the interests of the District.

As a result of the foregoing it is our recommendation that the Board of Trustees approve the Application of Freeport LNG Development for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

Daniel T. Casey

www.moakcasey.com

O'HANLON, MCCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

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AUSTIN, TEXAS 78701
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KEVIN O'HANLON
CERTIFIED, CIVIL APPELLATE
CERTIFIED, CIVIL TRIAL

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

JUSTIN DEMERATH

February 15, 2013

*Re: Recommendations and Findings of the Firm Concerning Application of Freeport
LNG Development for Limitation on Appraised Value of Property for School
District Maintenance and Operations Taxes, first qualifying year 2013*

Dear President and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Brazosport Independent School District, with respect to the pending Application of Freeport LNG Development for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. We have also negotiated an Agreement between the District and Freeport LNG based upon our review we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.
4. All applicable school finance implications arising from the contemplated Agreement have been explored.
5. The proposed Agreement contains adequate legal provisions so as to protect the interests of the District.

Letter to Brazosport ISD
February 15, 2012
Page 2 of 2

As a result of the foregoing conclusions it is our recommendation that the Board of Trustees approve the Application of Freeport LNG for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

A handwritten signature in black ink, appearing to read "K. O'Hanlon", with a stylized flourish extending from the end.

Kevin O'Hanlon
For the Firm

Attachment A

Application

O'HANLON, MCCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE
AUSTIN, TEXAS 78701
TELEPHONE: (512) 494-9949
FACSIMILE: (512) 494-9919

KEVIN O'HANLON
CERTIFIED, CIVIL APPELLATE
CERTIFIED, CIVIL TRIAL

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

JUSTIN DEMERATH

October 17, 2012

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

RE: Application to the Brazosport Independent School District from Freeport LNG
Development, L. P.

To the Local Government Assistance & Economic Analysis Division:

In response to the request for further information, the company has prepared a supplemented application for project #245, Brazosport ISD-Freeport LNG. Page 5 and Page 8 of the Application have been updated. The company has also modified Schedule D to outline the details of the abatements from other taxing entities. The affiliate explanation found at Attachment 3 has been slightly modified.

Due to the size of the file, an electronic copy is not attached. We will hand deliver a copy to your office. Please feel free to contact me with questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin O'Hanlon', written over a series of horizontal lines.

Kevin O'Hanlon
School District Consultant



**CHAPTER 313 APPLICATION
FOR APPRAISED VALUE LIMITATION
TO BRAZOSPORT I.S.D.**

APPLICATION II

August 31, 2012



**CHAPTER 313 APPLICATION
FOR APPRAISED VALUE LIMITATION
TO BRAZOSPORT I.S.D.**

APPLICATION II

August 31, 2012

APPLICATION II



Application for Appraised Value Limitation on Qualified Property (Tax Code, Chapter 313, Subchapter B or C)

Form 50-296
(Revised May 2010)

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

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

- notify the Comptroller that the school board has elected to consider the application.

This notice must include:

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

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

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

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

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

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

SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION

Authorized School District Representative

Date application received by district

8/31/12

First Name

Karin

Last Name

Holacka

Title

Superintendent

School District Name

Brazosport ISD

Street Address

301 Brazosport ^{wood} Dr., ^{lwr} TX 77531

Mailing Address

PO Drawer Z

City

Freeport

State

TX

ZIP

77542

Phone Number

979-730-7000

Fax Number

979-266-2486

Mobile Number (optional)

E-mail Address

kholacka@brazosportisd.net

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

Will consultant be primary contact? ☒ Yes ☐ No



Form 50-296

Application for Appraised Value Limitation on Qualified Property

SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized School District Consultant (If Applicable)

First Name

Daniel T.

Last Name

Casey

Title

Partner

Firm Name

Moak, Casey & Associates LLP

Street Address

400 W. 15th Street, Suite 1410

Mailing Address

400 W. 15th Street, Suite 1410

City

Austin

State

TX

ZIP

78701-1648

Phone Number

512-485-7878

Fax Number

512-485-7888

Mobile Number (Optional)

E-mail Address

dcasey@moakcasey.com

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

Signature (Authorized School District Representative)

Date

9/4/12

Has the district determined this application complete? ☒ Yes ☐ No

If yes, date determined complete. 9/4/12

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

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

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

APPLICATION II



Application for Appraised Value Limitation on Qualified Property (Tax Code, Chapter 313, Subchapter B or C)

Form 50-296
(Revised May 2010)

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

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

- notify the Comptroller that the school board has elected to consider the application.

This notice must include:

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

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

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

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

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

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

SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION

| | | | |
|---|---|---|--|
| Authorized School District Representative | | Date application received by district 8/31/12 | |
| First Name Karin | Last Name Holacka | | |
| Title Superintendent | | | |
| School District Name Brazosport ISD | | | |
| Street Address 301 Brazosport ^{wood} Dr., ^{lake} TX 77531 | | | |
| Mailing Address PO Drawer Z | | | |
| City Freeport | State TX | ZIP 77542 | |
| Phone Number 979-730-7000 | Fax Number 979-266-2486 | | |
| Mobile Number (optional) | E-mail Address kholacka@brazosportisd.net | | |

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

Will consultant be primary contact? ☒ Yes ☐ No



Form 50-296

Application for Appraised Value Limitation on Qualified Property

SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized School District Consultant (If Applicable)

| | | |
|--|---|--------------------------|
| First Name Daniel T. | Last Name Casey | |
| Title Partner | | |
| Firm Name Moak, Casey & Associates LLP | | |
| Street Address 400 W. 15th Street, Suite 1410 | | |
| Mailing Address 400 W. 15th Street, Suite 1410 | | |
| City Austin | State TX | ZIP 78701-1648 |
| Phone Number 512-485-7878 | Fax Number 512-485-7888 | |
| Mobile Number (Optional) | E-mail Address dcasey@moakcasey.com | |

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

| | |
|---|-----------------------|
| Signature (Authorized School District Representative)  | Date 9/4/12 |
|---|-----------------------|

Has the district determined this application complete? ☒ Yes ☐ No

If yes, date determined complete. **9/4/12**

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

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

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

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION**Authorized Business Representative (Applicant)**

| | | |
|---|---|--------------------------|
| First Name Hugh | Last Name Urbantke | |
| Title President | | |
| Organization Freeport LNG Development, L.P. | | |
| Street Address 333 Clay St., Suite 5050 | | |
| Mailing Address 333 Clay St., Suite 5050 | | |
| City Houston | State TX | ZIP 77002-4173 |
| Phone Number 713-980-2888 | Fax Number 713-980-2903 | |
| Mobile Number (optional) | Business e-mail Address HUrbantke@freeportlng.com | |

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

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

| | | |
|---|--|--------------------------|
| First Name Lauren | Last Name Mahood | |
| Title Commercial Analyst | | |
| Organization Freeport LNG Development, L.P. | | |
| Street Address 333 Clay St., Suite 5050 | | |
| Mailing Address 333 Clay St., Suite 5050 | | |
| City Houston | State TX | ZIP 77002-4173 |
| Phone Number 713-634-3502 | Fax Number 713-980-2903 | |
| Mobile Number (optional) | E-mail Address lmahood@freeportlng.com | |

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

Will consultant be primary contact? ☒ Yes ☐ No



Form 50-296

Application for Appraised Value Limitation on Qualified Property

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

First Name

Wes

Last Name

Jackson

Title

Partner

Firm Name

Cummings Westlake LLC

Street Address

12837 Louetta Rd, Suite 201

Mailing Address

12837 Louetta Rd, Suite 201

City

Cypress

State

TX

ZIP

77429

Phone Number

713-266-4456 x1

Fax Number

713-266-2333

Business email Address

wjackson@cwlp.net

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

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

Signature (Authorized Business Representative (Applicant))

Date

8-30-12

GIVEN under my hand and seal of office this 30 day of August, 2012



(Notary Seal)

Notary Public, State of Texas

My commission expires May 20, 2015

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

FEES AND PAYMENTS

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

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

Please answer only either A OR B:

A. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code, 313.027(i)? ☐ Yes ☒ No

B. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? ☐ Yes ☒ No

BUSINESS APPLICANT INFORMATION

Legal Name under which application is made

Freeport LNG Development, L.P. and its affiliates *:

*FLNG Liquefaction 2, LLC TX Tax ID # 32048303664
*FLNG Liquefaction 3, LLC TX Tax ID # 32048642410
*FLIQ Common Facilities, LLC TX Tax ID # 32048786746
*Angler Pipeline, LLC TX Tax ID # 32041445050

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

12700304111

NAICS code

325120

Is the applicant a party to any other Chapter 313 agreements? ☒ Yes ☐ No

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

Brazosport ISD - 2011 (Freeport LNG will request Brazosport ISD to cancel this agreement effective 12/31/12)

APPLICANT BUSINESS STRUCTURE

Registered to do business in Texas with the Texas Secretary of State? ☒ Yes ☐ No

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

Limited Partnership

1. Is the applicant a combined group, or comprised of members of a combined group, as defined by Texas Tax Code Chapter 171.0001(7)? ☒ Yes ☐ No
If so, please attach documentation of the combined group membership and contact information.

2. Is the applicant current on all tax payments due to the State of Texas? ☒ Yes ☐ No

3. Are all applicant members of the combined group current on all tax payments due to the State of Texas? ☐ NA ☒ Yes ☐ No

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

**ELIGIBILITY UNDER TAX CODE CHAPTER 313.024**Are you an entity to which Tax Code, Chapter 171 applies? ☒ Yes ☐ No

The property will be used as an integral part, or as a necessary auxiliary part, in 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

Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☒ NoWill any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☒ NoWill any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☒ NoAre you including property that is owned by a person other than the applicant? ☐ Yes ☒ NoWill 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**PROJECT DESCRIPTION**

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

See Attachment # 4

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

See Attachment # 4A

PROJECT CHARACTERISTICS (CHECK ALL THAT APPLY)

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

PROJECTED TIMELINEBegin Construction Q3 2014 Begin Hiring New Employees Q1-Q2 2017Construction Complete Q3 2018 Fully Operational Q3 2018Purchase Machinery & Equipment Q3 2014 - Q2 2018Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? ☒ Yes ☐ No

Note: Improvements made before that time may not be considered qualified property.

When do you anticipate the new buildings or improvements will be placed in service? Q3 2018

ECONOMIC INCENTIVES

Identify state programs the project will apply for:

State Source

Amount

Currently evaluating benefits of making application to:

Texas Enterprise Zone Program

Total

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

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

We have filed and received approval for a Chapter 312 tax abatement with Brazoria County and are in the process of filing for Chapter 312 tax abatements with Velasco Drainage District, Brazosport College District, and Port Freeport.

THE PROPERTYIdentify county or counties in which the proposed project will be located BrazoriaCentral Appraisal District (CAD) that will be responsible for appraising the property BrazoriaWill this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☒ No

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

County: Brazoria (100%)

(Name and percent of project)

City: n/a

(Name and percent of project)

Hospital District: n/a

(Name and percent of project)

Water District: Velasco Drainage District (100%)

(Name and percent of project)

Other (describe): Port Freeport (100%)

(Name and percent of project)

Other (describe): Brazosport College District (100%)

(Name and percent of project)

Is the project located entirely within this ISD? ☒ Yes ☐ No

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

**INVESTMENT**

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

At the time of application, what is the estimated minimum qualified investment required for this school district? \$30,000,000

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

What is your total estimated *qualified* investment? \$1,300,000,000

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

What is the anticipated date of application approval? December 4, 2012

What is the anticipated date of the beginning of the qualifying time period? January 2, 2016

What is the total estimated investment for this project for the period from the time of application submission to the end of the limitation period? \$1,800,000,000

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

Attach the following items to this application:

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

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

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

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

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

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

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

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

QUALIFIED PROPERTY

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

Attach the following items to this application:

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

Land

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

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

Will the applicant own the land by the date of agreement execution? ☒ Yes ☐ No

Will the project be on leased land? ☒ Yes ☐ No

All new property on Quintana Island is located on land leased from Port Freeport. The proposed new pipelines, with the minor exception of the segments at the Pre-Treatment Facility (PTF), are located on land leased from multiple owners. The PTF is to be located on land owned by Freeport LNG.

QUALIFIED PROPERTY (CONTINUED)

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

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

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

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

Miscellaneous

Is the proposed project a building or new improvement to an existing facility? ☒ Yes ☐ No

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

List current market value of existing property at site as of most recent tax year. See Attachment 12 2012
(Market Value) (Tax Year)

Is any of the existing property subject to a value limitation agreement under Tax Code 313? ☐ Yes ☒ No

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

WAGE AND EMPLOYMENT INFORMATION

What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 65

The last complete calendar quarter before application review start date is the:

☐ First Quarter ☒ Second Quarter ☐ Third Quarter ☐ Fourth Quarter of 2012
(year)

What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the TWC? 95

Note: For job definitions see TAC §9.1051(14) and Tax Code 313.021(3). If the applicant intends to apply a definition for "new job" other than TAC §9.1051(14)(C), then please provide the definition of "new job" as used in this application. Not applicable

Total number of new jobs that will have been created when fully operational 52 **In addition to the 95 jobs above**

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

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

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

What is the maximum number of qualifying jobs meeting all criteria of §313.021(3) you are committing to create? 42

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

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

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

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

WAGE AND EMPLOYMENT INFORMATION (CONTINUED)

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

110% of the county average weekly wage for all jobs (all industries) in the county is \$1,044

110% of the county average weekly wage for manufacturing jobs in the county is \$1,934

110% of the county average weekly wage for manufacturing jobs in the region is \$1,136

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

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

What is the estimated minimum required annual wage for each qualifying job based on the qualified property? \$59,082

What is the estimated minimum required annual wage you are committing to pay for each of the qualifying jobs you create on the qualified property? \$65,000

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

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

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

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

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

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

If yes, what percent? 2%

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

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

See Attachment 15

ECONOMIC IMPACT

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

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

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

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

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

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

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

CONFIDENTIALITY NOTICE

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

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

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

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

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

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

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

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

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

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

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

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



COMPANY CHECKLIST AND REQUESTED ATTACHMENTS

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

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

Schedule A (Rev. Jan. 2010): Investment

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: Tangible Personal Property The amount of new investment (original cost) placed in service during this year | Column B: Building or Permanent Nonremovable Component of Building (annual amount only) | Column C: Sum of A and B Qualifying Investment (during the qualify- ing time period) | Column D: Other investment that is not qualified investment affecting economic impact and total value | Column E: Total Investment (A+B+D) |
|---|---|--|----------------------------|--|--|---|---|--|--|
| The year preceding the first complete tax year of the qualifying time period (assuming no deferrals) | Investment made before filing complete appli- cation with district (neither qualified property nor eligible to become qualified investment) | | | | | | X | | |
| | Investment made after filing complete appli- cation with district, but before final board approval of application (eligible to become qualified property) | | | | | | | | |
| | Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property) | | | | | | | | |
| Tax Credit Period (with 50% cap on credit) | Value Limitation Period | Complete tax years of qualifying time period | 1 | | | | X | | |
| | | 2 | | | | | | | |
| | | 3 | | | | | | | |
| | | 4 | | | | | | | |
| | | 5 | | | | | | | |
| | | 6 | | | | | | | |
| | | 7 | | | | | | | |
| | | 8 | | | | | | | |
| | | 9 | | | | | | | |
| | | 10 | | | | | | | |
| Credit Settle-Up Period | Continue to Maintain Value Presence | | 11 | | | | X | | |
| | | 12 | | | | | | | |
| | | 13 | | | | | | | |
| Post-Settle-Up Period | | | 14 | | | | | | |
| Post-Settle-Up Period | | | 15 | | | | | | |

Schedules A through D are in the
Excel file and shown separately
as Attachments 17 - 20

Qualifying Time Period usually begins with the final board approval of the application and extends generally for the following two complete tax years.

Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment- as defined in Tax Code §313.021(1)(A)-(D). For the purposes of investment, please list amount invested each year, not cumulative totals.
[For the years outside the qualifying time period, this number should simply represent the planned investment in tangible personal property].
Include estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).
For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings.

Column D: Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value - for planning, construction and operation of the facility. The most significant example for many projects would be land. Other examples may be items such as professional services, etc.
Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

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

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

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE



Form 50-296

Application for Appraised Value Limitation on Qualified Property

Schedule B (Rev. Jan. 2010): Estimated Market and Taxable Value

Applicant Name _____

ISD Name _____

| | | | | Qualified Property | | | Reductions From Market Value | 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 building or "in or on the new improvement" | Exempted Value | Final taxable value for I&S - after all reductions | Final taxable value for M&O - after all reductions |
| | | pre-year 1 | | | | | | | | |
| | Complete tax years of qualifying time period | 1 | | | | | | | | |
| | | 2 | | | | | | | | |
| | | 3 | | | | | | | | |
| Tax Credit Period (with 50% cap on credit) | Value Limitation Period | 4 | | | | | | | | |
| | | 5 | | | | | | | | |
| | | 6 | | | | | | | | |
| | | 7 | | | | | | | | |
| | | 8 | | | | | | | | |
| | | 9 | | | | | | | | |
| | | 10 | | | | | | | | |
| | | 11 | | | | | | | | |
| Credit Settle-Up period | Continue to Maintain Viable Presence | 12 | | | | | | | | |
| | | 13 | | | | | | | | |
| Post-Settle-Up Period | | 14 | | | | | | | | |
| Post-Settle-Up Period | | 15 | | | | | | | | |

Schedules A through D are in the
Excel file and shown separately
as Attachments 17 - 20

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

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

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE _____

DATE _____

Schedule C - Application: Employment Information

Applicant Name _____

ISD Name _____

| | | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year) YYYY | Construction Column A: Number of Construction FTEs or man-hours (specify) | New Jobs Column B: Average annual wage rates for construction workers | Column C: Number of new jobs applicant commits to create (cumulative) | Column D: Average annual wage rate for all new jobs. | Qualifying Jobs Column E: Number of quali- fying jobs appli- cant commits to create meeting all criteria of Sec. 313.021(3) (cumulative) Column F: Average annual wage of qualifying jobs | |
|--|--|------------|----------------------------|--|---|--|---|---|---|--|
| | | pre-year 1 | | | | | | | | |
| Tax Credit Period (with 50% cap on credit) | Complete tax years of qualify- ing time period | 1 | | | Schedules A through D are in the Excel file and shown separately as Attachments 17 - 20 | | | | | |
| | | 2 | | | | | | | | |
| | | 3 | | | | | | | | |
| | | 4 | | | | | | | | |
| | Value Limitation Period | 5 | | | | | | | | |
| | | 6 | | | | | | | | |
| | | 7 | | | | | | | | |
| | | 8 | | | | | | | | |
| | | 9 | | | | | | | | |
| | | 10 | | | | | | | | |
| Credit Settle-Up period | Continue to Maintain Viabile Presence | 11 | | | | | | | | |
| | | 12 | | | | | | | | |
| | | 13 | | | | | | | | |
| Post-Settle-Up Period | | 14 | | | | | | | | |
| Post-Settle-Up Period | | 15 | | | | | | | | |

Notes: For job definitions see TAC §9.1051(14) and Tax Code §313.021(3).

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

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE _____

DATE _____



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

Applicant Name _____

ISD Name _____

| | | | | | Sales Tax Information | | Franchise Tax | Other Property Tax Abatelements Sought | | | |
|--|---|------|--------------------|--------------------------|--|--|--|---|---|---|---|
| | | | | | Sales Taxable Expenditures | | Franchise Tax | County | City | Hospital | Other |
| | | Year | School Year (YYYY) | Tax/Calendar Year (YYYY) | Column F: Estimate of total annual expenditures* subject to state sales tax | Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax | Column H: Estimate of Franchise tax due from (or attributable to) the applicant | Fill in percentage exemption requested or granted in each year of the agreement | Fill in percentage exemption requested or granted in each year of the agreement | Fill in percentage exemption requested or granted in each year of the agreement | Fill in percentage exemption requested or granted in each year of the agreement |
| The year preceding the first complete tax year of the qualifying time period (assuming no deferrals) | | | | | | | | | | | |
| Complete tax years of qualifying time period | Value Limitation Period | 1 | | | | | | | | | |
| | | 2 | | | | | | | | | |
| | | 3 | | | | | | | | | |
| | | 4 | | | | | | | | | |
| | | 5 | | | | | | | | | |
| | | 6 | | | | | | | | | |
| | | 7 | | | | | | | | | |
| | | 8 | | | | | | | | | |
| | | 9 | | | | | | | | | |
| | | 10 | | | | | | | | | |
| Credit Settle-Up Period | Continue to Maintain Viability Presence | 11 | | | | | | | | | |
| | | 12 | | | | | | | | | |
| | | 13 | | | | | | | | | |
| Post-Settle-Up Period | | | 14 | | | | | | | | |
| Post-Settle-Up Period | | | 15 | | | | | | | | |

Schedules A through D are in the Excel file and shown separately as Attachments 17 - 20

*For planning, construction and operation of the facility.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE _____

DATE _____

Application II

ATTACHMENT 1

Please see the related application.

*ATTACHMENT TO APPLICATION FOR APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY BY FREEPORT LNG DEVELOPMENT, L.P. AND ITS AFFILIATES
TO BRAZOSPORT ISD*

Application II

ATTACHMENT 2

A copy of the check for \$50,000 per application (totaling \$150,000 for the three separate applications) made payable to Brazosport Independent School District is attached.

ATTACHMENT TO APPLICATION FOR APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY BY FREEPORT LNG DEVELOPMENT, L.P. AND ITS AFFILIATES
TO BRAZOSPORT ISD

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

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

Application II

ATTACHMENT 3

Please see the attached documentation.

*ATTACHMENT TO APPLICATION FOR APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY BY FREEPORT LNG DEVELOPMENT, L.P. AND ITS AFFILIATES
TO BRAZOSPORT ISD*

CUMMINGS WESTLAKE LLC

12837 Louetta Road, Suite 201 Cypress, Texas 77429-5611 713-266-4456 Fax: 713-266-2333

October 9, 2012

REVISED

Mr. Robert Wood
Director, Economic Development & Analysis
Texas Comptroller of Public Accounts
PO Box 13528
Austin, TX 78711-3528

Re: Freeport LNG Development, LP – Chapter 313 Applications to Brazosport ISD

Dear Mr. Wood,

As you are aware, Attachment 3 of the subject applications requires documentation of Combined Group membership under Texas Tax Code 171.0001(7) for applicant members. Accordingly, we have attached the most recent 2012 filing of Freeport LNG Development, LP's Texas Franchise Tax Extension Affiliate List.

Please note that recently created entities, which are affiliates and parties to this application, are not on this list as of yet. However, these new Texas legal entities will become part of this combined group in the next regular filing. The new entities are:

FLNG Liquefaction 2, LLC, Texas Tax ID # 32048303864
FLNG Liquefaction 3, LLC, Texas Tax ID # 32048642410
FLIQ Common Facilities, LLC, Texas Tax ID # 32048786746

Please contact me should you have any questions.

Sincerely,



J. Weston Jackson
Partner

Enclosures

105202 7.000

TX2012

05-163

Texas Franchise Tax No Tax Due Information Report

Ver. 3.1

(Rev. 9-11/05)

Tcode 13275 FINAL

| | | |
|-----------------|-------------|------------|
| Taxpayer number | Report year | Due date |
| 32035280026 | 2012 | 08/15/2012 |

| | | | | | | |
|---|-------------|----------------|---|--------|--|--|
| Taxpayer name FREEPORT III EXPANSION, L.P. | | | | | Secretary of State file number or Comptroller file number 0000581811 | |
| Mailing address 333 CLAY STREET, SUITE 5050 | | | | | | |
| City HOUSTON | State TX | Country USA | ZIP Code 77002 | Plus 4 | Check box if the address has changed <input type="checkbox"/> | |
| Check box if this is a combined report <input type="checkbox"/> | | | SIC code 2813 | | NAICS code 325120 | |
| Check box if Total Revenue is adjusted for Tiered Partnership Election, see Instructions <input type="checkbox"/> | | | Check box to request a Certificate of Account Status <input type="checkbox"/> | | | |

*Note: Upper tiered partnerships do not qualify to use this form.

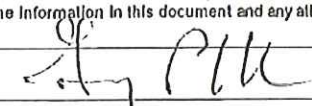
If any of the statements below are true, you qualify to file this **No Tax Due Information Report**:

(Check all boxes that apply)

- This entity is a passive entity as defined in Chapter 171 of the Texas Tax Code. (see instructions)
(Passive Income does NOT include rent) 1. ☒
- This entity's annualized total revenue is below the no tax due threshold. (see instructions) 2. ☐
- This entity has zero Texas Gross Receipts. 3. ☒
- This entity is a Real Estate Investment Trust (REIT) that meets the qualifications specified in section 171.0002(c)(4). 4. ☐

5a. Accounting year begin date m m d d y y
5a. 5b. Accounting year end date
m m d d y y
5b.

6. TOTAL REVENUE (Whole dollars only) 6.

| | | | |
|---|-------------------|---|--|
| Print or type name George Heck | | Area code and phone number 713-634-3520 | |
| I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief. | | Mail original to: Texas Comptroller of Public Accounts P.O. Box 149348 Austin, TX 78714-9348 | |
| sign here  | Date 7/31/2012 | | |

If you have any questions regarding franchise tax, you may contact the Texas Comptroller's field office in your area or call (800) 252-1381 or (512) 463-4600. Instructions for each report year are online at www.window.state.tx.us/taxinfo/taxforms/05-forms.html.

Texas Comptroller Official Use Only



| | |
|---------|--------------------------|
| VE/DE | <input type="checkbox"/> |
| PM Date | <input type="text"/> |



1062

Statement Attached to Freeport LNG Expansion, L.P.'s Texas Franchise No Tax Due Report

Freeport LNG Expansion, L.P. ("FLEX") (Taxpayer ID: 32035280026) is filing a Texas Franchise No Tax Due Report due to its classification as a passive entity. Initially, it was believed that FLEX was not a passive entity and was required to file as part of a combined report for Freeport LNG Development, L.P. ("Development") (Taxpayer ID: 12700304111). Development timely filed a Texas extension including FLEX as part of the extension. However, it was later determined that FLEX is a passive entity for the 2012 report year, and is ineligible to file as part of a combined group.

We respectfully request that the extension period for FLEX be recognized. A copy of the extension affiliate list is included for your reference.

106204 5.000

TX2012

Ver. 3.0

05-165
(Rev. 9-11/3)

Tcode 13298

Texas Franchise Tax Extension Affiliate List

■ Reporting entity taxpayer number

■ Report year

Reporting entity taxpayer name

12700304111

2012

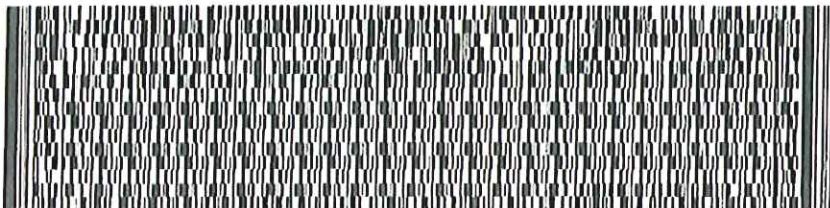
FREEPORT LNG DEVELOPMENT, LP

| LEGAL NAME OF AFFILIATE | AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number) | CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS |
|-----------------------------------|--|---|
| 1. FLNG LAND, INC | ■ 32014220407 | ■ <input type="checkbox"/> |
| 2. FLNG LAND II, INC | ■ 32017307565 | ■ <input type="checkbox"/> |
| 3. FREEPORT LNG EXPANSION GP, INC | ■ 32018709280 | ■ <input type="checkbox"/> |
| 4. FLNG STORAGE GP, INC | ■ 32018709306 | ■ <input type="checkbox"/> |
| 5. FREEPORT LNG EXPANSION, L.P. | ■ 32035280026 | ■ <input type="checkbox"/> |
| 6. FLEX NGL, LLC | ■ 32043022220 | ■ <input type="checkbox"/> |
| 7. FLNG LIQUEFACTION, LLC | ■ 32043147043 | ■ <input type="checkbox"/> |
| 8. ANGLER PIPELINE, LLC | ■ 32041445050 | ■ <input type="checkbox"/> |
| 9. | ■ | ■ <input type="checkbox"/> |
| 10. | ■ | ■ <input type="checkbox"/> |
| 11. | ■ | ■ <input type="checkbox"/> |
| 12. | ■ | ■ <input type="checkbox"/> |
| 13. | ■ | ■ <input type="checkbox"/> |
| 14. | ■ | ■ <input type="checkbox"/> |
| 15. | ■ | ■ <input type="checkbox"/> |
| 16. | ■ | ■ <input type="checkbox"/> |
| 17. | ■ | ■ <input type="checkbox"/> |
| 18. | ■ | ■ <input type="checkbox"/> |
| 19. | ■ | ■ <input type="checkbox"/> |
| 20. | ■ | ■ <input type="checkbox"/> |
| 21. | ■ | ■ <input type="checkbox"/> |

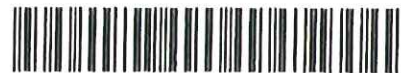
Note: To file an extension request for a reporting entity and its affiliates, Form 05-164 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request.

Do not file this form when requesting a second extension.

Texas Comptroller Official Use Only



| | | | |
|-------|--------------------------|----|--------------------------|
| VE/DE | <input type="checkbox"/> | FM | <input type="checkbox"/> |
|-------|--------------------------|----|--------------------------|



1062

ATTACHMENT 4

**DETAILED PROJECT DESCRIPTION – Freeport LNG Liquefaction Project
Exhibit #4 to the BISD Ch 313 Application for Limitation of Appraised Value**

- (1) As nations increasingly search for alternative sources of energy besides oil and coal for power generation and other applications, demand for LNG will continue to grow. The U.S. has an opportunity to expand its participation in the global market for natural gas, as the country's more than 100 years of reserves are well positioned to contribute to meeting this growing demand. Freeport LNG's production and export of LNG represents a long-term economic stimulus to the nation's natural gas-producing regions, including Texas and the entire Gulf Coast. Freeport LNG's proposed liquefaction facility and export terminal will take advantage of the huge natural gas reserves that have been unlocked in recent years to provide substantial job creation and economic stimulus to the U.S. at large. New natural gas production and export of LNG represents a long-term economic lift to the nation's natural gas-producing regions and the overall U.S. economy.

Freeport LNG is proposing to add natural gas liquefaction infrastructure at and near the existing terminal to provide export capacity of approximately 4.4 million metric tonnes per annum (mtpa) of LNG per liquefaction train, which equates to processing approximately 670 MMcf/d of pipeline-quality natural gas (feed gas). Described and quantified in this application, the second phase of the project, projected to be in full operations in the third quarter of 2018, will include one liquefaction train capable of producing an export capacity of up to 4.4 mtpa, associated pretreatment system facilities for that train and one marine berthing dock.

The feed gas will be derived from interconnecting intrastate systems through Freeport LNG's existing Stratton Ridge meter station. The gas will be pretreated along Freeport LNG's existing 42" gas pipeline, about halfway between Freeport LNG's existing facilities on Quintana Island and Freeport LNG's existing metering, compression and underground storage facilities. The pretreated natural gas will then be delivered to the terminal through Freeport LNG's existing 42" gas pipeline. At the terminal, it will be liquefied and then stored in full-containment LNG storage tanks. LNG will be exported from the terminal by LNG carriers arriving via marine transit through the Freeport Harbor Channel.

The added liquefaction capability will not preclude the terminal from operating in vaporization and send-out mode as business conditions dictate. Also, having dual liquefaction and regasification capabilities will not result in any increase in the number of ship transits since the total amount of LNG handled, either by liquefying natural gas or by vaporizing LNG, will not exceed thresholds authorized under the FERC order approving the Phase II regas project.

- (2) A Chapter 313 Value Limitation Agreement is requested on all the proposed new improvements and fixed equipment associated with this project as described below.

*ATTACHMENT TO APPLICATION FOR APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY BY FREEPORT LNG DEVELOPMENT, L.P. AND ITS AFFILIATES
TO BRAZOSPORT ISD*

Application II

The proposed project primarily consists of property classified by Brazoria CAD as real estate improvements including, but not limiting to, three large refrigerant compressors, one main cryogenic heat exchanger, eight refrigerant vaporizers, two liquid turbines, 250+ fin fan air coolers, multiple heat exchangers and tower reboilers, multiple vessels, numerous compressors, various pumps, a marine loading terminal and all associated buildings and office expansions. Also included, but not limited to, are all of the associated concrete foundations, pipe supports, piping, instrumentation, power feeds, control loops, safety systems, fire water protection, insulation, and utilities necessary to connect the new facilities to the existing terminal and to safely operate the new equipment.

ATTACHMENT 4A

Freeport LNG ("FLNG") is keen to invest in LNG liquefaction and export facilities at its Quintana Island terminal because of its pre-existing assets there that would enable such an investment and the generally favorable business environment in Brazoria County and Texas. However, there are no other fundamental advantages to the location and FLNG could seek to invest in such facilities elsewhere. The three existing LNG terminals in Louisiana, which are similar to FLNG's, are all considering developing liquefaction and export facilities and would enjoy that state's 100% across-the-board 10-year industrial tax abatement. Those facilities enjoy a shipping advantage because they are somewhat closer to both the Atlantic and Pacific Basin markets (the latter, through the expanded Panama Canal, being the world's fastest growing energy markets). FLNG could partner with the owners of one of those terminals to co-develop new facilities with them on their site. Alternatively, FLNG is aware of several completely undeveloped greenfield sites along the Texas and Louisiana coasts that could be suitable for LNG liquefaction and export facilities. FLNG could seek to acquire and develop on those sites. In any case, competition to develop new LNG liquefaction and export facilities is likely to be intense, especially in light of well advanced plans to do so in Australia, Russia, Africa and the Middle East. To maximize its competitiveness, FLNG has selected the most energy-efficient liquefaction technology available, would leverage off its pre-existing assets to the greatest extent practicable, and would endeavor to economize on operations and maintenance costs as much as possible. Any economic development incentives received from Brazosport ISD or other Brazoria County jurisdictions would facilitate FLNG's competitiveness in this global marketplace and could be decisive towards the success of this project. A successful project development on Quintana Island would benefit not just FLNG but the entire Brazoria County economy and the Texas natural gas market, which would deliver very substantial quantities to the new facilities for decades to come.

ATTACHMENT 5

The project is located in the following taxing jurisdictions:

- Brazoria County (100%)
- Brazosport ISD (100%)
- Velasco Drainage District (100%)
- Port Freeport (100%)
- Brazosport College District (100%)

ATTACHMENT 6

The proposed project primarily consists of property classified by Brazoria CAD as real estate improvements including, but not limiting to, three large refrigerant compressors, one main cryogenic heat exchanger, eight refrigerant vaporizers, two liquid turbines, 250+ fin fan air coolers, multiple heat exchangers and tower reboilers, multiple vessels, numerous compressors, various pumps, a marine loading terminal and all associated buildings and office expansions. Also included, but not limited to, are all of the associated concrete foundations, pipe supports, piping, instrumentation, power feeds, control loops, safety systems, fire water protection, insulation, and utilities necessary to connect the new facilities to the existing terminal and to safely operate the new equipment.

Application II

ATTACHMENT 7

Please see the attached maps.

Figure 1 is a line graph titled "Trend of the Number of People in the 15-64 Age Group in China, 1980-2000". The vertical axis (Y-axis) is labeled "Number of People (Millions)" and ranges from 200 to 400 in increments of 50. The horizontal axis (X-axis) is labeled "Year" and ranges from 1980 to 2000 in increments of 10. The graph shows a line that starts at approximately 250 million in 1980 and rises steadily to over 400 million by 2000.



 **PROPOSED REVISIONS FOR CONSIDERATION, U.S. PUBLIC LAW 114-113, 114TH CONGRESS, 1ST SESSION, 2015**
 **CONTRACT REVISION FOR CONSIDERATION, U.S. PUBLIC LAW 114-113, 114TH CONGRESS, 1ST SESSION, 2015**
 **PROPOSED FOR FACILITY**
 **OUTSTANDING**

[illegible]

ATTACHMENT 8

The proposed project primarily consists of property classified by Brazoria CAD as real estate improvements including, but not limiting to, three large refrigerant compressors, one main cryogenic heat exchanger, eight refrigerant vaporizers, two liquid turblnes, 250+ fin fan air coolers, multiple heat exchangers and tower reboilers, multiple vessels, numerous compressors, various pumps, a marine loading terminal and all associated buildings and office expansions. Also included, but not limited to, are all of the associated concrete foundations, pipe supports, piping, instrumentation, power feeds, control loops, safety systems, fire water protection, insulation, and utilities necessary to connect the new facilities to the existing terminal and to safely operate the new equipment.

Application II

ATTACHMENT 9

Please see the attached maps.

*ATTACHMENT TO APPLICATION FOR APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY BY FREEPORT LNG DEVELOPMENT, L.P. AND ITS AFFILIATES
TO BRAZOSPORT ISD*




 PARTIAL PAYMENT FOR DEVELOPMENT, L.A.
 HUNTERS HILL TRACT NO. 2


 PARTIAL PAYMENT FOR DEVELOPMENT, L.A.
 HUNTERS HILL TRACT NO. 1


 PROPOSED NEW FACILITIES


 OTHER FACILITIES

[illegible]

ATTACHMENT 10

The legal description of the land is identical to the legal description of the reinvestment zones shown in Attachment 23. Due to the number of pages, and for economy purposes, we are not reproducing those pages. Please see Attachment 23.

The land will not be part of the Qualified Property on this application.

Application II

ATTACHMENT 11

Please see the attached maps.



Surveys in some limited case studies
The Department has planned to carry out
of administrative arrangements and
to be carried out by the Department
in the future.

 **ENTIRE PREPUB LAY DEVELOPMENT, U.S.**
REPERCUSSION JUNE 1992
 **ENTIRE PREPUB LAY DEVELOPMENT, U.S.**
PERMANENT ZONE VOL.3
 **PREPUBED NEW FACTORS**
 **DURING INFLUENCE**

| FULL OF INTERVALS | | INTERVAL DURATION | | INTERVAL FILE | | INTERVAL NO. | |
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| 2024-01-14 | INTERVAL 14 | 00:00:00 | 00:01:00 | 00:00:00 | 00:01:00 | 00:00:00 | 00:01:00 |
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| 2024-01-23 | INTERVAL 23 | 00:00:00 | 00:01:00 | 00:00:00 | 00:01:00 | 00:00:00 | 00:01:00 |
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| 2024-01-03 | INTERVAL 3 | 00:00:00 | 00:01:00 | 00:00:00 | 00:01:00 | 00:00:00 | 00:01:00 |
| 2024-01-04 | INTERVAL 4 | 00:00:00 | 00:01:00 | 00:00:00 | 00:01:00 | 00:00:00 | 00:01:00 |
| 2024-01-05 | INTERVAL 5 | 00:00:00 | 00:01:00 | 00:00:00 | 00:01:00 | 00:00:00 | 00:01:00 |
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| 2024-01-09 | INTERVAL 9 | 00:00:00 | 00:01:00 | 00:00:00 | 00:01:00 | 00:00:00 | 00:01:00 |
| 2024-01-10 | INTERVAL 10 | 00:00:00 | 00:01:00 | 00:00:00 | 00:01:00 | 00:00:00 | 00:01:00 |
| 2024-01-11 | INTERVAL 11 | 00:00:00 | 00:01:00 | 00:00:00 | 00:01:00 | 00:00:00 | 00:01:00 |
| 2024-01- | | | | | | | |

ATTACHMENT 12

DESCRIPTION OF EXISTING IMPROVEMENTS

- Phase I was completed and came fully online in 2008. The existing Phase I regasification terminal is designed to vaporize and achieve a peak send-out capacity of ~2.0 Bcf per day.
- Phase I includes two full-containment, 160,000 cubic meter LNG storage tanks, one piled marine dock, capable of handling LNG vessels in excess of 200,000 cubic meters, associated double-walled vacuum insulated transfer pipelines, a Boil Off Gas Re-liquefaction unit, an approximately ten mile, 42" natural gas pipeline from the existing terminal to Stratton Ridge, an office building, a control room, a warehouse, an analyzer, shop buildings, a VE Warming Tower, fencing and roads.
- Phase I includes seven vaporization trains and associated equipment, eight water glycol heaters, a water glycol tank, pumps, a drain drum and sump, eight intermediate exchangers and fuel gas heaters.
- All land is leased from Port Freeport on Quintana Island.
- Please see the attached Brazoria County Appraisal District account numbers and the 2011 certified values.

**BRAZORIA COUNTY APPRAISAL DISTRICT
CERTIFICATION OF APPRAISED VALUE OF PROPERTIES
AS OF JANUARY 1, 2011**

TO: BRAZORIA COUNTY

FROM: BRAZORIA COUNTY APPRAISAL DISTRICT

DATE: May 30, 2012

The Brazoria County Appraisal District hereby certifies that the following appraised values as of January 1, 2011, for property of "Various Owners – see attached" described in Exhibit "A" attached hereto are listed in the records of the Brazoria County Appraisal District and indicated by the following account numbers:

| <u>PERSONAL PROPERTY ACCOUNT(S)</u> | <u>APPRAISED VALUE(S)</u> |
|-------------------------------------|---------------------------|
| 8900-0800-000 | \$4,539,150 |
| 8900-0800-100 | \$782,500 |

LAND ACCOUNT(S)

SEE ATTACHED

SEE ATTACHED

IMPROVEMENT ACCOUNT(S)

| | |
|---------------|---------------|
| 8800-0450-000 | \$9,795,330 |
| 8800-0450-100 | \$3,750,000 |
| ABAT-FLNG-001 | \$173,852,900 |
| POLL-FLNG-001 | \$57,689,180 |

Certified this 30th day of May, 2012.

BRAZORIA COUNTY APPRAISAL DISTRICT



Cheryl Evans, Chief Appraiser

| Property ID | Acreage | Value | Ag Value |
|-------------|------------|-------------|----------|
| 151537 | 72.9510 | \$29,180 | |
| 154421 | 766.0000 | \$536,200 | \$64,690 |
| 169669 | 97.1000 | \$54,970 | |
| 191268 | 106.0350 | \$53,020 | \$7,420 |
| 191273 | 10.0000 | \$3,000 | \$700 |
| 191355 | 4.5040 | \$1,350 | |
| 191386 | 2.5000 | \$750 | |
| 191387 | 2.5000 | \$750 | |
| 218366 | 305.6720 | \$222,140 | \$13,670 |
| 240525 | 75.0318 | \$154,100 | |
| 240559 | 1.4155 | \$46,250 | |
| 240562 | 0.1592 | \$100 | |
| 240567 | 1.5571 | \$23,320 | |
| 240568 | 0.5664 | \$15,040 | |
| 240569 | 0.0472 | \$2,050 | |
| 240570 | 0.0708 | \$3,850 | |
| 240571 | 0.0708 | \$3,850 | |
| 240572 | 0.4247 | \$23,120 | |
| 240573 | 0.1416 | \$7,710 | |
| 240574 | 0.8493 | \$37,000 | |
| 240575 | 0.2831 | \$15,420 | |
| 240577 | 0.2831 | \$15,420 | |
| 240641 | 1.4155 | \$46,250 | |
| 240642 | 0.1416 | \$7,710 | |
| 240643 | 0.1416 | \$7,710 | |
| 240645 | 1.5571 | \$23,320 | |
| 240646 | 0.0472 | \$2,570 | |
| 240647 | 0.0472 | \$2,570 | |
| 240648 | 0.0472 | \$2,570 | |
| 240649 | 1.4155 | \$140 | |
| 240651 | 1.4042 | \$140 | |
| 240652 | 0.1592 | \$100 | |
| 240734 | 1.5571 | \$46,630 | |
| 240735 | 0.1416 | \$100 | |
| 240736 | 1.5571 | \$46,630 | |
| 240737 | 0.1416 | \$100 | |
| 240739 | 1.5571 | \$46,630 | |
| 240964 | 1.5571 | \$46,630 | |
| 240965 | 0.1416 | \$7,710 | |
| 240968 | 0.4247 | \$23,120 | |
| 240969 | 0.2831 | \$15,420 | |
| 240970 | 0.2831 | \$15,420 | |
| 240997 | 0.0118 | \$30 | |
| 240998 | 0.8486 | \$36,970 | |
| 240999 | 0.0708 | \$90 | |
| 241000 | 0.0708 | \$90 | |
| 241001 | 0.2713 | \$14,770 | |
| 241004 | 1.4332 | \$46,820 | |
| 241005 | 0.7431 | \$115 | |
| 241006 | 0.0944 | \$5,140 | |
| 241008 | 1.5571 | \$46,630 | |
| 241010 | 0.1416 | \$390 | |
| 241012 | 0.2831 | \$15,420 | |
| 554896 | 3.6822 | \$90,220 | |
| 557126 | 1.1324 | \$43,160 | |
| | | | |
| TOTAL | 1,472.5234 | \$1,889,905 | |

* Acreage difference in roads, water, resurvey

Application II

ATTACHMENT 13

Not Applicable

ATTACHMENT 14

The calculation of the three possible wage requirements with TWC documentation is attached. Freeport LNG has chosen to use \$65,000 as the wage rate for permanent qualified jobs. The most recent four quarters of the regional wage rate calculates an annual equivalent of \$53,711, and Freeport LNG's wage rate exceeds 110% of the current regional wage rate (which equals \$59,082).

FREEPORT LNG DEVELOPMENT, L.P.
ATTACHMENT TO CHAPTER 313 APPLICATION

CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES

| QUARTER | YEAR | AVG WEEKLY WAGES* | ANNUALIZED |
|---------|------|-------------------|------------|
| SECOND | 2011 | \$ 907 | \$ 47,164 |
| THIRD | 2011 | \$ 931 | \$ 48,412 |
| FOURTH | 2011 | \$ 960 | \$ 49,920 |
| FIRST | 2012 | \$ 1,000 | \$ 52,000 |
| AVERAGE | | \$ 950 | \$ 49,374 |
| X | | 110% | 110% |
| | | \$ 1,044 | \$ 54,311 |

CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS

| QUARTER | YEAR | AVG WEEKLY WAGES* | ANNUALIZED |
|---------|------|-------------------|------------|
| SECOND | 2011 | \$ 1,711 | \$ 88,972 |
| THIRD | 2011 | \$ 1,658 | \$ 86,216 |
| FOURTH | 2011 | \$ 1,699 | \$ 88,348 |
| FIRST | 2012 | \$ 1,965 | \$ 102,180 |
| AVERAGE | | \$ 1,758 | \$ 91,429 |
| X | | 110% | 110% |
| | | \$ 1,934 | \$ 100,572 |

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

| QUARTER | YEAR | AVG WEEKLY WAGES* | ANNUALIZED |
|---------|------|-------------------|------------|
| | 2011 | \$ 1,033 | \$ 53,711 |
| X | | 110% | 110% |
| | | \$ 1,136 | \$ 59,082 |

* SEE ATTACHED TWC DOCUMENTATION

Quarterly Employment and Wages (QCEW)

[\(Back\)](#)

Page 1 of 1 (40 results/page)

| Year | Period | Area | Ownership | Division | Level | Ind Code | Industry | Avg Weekly Wages |
|------|---------|-----------------|-----------|----------|-------|----------|-----------------------|------------------|
| 2011 | 1st Qtr | Brazoria County | Private | 00 | 0 | 10 | Total, All Industries | \$977 |
| 2012 | 1st Qtr | Brazoria County | Private | 00 | 0 | 10 | Total, All Industries | \$1,000 |
| 2011 | 2nd Qtr | Brazoria County | Private | 00 | 0 | 10 | Total, All Industries | \$907 |
| 2011 | 3rd Qtr | Brazoria County | Private | 00 | 0 | 10 | Total, All Industries | \$931 |
| 2011 | 4th Qtr | Brazoria County | Private | 00 | 0 | 10 | Total, All Industries | \$960 |

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

| Year | Period | Area | Ownership | Division | Level | Ind Code | Industry | Avg Weekly Wages |
|------|---------|-----------------|-----------|----------|-------|----------|---------------|------------------|
| 2011 | 1st Qtr | Brazoria County | Private | 31 | 2 | 31-33 | Manufacturing | \$2,083 |
| 2012 | 1st Qtr | Brazoria County | Private | 31 | 2 | 31-33 | Manufacturing | \$1,965 |
| 2011 | 2nd Qtr | Brazoria County | Private | 31 | 2 | 31-33 | Manufacturing | \$1,711 |
| 2011 | 3rd Qtr | Brazoria County | Private | 31 | 2 | 31-33 | Manufacturing | \$1,658 |
| 2011 | 4th Qtr | Brazoria County | Private | 31 | 2 | 31-33 | Manufacturing | \$1,699 |

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

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

$$110\% \times \$53,711 = \$59,082$$

Source: Texas Occupational Employment and Wages

Data published: July 2012

Data published annually, next update will be summer 2013

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

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

Data intended for TAC 313 purposes only.

ATTACHMENT 15

Freeport LNG, L.P. provides its employees with benefits including but not limited to the following:

- Medical Coverage (company pays 80% of employee health insurance premiums)
- Dental Plan
- Group Life Insurance
- Paid Holidays
- Paid Vacation
- 401(k) Retirement Savings Plan

Application II

ATTACHMENT 16

The economic impact study will be performed by the Comptroller at a future date.

Application II

ATTACHMENT 17

Please see the attached Schedule A.

Schedule A (Rev. May 2014): Investment

Applicant Name: Freepoint LNG Development, LP and its affiliates (Application 2)
ISD Name: Brazosport ISD

Form 50-296

| 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: Tangible Personal Property The amount of new investment (original cost) placed in service of building during this year | Column B: Building or permanent nonremovable component of building (annual amount only) | Column C: Sum of A and B Qualifying investment (during the qualifying time period) | Column D: Other investment that is not qualified investment but investment affecting economic impact and total value | Column E: Total Investment (A+B+D) | |
| The year preceding the first complete tax year of the qualifying time period (assuming no deferrals) | Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment) | 2012-2013 | 2012 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| | Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property) | 2012-2013 | 2012 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| | Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property) | 2013-2014 | 2013 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| | | 2014-2015 | 2014 | \$ 49,659,500 | \$ 340,500 | \$ 50,000,000.00 | \$ - | \$ 50,000,000.00 | |
| | | 2015-2016 | 2015 | \$ 446,935,500 | \$ 3,064,500 | \$ 450,000,000.00 | \$ - | \$ 450,000,000.00 | |
| | | 2016-2017 | 2016 | \$ 446,935,500 | \$ 3,064,500 | \$ 450,000,000.00 | \$ - | \$ 450,000,000.00 | |
| | | 2017-2018 | 2017 | \$ 446,935,500 | \$ 3,064,500 | \$ 450,000,000.00 | \$ - | \$ 450,000,000.00 | |
| | | 2018-2019 | 2018 | \$ 446,935,500 | \$ 3,064,500 | \$ 450,000,000.00 | \$ - | \$ 450,000,000.00 | |
| | | 2019-2020 | 2019 | \$ 397,276,000 | \$ 2,724,000 | \$ 400,000,000.00 | \$ - | \$ 400,000,000.00 | |
| | | 2020-2021 | 2020 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Tax Credit Period (with 50% cap on credit) | Complete tax years of qualifying time period | 1 | 2021-2022 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| | | 2 | 2022-2023 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| | | 3 | 2023-2024 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| | | 4 | 2024-2025 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| | | 5 | 2025-2026 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| | | 6 | 2026-2027 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| | | 7 | 2027-2028 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| | | 8 | 2028-2029 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| | | 9 | 2029-2030 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| | | 10 | 2030-2031 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Credit Settle-Up Period | Continue to Maintain Viable Presence | 11 | 2031-2032 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| | | 12 | 2032-2033 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| | | 13 | 2033-2034 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| Post-Settle-Up Period | Post-Settle-Up Period | 14 | 2034-2035 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| | | 15 | 2035-2036 | \$ - | \$ - | \$ - | \$ - | \$ - | |
| | | 16 | 2036-2037 | \$ - | \$ - | \$ - | \$ - | \$ - | |

Qualifying Time Period usually begins with the first board approval of the application and extends generally for the following two complete tax years.
Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment - as defined in Tax Code §313.021(1)(A)-(D).
For the purposes of investment, please list amount invested each year, not cumulative totals.

Column B: Include estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period.
The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).

Column D: For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings.
Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value for planning, construction and operation of the facility.
The most significant example for many projects would be land. Other examples may be items such as professional services, etc.
Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

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

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

[Signature]

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

8-30-12

DATE

Application II

ATTACHMENT 18

Please see the attached Schedule B.

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

Applicant Name
ISD Name

Freeport LNG Development, LP and its affiliates (Applicant -)

Brazosport ISD

Form 50-296

| | Year | School Year (YYYY-YYYY) | Tax Year (Fill in actual tax year) YYYY | Qualified Property | | | Reductions from Market Value | 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 building or "in or on the new improvement" | | Final taxable value for 18S - after all reductions | Final taxable value for M&O-after all reductions |
| | pre-year 1 | 2014-2015 | 2014 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | pre-year 2 | 2015-2016 | 2015 | \$ - | \$ 170,200 | \$ 24,829,900 | \$ 150,001 | \$ 24,850,099 | \$ 24,850,099 |
| | pre-year 3 | 2016-2017 | 2016 | \$ - | \$ 1,702,500 | \$ 248,297,500 | \$ 1,500,000 | \$ 248,500,000 | \$ 248,500,000 |
| Complete tax years of qualifying time period | 1 | 2017-2018 | 2017 | \$ - | \$ 3,234,700 | \$ 471,765,200 | \$ 2,849,999 | \$ 472,149,901 | \$ 472,149,901 |
| | 2 | 2018-2019 | 2018 | \$ - | \$ 4,767,000 | \$ 695,233,000 | \$ 4,200,000 | \$ 695,800,000 | \$ 695,800,000 |
| | 3 | 2019-2020 | 2019 | \$ - | \$ 12,135,400 | \$ 1,769,864,600 | \$ 10,692,000 | \$ 1,771,308,000 | \$ 1,771,308,000 |
| | 4 | 2020-2021 | 2020 | \$ - | \$ 11,710,700 | \$ 1,707,919,300 | \$ 10,317,780 | \$ 1,709,312,220 | \$ 1,709,312,220 |
| Value Limitation Period | 5 | 2021-2022 | 2021 | \$ - | \$ 11,300,800 | \$ 1,648,142,100 | \$ 9,956,657 | \$ 1,649,486,243 | \$ 1,649,486,243 |
| | 6 | 2022-2023 | 2022 | \$ - | \$ 10,905,300 | \$ 1,590,457,100 | \$ 9,608,174 | \$ 1,591,754,226 | \$ 1,591,754,226 |
| | 7 | 2023-2024 | 2023 | \$ - | \$ 10,523,600 | \$ 1,495,029,700 | \$ 9,033,320 | \$ 1,496,519,980 | \$ 1,496,519,980 |
| | 8 | 2024-2025 | 2024 | \$ - | \$ 10,155,300 | \$ 1,417,288,200 | \$ 8,564,661 | \$ 1,418,878,839 | \$ 1,418,878,839 |
| | 9 | 2025-2026 | 2025 | \$ - | \$ 9,799,900 | \$ 1,343,589,200 | \$ 8,120,335 | \$ 1,345,268,765 | \$ 1,345,268,765 |
| | 10 | 2026-2027 | 2026 | \$ - | \$ 9,456,900 | \$ 1,262,973,800 | \$ 7,634,584 | \$ 1,264,796,116 | \$ 1,264,796,116 |
| | 11 | 2027-2028 | 2027 | \$ - | \$ 9,125,900 | \$ 1,187,195,400 | \$ 7,177,928 | \$ 1,189,143,372 | \$ 1,189,143,372 |
| | 12 | 2028-2029 | 2028 | \$ - | \$ 8,806,500 | \$ 1,115,963,700 | \$ 6,748,621 | \$ 1,118,021,579 | \$ 1,118,021,579 |
| | 13 | 2029-2030 | 2029 | \$ - | \$ 8,498,300 | \$ 1,049,005,900 | \$ 6,345,025 | \$ 1,051,159,175 | \$ 1,051,159,175 |
| | 14 | 2030-2031 | 2030 | \$ - | \$ 8,200,900 | \$ 986,085,500 | \$ 5,965,598 | \$ 988,300,802 | \$ 988,300,802 |
| Credit Settle-Up Period | 15 | 2031-2032 | 2031 | \$ - | \$ 7,913,900 | \$ 926,901,600 | \$ 5,608,893 | \$ 929,206,607 | \$ 929,206,607 |
| Continue to Maintain Viable Presence | | | | | | | | | |
| Post-Settle-Up Period | | | | | | | | | |
| Post-Settle-Up Period | | | | | | | | | |

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

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

H. J. Williams

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

8-30-12

DATE

Application II

ATTACHMENT 19

Please see the attached Schedule C.

| Applicant Name | Freight LNG Development LP and its affiliates | (Application 2) |
|----------------|---|-----------------|
| ISD Name | Brazosport ISD | |

| Applicant Name | Freeport LNG Development LP and its affiliates | (Application 2) |
|----------------|--|-----------------|
| ISD Name | Brazosport ISD | |

Brazosport ISD

Form 50-296

[illegible]

Notes: For job definitions see TAC §§9.1051(14) and Tax Code §§13.021(3).

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

His Excellency
SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

8-30-12

Application II

ATTACHMENT 20

Please see the attached Schedule D.

100

| | |
|--|---|
| | -For planning, construction and operation of the facility |
|--|---|

DATE _____

Application II

ATTACHMENT 21

A map delineating Freeport LNG Development, L.P. Reinvestment Zones No. 2 and No. 3 is attached.



EXISTING PROPOSED TWO DEVELOPMENTS, U.S. HIGHWAY 200E, NO. 2

EXISTING PROPOSED TWO DEVELOPMENTS, U.S. HIGHWAY 200E, NO. 3

PROPOSED NEW FACILITIES

EXISTING, REMAIN

[illegible]

Application II

ATTACHMENT 22

On September 28, 2010, the Brazoria County Commissioners' Court created Freeport LNG Development, L.P. Reinvestment Zone No. 2.

On July 24th, 2012, the Brazoria County Commissioners' Court created Freeport LNG Development, L.P. Reinvestment Zone No 3.

The resolutions of the Brazoria County Commissioners' Court establishing Freeport LNG Development, L.P. Reinvestment Zone No.2 and Freeport LNG Development, L.P. Reinvestment Zone No. 3 are attached.

[illegible]

EXISTING PROPOSED LOW DEVELOPMENT, U.S.
ADJACENT ZONE NO. 2

EXISTING PROPOSED LOW DEVELOPMENT, U.S.
PLACEMENT ZONE NO. 3

PROPOSED HIGH FACILITIES

EXISTING HIGH FACILITIES

[illegible]

ATTACHMENT 22

On September 28, 2010, the Brazoria County Commissioners' Court created Freeport LNG Development, L.P. Reinvestment Zone No. 2.

On July 24th, 2012, the Brazoria County Commissioners' Court created Freeport LNG Development, L.P. Reinvestment Zone No 3.

The resolutions of the Brazoria County Commissioners' Court establishing Freeport LNG Development, L.P. Reinvestment Zone No.2 and Freeport LNG Development, L.P. Reinvestment Zone No. 3 are attached.

Date: 9/28/2010

THE SPECIAL COMMISSIONERS COURT SESSION OF BRAZORIA COUNTY, TEXAS

ORDER NO. VIII.B.1.c.

**RE: Freeport LNG Development, LP Tax Abatement application: Order granting
Tax Abatement**

That the application for tax abatement of Freeport LNG Development, LP attached hereto be granted in accordance with the Guidelines and Criteria for Granting Tax Abatement in a Reinvestment Zone created in Brazoria County for a term of seven (7) years, and at 100% abatement of eligible properties;

It is further determined that the abatement period would better benefit the County and the Applicant by deferring the commencement date effective January 1, 2012;

It is further that the County Judge is authorized to execute a tax abatement with Freeport LNG Development, LP in accordance with the same guidelines and criteria.

Date: 7/24/2012

THE SPECIAL COMMISSIONERS COURT SESSION OF BRAZORIA COUNTY, TEXAS

ORDER NO. VII.B.2.c.

RE: Designation of Freeport LNG Development LP Reinvestment Zone No. 3

Whereas, a request has been received by Brazoria County for the Designation of Freeport LNG Development LP Reinvestment Zone No. 3 which is more particularly identified in the attached Exhibit "A" and incorporated herein by reference; and

Whereas, a public hearing was held on the Designation of Freeport LNG Development LP Reinvestment Zone No. 3 and the public was given an opportunity to speak and present evidence for or against such designation; and

Whereas, notice of the hearing was given in the manner as provided by law;

Therefore, based upon the information presented to the Court and the public hearing, the Court finds that the designation of this zone would contribute to the retention or expansion of primary employment or would attract major investment in the zone that would be a benefit to the property included in the zone and would contribute to the economic development of the County.

ATTACHMENT 23

Freeport LNG's proposed new capital investment will be located within the boundaries of Freeport LNG Development, L.P. Reinvestment Zone No. 2 (described as 211.700 acres) and Freeport LNG Development, L.P. Reinvestment Zone No. 3 (described as 1,592.36 acres). Please see the attached acreage, legal descriptions and survey maps for both reinvestment zones.

Total Acreage for Freeport LNG Development, L.P. Reinvestment Zones No. 2 and No. 3
As Created by Brazoria County

| | <u>Acreage</u> | <u>Acreage</u> |
|--|---------------------------|---|
| Freeport LNG Development, L.P. Reinvestment Zone No. 2 | | |
| Tract I - Main Facilities - Regas | | 211.700 |
| Total Freeport LNG Development, L.P. Reinvestment Zone No. 2 Acreage | | 211.700 |
| Freeport LNG Development, L.P. Reinvestment Zone No. 3 | | |
| Lease V | | 170.051 |
| Lease IV | | 47.450 |
| Quintana Townsite Lots/Blocks 23 and 10 and Roadway Crossings | | |
| Holly Street Crossing (R.O.W.) | | 0.1403 |
| Quintana, Block 23, Lot 1 | | 0.1416 |
| Quintana, Block 23, Lot 2 | | 0.1416 |
| Quintana, Block 23, Lot 3 | | 0.1416 |
| Quintana, Block 23, Lot 4 | | 0.1416 |
| Quintana, Block 23, Lot 6 | | 0.1416 |
| Quintana, Block 23, Lot 7 | | 0.1416 |
| Quintana, Block 23, Lot 8 | | 0.1416 |
| Quintana, Block 23, Lot 9 | | 0.1416 |
| Quintana, Block 23, Lot 10 | | 0.1416 |
| Quintana, Block 23, Lot 11-12 | | 0.2831 |
| Second Street Crossing (R.O.W.) | | 0.1403 |
| Quintana, Block 10, Lot 7 | | 0.1416 |
| Quintana, Block 10, Lot 8 | | 0.1416 |
| Quintana, Block 10, Lot 9 | | 0.1416 |
| Quintana, Block 10, Lot 10 | | 0.1416 |
| Quintana, Block 10, Lot 11 | | 0.1416 |
| Quintana, Block 10, Lot 12 | | 0.1416 |
| Total Quintana Townsite Lots and Road Crossing R.O.W. | | 2.6876 |
| ROW Tracts for existing 42" pipeline, Proposed NGL Pipeline and Proposed Fiber Optics | Temporary Easement | Permanent Easement, Tract or Roadway/Waterway Crossing |
| 2 | 0.000 | 2.638 |
| 3 | 0.000 | 0.240 |
| 5 | 0.000 | 0.210 |
| 6 | 0.410 | 0.480 |
| 6R | 0.000 | 0.127 |
| 6.5R | 0.000 | 0.051 |
| 7 | 0.820 | 0.660 |
| 7R | 0.000 | 0.034 |
| 8 | 1.390 | 0.640 |
| 9 | 0.070 | 0.060 |
| 10 | 0.000 | 0.220 |
| 10R | 0.000 | 0.047 |
| 11 | 0.000 | 0.558 |
| 12 | 3.270 | 1.380 |
| 15 | 0.800 | 0.410 |
| 16 | 0.830 | 0.420 |
| 16R | 0.000 | 0.507 |
| 17 | 1.240 | 0.570 |
| 18 & 19 | 0.700 | 0.790 |
| 20 | 0.560 | 0.330 |
| 21 | 0.000 | 0.270 |
| 21R | 0.000 | 0.409 |
| 22 | 0.000 | 0.049 |
| 22a | 0.000 | 0.210 |
| 22R | 0.000 | 0.037 |
| 23a | 0.000 | 0.600 |
| 24a | 0.000 | 0.030 |
| 25a | 0.000 | 5.000 |
| 26a | 0.000 | 5.000 |
| 26R | 0.000 | 0.036 |
| 26.5a | 0.000 | 0.220 |
| 27a | 0.000 | 5.000 |
| 28a | 0.000 | 0.720 |
| 29a | 0.000 | 0.300 |
| 30a | 0.000 | 0.240 |
| 31a | 0.000 | 0.340 |
| 35 | 0.000 | 0.340 |
| 36 | 0.000 | 5.000 |
| 37 | 0.390 | 0.000 |
| 37.5 | 4.070 | 0.510 |
| 37.5R | 0.000 | 0.048 |

**Total Acreage for Freeport LNG Development, L.P. Reinvestment Zones No. 2 and No. 3
As Created by Brazoria County**

| | | |
|--|--------|-----------------|
| 38 | 1.900 | 0.910 |
| 39 | 11.150 | 4.530 |
| 40 | 0.990 | 0.700 |
| 41 | 0.540 | 0.360 |
| 42 | 0.500 | 0.360 |
| 43 | 0.540 | 0.360 |
| 44 | 0.720 | 0.360 |
| 45 | 0.540 | 0.380 |
| 46 | 0.460 | 0.310 |
| 47 | 0.460 | 0.310 |
| 48 | 0.460 | 0.310 |
| 49 | 0.610 | 0.310 |
| 50 | 0.460 | 0.310 |
| 51 | 0.610 | 0.370 |
| 52 | 1.220 | 0.610 |
| 52R | 0.000 | 0.075 |
| 53 | 0.000 | 0.610 |
| 55 | 0.000 | 0.020 |
| 56 | 0.000 | 0.911 |
| 57 | 0.000 | 0.680 |
| 57R | 0.000 | 0.139 |
| 58 | 1.840 | 1.390 |
| 59 | 0.530 | 0.600 |
| 61 | 4.040 | 2.690 |
| 62.01 and 62.02 | 0.540 | 0.460 |
| 62.023 | 0.020 | 0.030 |
| 62a | 2.000 | 1.500 |
| 62.03 | 0.200 | 0.230 |
| 65 | 0.440 | 0.500 |
| 66 | 0.890 | 1.020 |
| 67 | 0.000 | 21.700 |
| 68 | 0.020 | 0.020 |
| 69 | 0.180 | 7.780 |
| | 51.410 | 85.576 |
| Total Calculated Existing 42" Pipeline, Proposed NGL Line and Proposed Fiber Optics ROW Acreage | | 136.986 |
| Sorrell Property | | 305.672 |
| Sorrell - Bld | | 4.998 |
| Sorrell Tract 136 | | 4.976 |
| Sorrell Tract 140 | | 5.112 |
| Sorrell Tract 154 | | 10.224 |
| Sorrell Tract 156 & 163 | | 20.595 |
| Sorrell Tract 158-161 | | 4.990 |
| Sorrell Tract 166 | | 4.504 |
| Sorrell Tract 167 | | 4.980 |
| Sorrell Tract 168 | | 10.001 |
| Sorrell Tract 170 & 171 | | 5.039 |
| Sorrell Tract 173 | | 50.210 |
| Sorrell Tract 133-135 & 174-180 | | 20.000 |
| Sorrell Tracts 62, 63, 66, 67 | | 451.301 |
| Total Sorrell Property Acreage | | 774.678 |
| Total Pinto Partners Tract | | 9.210 |
| Meter Station | | 1,592.36 |
| Total Freeport LNG Development, L.P. Reinvestment Zone No. 3 Acreage | | 1,592.36 |

LEGAL DESCRIPTION

FLNG Land, Inc.

August 13, 2008

TRACT I

Field notes for a 211.70 acre tract of land out of the Stephen F. Austin 1/3 League, Abstract No. 28, Brazoria County, Texas. Said 211.70 acre tract being recorded in Memorandum of Lease agreements between Brazos River Harbor Navigation District of Brazoria County, Texas and FLNG Land, Inc. Said 211.70 acre tract of land being described in the following recorded documents:

Memorandum of Lease between Brazos River Harbor Navigation District of Brazoria County, Texas and FLNG Land, Inc. dated June 30, 2004 Document No. 2004038630 of the Official Records of Brazoria County, Texas

Memorandum of Lease between Brazos River Harbor Navigation District of Brazoria County, Texas and FLNG Land, Inc. dated June 30, 2004 Document No. 2004038631 of the Official Records of Brazoria County, Texas

Memorandum of Lease between Brazos River Harbor Navigation District of Brazoria County, Texas and FLNG Land, Inc. dated June 30, 2004 Document No. 2004038632 of the Official Records of Brazoria County, Texas

Said 211.70 acre tract of land being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8-inch iron rod found on the northwest right of way line of County Road 723 (80-feet wide) for the east corner of a called 212.913 acre tract of land described by Deed to Brazos River Harbor Navigation District of Brazoria County, Texas, filed for record March 28, 1968 in Volume 1340, Page 97 of the Deed Records of Brazoria County, Texas. Said iron rod being a corner of said 211.70 acre lease tract as described in the aforesaid Memorandum of Lease agreements.

1. **THENCE**, with the northwest right of way line of County Road 723, same being the Lease Line of said 211.70 acre tract as described in the aforesaid Memorandum of Lease agreements, S 56°10'39" W, a distance of 846.86 feet to an 5/8-inch iron rod with cap stamped "John Mercer" found for the most southerly corner of the herein described tract of land.
2. **THENCE**, continuing with said Lease Line, N 33°49'26" W, at 1524.01 feet pass a 5/8-inch iron rod with cap stamped "Mustang, LP" set for a witness corner, in all, a total distance of 1574.01 feet to a point on the shoreline of the Gulf Intra-Coastal Waterway for the west corner of the herein described tract.
3. **THENCE**, continuing with said Lease Line, same being the shoreline of the Gulf Intra-Coastal Waterway the following forty courses:

4. N 60°21'17" E, a distance of 40.34 feet;
5. N 56°28'13" E, a distance of 104.62 feet;
6. N 53°02'48" E, a distance of 111.40 feet;
7. N 58°30'57" E, a distance of 131.95 feet;
8. N 58°44'21" E, a distance of 47.64 feet;
9. N 53°13'06" E, a distance of 72.39 feet;
10. N 72°38'26" E, a distance of 41.83 feet;
11. N 56°50'17" E, a distance of 53.99 feet;
12. N 75°24'57" E, a distance of 51.04 feet;
13. N 89°44'23" E, a distance of 34.81 feet;
14. N 59°46'16" E, a distance of 51.51 feet;
15. N 57°01'39" E, a distance of 86.74 feet;
16. N 37°16'17" E, a distance of 36.25 feet;
17. N 09°04'44" W, a distance of 13.59 feet;
18. N 45°16'11" E, a distance of 45.79 feet;
19. N 23°22'10" E, a distance of 83.45 feet;
20. N 43°14'27" E, a distance of 74.16 feet;
21. N 53°45'19" E, a distance of 99.60 feet;
22. N 46°05'26" E, a distance of 130.76 feet;
23. N 68°39'08" E, a distance of 115.00 feet;
24. N 50°16'32" E, a distance of 33.15 feet;
25. N 28°49'35" E, a distance of 78.53 feet;
26. N 08°52'35" E, a distance of 80.20 feet;
27. N 51°21'41" W, a distance of 32.85 feet;
28. N 12°42'49" E, a distance of 52.75 feet;
29. S 79°44'15" E, a distance of 19.16 feet;
30. N 20°24'23" E, a distance of 91.06 feet;
31. N 66°52'32" E, a distance of 51.57 feet;
32. N 50°32'09" E, a distance of 60.22 feet;
33. N 11°45'16" E, a distance of 37.06 feet;
34. N 53°06'17" E, a distance of 209.90 feet;
35. N 47°49'19" E, a distance of 162.10 feet;
36. N 31°25'57" E, a distance of 166.42 feet;
37. N 45°26'22" E, a distance of 143.82 feet;
38. N 32°19'38" E, a distance of 99.32 feet;
39. N 14°57'00" E, a distance of 137.40 feet;
40. N 43°22'58" E, a distance of 150.42 feet;
41. N 40°25'48" E, a distance of 138.98 feet;
42. N 46°58'21" E, a distance of 322.68 feet;
43. N 61°02'09" E, a distance of 69.38 feet;
44. THENCE, continuing with said Lease Line, S 44°54'24" E, at a distance of 50.00 feet pass a 5/8-inch iron rod with cap stamped "Mustang, LP" set for a witness corner, in all, a total distance of 1410.02 feet to an iron rod with cap stamped "Mustang, LP" set.

LEGAL DESCRIPTION

FLNG Land, Inc.

August 13, 2008

TRACT I

Field notes for a 211.70 acre tract of land out of the Stephen F. Austin 1/3 League, Abstract No. 28, Brazoria County, Texas. Said 211.70 acre tract being recorded in Memorandum of Lease agreements between Brazos River Harbor Navigation District of Brazoria County, Texas and FLNG Land, Inc. Said 211.70 acre tract of land being described in the following recorded documents:

Memorandum of Lease between Brazos River Harbor Navigation District of Brazoria County, Texas and FLNG Land, Inc. dated June 30, 2004 Document No. 2004038630 of the Official Records of Brazoria County, Texas

Memorandum of Lease between Brazos River Harbor Navigation District of Brazoria County, Texas and FLNG Land, Inc. dated June 30, 2004 Document No. 2004038631 of the Official Records of Brazoria County, Texas

Memorandum of Lease between Brazos River Harbor Navigation District of Brazoria County, Texas and FLNG Land, Inc. dated June 30, 2004 Document No. 2004038632 of the Official Records of Brazoria County, Texas

Said 211.70 acre tract of land being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8-inch iron rod found on the northwest right of way line of County Road 723 (80-feet wide) for the east corner of a called 212.913 acre tract of land described by Deed to Brazos River Harbor Navigation District of Brazoria County, Texas, filed for record March 28, 1968 in Volume 1340, Page 97 of the Deed Records of Brazoria County, Texas. Said iron rod being a corner of said 211.70 acre lease tract as described in the aforesaid Memorandum of Lease agreements.

1. **THENCE**, with the northwest right of way line of County Road 723, same being the Lease Line of said 211.70 acre tract as described in the aforesaid Memorandum of Lease agreements, S 56°10'39" W, a distance of 846.86 feet to an 5/8-inch iron rod with cap stamped "John Mercer" found for the most southerly corner of the herein described tract of land.
2. **THENCE**, continuing with said Lease Line, N 33°49'26" W, at 1524.01 feet pass a 5/8-inch iron rod with cap stamped "Mustang, LP" set for a witness corner, in all, a total distance of 1574.01 feet to a point on the shoreline of the Gulf Intra-Coastal Waterway for the west corner of the herein described tract.
3. **THENCE**, continuing with said Lease Line, same being the shoreline of the Gulf Intra-Coastal Waterway the following forty courses:

4. N 60°21'17" E, a distance of 40.34 feet;
5. N 56°28'13" E, a distance of 104.62 feet;
6. N 53°02'48" E, a distance of 111.40 feet;
7. N 58°30'57" E, a distance of 131.95 feet;
8. N 58°44'21" E, a distance of 47.64 feet;
9. N 53°13'06" E, a distance of 72.39 feet;
10. N 72°38'26" E, a distance of 41.83 feet;
11. N 56°50'17" E, a distance of 53.99 feet;
12. N 75°24'57" E, a distance of 51.04 feet;
13. N 89°44'23" E, a distance of 34.81 feet;
14. N 59°46'16" E, a distance of 51.51 feet;
15. N 57°01'39" E, a distance of 86.74 feet;
16. N 37°16'17" E, a distance of 36.25 feet;
17. N 09°04'44" W, a distance of 13.59 feet;
18. N 45°16'11" E, a distance of 45.79 feet;
19. N 23°22'10" E, a distance of 83.45 feet;
20. N 43°14'27" E, a distance of 74.16 feet;
21. N 53°45'19" E, a distance of 99.60 feet;
22. N 46°05'26" E, a distance of 130.76 feet;
23. N 68°39'08" E, a distance of 115.00 feet;
24. N 50°16'32" E, a distance of 33.15 feet;
25. N 28°49'35" E, a distance of 78.53 feet;
26. N 08°52'35" E, a distance of 80.20 feet;
27. N 51°21'41" W, a distance of 32.85 feet;
28. N 12°42'49" E, a distance of 52.75 feet;
29. S 79°44'15" E, a distance of 19.16 feet;
30. N 20°24'23" E, a distance of 91.06 feet;
31. N 66°52'32" E, a distance of 51.57 feet;
32. N 50°32'09" E, a distance of 60.22 feet;
33. N 11°45'16" E, a distance of 37.06 feet;
34. N 53°06'17" E, a distance of 209.90 feet;
35. N 47°49'19" E, a distance of 162.10 feet;
36. N 31°25'57" E, a distance of 166.42 feet;
37. N 45°26'22" E, a distance of 143.82 feet;
38. N 32°19'38" E, a distance of 99.32 feet;
39. N 14°57'00" E, a distance of 137.40 feet;
40. N 43°22'58" E, a distance of 150.42 feet;
41. N 40°25'48" E, a distance of 138.98 feet;
42. N 46°58'21" E, a distance of 322.68 feet;
43. N 61°02'09" E, a distance of 69.38 feet;
44. THENCE, continuing with said Lease Line, S 44°54'24" E, at a distance of 50.00 feet pass a 5/8-inch iron rod with cap stamped "Mustang, LP" set for a witness corner, in all, a total distance of 1410.02 feet to an iron rod with cap stamped "Mustang, LP" set,

45. **THENCE**, continuing with said Lease Line, N 45°05'50" E, at a distance of 1509.49 feet pass a 5/8-inch iron rod with cap stamped "RPLS 3808" found at the south corner of a called 3.45 acre tract of land described in a document titled "First Amendment to Ground Lease and Development Agreement" filed for record February 15, 2007 in Document No. 2007009294 of the Official Records of Brazoria County, Texas, in all, a distance of 1812.99 feet to a 1/2-inch iron rod found at the west corner of said 3.45 acre tract.
46. **THENCE**, continuing with said Lease Line, same being the northeasterly line of said 3.45 acre tract, N 44°54'32" W, at a distance of 495.00 feet pass a 5/8-inch iron rod with cap stamped "RPLS 3808" found at the north corner said 3.45 acre tract, in all, a distance of 1411.38 feet to a 5/8-inch iron rod with cap stamped "Mustang, LP" set.
47. **THENCE**, continuing with said Lease Line, N 45°06'26" E, a distance of 1089.40 feet to a 5/8-inch iron rod with cap stamped "Mustang, LP" set.
48. **THENCE**, continuing with said Lease Line, N 44°48'15" W, at a distance of 76.94 feet pass a 5/8-inch iron rod with cap stamped "Mustang, LP" set for a witness corner, in all a distance of 106.94 feet to a point on the shoreline of the Gulf Intra-Coastal Waterway.
49. **THENCE**, continuing with said Lease Line the following seventeen (17) courses:
- 50. N 66°09'00" E, a distance of 213.74 feet;
 - 51. N 72°57'30" E, a distance of 161.08 feet;
 - 52. N 80°21'59" E, a distance of 70.35 feet;
 - 53. S 86°59'20" E, a distance of 347.90 feet;
 - 54. N 74°42'06" E, a distance of 19.72 feet;
 - 55. S 86°00'04" E, a distance of 250.47 feet;
 - 56. S 69°42'34" E, a distance of 101.72 feet;
 - 57. S 18°50'12" W, a distance of 674.46 feet;
 - 58. S 44°53'19" E, a distance of 169.08 feet;
 - 59. N 45°03'20" E, a distance of 180.17 feet;
 - 60. S 44°54'24" E, a distance of 111.11 feet;
 - 61. N 45°05'46" E, a distance of 325.67 feet;
 - 62. S 44°56'11" E, a distance of 172.17 feet;
 - 63. N 45°05'50" E, a distance of 187.35 feet;
 - 64. S 68°35'00" E, a distance of 87.92 feet;
 - 65. S 37°00'10" E, a distance of 52.09 feet;
 - 66. S 40°44'21" E, a distance of 90.43 feet to a point on the northwesterly right of way line of Holly Street as recorded on the plat of Quintana Townsite recorded in Volume 2, Page 139 of the Plat Records of Brazoria County, Texas.

67. **THENCE**, continuing with said Lease Line, same being the northwest right of way line of said Holly Street, S 45°05'50" W, at a distance of 400.00 feet pass a 5/8-inch iron rod with cap stamped "Mustang, LP" set for a witness corner, in all, a total distance of 3,930.43 feet to a 5/8-inch iron rod with cap found on the southwesterly right of way line of Eleventh Street as recorded on the plat of said Quintana Townsite.
68. **THENCE**, continuing with said Lease Line, same being the southwesterly right of way line of said Eleventh Street, S 44°53'33" E, a distance of 283.30 feet to a 5/8-inch iron rod with cap found, said iron rod being on the northwesterly right of way line of Lamar Street as recorded on the plat of said Quintana Townsite.
69. **THENCE**, continuing with said Lease Line, same being the northwesterly right of way line of Lamar Street, S 45°05'50" W, a distance of 1,971.45 feet to a 5/8-inch iron rod with cap stamped "Mustang, LP" set.
70. **THENCE**, leaving said right of way line and continuing with said Lease Line, N 44°54'21" W, a distance of 22.02 feet to a 5/8-inch iron rod with cap stamped "Mustang, LP" set on the northwesterly right of way line of aforesaid County Road 723.
71. **THENCE**, continuing with said Lease Line and with said northwesterly right of way line, S 56°10'39" W, a distance of 837.55 feet to the **POINT OF BEGINNING** and containing 211.70 acres of land, more or less.

TRACT II

Field notes for a 3.45 acre tract of land out of the Stephen F. Austin 1/3 League, Abstract No. 28, Brazoria County, Texas. Said 3.45 acre tract being that same 3.45 acre tract of land described in a document titled "Fourth Amendment to Ground Lease and Development Agreement" filed for record February 15, 2007 in Document No. 2007009295 of the Official Records of Brazoria County, Texas. Said 3.45 acre tract of land being more particularly described by metes and bounds as follows:

COMMENCING for reference at a 5/8-inch iron rod found at the intersection of the northwesterly right of way line of Lamar Street and the southwesterly right of way line of Eleventh Street as recorded on the plat of Quintana Townsite in Volume 2, Page 139 of the Plat Records of Brazoria County, Texas.

THENCE, N 30°44'12" E, a distance of 1934.54 feet to a ½ -inch iron rod found for the **POINT OF BEGINNING**, said iron rod being the East corner of said 3.45 acre tract.

THENCE, with the southeasterly line of said 3.45 acre tract, S 45°05'50" W, a distance of 303.50 feet to a 5/8-inch iron rod with cap stamped "RPLS 3808" found for the south corner of said 3.45 acre tract.

THENCE, with the southwesterly line of said 3.45 acre tract, N 44°54'32" W, a distance of 495.00 feet to a 5/8-inch iron rod with cap stamped "Mustang, LP" set for the west corner of said 3.45 acre tract.

THENCE, with the northwesterly line of said 3.45 acre tract, N 45°05'50" E, a distance of 303.50 feet to a 5/8-inch iron rod with cap stamped "RPLS 3808" found for the north corner of said 3.45 acre tract.

THENCE, with the northeasterly line of said 3.45 acre tract, S 44°54'32" E, a distance of 495.00 feet the POINT OF BEGINNING and containing 3.45 acres of land more or less.

TRACT III

The following described lots are recorded in the name of FLNG Land, Inc. All listed lots are recorded on the plat of Quintana Townsite in Volume 2, Page 139 of the Plat Records of Brazoria County, Texas:

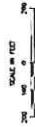
| Lot | BLOCK | GRANTEE | DOCUMENT NO. |
|------------------------------------|-------|-----------------|---------------------------|
| 8 | 10 | FLNG Land, Inc. | 2005015941 |
| 6 | 23 | FLNG Land, Inc. | 2008010715 |
| 8 | 23 | FLNG Land, Inc. | 2006039985 & 2006039986 |
| 9 | 23 | FLNG Land, Inc. | 2006024928 |
| 10 | 23 | FLNG Land, Inc. | 2006008268 |
| 11 & 12 | 23 | FLNG Land, Inc. | 2006008273 |
| 7 | 46 | FLNG Land, Inc. | 2006073414 & 2007056630 |
| 8 | 46 | FLNG Land, Inc. | 2006073646 |
| 9 | 46 | FLNG Land, Inc. | 2006070380 |
| 12 | 46 | FLNG Land, Inc. | 2008029563 & 2008029564 |
| 11 | 10 | FLNG Land, Inc. | 2007056629 |
| 1, 2, 3, 4, 7 | 23 | FLNG Land, Inc. | 2007056629 (1/3 interest) |
| 7, 8, 9, 10, 11, 12 | 53 | FLNG Land, Inc. | 2007056629 |
| 3 & 4 | 70 | FLNG Land, Inc. | 2007056629 |
| 11 & 12 | 76 | FLNG Land, Inc. | 2007047138 |
| 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 | 103 | FLNG Land, Inc. | 2007056629 |

All documents are recorded in the Official Records of Brazoria County, Texas.

This Field Note description is based on an ALTA/ACSM Land Title Survey of even date made by Archie D. Stout, Registered Professional Land Surveyor, Texas Registration No. 4416.

Archie D. Stout
8-13-08





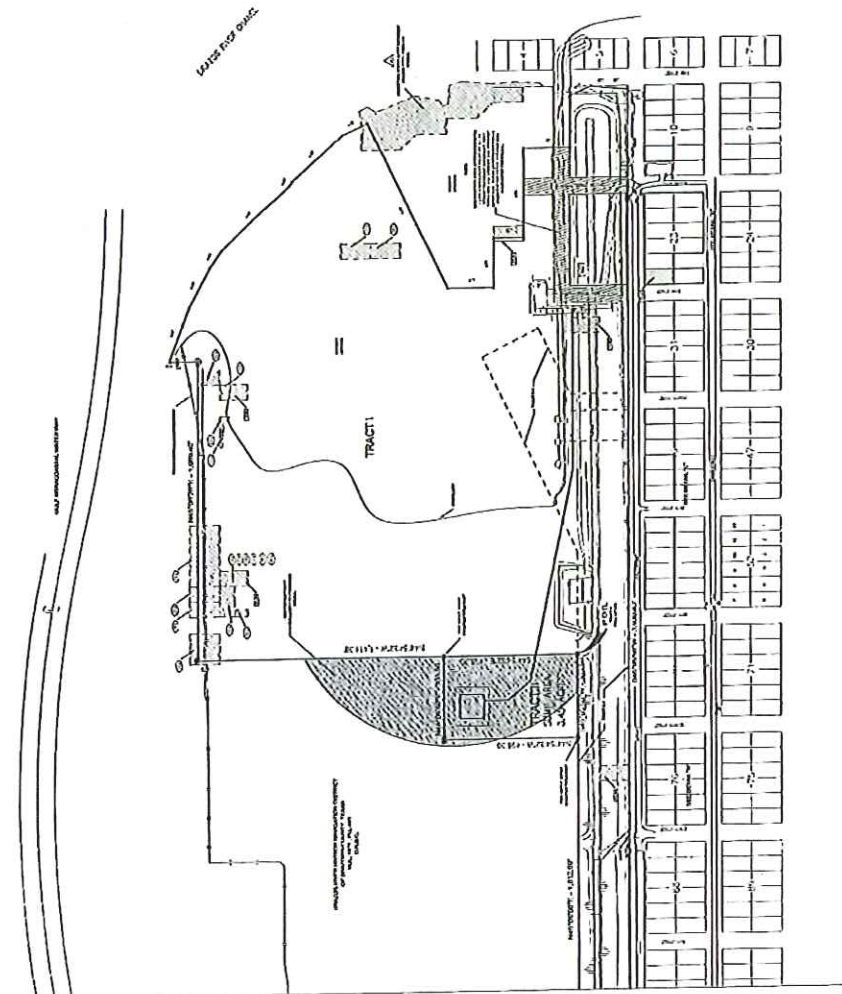
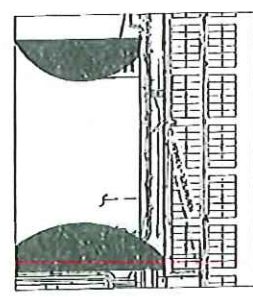
| Source | Year | Value | Unit |
|----------------|------|-------|-------|
| 1. Government | 1990 | 100.0 | 100.0 |
| 2. Private | 1990 | 100.0 | 100.0 |
| 3. Government | 1991 | 100.0 | 100.0 |
| 4. Private | 1991 | 100.0 | 100.0 |
| 5. Government | 1992 | 100.0 | 100.0 |
| 6. Private | 1992 | 100.0 | 100.0 |
| 7. Government | 1993 | 100.0 | 100.0 |
| 8. Private | 1993 | 100.0 | 100.0 |
| 9. Government | 1994 | 100.0 | 100.0 |
| 10. Private | 1994 | 100.0 | 100.0 |
| 11. Government | 1995 | 100.0 | 100.0 |
| 12. Private | 1995 | 100.0 | 100.0 |
| 13. Government | 1996 | 100.0 | 100.0 |
| 14. Private | 1996 | 100.0 | 100.0 |
| 15. Government | 1997 | 100.0 | 100.0 |
| 16. Private | 1997 | 100.0 | 100.0 |
| 17. Government | 1998 | 100.0 | 100.0 |
| 18. Private | 1998 | 100.0 | 100.0 |
| 19. Government | 1999 | 100.0 | 100.0 |
| 20. Private | 1999 | 100.0 | 100.0 |
| 21. Government | 2000 | 100.0 | 100.0 |
| 22. Private | 2000 | 100.0 | 100.0 |
| 23. Government | 2001 | 100.0 | 100.0 |
| 24. Private | 2001 | 100.0 | 100.0 |
| 25. Government | 2002 | 100.0 | 100.0 |
| 26. Private | 2002 | 100.0 | 100.0 |
| 27. Government | 2003 | 100.0 | 100.0 |
| 28. Private | 2003 | 100.0 | 100.0 |
| 29. Government | 2004 | 100.0 | 100.0 |
| 30. Private | 2004 | 100.0 | 100.0 |
| 31. Government | 2005 | 100.0 | 100.0 |
| 32. Private | 2005 | 100.0 | 100.0 |
| 33. Government | 2006 | 100.0 | 100.0 |
| 34. Private | 2006 | 100.0 | 100.0 |
| 35. Government | 2007 | 100.0 | 100.0 |
| 36. Private | 2007 | 100.0 | 100.0 |
| 37. Government | 2008 | 100.0 | 100.0 |
| 38. Private | 2008 | 100.0 | 100.0 |
| 39. Government | 2009 | 100.0 | 100.0 |
| 40. Private | 2009 | 100.0 | 100.0 |
| 41. Government | 2010 | 100.0 | 100.0 |
| 42. Private | 2010 | 100.0 | 100.0 |
| 43. Government | 2011 | 100.0 | 100.0 |
| 44. Private | 2011 | 100.0 | 100.0 |
| 45. Government | 2012 | 100.0 | 100.0 |
| 46. Private | 2012 | 100.0 | 100.0 |
| 47. Government | 2013 | 100.0 | 100.0 |
| 48. Private | 2013 | 100.0 | 100.0 |
| 49. Government | 2014 | 100.0 | 100.0 |
| 50. Private | 2014 | 100.0 | 100.0 |
| 51. Government | 2015 | 100.0 | 100.0 |
| 52. Private | 2015 | 100.0 | 100.0 |
| 53. Government | 2016 | 100.0 | 100.0 |
| 54. Private | 2016 | 100.0 | 100.0 |
| 55. Government | 2017 | 100.0 | 100.0 |
| 56. Private | 2017 | 100.0 | 100.0 |
| 57. Government | 2018 | 100.0 | 100.0 |
| 58. Private | 2018 | 100.0 | 100.0 |
| 59. Government | 2019 | 100.0 | 100.0 |
| 60. Private | 2019 | 100.0 | 100.0 |
| 61. Government | 2020 | 100.0 | 100.0 |
| 62. Private | 2020 | 100.0 | 100.0 |
| 63. Government | 2021 | 100.0 | 100.0 |
| 64. Private | 2021 | 100.0 | 100.0 |
| 65. Government | 2022 | 100.0 | 100.0 |
| 66. Private | 2022 | 100.0 | 100.0 |
| 67. Government | 2023 | 100.0 | 100.0 |
| 68. Private | 2023 | 100.0 | 100.0 |
| 69. Government | 2024 | 100.0 | 100.0 |
| 70. Private | 2024 | 100.0 | 100.0 |
| 71. Government | 2025 | 100.0 | 100.0 |
| 72. Private | 2025 | 100.0 | 100.0 |
| 73. Government | 2026 | 100.0 | 100.0 |
| 74. Private | 2026 | 100.0 | 100.0 |
| 75. Government | 2027 | 100.0 | 100.0 |
| 76. Private | 2027 | 100.0 | 100.0 |
| 77. Government | 2028 | 100.0 | 100.0 |
| 78. Private | 2028 | 100.0 | 100.0 |
| 79. Government | 2029 | 100.0 | 100.0 |
| 80. Private | 2029 | 100.0 | 100.0 |
| 81. Government | 2030 | 100.0 | 100.0 |
| 82. Private | 2030 | 100.0 | 100.0 |
| 83. Government | 2031 | 100.0 | |

TRACT III - QUINTANA TO INCIOTE LOTS

[illegible][illegible]

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|---------------|------------------------|------------------|--------------|
| PROJECT NO. | 4316-01 | ACQUISITION DATE | 1/1/1978 |
| PROPERTY NO. | 1000 | 1. LOCATION | 1. LOCATION |
| NAME OF OWNER | ALMAZEN, INC. | 2. LOCATION | 2. LOCATION |
| ADDRESS | OUT OF THE STATION 1/3 | 3. LOCATION | 3. LOCATION |
| CITY | ALMAZEN, INC. | 4. LOCATION | 4. LOCATION |
| COUNTY | ALMAZEN, INC. | 5. LOCATION | 5. LOCATION |
| STATE | ALMAZEN, INC. | 6. LOCATION | 6. LOCATION |
| ZIP | ALMAZEN, INC. | 7. LOCATION | 7. LOCATION |
| DATE | ALMAZEN, INC. | 8. LOCATION | 8. LOCATION |
| BY | ALMAZEN, INC. | 9. LOCATION | 9. LOCATION |
| FOR | ALMAZEN, INC. | 10. LOCATION | 10. LOCATION |
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| FOR | ALMAZEN, INC. | 64. LOCATION | 64. LOCATION |
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| FOR | ALMAZEN, INC. | 66. LOCATION | 66. LOCATION |
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| FOR | ALMAZEN, INC. | 70. LOCATION | 70. LOCATION |
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| FOR | ALMAZEN, INC. | 78. LOCATION | 78. LOCATION |
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| BY | ALMAZEN, INC. | 87. LOCATION | 87. LOCATION |
| FOR | ALMAZEN, INC. | 88. LOCATION | 88. LOCATION |
| BY | ALMAZEN, INC. | 89. LOCATION | 89. LOCATION |
| FOR | ALMAZEN, INC. | 90. LOCATION | 90. LOCATION |

[illegible][illegible][illegible]

The floor plan depicts a large, rectangular building with a central courtyard. The building is divided into several sections, including a large central hall, multiple rooms, and a prominent entrance area. The plan is oriented vertically on the page. Key features include:

- Central Hall:** A large, open space in the center of the building, labeled "HALL" and "103".
- Entrance:** A large, open area at the top of the plan, labeled "ENTRANCE" and "104".
- Rooms:** Numerous rooms of varying sizes, some labeled with numbers like "101", "102", "105", "106", "107", "108", "109", "110", "111", "112", "113", "114", "115", "116", "117", "118", "119", "120", "121", "122", "123", "124", "125", "126", "127", "128", "129", "130", "131", "132", "133", "134", "135", "136", "137", "138", "139", "140", "141", "142", "143", "144", "145", "146", "147", "148", "149", "150", "151", "152", "153", "154", "155", "156", "157", "158", "159", "160", "161", "162", "163", "164", "165", "166", "167", "168", "169", "170", "171", "172", "173", "174", "175", "176", "177", "178", "179", "180", "181", "182", "183", "184", "185", "186", "187", "188", "189", "190", "191", "192", "193", "194", "195", "196", "197", "198", "199", "200".
- Courtyard:** A large, open space in the center of the building, labeled "COURTYARD" and "103".
- Other Features:** A large, open area at the bottom of the plan, labeled "PARKING" and "104".



Doyle & Wachtstetter, Inc

Surveying and Mapping • GPS/GIS

**170.051 ACRES
S. F. AUSTIN 1/3 LEAGUE, ABSTRACT 28
J. G. McNEEL SURVEY, ABSTRACT 335
BRAZORIA COUNTY, TEXAS
PAGE 1 OF 4**

ALL THAT CERTAIN 170.051 ACRES of land out of a called 212.913 acre tract conveyed to Brazos River Harbor Navigation District of Brazoria County, Texas in Volume 1340, Page 97 of the Brazoria County Deed Records and situated in the Stephen F. Austin 1/3 League, Abstract 28 and J. G. McNeel Survey, Abstract 335, Brazoria County, Texas, and more particularly described by metes and bounds using survey terminology which refers to the Texas State Plane Coordinate System, South Central Zone (NAD 83) in which the directions are Lambert grid bearings and the distances are horizontal surface level lengths as follows;

BEGINNING at a found 5/8" iron rod in the Northwest right-of-way line of County Road 723 at position X=3145059.84 and Y=13538911.35, same being the South corner of a called 211.70 acre tract recorded in memorandum of lease agreements between Brazos River Harbor Navigation District and FLNG Land, Inc. in County Clerk's Files 04-038630 through 04-038632 of the Brazoria County Official Records from which a found 5/8" iron rod marking the East corner of the aforementioned 212.913 acre tract bears North 56°10'39" East, a distance of 846.90 feet;

THENCE South 56°08'54" West, coincident with the Northwest right-of-way line of County Road 723, same being the Southeast line of the said 212.913 acre tract, a distance of 4438.83 feet to a found 3/4" iron rod for corner making the East corner of Bryan Beach Subdivision, Section VII, recorded in Volume 10, Page 39 of the Brazoria County Plat Records;

THENCE North 30°05'06" West, coincident with the Southwest line of the said 212.913 acre tract, same being the Northeast line of Bryan Beach Subdivision, Section VII, at 1800.00 feet pass a set 5/8" iron rod and continue to a total distance of 1835.27 feet a point for corner in the top bank of the Intracoastal Waterway;

THENCE along the top bank of the Intracoastal Waterway with the following meanders:

North 61°22'06" East, a distance of 197.22 feet;
North 58°27'34" East, a distance of 95.63 feet;
North 46°09'19" East, a distance of 36.36 feet;
North 71°40'52" East, a distance of 68.21 feet;
North 67°21'32" East, a distance of 92.86 feet;
North 59°05'34" East, a distance of 140.48 feet;
North 10°20'20" East, a distance of 10.93 feet;
North 46°33'45" East, a distance of 109.69 feet;
North 18°44'56" East, a distance of 13.87 feet;
North 63°12'00" East, a distance of 60.27 feet;
North 81°16'59" East, a distance of 61.39 feet;
North 54°47'25" East, a distance of 68.14 feet;
North 88°00'07" East, a distance of 51.07 feet;

170.051 ACRES

S. F. AUSTIN 1/3 LEAGUE, ABSTRACT 28

J. G. McNEEL SURVEY, ABSTRACT 335

BRAZORIA COUNTY, TEXAS

PAGE 2 OF 4

South 71°19'00" East, a distance of 17.14 feet;
North 59°05'31" East, a distance of 63.20 feet;
North 7°49'01" East, a distance of 30.63 feet;
North 62°48'25" East, a distance of 53.26 feet;
North 48°58'11" East, a distance of 42.17 feet;
North 79°44'30" East, a distance of 9.29 feet;
North 19°09'07" East, a distance of 11.25 feet;
North 64°19'17" East, a distance of 55.21 feet;
North 26°45'22" East, a distance of 14.30 feet;
North 55°50'14" East, a distance of 40.42 feet;
South 89°40'30" East, a distance of 15.79 feet;
North 65°20'37" East, a distance of 76.63 feet;
North 60°02'20" East, a distance of 46.05 feet;
North 56°19'13" East, a distance of 72.04 feet;
North 54°32'40" East, a distance of 106.26 feet;
North 71°56'46" East, a distance of 27.23 feet;
North 54°26'38" East, a distance of 24.64 feet;
North 64°00'33" East, a distance of 101.20 feet;
North 53°01'15" East, a distance of 28.67 feet;
North 74°33'35" East, a distance of 38.49 feet;
North 57°36'43" East, a distance of 43.38 feet;
North 52°31'17" East, a distance of 64.92 feet;
North 56°16'47" East, a distance of 70.62 feet;
North 55°35'21" East, a distance of 89.52 feet;
North 54°20'52" East, a distance of 50.73 feet;
North 60°50'46" East, a distance of 57.92 feet;
North 63°05'13" East, a distance of 20.92 feet;
North 64°13'06" East, a distance of 19.19 feet;
North 82°31'53" East, a distance of 15.90 feet;
North 63°30'32" East, a distance of 26.36 feet;
North 73°51'09" East, a distance of 30.22 feet;
North 88°03'47" East, a distance of 51.52 feet;
North 43°35'05" East, a distance of 22.85 feet;
South 68°05'38" East, a distance of 27.24 feet;
North 74°51'17" East, a distance of 41.64 feet;
North 49°53'12" East, a distance of 31.78 feet;
North 60°38'27" East, a distance of 34.83 feet;
North 17°11'45" East, a distance of 21.50 feet;
North 58°27'10" East, a distance of 68.51 feet;
North 44°07'35" East, a distance of 18.61 feet;
North 72°26'27" East, a distance of 14.21 feet;
North 27°37'40" East, a distance of 14.48 feet;

170.051 ACRES

S. F. AUSTIN 1/3 LEAGUE, ABSTRACT 28

J. G. McNEEL SURVEY, ABSTRACT 335

BRAZORIA COUNTY, TEXAS

PAGE 3 OF 4

North 3°51'52" West, a distance of 13.92 feet;
North 53°41'25" East, a distance of 33.88 feet;
North 87°45'31" East, a distance of 9.22 feet;
North 51°15'42" East, a distance of 37.01 feet;
North 41°40'24" East, a distance of 45.34 feet;
North 81°26'04" East, a distance of 16.71 feet;
North 58°07'06" East, a distance of 99.40 feet;
North 15°15'50" East, a distance of 24.19 feet;
North 60°18'11" East, a distance of 16.91 feet;
North 29°16'26" East, a distance of 19.20 feet;
North 74°49'14" East, a distance of 39.54 feet;
North 87°27'08" East, a distance of 31.18 feet;
North 70°54'00" East, a distance of 48.18 feet;
North 56°50'00" East, a distance of 35.21 feet;
North 43°44'23" East, a distance of 46.71 feet;
North 11°58'41" East, a distance of 42.00 feet;
North 48°57'09" East, a distance of 14.26 feet;
North 64°34'34" East, a distance of 35.24 feet;
North 52°10'00" East, a distance of 36.70 feet;
North 32°21'20" East, a distance of 17.97 feet;
North 80°53'08" East, a distance of 18.50 feet;
North 59°56'28" East, a distance of 14.21 feet;
North 31°11'55" East, a distance of 27.05 feet;
North 85°59'17" East, a distance of 19.32 feet;
South 24°16'08" East, a distance of 37.66 feet;
North 84°04'07" East, a distance of 33.71 feet;
North 11°02'44" East, a distance of 12.74 feet;
North 52°05'44" East, a distance of 16.14 feet;
South 71°17'41" East, a distance of 11.47 feet;
North 67°49'48" East, a distance of 23.16 feet;
North 3°03'41" West, a distance of 9.52 feet;
North 40°30'22" East, a distance of 9.29 feet;
South 54°52'05" East, a distance of 12.58 feet;
South 34°57'02" East, a distance of 32.24 feet;
North 63°16'20" East, a distance of 22.86 feet;
South 77°45'24" East, a distance of 12.96 feet;
North 58°03'56" East, a distance of 35.11 feet;
North 7°00'50" West, a distance of 28.40 feet;
North 45°16'14" East, a distance of 55.58 feet;
North 48°16'37" East, a distance of 86.12 feet;
North 61°13'49" East, a distance of 74.25 feet;
North 47°56'51" East, a distance of 25.19 feet;

170.051 ACRES
S. F. AUSTIN 1/3 LEAGUE, ABSTRACT 28
J. G. McNEEL SURVEY, ABSTRACT 335
BRAZORIA COUNTY, TEXAS
PAGE 4 OF 4

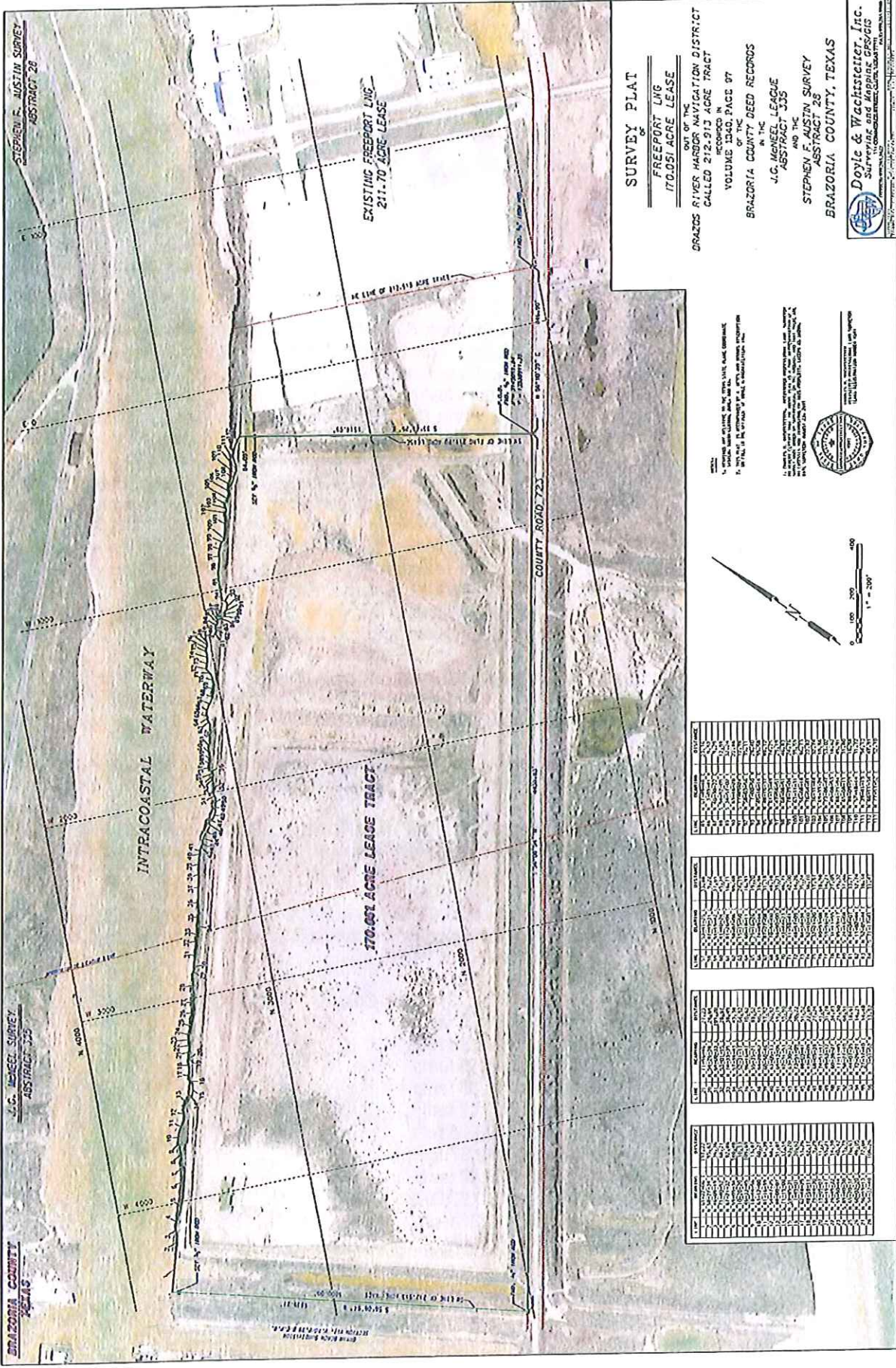
North 68°08'51" East, a distance of 46.83 feet;
South 78°39'04" East, a distance of 24.76 feet;
North 63°31'31" East, a distance of 35.59 feet;
North 56°08'18" East, a distance of 96.73 feet;
North 76°54'41" East, a distance of 22.82 feet;
North 36°31'44" East, a distance of 32.74 feet;
South 69°33'24" East, a distance of 10.56 feet;
North 73°06'47" East, a distance of 53.02 feet;
North 45°08'53" East, a distance of 18.62 feet;
North 86°21'54" East, a distance of 45.91 feet;
North 65°08'11" East, a distance of 31.80 feet;
North 88°09'59" East, a distance of 16.58 feet;
North 57°18'14" East, a distance of 31.72 feet;
North 39°41'15" East, a distance of 54.13 feet;
North 66°11'34" East, a distance of 47.91 feet;
and North 77°57'52" East, a distance of 52.10 feet;

THENCE South 33°49'26" East, coincident with the Southwest line of the aforementioned FLNG Land, Inc. 211.70 acre lease tract, at 84.09 feet pass a set 5/8" iron rod and continue to a total distance of 1514.09 to the POINT OF BEGINNING, containing 170.051 acres of land, more or less.

Charles D. Wachtstetter
Registered Professional Land Surveyor
Texas Registration Number 4547
August 23, 2011

This description is based on a survey, a plat of which, dated August 23, 2011 is on file in the office of Doyle & Wachtstetter, Inc.

131 Commerce Street • Clute, Texas 77531-5601
Phone: 979-265-3622 • Fax: 979-265-9940 • Email: DW-Surveyor.com



BRAZORIA COUNTY TEXAS

J.C. McNEEL SURVEY
ABSTRACT 335

STEPHEN F. AUSTIN SURVEY
ABSTRACT 28

EXISTING FREEPORT LNG
211.70 ACRE LEASE

INTRACOASTAL WATERWAY

170.051 ACRE LEASE TRACT

COUNTY ROAD 723

OUT OF THE
FREEPORT LNG
170.051 ACRE LEASE

OUT OF THE
BRAZOS RIVER NAVIGATION DISTRICT
CALLED 212,313 ACRE TRACT
VOLUME 1040, PAGE 97
OF THE
BRAZORIA COUNTY DEED RECORDS
IN THE
J.C. McNEEL LEASE
ABSTRACT 335
AND THE
STEPHEN F. AUSTIN SURVEY
ABSTRACT 28
BRAZORIA COUNTY, TEXAS

SURVEY PLAT

FREEPORT LNG
170.051 ACRE LEASE

OUT OF THE
BRAZOS RIVER NAVIGATION DISTRICT
CALLED 212,313 ACRE TRACT
VOLUME 1040, PAGE 97
OF THE
BRAZORIA COUNTY DEED RECORDS
IN THE
J.C. McNEEL LEASE
ABSTRACT 335
AND THE
STEPHEN F. AUSTIN SURVEY
ABSTRACT 28
BRAZORIA COUNTY, TEXAS

NOTES:
1. THIS SURVEY WAS MADE BY THE SURVEYOR IN THE FIELD AND THE RESULTS ARE BASED ON THE BEST AVAILABLE DATA.
2. THE SURVEYOR HAS NOT BEEN ADVISED OF ANY OTHER SURVEYS OR RECORDS THAT MAY AFFECT THIS SURVEY.
3. THE SURVEYOR HAS NOT BEEN ADVISED OF ANY OTHER SURVEYS OR RECORDS THAT MAY AFFECT THIS SURVEY.

THE SURVEYOR HAS NOT BEEN ADVISED OF ANY OTHER SURVEYS OR RECORDS THAT MAY AFFECT THIS SURVEY.

THE SURVEYOR HAS NOT BEEN ADVISED OF ANY OTHER SURVEYS OR RECORDS THAT MAY AFFECT THIS SURVEY.



| TRACT | ACRES | OWNER | DATE |
|-------|---------|-------------------|------|
| 1 | 170.051 | FREEPORT LNG | 1980 |
| 2 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 3 | 170.051 | FREEPORT LNG | 1980 |
| 4 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 5 | 170.051 | FREEPORT LNG | 1980 |
| 6 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 7 | 170.051 | FREEPORT LNG | 1980 |
| 8 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 9 | 170.051 | FREEPORT LNG | 1980 |
| 10 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 11 | 170.051 | FREEPORT LNG | 1980 |
| 12 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 13 | 170.051 | FREEPORT LNG | 1980 |
| 14 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 15 | 170.051 | FREEPORT LNG | 1980 |
| 16 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 17 | 170.051 | FREEPORT LNG | 1980 |
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| 19 | 170.051 | FREEPORT LNG | 1980 |
| 20 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 21 | 170.051 | FREEPORT LNG | 1980 |
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| 23 | 170.051 | FREEPORT LNG | 1980 |
| 24 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 25 | 170.051 | FREEPORT LNG | 1980 |
| 26 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 27 | 170.051 | FREEPORT LNG | 1980 |
| 28 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 29 | 170.051 | FREEPORT LNG | 1980 |
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| 31 | 170.051 | FREEPORT LNG | 1980 |
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| 33 | 170.051 | FREEPORT LNG | 1980 |
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| 35 | 170.051 | FREEPORT LNG | 1980 |
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| 41 | 170.051 | FREEPORT LNG | 1980 |
| 42 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 43 | 170.051 | FREEPORT LNG | 1980 |
| 44 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 45 | 170.051 | FREEPORT LNG | 1980 |
| 46 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 47 | 170.051 | FREEPORT LNG | 1980 |
| 48 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 49 | 170.051 | FREEPORT LNG | 1980 |
| 50 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 51 | 170.051 | FREEPORT LNG | 1980 |
| 52 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 53 | 170.051 | FREEPORT LNG | 1980 |
| 54 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 55 | 170.051 | FREEPORT LNG | 1980 |
| 56 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 57 | 170.051 | FREEPORT LNG | 1980 |
| 58 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 59 | 170.051 | FREEPORT LNG | 1980 |
| 60 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 61 | 170.051 | FREEPORT LNG | 1980 |
| 62 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 63 | 170.051 | FREEPORT LNG | 1980 |
| 64 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 65 | 170.051 | FREEPORT LNG | 1980 |
| 66 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 67 | 170.051 | FREEPORT LNG | 1980 |
| 68 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 69 | 170.051 | FREEPORT LNG | 1980 |
| 70 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 71 | 170.051 | FREEPORT LNG | 1980 |
| 72 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 73 | 170.051 | FREEPORT LNG | 1980 |
| 74 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 75 | 170.051 | FREEPORT LNG | 1980 |
| 76 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 77 | 170.051 | FREEPORT LNG | 1980 |
| 78 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 79 | 170.051 | FREEPORT LNG | 1980 |
| 80 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 81 | 170.051 | FREEPORT LNG | 1980 |
| 82 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 83 | 170.051 | FREEPORT LNG | 1980 |
| 84 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 85 | 170.051 | FREEPORT LNG | 1980 |
| 86 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 87 | 170.051 | FREEPORT LNG | 1980 |
| 88 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 89 | 170.051 | FREEPORT LNG | 1980 |
| 90 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 91 | 170.051 | FREEPORT LNG | 1980 |
| 92 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 93 | 170.051 | FREEPORT LNG | 1980 |
| 94 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 95 | 170.051 | FREEPORT LNG | 1980 |
| 96 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 97 | 170.051 | FREEPORT LNG | 1980 |
| 98 | 211.70 | STEPHEN F. AUSTIN | 1980 |
| 99 | 170.051 | FREEPORT LNG | 1980 |
| 100 | 211.70 | STEPHEN F. AUSTIN | 1980 |

Doyle & Wachtstetter, Inc.
Surveying and Mapping
Geographic Information Systems
10000 West Loop South, Suite 100
Houston, Texas 77042
713/865-1234
www.doylewachtstetter.com

LEGAL DESCRIPTION

Tract D - 3

47.45 Acres

STATE OF TEXAS §

COUNTY OF BRAZORIA §

Being 47.45 acres of land out of the Stephen F. Austin Survey, Abstract No. 28, Brazoria County, Texas and being a portion of the Quintana Townsite as recorded in Volume 2, Page 139 of the Plat Records of Brazoria County, Texas and a portion of that certain tract of land described in that Final Judgment between Brazos River Harbor Navigation District and Terese Lewis Learned, et al, filed for record in Volume 1679, Page 485 of the Deed Records of Brazoria County, Texas, said 47.45 acres includes a portion of that certain 48.4333 acre tract of land described by Agreement for the Assignment of Ground Lease and Related Assets between Monsanto and FOC, Inc., filed for record May 31, 1994 under Clerk's File No. 94 020517 in the Official Records of Brazoria County, Texas and said 47.45 acre tract being more completely described by metes and bounds as follows:

BEGINNING at the most easterly south corner of said 48.4333 acre tract, being the east corner of that certain 14.3011 acre tract of land described by First Amendment to Ground Lease and Definitive Agreement Regarding Port Facilities between Brazos River Harbor Navigation District of Brazoria County, Texas and ExxonMobil Pipeline Company, filed for record June 27, 2000 under Clerk's File No. 00 026963 in the Official Records of Brazoria County, Texas.

THENCE along the most easterly southeast line of said 48.4333 acre tract, N 45°05'50" E, a distance of 770.10 feet to a 5/8" iron rod with cap stamped "John D. Mercer, RPLS #1924" found for the most southerly east corner of said 48.4333 acre tract.

THENCE N 44°54'31" W, a distance of 1,411.38 feet to a 5/8" iron rod with cap stamped "John D. Mercer, RPLS #1924" found on the most easterly northwest line of said 48.4333 acre tract.

THENCE along said northwest line, N 45°06'26" E, a distance of 1,089.40 feet to a 5/8" iron rod with cap stamped "John D. Mercer, RPLS #1924" found for an interior ell corner of said 48.4333 acre tract.

THENCE N 44°48'15" W, a distance of 76.53 feet to a 5/8" iron rod with cap stamped "John D. Mercer, RPLS #1924" found on the southeast bank of the Gulf Intra-Coastal Waterway for the most northerly corner of the herein described tract.

THENCE along the southeast bank of the Gulf Intra-Coastal Waterway as follows:

S 63°18'57" W, a distance of 88.25 feet;
S 58°10'24" W, a distance of 108.84 feet;
S 48°55'13" W, a distance of 94.98 feet;
S 48°34'12" W, a distance of 87.65 feet;
S 37°39'56" W, a distance of 40.02 feet;
S 64°41'08" W, a distance of 103.68 feet;
S 52°41'13" W, a distance of 116.67 feet;
S 77°42'22" W, a distance of 73.40 feet;
S 46°05'49" W, a distance of 100.87 feet;
S 54°10'02" W, a distance of 37.38 feet;

COPY

Tract D - 3
47.45 Acres

S 05°46'27" W, a distance of 39.72 feet;
S 41°03'09" W, a distance of 52.39 feet;
S 32°48'20" W, a distance of 147.29 feet;
S 57°15'40" W, a distance of 104.15 feet;
N 69°11'48" W, a distance of 105.98 feet;
S 75°39'43" W, a distance of 30.04 feet;
S 08°40'49" W, a distance of 40.36 feet;
S 33°09'49" W, a distance of 137.32 feet;
S 34°55'41" W, a distance of 70.01 feet;
S 58°24'48" W, a distance of 63.09 feet;
N 89°46'54" W, a distance of 93.86 feet;
S 58°00'57" W, a distance of 31.93 feet;
S 60°57'55" W, a distance of 29.87 feet;
S 40°12'55" W, a distance of 36.71 feet;
S 41°42'45" W, a distance of 82.87 feet;
S 48°50'15" W, a distance of 30.84 feet;
S 32°17'49" W, a distance of 32.59 feet;
S 25°41'43" W, a distance of 27.89 feet;
S 14°34'52" E, a distance of 19.47 feet;
S 37°30'52" E, a distance of 64.67 feet;
S 03°14'21" E, a distance of 45.93 feet;
S 15°32'02" W, a distance of 115.86 feet;
S 44°57'56" W, a distance of 51.24 feet;
S 43°57'14" W, a distance of 76.71 feet;
S 40°28'39" W, a distance of 59.91 feet;
S 36°08'21" W, a distance of 108.92 feet;
S 06°06'52" W, a distance of 86.20 feet;
S 03°44'46" E, a distance of 76.41 feet;
S 38°39'21" E, a distance of 116.00 feet;
S 81°16'10" W, a distance of 52.35 feet;
N 48°07'15" W, a distance of 52.43 feet;
N 64°50'56" W, a distance of 60.41 feet;
N 84°43'49" W, a distance of 69.39 feet;
S 35°04'27" W, a distance of 105.55 feet;
S 37°15'41" W, a distance of 87.39 feet;
S 25°15'21" W, a distance of 53.04 feet;
S 20°48'56" E, a distance of 114.31 feet;
S 76°31'29" W, a distance of 64.16 feet;
N 66°34'25" W, a distance of 28.43 feet; and
S 60°54'58" W, a distance of 12.78 feet to a point for the most westerly corner of the herein
described tract.

Tract D - 3
47.45 Acres

THENCE S 44°54'23" E, passing a 5/8" Iron rod with cap stamped "John D. Mercer, RPLS #1924" found at 55.00 feet and continuing a total distance of 270.04 feet to the most westerly south corner of the herein described tract.

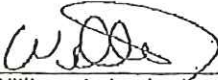
THENCE N. 45°05'01" E, a distance of 628.77 feet to the most westerly north corner of said 14.3011 acre tract.


THENCE S 44°53'45" E, a distance of 509.05 feet an Interior ell corner of said 14.3011 acre tract, being the most westerly south corner of said 48.4333 acre tract.

THENCE N 45°06'15" E, a distance of 414.46 feet to the most easterly north corner of said 14.3011 acre site, being an Interior ell corner of said 48.4333 acre tract.

THENCE S 44°53'45" E, a distance of 631.08 feet to the POINT OF BEGINNING and containing 47.45 acres of land, more or less.

Bearings are derived from GPS observations and based on the Texas State Plane Coordinate System, South Central Zone, NAD 83 grid bearings.


William J. Cash, Jr.
RPLS No. 3808



12-19-04

NO Project 3605 - 1955-1957 DMC 15AUG64 1204 37 400 RMP 11/10/01

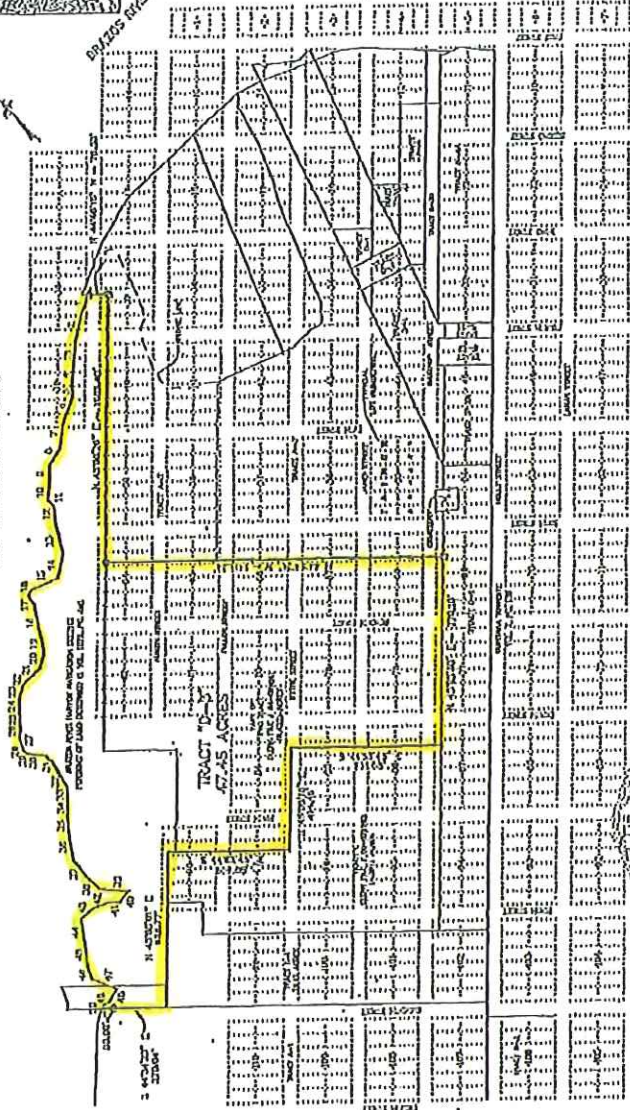
BRAZORIA COUNTY, TEXAS
S. F. AUSTIN, 4-26



GULF INTRACOASTAL WATERWAY

BRAZOS RIVER CHANNEL

| LINE | BEARING | DISTANCE | POINT |
|------|-----------------|----------|-------|
| 1 | S 89° 00' 00" W | 100.00 | 1 |
| 2 | S 89° 00' 00" W | 100.00 | 2 |
| 3 | S 89° 00' 00" W | 100.00 | 3 |
| 4 | S 89° 00' 00" W | 100.00 | 4 |
| 5 | S 89° 00' 00" W | 100.00 | 5 |
| 6 | S 89° 00' 00" W | 100.00 | 6 |
| 7 | S 89° 00' 00" W | 100.00 | 7 |
| 8 | S 89° 00' 00" W | 100.00 | 8 |
| 9 | S 89° 00' 00" W | 100.00 | 9 |
| 10 | S 89° 00' 00" W | 100.00 | 10 |
| 11 | S 89° 00' 00" W | 100.00 | 11 |
| 12 | S 89° 00' 00" W | 100.00 | 12 |
| 13 | S 89° 00' 00" W | 100.00 | 13 |
| 14 | S 89° 00' 00" W | 100.00 | 14 |
| 15 | S 89° 00' 00" W | 100.00 | 15 |
| 16 | S 89° 00' 00" W | 100.00 | 16 |
| 17 | S 89° 00' 00" W | 100.00 | 17 |
| 18 | S 89° 00' 00" W | 100.00 | 18 |
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| 20 | S 89° 00' 00" W | 100.00 | 20 |
| 21 | S 89° 00' 00" W | 100.00 | 21 |
| 22 | S 89° 00' 00" W | 100.00 | 22 |
| 23 | S 89° 00' 00" W | 100.00 | 23 |
| 24 | S 89° 00' 00" W | 100.00 | 24 |
| 25 | S 89° 00' 00" W | 100.00 | 25 |
| 26 | S 89° 00' 00" W | 100.00 | 26 |
| 27 | S 89° 00' 00" W | 100.00 | 27 |
| 28 | S 89° 00' 00" W | 100.00 | 28 |
| 29 | S 89° 00' 00" W | 100.00 | 29 |
| 30 | S 89° 00' 00" W | 100.00 | 30 |
| 31 | S 89° 00' 00" W | 100.00 | 31 |
| 32 | S 89° 00' 00" W | 100.00 | 32 |
| 33 | S 89° 00' 00" W | 100.00 | 33 |
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| 36 | S 89° 00' 00" W | 100.00 | 36 |
| 37 | S 89° 00' 00" W | 100.00 | 37 |
| 38 | S 89° 00' 00" W | 100.00 | 38 |
| 39 | S 89° 00' 00" W | 100.00 | 39 |
| 40 | S 89° 00' 00" W | 100.00 | 40 |
| 41 | S 89° 00' 00" W | 100.00 | 41 |
| 42 | S 89° 00' 00" W | 100.00 | 42 |
| 43 | S 89° 00' 00" W | 100.00 | 43 |
| 44 | S 89° 00' 00" W | 100.00 | 44 |
| 45 | S 89° 00' 00" W | 100.00 | 45 |
| 46 | S 89° 00' 00" W | 100.00 | 46 |
| 47 | S 89° 00' 00" W | 100.00 | 47 |
| 48 | S 89° 00' 00" W | 100.00 | 48 |
| 49 | S 89° 00' 00" W | 100.00 | 49 |
| 50 | S 89° 00' 00" W | 100.00 | 50 |



LEGEND
UNION IRON FOUND

SCALE IN FEET
0 100 200 300 400 500

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|---------------------------|---------------------------|
| FLNG LAND, INC. | |
| FLNG TERMINAL LEASE "D-3" | |
| PROJECT NO. | 3605 |
| DATE | 11/10/01 |
| BY | W. J. Lee |
| CHECKED BY | W. J. Lee |
| DATE | 11/10/01 |
| APPROVED BY | W. J. Lee |
| DATE | 11/10/01 |
| REVISION | FLNG TERMINAL LEASE "D-3" |
| DATE | 11/10/01 |
| BY | W. J. Lee |
| CHECKED BY | W. J. Lee |
| DATE | 11/10/01 |
| APPROVED BY | W. J. Lee |
| DATE | 11/10/01 |

W. J. Lee
William J. Lee
Registered Professional Surveyor
No. 3000

DEARINGS BASED ON TEXAS STATE PLANE COORDINATE SYSTEM NAD 83, SOUTH CENTRAL ZONE - DERIVED FROM GPS OBSERVATIONS.

COPY

Additional Legal Descriptions for Quintana Block 23 (Lots 1-4, 6-12), Quintana Block 10 (Lots 7-12) and Holly Street and Second Street Crossings

Holly Street Crossing R.O.W

Approximately 0.1403 acres out of the S.F. Austin Survey, A-28, Brazoria County, Texas, being 61.1 feet in length across Holly Street and 100 feet in width

Quintana Block 23

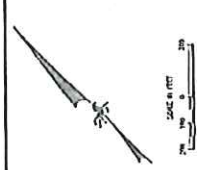
1. Lot 1 - Approximately 0.1416 acres out of Block 23 out of the S.F. Austin Survey, A-28, Brazoria County, Texas
2. Lot 2 - Approximately 0.1416 acres out of Block 23 out of the S.F. Austin Survey, A-28, Brazoria County, Texas
3. Lot 3 - Approximately 0.1416 acres out of Block 23 out of the S.F. Austin Survey, A-28, Brazoria County, Texas
4. Lot 4 - Approximately 0.1416 acres out of Block 23 out of the S.F. Austin Survey, A-28, Brazoria County, Texas
5. Lot 6 - Approximately 0.1416 acres out of Block 23 out of the S.F. Austin Survey, A-28, Brazoria County, Texas
6. Lot 7 - Approximately 0.1416 acres out of Block 23 out of the S.F. Austin Survey, A-28, Brazoria County, Texas
7. Lot 8 - Approximately 0.1416 acres out of Block 23 out of the S.F. Austin Survey, A-28, Brazoria County, Texas
8. Lot 9 - Approximately 0.1416 acres out of Block 23 out of the S.F. Austin Survey, A-28, Brazoria County, Texas
9. Lot 10 - Approximately 0.1416 acres out of Block 23 out of the S.F. Austin Survey, A-28, Brazoria County, Texas
10. Lots 11-12 - Approximately 0.2831 acres out of Block 23 out of the S.F. Austin Survey, A-28, Brazoria County, Texas

Second Street Crossing R.O.W

Approximately 0.1403 acres out of the S.F. Austin Survey, A-28, Brazoria County, Texas, being 61.1 feet in length across Second Street and 100 feet in width between Block 23 and Block 10

Quintana Block 10

1. Lot 7 - Approximately 0.1416 acres out of Block 10 out of the S.F. Austin Survey, A-28, Brazoria County, Texas
2. Lot 8 - Approximately 0.1416 acres out of Block 10 out of the S.F. Austin Survey, A-28, Brazoria County, Texas
3. Lot 9 - Approximately 0.1416 acres out of Block 10 out of the S.F. Austin Survey, A-28, Brazoria County, Texas
4. Lot 10 - Approximately 0.1416 acres out of Block 10 out of the S.F. Austin Survey, A-28, Brazoria County, Texas
5. Lot 11 - Approximately 0.1416 acres out of Block 10 out of the S.F. Austin Survey, A-28, Brazoria County, Texas
6. Lot 12 - Approximately 0.1416 acres out of Block 10 out of the S.F. Austin Survey, A-28, Brazoria County, Texas



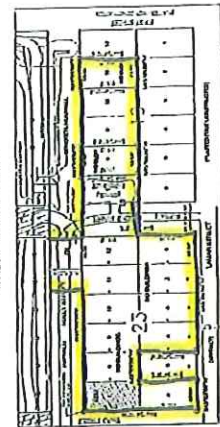
VELOCIO DRAINAGE DISTRICT CADDIS

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TRACT III - CUSTANA TORRENTS LOTS

| TRACT III - CUSTANA TORRENTS LOTS | TRACT III - CUSTANA TORRENTS LOTS |
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TRACT II - CUSTANA LOTS



| TRACT II - CUSTANA LOTS | TRACT II - CUSTANA LOTS |
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| 100 | 100 |

LEGEND

JUSTING ENGINEERING, L.P.
1000 PINEAPPLE PLACE
DALLAS, TEXAS 75201
PHONE: 469-4312-01

Freeport LNG Development

ALABAMA LAND TITLE SURVEY
FLAG LAND, INC. PROPERTIES
OUT OF PLAT 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 1023, 1024, 1025, 1026, 1027, 1028, 1029, 1030, 1031, 1032, 1033, 1034, 1035, 1036, 1037, 1038, 1039, 1040, 1041, 1042, 1043, 1044, 1045, 1046, 1047, 1048, 1049, 1050, 1051, 1052, 1053, 1054, 1055, 1056, 1057, 1058, 1059, 1060, 1061, 1062, 1063, 1064, 1065, 1066, 1067, 1068, 1069, 1070, 1071, 1072, 1073, 1074, 1075, 1076, 1077, 1078, 1079, 1080, 1081, 1082, 1083, 1084, 1085, 1086, 1087, 1088, 1089, 1090, 1091, 1092, 1093, 1094, 1095, 1096, 1097, 1098, 1099, 1100, 1101, 1102, 1103, 1104, 1105, 1106, 1107, 1108, 1109, 1110, 1111, 1112, 1113, 1114, 1115, 1116, 1117, 1118, 1119, 1120, 1121, 1122, 1123, 1124, 1125, 1126, 1127, 1128, 1129, 1130

Right of Way Tract Description Index for 42" Pipeline, Proposed NGL Pipeline and Proposed Fiber Optics

Please see the electronic copy of the application for additional individual tract documents and information.

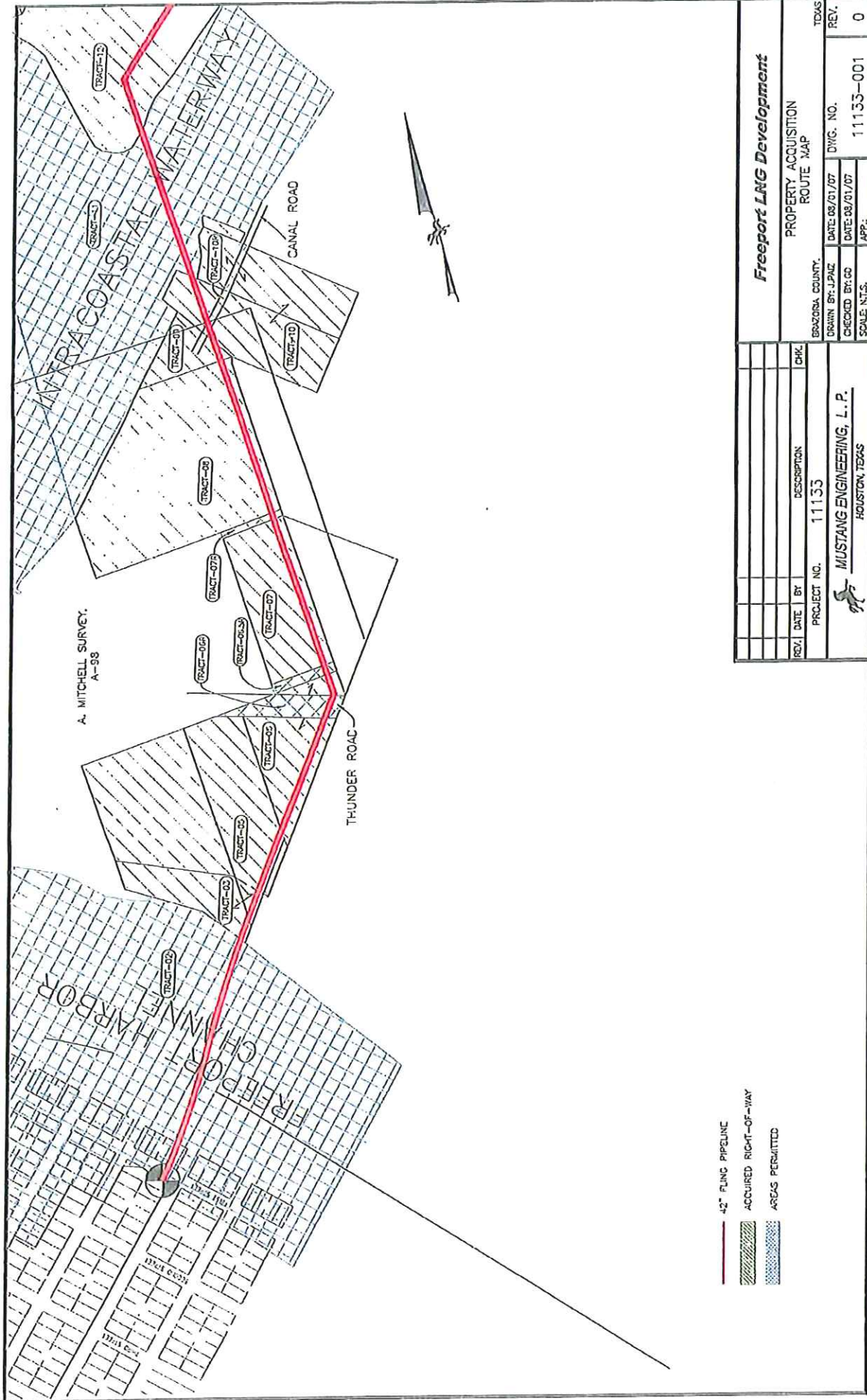
| Tract No. | Legal Land Description | Approximate Area Description | Approx. ROW Feet | File Name (PDF) | Page No. of file that Legal Land Description and Map are on (of electronic files) |
|-----------|---|--|------------------|---|---|
| 2 | S.F. Austin Survey, A-28 & A. Mitchell Survey, A-98, Brazoria County, Texas, Exhibit "B" | Land located across State-owned land in Brazoria County: Brazos River/Freepoint Harbor Channel (69.6 rods in length), being 50 feet wide on either side of the centerline of the 42" pipeline, being approximately 2.638 acres | 1149.00 | Tracts 2 and 56 | 5 |
| 3 | Part Lot(s) 13A & 14, B.C.I.C. Division 3 Subdivision, A. Mitchell Labor, A-98, Brazoria County, Texas, Exhibit "A" | 0.24 acres out of Part Lot(s) 13A & 14, B.C.I.C. Division 3 Subdivision, A. Mitchell Labor, A-98. | 239.70 | Tract 3 | 2 |
| 5 | Part Lot 13, B.C.I.C. Division 3 Subdivision, A. Mitchell Labor, A-98, Brazoria County, Texas, Exhibit "A" | A 0.21 acre permanent Easement Parcel out of the Mitchell Labor, Abstract 98, Brazoria County, Texas and being Lot 13 of the B.C.I.C. Subdivision, Division 3 | 297.99 | Tract 5 | 2 |
| 6 | Lot 22, B.C.I.C. Division 3 Subdivision, a. Mitchell Labor, A-98, Brazoria County, Texas, Exhibit "A" | A 0.48 permanent Easement Parcel and a 0.41 acre temporary easement out of Lot 22, B.C.I.C. Division 3 Subdivision, a. Mitchell Labor, A-98 | 655.59 | Tract 6 | 2 |
| 6R | | Across defined roadway in Village of Surfside Beach (Thunder Road), being 25 feet on either side of the centerline of the 42" pipeline, being approximately 0.127 acres | 110.83 | Tracts 6R, 6SR, 7R, 10R | 2,3 |
| 6SR | | | | | |
| 7 | A. Mitchell Survey, A-98, Brazoria County, Texas, Exhibit "A" | Across defined roadway in Village of Surfside Beach (Coast Guard Road), being 25 feet on either side of the centerline, being approximately 0.051 acres | 44.395 | Tracts 6R, 6SR, 7R, 10R | 4 |
| 7R | | A 0.66 acre permanent Easement Parcel and a 0.82 acre temporary easement parcel out of the 5.00 acre parent tract (Lot 12) | 713.63 | Tract 7 | 2 |
| 8 | | Across defined roadway in Village of Surfside Beach (Unnamed Road), being 25 feet on either side of the centerline of the 42" pipeline, being approximately 0.034 acres | 30.03 | Tracts 6R, 6SR, 7R, 10R | 5 |
| 8R | | | | | |
| 9 | A. Mitchell Survey, A-98, Brazoria County, Texas, Exhibit "A" | A 0.64 acre tract or parcel of land and a 1.39 acre temporary easement parcel of land out of the A. Mitchell Labor, Abstract 98, Lot 1, Brazoria County, Texas | 745.58 | Tract 8 | 2 |
| 9R | | | | | |
| 10 | Lot 12, B.C.I.C. Division 2 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | A 0.06 acre tract or parcel of land and a 0.070 acre temporary easement parcel of land out of the F.J. Calvit League, Abstract 51, Lot 12, Brazoria County, Texas | 90.87 | Tract 9 | 2 |
| 10R | | A 0.22 acre tract or parcel of land out of the F.J. Calvit League, Abstract 51, Lot 11, Brazoria County, Texas | 321.49 | Tract 10 | 3 |
| 11 | Lot 11, B.C.I.C. Division 2 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | Across defined roadway in Village of Surfside Beach (Canal St.), being 25 feet on either side of the centerline of the 42" pipeline, being approximately 0.047 acres | 40.59 | Tracts 6R, 6SR, 7R, 10R | 7 |
| 11R | | Across the Intercoastal Waterway (Total Length: 810.54' = 49.12 Rods) (Permanent Easement: 0.558 acres) | 810.54 | Tract 11 - Intercoastal Waterway Crossing | 2 |
| 12 | Lot 8, 9, 10, 11 & 12, B.C.I.C. Division 4 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | A tract or parcel of land (Permanent Easement: 1.33 acres, Temporary Easement: 8.270) out of Lots 8, 9, 10, 11 & 12, B.C.I.C. Division 4 Subdivision, F.J. Calvit League, Brazoria County Texas | 2000.01 | Tract 12 | 3 |
| 12R | | | | | |
| 15 | Lot 13, B.C.I.C. Division 4 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | A 0.41 acre tract or parcel of land and a 0.80 acre temporary easement parcel of land out of Lot 13, B.C.I.C. Division 4 Subdivision, F.J. Calvit League, A-51 | 446.31 | Tract 15 | 2 |
| 15R | | | | | |
| 16 | Lot A, B.C.I.C. Division 4 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | A 0.42 acre tract or parcel of land and a 0.83 acre temporary easement parcel of land out of Lot A, B.C.I.C. Division 4 Subdivision, F.J. Calvit League, A-51 | 458.51 | Tract 16 | 2 |
| 16R | | | | | |

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|-------|--|---|--------|---------------------------------------|------------------|
| 16R | | The pipeline(s) is installed by conventional lay under the ground under the asphalt feeder roads servicing SH 332, within the TX DOT right of way, approximately 1060 feet northwest of where the SH 332 bridge begins to cross the intracoastal Waterway. The approximate distance of the easement is 442 feet and the described width is 25 feet on either side of the centerline of the 42" pipeline, being 0.507 acres. | | | 2 |
| 17 | F.J. Calvit Survey, A-51, Brazoria County, Texas. | A 0.57 acre tract or parcel of land and a 1.24 acre temporary easement parcel out of Lot 2, B.C.I.C. Division 7 Subdivision, F.J. Calvit League, A-51. | 442.00 | Tract 16R | |
| 18 | Lot 2, B.C.I.C. Division 7 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | Same as Tract 19 | 491.28 | Tract 17 | 2 |
| 19 | Same as Tract 19 | | 0.00 | Tract 19 | Same as Tract 19 |
| 20 | Lots 10 & 11, B.C.I.C. Division 7 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | A 0.79 acre tract or parcel of land and a 0.70 acre temporary easement parcel of land out of Lots 10 and 11 of the Brazos Coast Investment Company, Division 7 Subdivision of the F.J. Calvit League, Abstract Number 51. | 847.54 | Tract 19 | 2 |
| 21 | Lot 12, B.C.I.C. Division 7 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | A 0.33 acre tract or parcel of land and a 0.56 acre temporary easement parcel of land out of Lot 12, B.C.I.C. Division 7 Subdivision, F.J. Calvit League, A-51, (5.00 acres) | 331.15 | Tract 20 | 4 |
| 21R | Lot 13, B.C.I.C. Division 7 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | A 0.27 acre easement tract or parcel of land out of Lot 13, B.C.I.C. Division 7 Subdivision, F.J. Calvit League, A-51 (14.95 rods in length) | 246.81 | Tracts 21, 50, 67 | 6 |
| 22R | A. Mitchell Survey, A-98, Brazoria County, Texas | Land under, over or along a certain County Road (Tarpon Lane) - Approx. ROW feet = 356.235', being 25 feet on either side of the centerline of the 42" pipeline, being approximately 0.409 acres | 356.24 | Tracts 21R, 22R, 26R, 37.5R, 52R, 57R | 2 |
| 22 | Lot 14, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | A 0.049 acre tract or parcel of land out of Lot 14 of the Brazos Coast Investment Company Division 7 Subdivision of the F.J. Calvit League, Abstract Number 51. | 0.30 | Tract 22 | 2 |
| 22a | Lot 66, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas. | A 0.21 acre tract or parcel of Lot 66, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51 (10.00 acres) | 182.55 | Tract 22A | 5 |
| 22R | F.J. Calvit Survey, A-51, Brazoria County, Texas | Land under, over or along a certain County Road (Unnamed Road, Brazoria County), being approximately 0.037 acres - Approx. ROW feet = 32.34', Approx. width = 25 feet on either side of the centerline of the 42" pipeline. | 32.34 | Tracts 21R, 22R, 26R, 37.5R, 52R, 57R | 3 |
| 23a | Lot 108, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | 0.60 acres out of Lot 108, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51 | 521.07 | Tract 23A | 2 |
| 24a | Lot 105, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | 0.03 acres out of Lot 105, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51 | 18.37 | Tract 24A | 2 |
| 25a | Lot 106, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | 5.00 acres, owned by FLNG, being Lot 106, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51 (5.00 acres), Brazoria County, Texas | 565.78 | Tract 25A | 4 |
| 26a | Lot 107, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | 5.00 acres, owned by FLNG, being Lot 107, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51 (5.00 acres), Brazoria County, Texas | 498.17 | Tract 26A | 4 |
| 26R | F.J. Calvit Survey, A-51, Brazoria County, Texas, Brazoria County, Texas | Land under, over or along a certain County Road, being approximately 0.036 acres (Unnamed Road, Brazoria County) - Approx. ROW feet = 31.35', Approx. width = 25 feet on either side of the centerline of the 42" pipeline | 31.35 | Tracts 21R, 22R, 26R, 37.5R, 52R, 57R | 4 |
| 26.5a | Lot 116, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | 0.22 acres out of Lot 116, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51 | 187.32 | Tract 26.5A | 2 |
| 27a | Lot 117, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | 5.00 acres, owned by FLNG, being Lot 117, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51 (5.00 acres) | 437.37 | Tract 27A | 4 |
| 28a | Lot 118, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | 0.72 acres out of Lot 118, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51 | 627.18 | Tract 28A | 2 |
| 29a | Lot 119, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | 0.30 acres out of Lot 119, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51 | 260.91 | Tract 29A | 2 |
| 30a | Lot 120, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | 0.24 acres out of Lot 120, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51 | 208.97 | Tract 30A | 2 |

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| 31a | Lot 121, B.C.I.C. Division 3 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | 0.34 acres out of Lot 121, B.C.I.C. Division 3 Subdivision, F.J. Calvit League, A-51 | 294.43 | Tract 31A | 2 |
| 35 | Lot 122, B.C.I.C. Division 3 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | A 0.34 acre tract or parcel of land out of Lot 122, out of the F.J. Calvit League, Abstract 51, Brazoria County, Texas | 297.37 | Tract 35 | 2 |
| 36 | Lot 123, B.C.I.C. Division 3 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | 5.00 acres, owned by FLNG, being Lot 123, B.C.I.C. Division 3 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas | 234.30 | Tract 36 | 6 |
| 37 | Lot 124, B.C.I.C. Division 3 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A-2" | 0.00 acres of permanent easement and a 0.39 acre temporary easement parcel out of Lot 124, B.C.I.C. Division 3 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas | 0.00 | Tracts 37, 41, 43, 45, 47, 52 | 4 |
| 37.5 | Lot 125, B.C.I.C. Division 3 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | 0.51 acres and a 4.070 acre temporary easement parcel of land out of Lot 125, B.C.I.C. Division 3 Subdivision, F.J. Calvit League, A-51 | 335.19 | Tracts 37.5, 38 | 2 |
| 37.5R | F.J. Calvit Survey, A-51, Brazoria County, Texas | Land under, over or along a certain County Road (Co. RD. 891, Brazoria County), being approximately 0.048 acres - Approx. ROW feet = 42.075', Approx. width = 25 feet on either side of the centerline of the 42" pipeline | 42.075 | Tracts 21R, 22R, 26R, 37.5R, 52R, 57R | 5 |
| 38 | 105.52 Acres, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | A 0.91 acre tract or parcel of land and a 1.90 acre temporary easement parcel of land out of the F.J. Calvit League, Abstract Number 51, Brazoria County, Texas | 798.52 | Tracts 37.5, 38 | 3 |
| 39 | 346.909 acres, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | A 4.53 acre tract of land and a 11.150 acre temporary easement parcel of land out of 346.909 acres, F.J. Calvit League, A-51, Brazoria County, Texas | 3946.00 | Tract 39 | 2 |
| 40 | Lots 158 & 159, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" - 1 | A 0.70 acre tract and a 0.99 acre temporary easement parcel of land out of a part of 102.5 acres, more or less, being tracts 126, 140, 154, 156, and 159, Brazos Coast Investment Company Subdivision #9 out of the F.J. Calvit League, Abstract 51, Brazoria County, Texas | 614.12 | Tracts 40, 42, 44, 49, 55 | 2 |
| 41 | Lot 157, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A-3" | A 0.36 acre tract and a 0.54 acre temporary easement parcel of land out of Lot 157, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51 | 312.24 | Tracts 37, 41, 43, 45, 47, 52 | 5 |
| 42 | Lot 156, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" - 2 | A 0.36 acre tract and a 0.50 acre temporary easement parcel of land out of a part of 102.5 acres, more or less, being tracts 126, 140, 154, 156, and 159, Brazos Coast Investment Company Subdivision #9 out of the F.J. Calvit League, Abstract 51, Brazoria County, Texas | 312.24 | Tracts 40, 42, 44, 49, 55 | 3 |
| 43 | Lot 155, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A-4" | 0.36 acres and a 0.54 acre temporary easement parcel of land out of Lot 155, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51 | 312.24 | Tracts 37, 41, 43, 45, 47, 52 | 6 |
| 44 | Lot 154, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" - 3 | 0.36 acres and a 0.72 acre temporary easement parcel of land out of a part of 102.5 acres, more or less, being tracts 126, 140, 154, 156, and 159, Brazos Coast Investment Company Subdivision #9 out of the F.J. Calvit League, Abstract 51, Brazoria County, Texas | 312.24 | Tracts 40, 42, 44, 49, 55 | 4 |
| 45 | Lot 153, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A-5" | 0.38 acres and a 0.54 acre temporary easement parcel of land out of Lot 153, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51 | 313.73 | Tracts 37, 41, 43, 45, 47, 52 | 7 |
| 46 | Lot 137, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | 0.31 acres and a 0.46 acre temporary easement parcel of land out of Lot 137, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51 (5.00 acres) | 268.54 | Tract 46 | 4 |
| 47 | Lot 138, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A-6" | 0.31 acres and a 0.46 acre temporary easement parcel of land out of Lot 138, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51 | 267.82 | Tracts 37, 41, 43, 45, 47, 52 | 8 |
| 48 | Lot 139, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | 0.31 acres and a 0.46 acre temporary easement parcel of land out of Lot 139, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51 (5.00 acres) | 267.41 | Tract 43 | 4 |
| 49 | Lot 140, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" - 4 | 0.31 acres and a 0.61 acre temporary easement parcel of land out of a part of 102.5 acres, more or less, being tracts 126, 140, 154, 156, and 159, Brazos Coast Investment Company Subdivision #9 out of the F.J. Calvit League, Abstract 51, Brazoria County, Texas | 267.41 | Tracts 40, 42, 44, 49, 55 | 5 |
| 50 | Lot 141, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | A 0.31 acre easement tract or parcel of land and a 0.46 acre temporary easement parcel of land out of Lot 141, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51 (16.211 rods in length) | 267.41 | Tracts 21, 50, 67 | 7 |

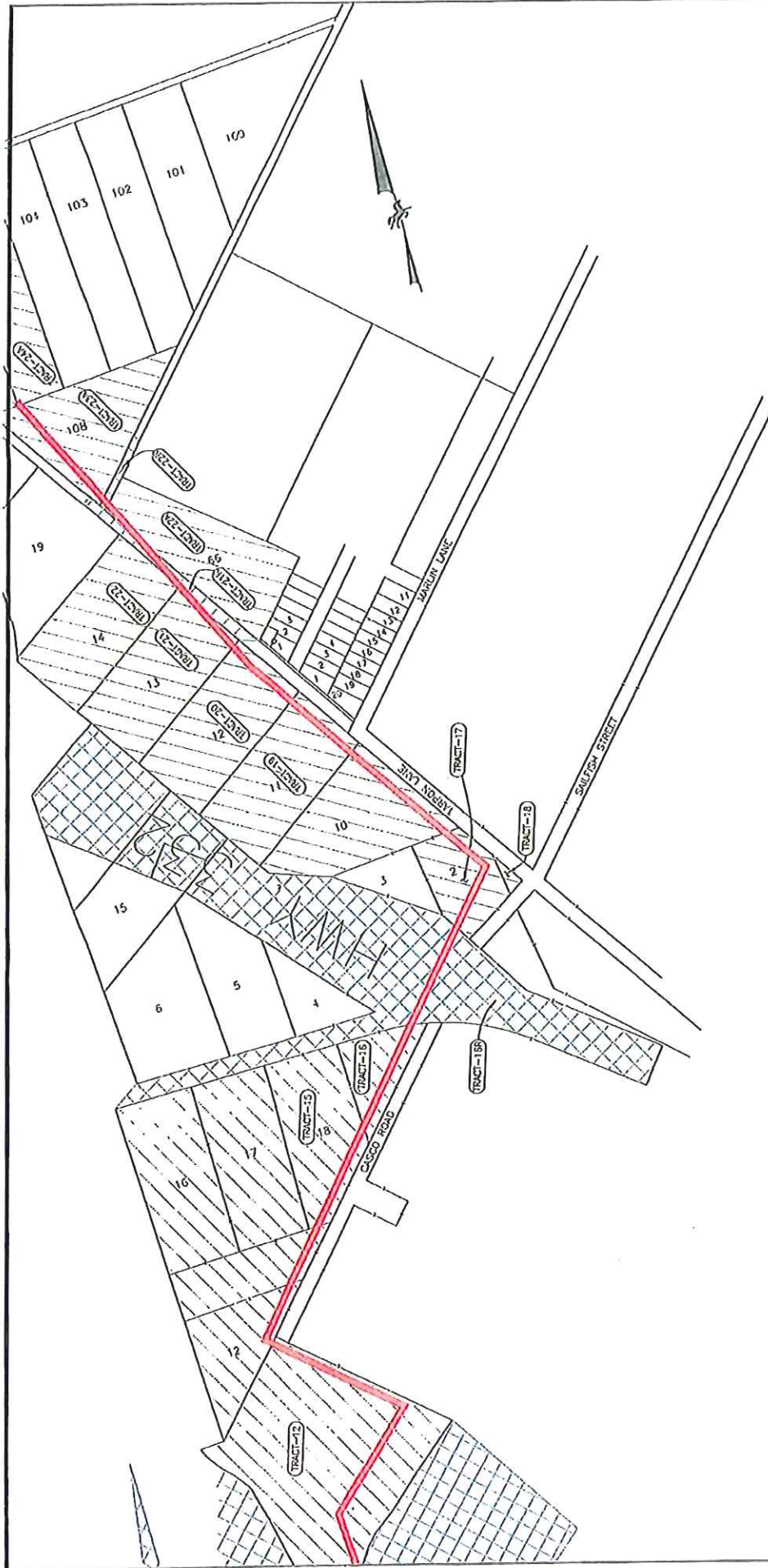
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|-----------------|--|---|---------|---------------------------------------|-----|
| 51 | Lot 142, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | A 0.37 acre tract of land, a 0.27 acre tract of land and a 0.61 acre temporary easement parcel of land out of Lot 142, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51. | 267.41 | Tract 51 | 2 |
| 52 | Lot 143 & 144, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A: A-1" | 0.61 acres and a 1.22 acre temporary easement parcel of land out of Lot 143 & 144, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51. | 898.15 | Tracts 37, 41, 43, 45, 47, 52 | 3 |
| 52R | F.J. Calvit Survey, A-51 & B.T. Archer Survey, A-9, Brazoria County, Texas | Land under, over or along a certain County Road (Co. Rd. 690A - Galley Way Rd., Brazoria County), being approximately 0.075 acres - Approx. ROW feet = 65.01', Approx. width = 25 feet on either side of the centerline of the 42" pipeline | 65.01 | Tracts 21R, 22R, 26R, 37.5R, 52R, 57R | 6 |
| 53 | Lot 125, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, "Exhibit A" | 0.61 acres out of Lot 125, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51 | 898.10 | Tract 53 | 2 |
| 55 | Lot 126, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" - 5 | 0.02 acres out of a part of 102.5 acres, more or less, being tracts 126, 140, 154, 156, and 159, Brazos Coast Investment Company Subdivision #9 out of the F.J. Calvit League, Abstract 51, Brazoria County, Texas | 0.00 | Tracts 40, 42, 44, 49, 55 | 6 |
| 56 | F.J. Calvit Survey, A-51 & B.T. Archer Survey, A-9, Brazoria County, Texas, Exhibit "B" | Land located across State-owned land in Brazoria County: Oyster Creek (20.04 rods in length), East Union Slough (1.5 rods in length), being 50 feet wide on either side of the centerline of the 42" pipeline, being approximately 0.911 acres | 396.66 | Tracts 2 and 56 | 6,7 |
| 57 | Lot 1C1, B.T. Archer League, A-9, Brazoria County, Texas, Exhibit "A" | 0.68 acres out of Lot 1C1, B.T. Archer League, A-9, Brazoria County, Texas (a 62.5637 acre tract of land) | 985.23 | Tract 57 | 2 |
| 57R | B.T. Archer Survey, A-9, Brazoria County, Texas | Land under, over or along a certain County Road (Unnamed Road and Co. Rd. 792, Brazoria County), being approximately 0.139 acres - Approx. ROW feet = 120.945', Approx. width = 25 feet on either side of the centerline of the 42" pipeline | 120.95 | Tracts 21R, 22R, 25R, 37.5R, 52R, 57R | 7,8 |
| 58 | Lots 1C, 1C2, 1C3, 1C4, 1C5, 1C6, 1C7 & 1C8, B.T. Archer League, A-9, Brazoria County, Texas, Exhibit "A" | 1.39 acres and a 1.84 acre temporary easement parcel of land out of Lots 1C, 1C2, 1C3, 1C4, 1C5, 1C6, 1C7 & 1C8, B.T. Archer League, A-9, Brazoria County, Texas (a 504.445 tract of land) | 1308.46 | Tract 58 | 2,3 |
| 59 | B.T. Archer League, A-9, Brazoria County, Texas, Exhibit "A" | A 0.60 acre tract or parcel of land and a 0.59 acre temporary easement parcel of land out of the B.T. Archer League, Abstract 9, Brazoria County, Texas | 658.00 | Tract 59 | 2 |
| 61 | John W. Lightfoot Survey, A-316, Brazoria County, Texas, Exhibit "A" | A strip of land (2.69 acre tract of land) and a 4.04 acre temporary easement parcel of land out of Tract 2 and Tract 3, being 500 acres, more or less, out of the John Lightfoot Survey, Abstract No. 316, Brazoria County, Texas | 2991.72 | Tract 61 | 2,3 |
| 62.01 and 62.02 | John W. Lightfoot Survey, A-316, Brazoria County, Texas, Exhibit "A" | A 0.46 acre tract or parcel of land and a 0.54 acre temporary easement parcel of land out of the John W. Lightfoot Survey, Abstract 316, Brazoria County, Texas | 495.71 | Tract 62.01, 62.02 | 2,3 |
| 62.023 | John W. Lightfoot Survey, A-316, Brazoria County, Texas, Exhibit "A" | A 0.09 acre tract or parcel of land and a 0.02 acre temporary easement parcel of land out of the John W. Lightfoot Survey, Abstract 316, Brazoria County, Texas | 29.66 | Tract 62.023 | 2 |
| 62a | John W. Lightfoot Survey, A-316, Brazoria County, Texas, Exhibit "A" | A forty (40) foot wide strip of land (approx. 1.50 acres) and a 2.00 acre temporary easement parcel of land across a certain 206.67 acre tract or parcel of land out of the John W. Lightfoot Survey, Abstract 316, Brazoria County, Texas | 1610.92 | Tract 62A | 2,3 |
| 62.03 | John W. Lightfoot Survey, A-316, Brazoria County, Texas, Exhibit "A" | A forty (40) foot wide strip of land (approx. 0.23 acres) and a 0.20 acre temporary easement parcel of land across a certain called 11.004 acre tract or parcel of land out of the John W. Lightfoot Survey, Abstract 316, Brazoria County, Texas | 248.01 | Tract 62.03 | 2 |
| 65 | John W. Lightfoot Survey, A-316, Brazoria County, Texas, Exhibit "A" | A 0.50 acre tract or parcel of land and a 0.44 acre temporary easement parcel of land out of the John W. Lightfoot Survey, Abstract 316, Brazoria County, Texas | 545.36 | Tract 65 | 2 |
| 66 | Lot 1D, Jared E. Groce 5 Leagues Grant, A-66, Brazoria County, Texas, Exhibit "A" | A 1.02 acre tract and a 0.89 acre temporary easement parcel of land out of Lot 1D, Jared E. Groce 5 Leagues Grant, A-66, Brazoria County, Texas (45.00 acres) | 1112.26 | Tract 66 | 2 |

| | | | | | |
|----|---|---|--------------------------|-------------------|-------|
| 67 | Jared E. Groce 5 Leagues Grant, A-66, Brazoria County, Texas, Exhibit "A", approximately 20.55 acres out of a 5,782.72 acre tract | (1) Approximately 542.7 rods, being 3,950.63 feet in length and 50 feet in width on either side of the centerline of the existing 42" pipeline, being approximately 20.55 acres of a 5,782.72 acre tract or parcel of land out of the Jared E. Groce 5 Leagues Grant, A-66, Brazoria County, Texas (owned by Dow Chemical Company) ; and (2) Approximately 500 feet in length and 100 feet in width, being approximately 1.15 acres of a 5,782.72 acre tract or parcel of land out of the Jared E. Groce 5 Leagues Grant Survey, A-66, Brazoria County, Texas (owned by Dow Chemical Company), for the NGL line split-off to Incees | 8950.63 + 500 = 9450.63 | Tracts 21, 50, 67 | 3,4,5 |
| 68 | J. E. Groce 5 Leagues Grant, A-66, Brazoria County, Texas, Exhibit "A" | A 0.02 acre tract or parcel of land and a 0.02 acre temporary easement parcel of land out of the J.E. Groce 5 Leagues Grant Survey, Abstract 66, Brazoria County, Texas | 20.09 | Tract 68 | 2 |
| 69 | Jared E. Groce 5 League, A-66, Brazoria County, Texas, approximately 1.81 acres | (1) Approximately 1.81 acres and a 0.18 acre temporary easement parcel of land out of a 474.77 acre tract out of the Jared E. Groce 5 League Survey, A-66, Brazoria County, Texas; and (2) Approximately 2,600 feet in length and 100 feet in width, being approximately 5.57 acres out of a 474.77 acre tract out of the Jared E. Groce 5 League Survey A-66, Brazoria County, Texas, for the NGL line split off to Incees | 1058.94 + 2600 = 3658.94 | Tract 69 | 3 |



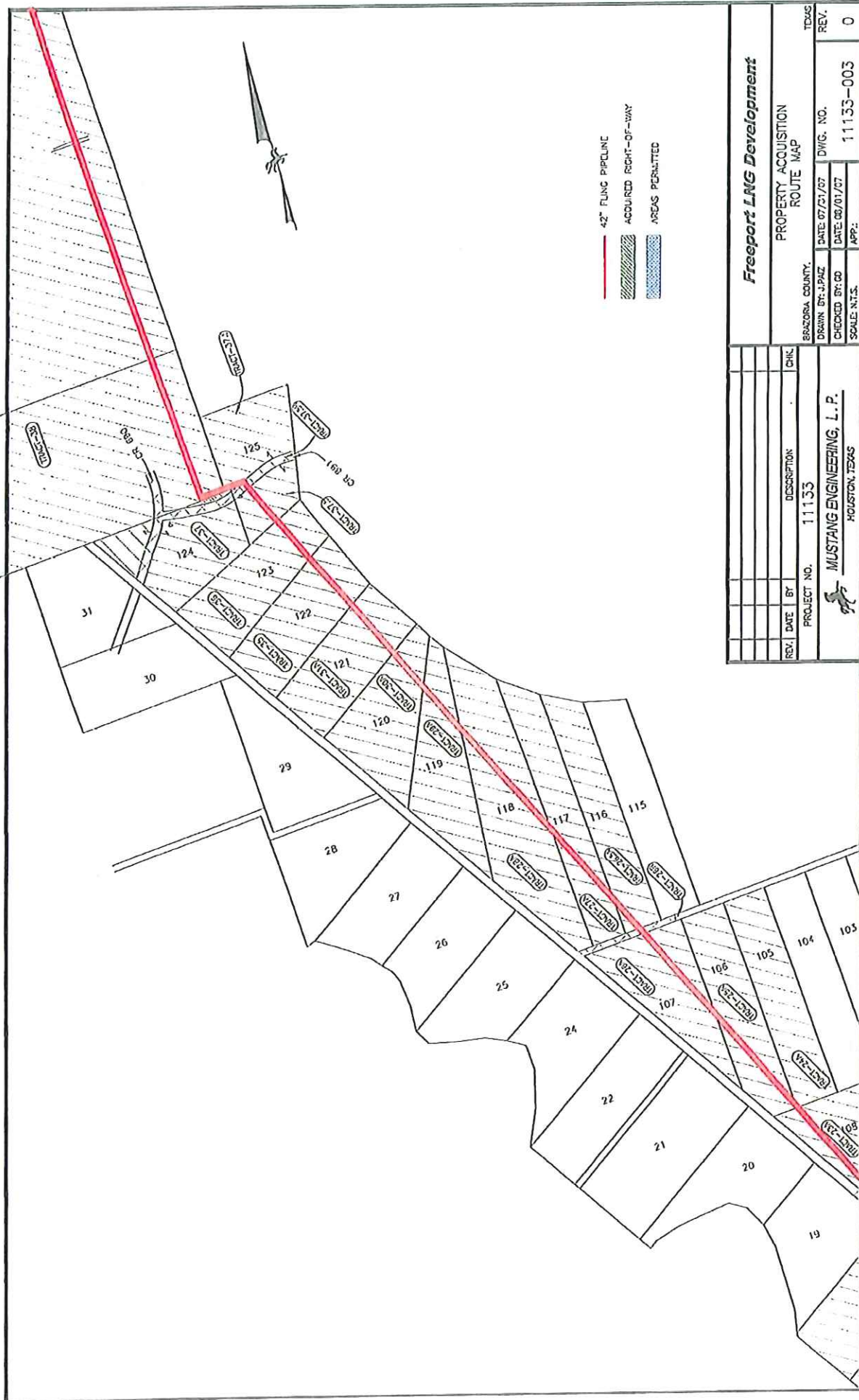
Freeport LNG Development

| PROPERTY ACQUISITION | | ROUTE MAP | | TXAS | |
|---------------------------|------|----------------|-------------|--------------------|------|
| REV. | DATE | BY | DESCRIPTION | CHK. | DATE |
| PROJECT NO. 11133 | | | | | |
| MUSTANG ENGINEERING, L.P. | | | | | |
| HOUSTON, TEXAS | | | | | |
| BRADSHAW COUNTY | | | | | |
| DRAWN BY: J.P.AZ | | DATE: 08/01/07 | | DWG. NO. 11133-001 | |
| CHECKED BY: GD | | DATE: 08/01/07 | | REV. 0 | |
| SCALE: N.T.S. | | APP: | | | |

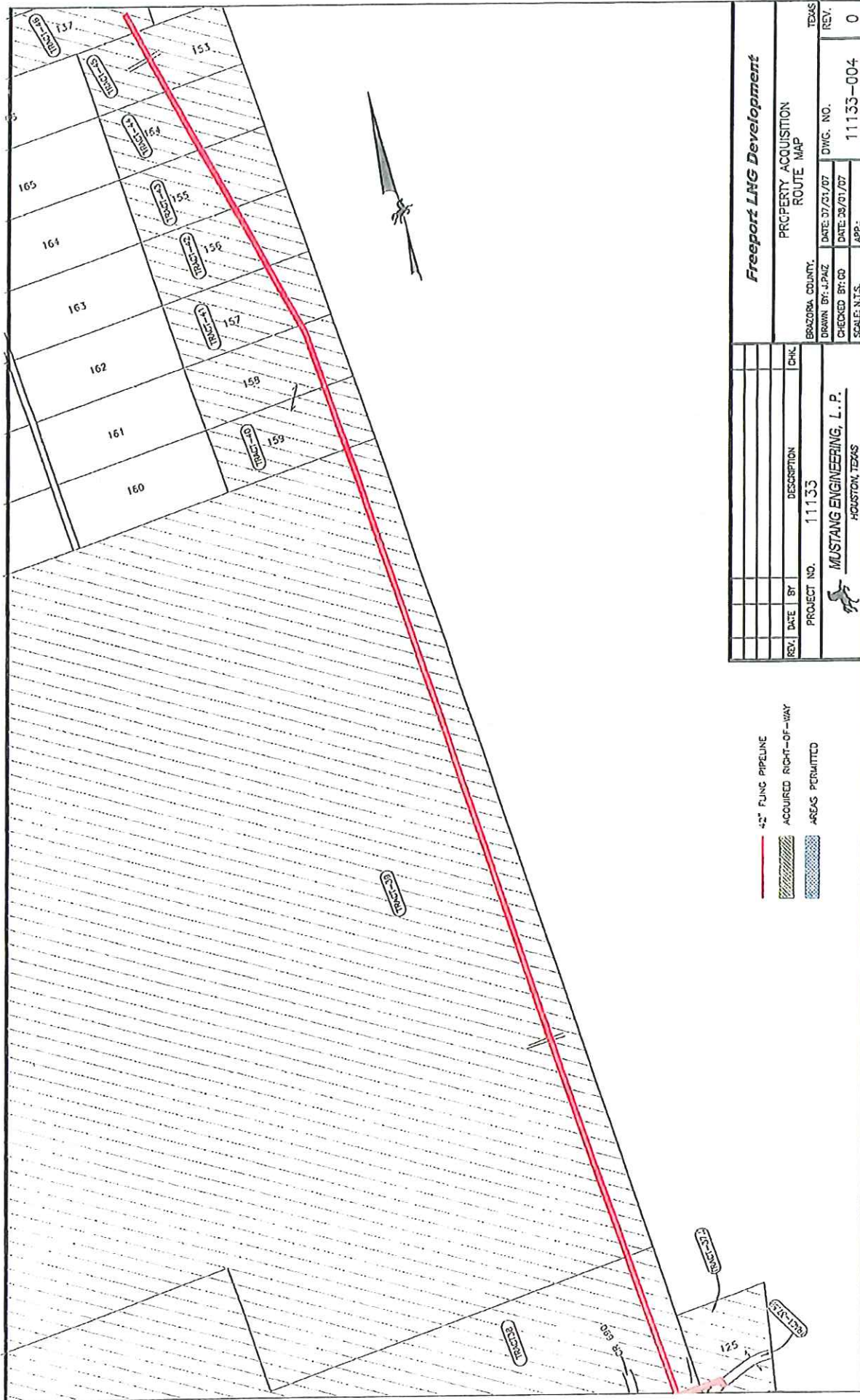


| Freepart LNG Development | | | |
|-------------------------------|--|--------------------------------|--|
| REV. DATE BY DESCRIPTION CHK. | | PROPERTY ACQUISITION ROUTE MAP | |
| PROJECT NO. 11133 | | GRADORA COUNTY. | |
| DRAWN BY J.PAZ | | DATE: 07/31/07 | |
| CHECKED BY CD | | DATE: 08/01/07 | |
| SCALE: N.T.S. | | APP: 11133-002 | |
| MUSTANG ENGINEERING, L.P. | | HOUSTON, TEXAS | |
| TEXAS | | REV. 0 | |

42" FLARING PIPELINE
 ACQUIRED RIGHT-OF-WAY
 AREAS PERMITTED



| Freepoint LNG Development | | | |
|--------------------------------|------|----|------|
| PROPERTY ACQUISITION ROUTE MAP | | | |
| REV. | DATE | BY | CHK. |
| PROJECT NO. 11133 | | | |
| MUSTANG ENGINEERING, L. P. | | | |
| HOUSTON, TEXAS | | | |
| Brazoria County, Texas | | | |
| DRAWN BY: JPAZ | | | |
| DATE: 07/21/07 | | | |
| DWG. NO. 11133-003 | | | |
| CHECKED BY: GD | | | |
| DATE: 08/01/07 | | | |
| SCALE: N.T.S. | | | |
| APPR. | | | |
| TDSG REV. 0 | | | |



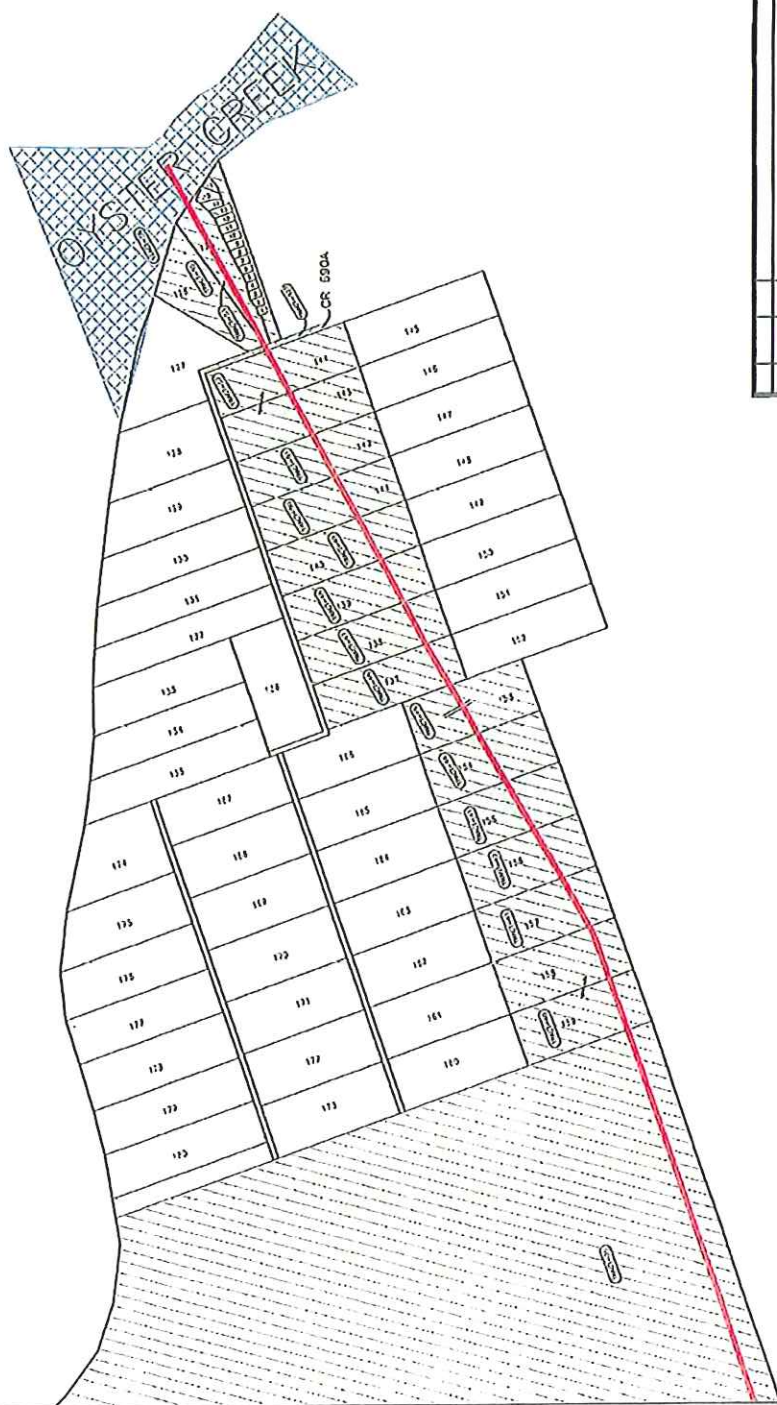
Freeport LNG Development

PROPERTY ACQUISITION
ROUTE MAP

| | | | |
|-----------------------|----------------|--------------------|--------|
| BRACORA COUNTY, TEXAS | DATE: 07/01/07 | DWG. NO. 11133-004 | REV. 0 |
| DRAWN BY: J.P.AZ | DATE: 07/01/07 | | |
| CHECKED BY: GD | DATE: 07/01/07 | | |
| SCALE: N.T.S. | APP: | | |

PROJECT NO. 11133
MUSTANG ENGINEERING, L.P.
HOUSTON, TEXAS

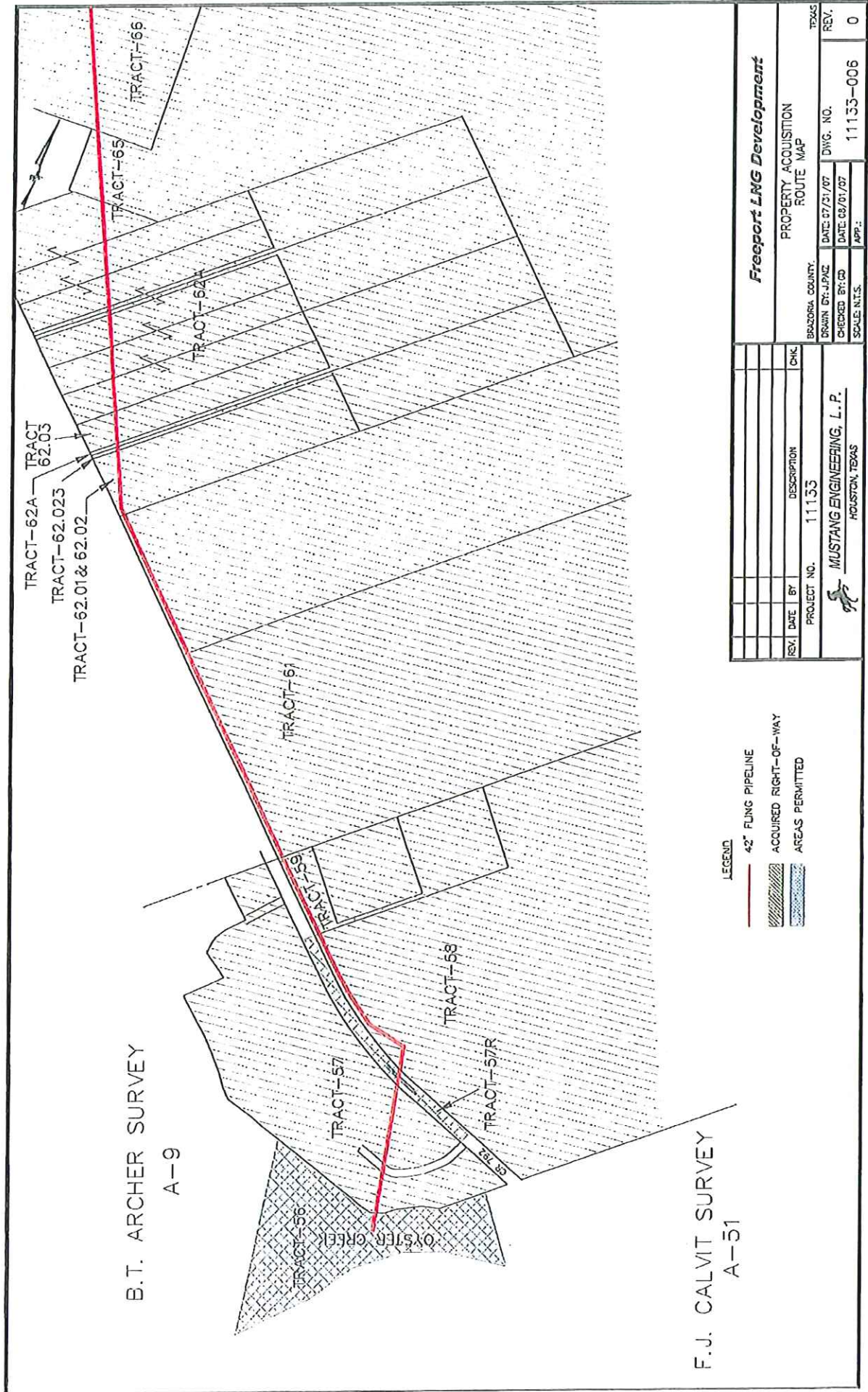
- 42" FJNG PIPELINE
- ACQUIRED RIGHT-OF-WAY
- AREAS PERMITTED



42" FLNG PIPELINE
 ACQUIRED RIGHT-OF-WAY
 AREAS PERMITTED

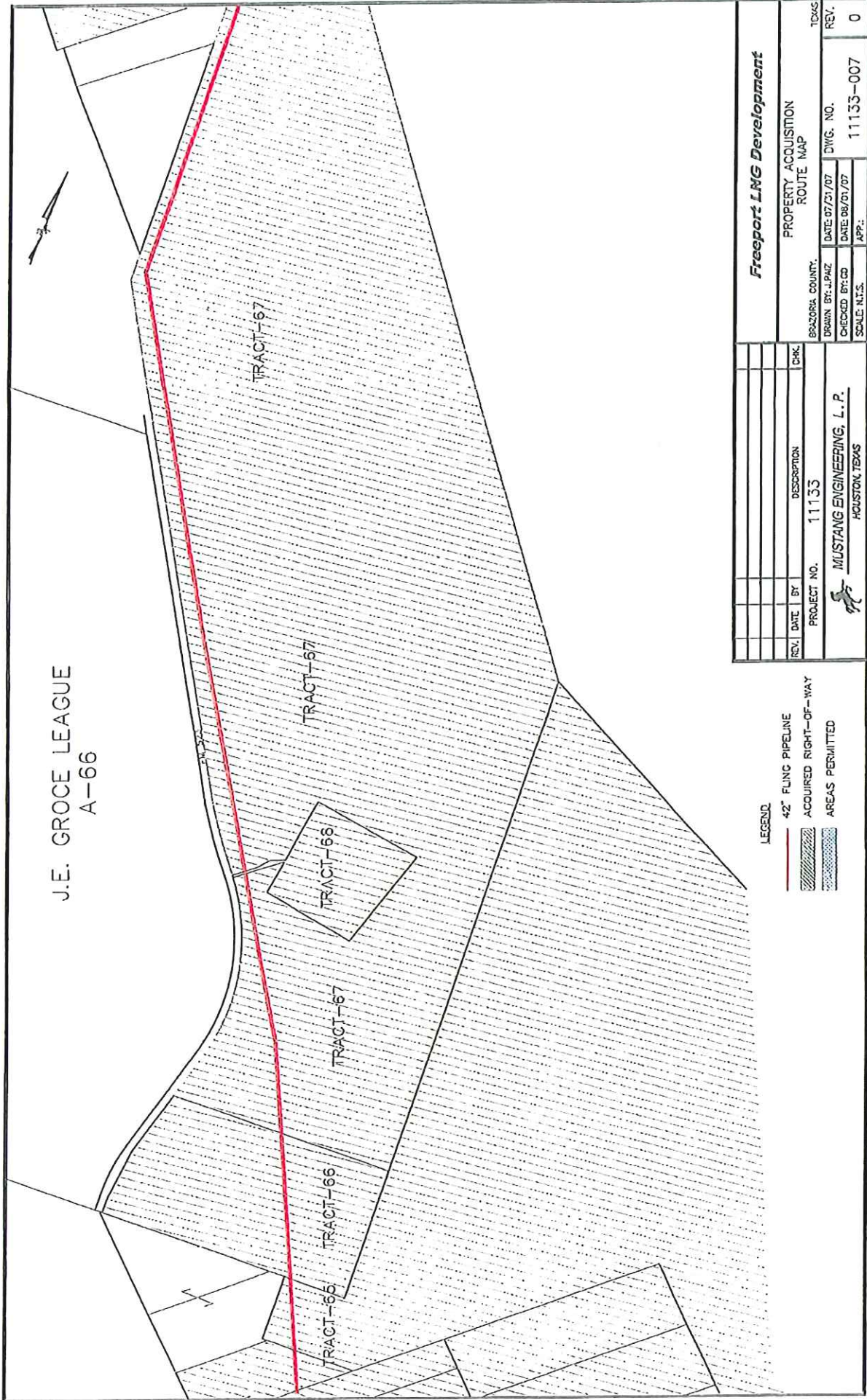
Freepport LNG Development

| REV. | | DATE | BY | DESCRIPTION | CHK. |
|---------------------------|--|--------------------------------|----|-------------|------|
| PROJECT NO. | | 11133 | | | |
| MUSTANG ENGINEERING, L.P. | | HOUSTON, TEXAS | | | |
| BRADZORA COUNTY. | | PROPERTY ACQUISITION ROUTE MAP | | | |
| DRAWN BY: JPAZ | | DATE: 37/31/07 | | DWG. NO. | |
| CHECKED BY: GD | | DATE: 38/01/07 | | REV. | |
| SCALE: N.T.S. | | APP. | | 11133-005 | |
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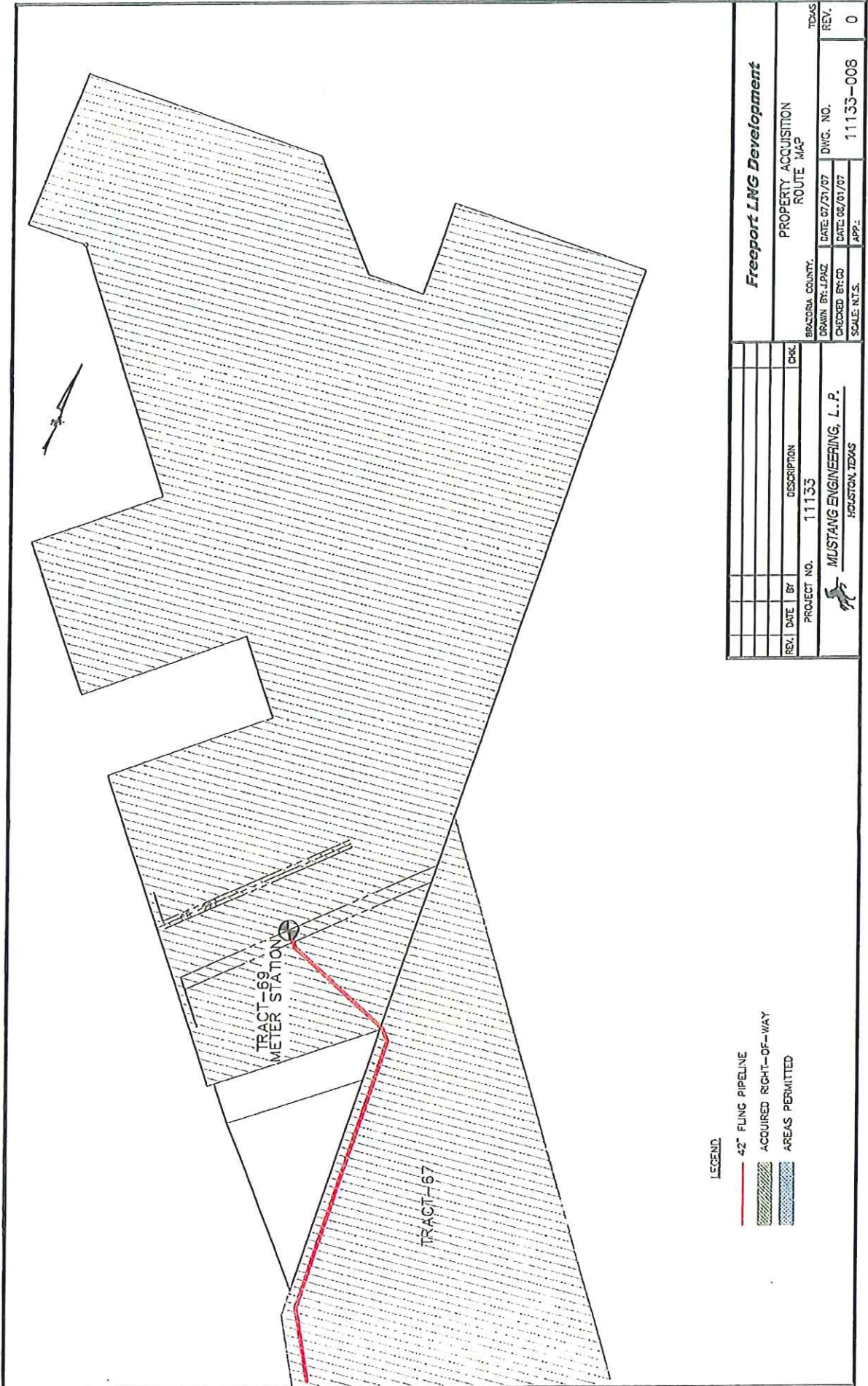


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Bid Sorrell



BEING A 305.672 ACRE TRACT OF LAND IN THE FREDERICK J. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS; SAID 305.672 ACRE TRACT BEING A PART OF THE FOLLOWING TWO TRACTS: (1) A 346.909 ACRE TRACT OF LAND CONVEYED TO MICHAEL J. SORRELL AND WIFE, LORIE, SORRELL FROM KATHERINE CULLEN BURTON, ET AL, TRUSTEES OF THE ROY G. CULLEN TRUST FOR THE BENEFIT OF ROY HENRY CULLEN, THE ROY G. CULLEN TRUST FOR THE BENEFIT OF HARRY HOLMES CULLEN AND THE ROY G. CULLEN TRUST FOR THE BENEFIT OF CORNELIA CULLEN LONG RECORDED UNDER COUNTY CLERK'S FILE (C.C.F.) NO. 01-011002 OF THE OFFICIAL RECORDS OF BRAZORIA COUNTY, TEXAS (O.R.B.C.T.); AND (2) A 9.495 ACRE TRACT OF LAND CONVEYED TO MICHAEL J. SORRELL FROM J. T. SUGGS, JR. BY DEED DATED AUGUST 28, 1986 AND RECORDED IN VOLUME (86)320, PAGE 391 OF THE O.R.B.C.T.; THE BEARINGS STATED IN THIS DESCRIPTION ARE GRID BEARINGS AND ARE BASED ON THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983; DISTANCES ARE HORIZONTAL GROUND LEVEL LENGTHS AND MAY BE CONVERTED TO GRID DISTANCES USING THE COMBINED FACTOR OF 0.9998819; SAID 305.672 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a three-eighths inch iron rod with cap found at the southwest corner of said 346.909 acre tract and on the east line of the Brazos Coast Investment Company (B.C.I.C.) Subdivision (S/D) No. 10 recorded in Volume 2, Page 141 of the Plat Records of Brazoria County, Texas (P.R.B.C.T.); same being the northwest corner of a 105.52 acre tract conveyed to Zim Exploration & Production Co. from Buccaneer Land Partnership by deed dated December 16, 1989 and recorded in Volume (90)756, Page 702 of the O.R.B.C.T.; from which a one and one-half inch iron pipe found at the southwest corner of said 105.52 acre tract bears South 09° 44' 50" East, 1,309.41 feet (called South 09° 45' 00" East, 1,308.5 feet);

THENCE North 09° 44' 50" West (called North 09° 45' 00" West), along the common line of said 346.909 acre tract and said B.C.I.C. S/D No. 10, a distance of 834.38 feet to a five-eighths inch iron rod set for corner;

THENCE North 86° 48' 42" East a distance of 40.85 feet to a five-eighths inch iron rod set for corner;

THENCE North 53° 05' 23" East a distance of 102.73 feet to a five-eighths inch iron rod set for corner;

THENCE North 37° 28' 56" East a distance of 97.87 feet to a five-eighths inch iron rod set for corner;

THENCE North 19° 44' 43" East a distance of 104.60 feet to a five-eighths inch iron rod set for corner;

DESCRIPTION OF 305.672 ACRES
PAGE 2 OF 4 PAGES

THENCE North 12° 33' 00" East a distance of 323.47 feet to a five-eighths inch iron rod set for corner;

THENCE North 19° 08' 27" East a distance of 111.23 feet to a five-eighths inch iron rod set for corner;

THENCE North 33° 56' 34" East a distance of 109.84 feet to a five-eighths inch iron rod set for corner;

THENCE North 49° 13' 02" East a distance of 109.35 feet to a five-eighths inch iron rod set for corner;

THENCE North 49° 45' 48" East a distance of 223.28 feet to a five-eighths inch iron rod set for corner;

THENCE South 09° 57' 26" East a distance of 46.57 feet to a five-eighths inch iron rod set for corner;

THENCE North 71° 06' 16" East a distance of 90.18 feet to a five-eighths inch iron rod set for corner;

THENCE North 82° 11' 52" East a distance of 118.26 feet to a five-eighths inch iron rod set for corner;

THENCE North 63° 32' 46" East a distance of 102.96 feet to a five-eighths inch iron rod set for corner;

THENCE North 74° 53' 41" East a distance of 100.36 feet to a five-eighths inch iron rod set for corner;

THENCE North 78° 01' 29" East a distance of 318.85 feet to a five-eighths inch iron rod set for corner;

THENCE North 86° 22' 03" East a distance of 237.67 feet to a five-eighths inch iron rod set for corner;

THENCE South 82° 49' 08" East a distance of 136.31 feet to a five-eighths inch iron rod set for corner;

THENCE North 03° 12' 38" West a distance of 1,659.52 feet to a five-eighths inch iron rod set for corner on the most northerly north line of said 346.909 acre tract and the south line of Tract 180 of the B.C.L.C. S/D No. 9, also recorded in Volume 2, Page 141 of the P.R.B.C.T.;

DESCRIPTION OF 305.672 ACRES
PAGE 3 OF 4 PAGES

THENCE North $86^{\circ} 47' 22''$ East (called North $86^{\circ} 48' 00''$ East), along the most northerly north line of said 346.909 acre tract and the south line of said Tract 180, a distance of 545.01 feet to a five-eighths inch iron rod found in concrete at the most northerly northeast corner of said 346.909 acre tract; same being the southeast corner of said Tract 180;

THENCE South $03^{\circ} 00' 11''$ East, along the most northerly east line of said 346.909 acre tract and a west line of said B.C.I.C. S/D No. 9, a distance of 140.30 feet (called South $03^{\circ} 00' 00''$ East, 140.08 feet) to a three-eighths inch iron rod found in concrete at an interior ell corner of said 346.909 acre tract and a southwest corner of said B.C.I.C. S/D No. 9;

THENCE North $86^{\circ} 59' 22''$ East (called North $87^{\circ} 00' 00''$ East), along the north line of said 346.909 acre tract and a northerly south line of said B.C.I.C. S/D No. 9, at 1,728.87 feet (called 1,728.70 feet) pass a three-eighths inch iron rod found on line, at 1,933.20 feet (called 1,933.00 feet) pass a railroad bridge bolt found on line, and continuing for a total distance of 2,246.40 feet to a five-eighths inch iron rod set at the northeast corner of said 346,909 acre tract; same being an interior ell corner of said B.C.I.C. S/D No. 9;

THENCE South $02^{\circ} 44' 33''$ East along the east line of said 346.909 acre tract and a west line of said B.C.I.C. S/D No. 9, a distance of 3,944.26 feet (called South $03^{\circ} 44' 30''$ East, 3,945.41 feet) to a point in water at the southeast corner of said 346.909 acre tract; same being the northeast corner of said 105.52 acre tract; from which a one-half inch iron rod with cap found at the southeast corner of said 105.52 acre tract bears South $02^{\circ} 44' 33''$ East, 701.23 feet (called South $02^{\circ} 44'$ East, 700.0 feet);

THENCE South $86^{\circ} 45' 14''$ West, along the most easterly south line of said 346.909 acre tract and the most easterly north line of said 105.52 acre tract, at 147.78 feet (called 148.0 feet) pass a one-half inch iron pipe found on line, at 592.38 feet (called 592.43 feet) pass a three-eighths inch iron rod with cap found 1.15 feet south of this line, and continuing for a total distance of 1,897.21 feet (called South $86^{\circ} 47' 33''$ West, 1,897.10 feet) to a three-fourths inch iron pipe found at the most southerly southwest corner of said 346.909 acre tract and an interior ell corner of said 105.52 acre tract;

THENCE North $03^{\circ} 13' 55''$ West, along the most southerly west line of said 346.909 acre tract and a northerly east line of said 105.52 acre tract, a distance of 600.13 feet (called North $03^{\circ} 14' 14''$ West, 600.34 feet), to a one-half inch iron pipe found at an interior ell corner of said 346.909 acre tract and a northerly northeast corner of said 105.52 acre tract;

THENCE South $86^{\circ} 44' 09''$ West, along a south line of said 346.909 acre tract and a north line of said 105.52 acre tract, a distance of 1,249.82 feet (called South $86^{\circ} 44' 37''$ West, 1,249.80 feet) to a five-eighths inch iron rod found for corner;

DESCRIPTION OF 305.672 ACRES
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THENCE North 03° 46' 27" East, along a west line of said 346.909 acre tract and an east line of said 105.52 acre tract, a distance of 88.61 feet (called North 04° 01' 00" East, 88.56 feet) to a five-eighths inch iron rod found for corner;

THENCE North 85° 19' 09" West, along a south line of said 346.909 acre tract and a north line of said 105.52 acre tract, a distance of 379.91 feet (called North 85° 14' 23" West, 380.60 feet) to a five-eighths inch iron rod found for corner;

THENCE South 47° 42' 38" West, along a southeast line of said 346.909 acre tract and a northwest line of said 105.52 acre tract, a distance of 221.91 feet (called South 47° 19' 09" West, 221.27 feet) to a five-eighths inch iron rod found for corner;

THENCE South 86° 50' 46" West, along the most westerly south line of said 346.909 acre tract and the most westerly north line of said 105.52 acre tract, a distance of 760.83 feet (called South 86° 51' 33" West, 761.31 feet) to the POINT OF BEGINNING and containing 305.672 acres of land. Each five-eighths inch iron rod described as set in this description has a plastic cap marked "Baker & Lawson". The description herein is based on a survey made in March, April, and May, 2012 by Baker & Lawson, Inc.

CERTIFIED CORRECT:


Cecil J. Booth
Registered Professional Land Surveyor
Registration No. 2061

Date: 18 May 12
Job No. 10858



Tract 136



BEING A 4.998 ACRE TRACT OF LAND IN THE FREDERICK J. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS; SAID 4.998 ACRE TRACT BEING TRACT 136 OF THE BRAZOS COAST INVESTMENT COMPANY SUBDIVISION (B.C.I.C.) SUBDIVISION (S/D) NO. 9 RECORDED IN VOLUME 2, PAGE 141 OF THE PLAT RECORDS OF BRAZORIA COUNTY, TEXAS; SAID TRACT 136 BEING CONVEYED TO MIKE SORRELL FROM DAVID MELASS BY DEED DATED APRIL 24, 2006 AND RECORDED UNDER COUNTY CLERK'S FILE NO. 2006024870 OF THE OFFICIAL RECORDS OF BRAZORIA COUNTY, TEXAS; THE BEARINGS STATED IN THIS DESCRIPTION ARE GRID BEARINGS AND ARE BASED ON THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983; DISTANCES ARE HORIZONTAL GROUND LEVEL LENGTHS AND MAY BE CONVERTED TO GRID DISTANCES USING THE COMBINED FACTOR OF 0.9998819; SAID 4.998 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a one-half inch iron rod found at the southeast corner of Tract 135 and on the north line of Tract 167 of said B.C.I.C. S/D No. 9; same being at the intersection of the south and west lines of a 30 feet wide platted, unimproved road; thence as follows:

North 03° 06' 52" West along the east line of said Tract 135 and the west line of said 30 feet wide road, a distance of 27.97 feet and North 87° 11' 05" East a distance of 30.00 feet to a five-eighths inch iron rod set for the southwest corner of said Tract 136 and POINT OF BEGINNING of the herein described tract; same being the intersection of the north and east lines of said 30 feet wide road;

THENCE North 03° 06' 52" West, along the east line of said Tract 136 and the east line of said 30 feet wide road, a distance of 672.39 feet to a five-eighths inch iron rod set for the northwest corner of said Tract 136 and on the south line of Tract 132 of said B.C.I.C. S/D No. 9;

THENCE North 87° 11' 05" East, along the common line of said Tracts 136 and 132, a distance of 323.33 feet (called 324.1 feet) to a five-eighths inch iron rod set at the northeast corner of said Tract 136 and on the west line of a 30 feet wide platted, unimproved road;

THENCE South 03° 11' 51" East, along the east line of said Tract 136 and the west line of said 30 feet wide road, a distance of 672.40 feet to a five-eighths inch iron rod set at the southeast corner of said Tract 136 and at the intersection of the north and west lines of a 30 feet wide platted, unimproved road;

DESCRIPTION OF TRACT 136

PAGE 2 OF 2 PAGES

THENCE South $87^{\circ} 11' 05''$ West, along the south line of said Tract 136 and the north line of said 30 feet wide road, a distance of 324.31 feet (called 324.1 feet) to the POINT OF BEGINNING and containing 4.998 acres of land. Each five-eighths inch iron rod described as set in this description has a plastic cap marked "Baker & Lawson". The description herein is based on a survey made in March, April, and May, 2012 by Baker & Lawson, Inc.

CERTIFIED CORRECT:

Cecil J. Booth

Cecil J. Booth
Registered Professional Land Surveyor
Registration No. 2061

Date: 18 May 12
Job No. 10858



Tract 140



BEING A 4.976 ACRE TRACT OF LAND IN THE FREDERICK J. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS; SAID 4.976 ACRE TRACT BEING TRACT 140 OF THE BRAZOS COAST INVESTMENT COMPANY SUBDIVISION (B.C.I.C.) SUBDIVISION (S/D) NO. 9 RECORDED IN VOLUME 2, PAGE 141 OF THE PLAT RECORDS OF BRAZORIA COUNTY, TEXAS; SAID TRACT 140 BEING CONVEYED TO MIKE SORRELL FROM DAVID MBASS BY DEED DATED APRIL 24, 2006 AND RECORDED UNDER COUNTY CLERK'S FILE NO. 2006024870 OF THE OFFICIAL RECORDS OF BRAZORIA COUNTY, TEXAS; THE BEARINGS STATED IN THIS DESCRIPTION ARE GRID BEARINGS AND ARE BASED ON THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983; DISTANCES ARE HORIZONTAL GROUND LEVEL LENGTHS AND MAY BE CONVERTED TO GRID DISTANCES USING THE COMBINED FACTOR OF 0.9998819; SAID 4.976 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METERS AND BOUNDS AS FOLLOWS:

COMMENCING at a one and one-fourth inch iron pipe found at the northwest corner of Tract 166 of said B.C.I.C. S/D No. 9; same being at the intersection of the south and east lines of a 30 feet wide platted, unimproved road; thence as follows:

North 87° 11' 05" East along the north line of said Tract 166 and the south line of said 30 feet wide road, a distance of 311.59 feet to a five-eighths inch iron rod set at an interior ell corner of said Tract 166 and at the intersection with the east line of another 30 feet wide platted, unimproved road;

North 03° 11' 51" West along the east line of said 30 feet wide road and along the west lines of Tracts 137 through 139 of said B.C.I.C. S/D No. 9, a distance of 814.11 feet to a five-eighths inch iron rod set for the common west corner of said Tracts 139 and 140 and the POINT OF BEGINNING of the herein described tract;

THENCE North 03° 11' 51" West along the west line of said Tract 140 and the east line of said 30 feet wide road, a distance of 262.09 feet (called 262.1 feet) to a five-eighths inch iron rod set for the common west corner of Tracts 140 and 141 of said B.C.I.C. S/D No. 9;

THENCE North 87° 11' 05" East along the common line of said Tracts 140 and 141, a distance of 827.00 feet to a concrete monument with a brass disk stamped SE 141 SUBD 9 found at the common corner of Tracts 140, 141, 148 and 149 of said B.C.I.C. S/D No. 9;

THENCE South 03° 11' 51" East along the common line of said Tracts 140 and 149, a distance of 262.09 feet (called 262.1 feet) to a five-eighths inch iron rod with cap found at the common corner of Tracts 139, 140, 149 and 150 of said B.C.I.C. S/D No. 9;

DESCRIPTION OF TRACT 140
PAGE 2 OF 2 PAGES

THENCE South $87^{\circ} 11' 05''$ West along the common line of said Tracts 139 and 140, a distance of 827.00 feet to the POINT OF BEGINNING and containing 4.976 acres of land. Each five-eighths inch iron rod described as set in this description has a plastic cap marked "Baker & Lawson". The description herein is based on a survey made in March, April, and May, 2012 by Baker & Lawson, Inc.

CERTIFIED CORRECT:

C. J. Booth

Cecil J. Booth
Registered Professional Land Surveyor
Registration No. 2061

Date: 18 May 12
Job No. 10858



Tract 154



BEING A 5.112 ACRE TRACT OF LAND IN THE FREDERICK J. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS; SAID 5.112 ACRE TRACT BEING TRACT 154 OF THE BRAZOS COAST INVESTMENT COMPANY SUBDIVISION (B.C.I.C.) SUBDIVISION (S/D) NO. 9 RECORDED IN VOLUME 2, PAGE 141 OF THE PLAT RECORDS OF BRAZORIA COUNTY, TEXAS; SAID TRACT 154 BEING CONVEYED TO MIKE SORRELL FROM DAVID MELASS BY DEED DATED APRIL 24, 2006 AND RECORDED UNDER COUNTY CLERK'S FILE NO. 2006024870 OF THE OFFICIAL RECORDS OF BRAZORIA COUNTY, TEXAS; THE BEARINGS STATED IN THIS DESCRIPTION ARE GRID BEARINGS AND ARE BASED ON THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983; DISTANCES ARE HORIZONTAL GROUND LEVEL LENGTHS AND MAY BE CONVERTED TO GRID DISTANCES USING THE COMBINED FACTOR OF 0.9998819; SAID 5.112 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a five-eighths inch iron rod with cap found at the southeast corner of said Tract 154, at the northeast corner of 155 of said B.C.I.C. S/D No. 9 and on the west line of a 30 feet wide platted, unimproved road;

THENCE South $86^{\circ} 45' 39''$ West along the common line of said Tracts 154 and 155, a distance of 729.96 feet (called 730 feet) to a one-half inch iron rod found at the common corner of 154, 155, 164 and 165 of said B.C.I.C. S/D No. 9; from which a one and one-fourth inch iron pipe found at the common west corner of said Tracts 164 and 165 bears South $86^{\circ} 50' 14''$ West, 733.02 feet;

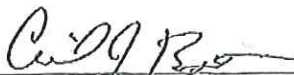
THENCE North $03^{\circ} 10' 52''$ West along the common line of said Tracts 154 and 165, a distance of 305.31 feet (called 304.75 feet) to a five-eighths inch iron rod set for the common corner of Tracts 153, 154, 165 and 166 of said B.C.I.C. S/D No. 9;

THENCE North $86^{\circ} 47' 59''$ East along the common line of said Tracts 153 and 154, a distance of 729.97 feet (called 730 feet) to a five-eighths inch iron rod with cap found at the common east corner of said Tracts 153 and 154 and on the west line of said 30 feet wide road;

DESCRIPTION OF TRACT 154
PAGE 2 OF 2 PAGES

THENCE South 03° 10' 44" East along the east line of said Tract 154 and the west line of said 30 feet wide road, a distance of 304.81 feet (called 304.75 feet) to the POINT OF BEGINNING and containing 5.112 acres of land. Each five-eighths inch iron rod described as set in this description has a plastic cap marked "Baker & Lawson". The description herein is based on a survey made in March, April, and May, 2012 by Baker & Lawson, Inc.

CERTIFIED CORRECT:



Cecil J. Booth
Registered Professional Land Surveyor
Registration No. 2061

Date: 18 MAY 12
Job No. 10858



Tract 156 + 163



BEING A 10.224 ACRE TRACT OF LAND IN THE FREDERICK J. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS; SAID 10.224 ACRE TRACT BEING TRACTS 156 AND 163 OF THE BRAZOS COAST INVESTMENT COMPANY SUBDIVISION (B.C.I.C.) SUBDIVISION (S/D) NO. 9 RECORDED IN VOLUME 2, PAGE 141 OF THE PLAT RECORDS OF BRAZORIA COUNTY, TEXAS; SAID TRACTS 156 AND 163 BEING CONVEYED TO MIKE SORRELL FROM DAVID MELASS BY DEED DATED APRIL 24, 2006 AND RECORDED UNDER COUNTY CLERK'S FILE NO. 2006024870 OF THE OFFICIAL RECORDS OF BRAZORIA COUNTY, TEXAS; THE BEARINGS STATED IN THIS DESCRIPTION ARE GRID BEARINGS AND ARE BASED ON THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983; DISTANCES ARE HORIZONTAL GROUND LEVEL LENGTHS AND MAY BE CONVERTED TO GRID DISTANCES USING THE COMBINED FACTOR OF 0.9998819; SAID 10.224 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a one inch iron pipe found at the common west corner of Tracts 163 and 162 of said B.C.I.C. S/D No. 9 and on the east line of a 30 feet wide platted, unimproved road;

THENCE North 03° 13' 20" West along the west line of said Tract 163 and the east line of said 30 feet wide road, a distance of 304.67 feet (called 304.75 feet) to a five-eighths inch iron rod set for the common west corner of Tracts 163 and 164 of said B.C.I.C. S/D No. 9; from which a one and one-quarter inch iron pipe found at the common west corner of Tracts 164 and 165 of said B.C.I.C. S/D No. 9 bears North 03° 13' 20" West, 304.67 feet;

THENCE North 86° 50' 21" East along the common line of said Tracts 163 and 164, a distance of 732.71 feet (called 732 feet) to a one-half inch iron rod found at the common corner of Tracts 155, 156, 163 and 164 of said B.C.I.C. S/D No. 9;

THENCE North 86° 46' 44" East along the common line of said Tracts 155 and 156, a distance of 730.04 feet (called 730 feet) to a five-eighths inch iron rod with cap found at the common east corner of said Tracts 155 and 156 and on the west line of a 30 feet wide platted, unimproved road;

THENCE South 03° 10' 44" East along the east line of said Tract 156 and the west line of said 30 feet wide road, a distance of 304.84 feet (called 304.75 feet) to a five-eighths inch iron rod found at the common east corner of Tracts 156 and 157 of said B.C.I.C. S/D No. 9;

THENCE South 86° 49' 33" West along the common line of said Tracts 156 and 157, a distance of 729.86 feet (called 730 feet) to a two inch iron pipe found at the common corner of said Tracts 155, 156, 162 and 163;

DESCRIPTION OF TRACTS 156 & 163
PAGE 2 OF 2 PAGES

THENCE South $86^{\circ} 48' 21''$ West along the common line of said Tracts 162 and 163, a distance of 732.67 feet (called 732 feet) to the POINT OF BEGINNING and containing 10.224 acres of land. Each five-eighths inch iron rod described as set in this description has a plastic cap marked "Baker & Lawson". The description herein is based on a survey made in March, April, and May, 2012 by Baker & Lawson, Inc.

CERTIFIED CORRECT:

CJ Booth

Cecil J. Booth
Registered Professional Land Surveyor
Registration No. 2061

Date: 18 May 12
Job No. 10858



Tract 158-161



BEING A 20.595 ACRE TRACT OF LAND IN THE FREDERICK J. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS; SAID 20.595 ACRE TRACT BEING TRACTS 158, 159, 160, AND 161 OF THE BRAZOS COAST INVESTMENT COMPANY SUBDIVISION (B.C.I.C.) SUBDIVISION (S/D) NO. 9 RECORDED IN VOLUME 2, PAGE 141 OF THE PLAT RECORDS OF BRAZORIA COUNTY, TEXAS; SAID TRACTS 158, 159, 160, AND 161 BEING CONVEYED TO MIKE SORRELL FROM DAVID MELASS BY DEED DATED APRIL 24, 2006 AND RECORDED UNDER COUNTY CLERK'S FILE (C.C.F.) NO. 2006024870 OF THE OFFICIAL RECORDS OF BRAZORIA COUNTY, TEXAS (O.R.B.C.T.); THE BEARINGS STATED IN THIS DESCRIPTION ARE GRID BEARINGS AND ARE BASED ON THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983; DISTANCES ARE HORIZONTAL GROUND LEVEL LENGTHS AND MAY BE CONVERTED TO GRID DISTANCES USING THE COMBINED FACTOR OF 0.9998819; SAID 20.595 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a one-half inch iron pipe found at the common west corner of Tracts 161 and 162 of said B.C.I.C. S/D No. 9 and on the east line of a 30 feet wide platted, unimproved road;

THENCE North $86^{\circ} 50' 02''$ East along the common line of said Tracts 161 and 162, a distance of 732.52 feet (called 732 feet) to a three inch iron pipe found at the common corner of Tracts 157, 158, 161 and 162 of said B.C.I.C. S/D No. 9;

THENCE North $86^{\circ} 47' 59''$ East along the common line of said Tracts 157 and 158, a distance of 729.78 feet (called 730 feet) to a five-eighths inch iron rod with cap found at the common east corner of said Tracts 157 and 158 and on the west line of a platted, unimproved road;

THENCE South $03^{\circ} 10' 44''$ East along the east line of said Tracts 158 and 159 and the west line of said 30 feet wide road, at 609.04 feet (called 609.5 feet) pass a five-eighths inch iron rod with cap found at the monumented southeast corner of said Tract 159, and continuing for a total distance of 615.92 feet to a five-eighths inch iron rod set for the southeast corner of said Tract 159 and on the north line of a 30 feet wide platted, unimproved road; said set five-eighths inch iron rod being situated 30 feet north of and at right angles to the north line of that 346.909 acre tract conveyed to Michael J. Sorrell and Wife, Lori E. Sorrell from Katherine Cullen Burton, et al, Trustees of the Roy G. Cullen Trust for the Benefit of Roy Henry Cullen, the Roy G. Cullen Trust for the Benefit of Harry Holmes Cullen and the Roy G. Cullen Trust for the Benefit of Cornelia Cullen Long recorded under C.C.F. No. 01-011002 of the O.R.B.C.T.; from said set five-eighths inch iron rod a five-eighths inch iron rod set at the northeast corner of said 346.909 acre tract bears South $03^{\circ} 10' 44''$ East, 30.00 feet and North $86^{\circ} 59' 22''$ East, 7.79 feet;

DESCRIPTION OF TRACTS 158, 159, 160, AND 161
PAGE 2 OF 2 PAGES

THENCE South $86^{\circ} 59' 22''$ West along the south line of said Tract 159, the north line of said 30 feet wide road, and 30 feet north of and parallel to the north line of said 346.909 acre tract, a distance of 729.30 feet (called 730 feet) to a five-eighths inch iron rod set for the common south corner of said Tracts 159 and 160; from which a found one inch iron pipe (laid over) bears North $03^{\circ} 13' 21''$ West, 4.15 feet;

THENCE South $86^{\circ} 59' 22''$ West along the south line of said Tract 160, the north line of said 30 feet wide road, and 30 feet north of and parallel to the north line of said 346.909 acre tract, a distance of 732.54 feet (called 732 feet) to a five-eighths inch iron rod set for the southwest corner of said Tract 160; same being at the intersection with the east line of another 30 feet wide platted, unimproved road;

THENCE North $03^{\circ} 13' 20''$ West along the west line of said Tracts 160 and 161 and the east line of said 30 feet wide road, a distance of 611.52 feet (called 609.5 feet) to the POINT OF BEGINNING and containing 20.595 acres of land. Each five-eighths inch iron rod described as set in this description has a plastic cap marked "Baker & Lawson". The description herein is based on a survey made in March, April, and May, 2012 by Baker & Lawson, Inc.

CERTIFIED CORRECT:

C. J. Booth
Cecil J. Booth
Registered Professional Land Surveyor
Registration No. 2061

Date: 18 May 12
Job No. 10858



Tract 166



BEING A 4.900 ACRE TRACT OF LAND IN THE FREDERICK J. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS; SAID 4.900 ACRE TRACT BEING TRACT 166 OF THE BRAZOS COAST INVESTMENT COMPANY SUBDIVISION (B.C.I.C.) SUBDIVISION (S/D) NO. 9 RECORDED IN VOLUME 2, PAGE 141 OF THE PLAT RECORDS OF BRAZORIA COUNTY, TEXAS; SAID TRACT 166 BEING CONVEYED TO MIKE SORRELL FROM DAVID MELASS BY DEED DATED APRIL 24, 2006 AND RECORDED UNDER COUNTY CLERK'S FILE NO. 2006024870 OF THE OFFICIAL RECORDS OF BRAZORIA COUNTY, TEXAS; THE BEARINGS STATED IN THIS DESCRIPTION ARE GRID BEARINGS AND ARE BASED ON THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983; DISTANCES ARE HORIZONTAL GROUND LEVEL LENGTHS AND MAY BE CONVERTED TO GRID DISTANCES USING THE COMBINED FACTOR OF 0.9998819; SAID 4.900 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a one and one-fourth inch iron pipe found at the northwest corner of said Tract 166 and the intersection of the south and east lines of two 30 feet wide platted, unimproved roads;

THENCE North $87^{\circ} 11' 05''$ East along the north line of said Tract 166 and the south line of said 30 feet wide road, a distance of 311.59 feet (called 317.6 feet) to a five-eighths inch iron rod set at an interior ell corner of said Tract 166 and at the intersection with the east line of another 30 feet wide platted, unimproved road;

North $03^{\circ} 11' 51''$ West along the northern west line of said Tract 166 and the east line of said 30 feet wide road, a distance of 30.00 feet to a five-eighths inch iron rod set for the common west corner of Tracts 137 and 166 of said B.C.I.C. S/D No. 9;

THENCE North $87^{\circ} 11' 05''$ East along the common line of said Tracts 137 and 166, a distance of 421.88 feet (called 440.1 feet) to a point in water at the common north corner of Tracts 153 and 166 of said B.C.I.C. S/D No. 9;

THENCE South $03^{\circ} 10' 52''$ East along the common line of said Tracts 153 and 166, a distance of 301.34 feet (called 304.75 feet) to a five-eighths inch iron rod set for the common corner of Tracts 153, 154, 164, and 165 of said B.C.I.C. S/D No. 9; from which a five-eighths inch iron rod with cap found at the common east corner of said Tracts 153 and 154 bears North $86^{\circ} 47' 59''$ East, 729.97 feet;

THENCE South $86^{\circ} 47' 59''$ West along the common line of said Tracts 165 and 166, a distance of 733.24 feet to a five-eighths inch iron rod set for the common west corner of said Tracts 165 and 166 and on the east line of a 30 feet wide platted, unimproved road;

DESCRIPTION OF TRACT 166

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THENCE North 03° 13' 20" West along the west line of said Tract 166 and the east line of said 30 feet wide road, a distance of 276.27 feet (called 276.2 feet) to the POINT OF BEGINNING and containing 4.900 acres of land. Each five-eighths inch iron rod described as set in this description has a plastic cap marked "Baker & Lawson". The description herein is based on a survey made in March, April, and May, 2012 by Baker & Lawson, Inc.

CERTIFIED CORRECT:

Cecil J. Booth

Cecil J. Booth

Registered Professional Land Surveyor

Registration No. 2061

Date: 18 May 12

Job No. 10858





BEING A 4.504 ACRE TRACT OF LAND IN THE FREDERICK J. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS; SAID 4.504 ACRE TRACT BEING TRACT 167 OF THE BRAZOS COAST INVESTMENT COMPANY SUBDIVISION (B.C.I.C.) SUBDIVISION (S/D) NO. 9 RECORDED IN VOLUME 2, PAGE 141 OF THE PLAT RECORDS OF BRAZORIA COUNTY, TEXAS; SAID TRACT 167 BEING CONVEYED TO SORRELL FAMILY LIMITED PARTNERSHIP #2, LTD. FROM TAMARA ANN FOLLETT WEIKEL AND KALYNDA FOLLETT, AS DEVISEES UNDER THE WILL OF MARTIN DEWEY FOLLETT, JR. BY DEED DATED JANUARY 10, 2008 AND RECORDED UNDER COUNTY CLERK'S FILE NO. 2008003493 OF THE OFFICIAL RECORDS OF BRAZORIA COUNTY, TEXAS; A 37.5% INTEREST IN SAID TRACT 167 BEING CONVEYED TO DOW CHEMICAL COMPANY FROM HOUSTON BANK AND TRUST COMPANY BY DEED DATED JULY 15, 1969 AND RECORDED IN VOLUME 1037, PAGE 901 OF THE DEED RECORDS OF BRAZORIA COUNTY, TEXAS; THE BEARINGS STATED IN THIS DESCRIPTION ARE GRID BEARINGS AND ARE BASED ON THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983; DISTANCES ARE HORIZONTAL GROUND LEVEL LENGTHS AND MAY BE CONVERTED TO GRID DISTANCES USING THE COMBINED FACTOR OF 0.9998819; SAID 4.504 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a five-eighths inch iron rod found at the northeast corner of Tract 174, on the south line of Tract 135 said B.C.I.C. S/D No. 9, and on the west line of a 30 feet wide platted, unimproved road; thence as follows:

North 87° 18' 51" East along the south line of said Tract 135 and across the end of said 30 feet wide road, a distance of 30.00 feet to a five-eighths inch iron rod set for the northwest corner of said Tract 167 and the POINT OF BEGINNING of the herein described tract of land on the east line of said 30 feet wide road;

THENCE North 87° 18' 51" East along the common line of said Tracts 135 and 167, at 665.87 feet pass a one-half inch iron rod found at the southeast corner of said Tract 135 and on the south line of a 30 feet wide platted, unimproved road, at 702.37 feet pass a one-half inch iron rod found on line, and continuing for a total distance of 708.63 feet (called 723.4 feet) to a five-eighths inch iron rod set for the northeast corner of said Tract 167 and at the intersection with the west line of a 30 feet wide platted, unimproved road;

THENCE South 03° 13' 20" East along the east line of said Tract 167 and the west line of said 30 feet wide road, a distance of 276.14 feet (called 276.2 feet) to a five-eighths inch iron rod set for the common east corner of Tracts 167 and 168 of said B.C.I.C. S/D No. 9;

DESCRIPTION OF TRACT 167

PAGE 2 OF 2 PAGES

THENCE South 87° 13' 39" West along the common line of said Tracts 167 and 168, at 6.13 feet pass a one-half inch iron rod found on line, and continuing for a total distance of 709.68 feet (called 723.4 feet) to a five-eighths inch iron rod set for the common west corner of said Tracts 167 and 168 and on the east line of a 30 feet wide platted, unimproved road;

THENCE North 03° 00' 11" East along the west line of said Tract 167 and the east line of said 30 feet wide road, a distance of 277.21 feet (called 276.2 feet) to the POINT OF BEGINNING and containing 4.504 acres of land. Each five-eighths inch iron rod described as set in this description has a plastic cap marked "Baker & Lawson". The description herein is based on a survey made in March, April, and May, 2012 by Baker & Lawson, Inc.

CERTIFIED CORRECT: _____

Cecil J. Booth

Cecil J. Booth

Registered Professional Land Surveyor

Registration No. 2061

Date: 18 May 12

Job No. 10858





BEING A 4.980 ACRE TRACT OF LAND IN THE FREDERICK J. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS; SAID 4.980 ACRE TRACT BEING TRACT 168 OF THE BRAZOS COAST INVESTMENT COMPANY SUBDIVISION (B.C.I.C.) SUBDIVISION (S/D) NO. 9 RECORDED IN VOLUME 2, PAGE 141 OF THE PLAT RECORDS OF BRAZORIA COUNTY, TEXAS; SAID TRACT 168 BEING CONVEYED TO MIKE SORRELL FROM DAVID MELASS BY DEED DATED APRIL 24, 2006 AND RECORDED UNDER COUNTY CLERK'S FILE NO. 2006024870 OF THE OFFICIAL RECORDS OF BRAZORIA COUNTY, TEXAS; THE BEARINGS STATED IN THIS DESCRIPTION ARE GRID BEARINGS AND ARE BASED ON THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983; DISTANCES ARE HORIZONTAL GROUND LEVEL LENGTHS AND MAY BE CONVERTED TO GRID DISTANCES USING THE COMBINED FACTOR OF 0.9998819; SAID 4.980 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a five-eighths inch iron rod found at the northeast corner of Tract 174, on the south line of Tract 135 of said B.C.I.C. S/D No. 9, and on the west line of a 30 feet wide platted, unimproved road; thence as follows:

North 87° 18' 51" East along the south line of said Tract 135 and across the end of said 30 feet wide road, a distance of 30.00 feet to a five-eighths inch iron rod set for the northwest corner of Tract 167 of said B.C.I.C. S/D No. 9, and on the east line of said 30 feet wide road;

South 03° 00' 11" East along the west line of said Tract 167 and the east line of said 30 feet wide road, a distance of 277.21 feet (called 276.2 feet) to a five-eighths inch iron rod set for the common west corner of said Tracts 167 and 168 and the POINT OF BEGINNING of the herein described tract of land;

THENCE North 87° 13' 39" East along the common line of said Tracts 167 and 168, at 703.55 feet pass a one-half inch iron rod found one line, and continuing for a total distance of 709.68 feet (called 723.4 feet) to a five-eighths inch iron rod set for the common east corner of said Tracts 167 and 168 on the west line of a 30 feet wide platted, unimproved road;

THENCE South 03° 13' 20" East along the east line of said Tract 168 and the west line of said 30 feet wide road, a distance of 305.00 feet (called 304.75 feet) to a five-eighths inch iron rod set for the common east corner of Tracts 168 and 169 of said B.C.I.C. S/D No. 9;

THENCE South 87° 09' 27" West along the common line of said Tracts 168 and 169, a distance of 710.84 feet (called 723.4 feet) to a five-eighths inch iron rod set for the common west corner of said Tracts 168 and 169 and on the east line of a 30 feet wide platted, unimproved road;

DESCRIPTION OF TRACT 168
PAGE 2 OF 2 PAGES

THENCE North 03° 00' 11" West along the west line of said Tract 168 and the east line of said 30 feet wide road, a distance of 305.87 feet (called 304.75 feet) to the POINT OF BEGINNING and containing 4.980 acres of land. Each five-eighths inch iron rod described as set in this description has a plastic cap marked "Baker & Lawson". The description herein is based on a survey made in March, April, and May, 2012 by Baker & Lawson, Inc.

CERTIFIED CORRECT:



Cecil J. Booth
Registered Professional Land Surveyor
Registration No. 2061

Date: 18 May 12
Job No. 10858



Tract 170 + 171



BEING A 10.001 ACRE TRACT OF LAND IN THE FREDERICK J. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS; SAID 10.001 ACRE TRACT BEING TRACTS 170 AND 171 OF THE BRAZOS COAST INVESTMENT COMPANY SUBDIVISION (B.C.I.C.) SUBDIVISION (S/D) NO. 9 RECORDED IN VOLUME 2, PAGE 141 OF THE PLAT RECORDS OF BRAZORIA COUNTY, TEXAS; SAID TRACTS 170 AND 171 BEING CONVEYED TO MIKE SORRELL FROM DAVID MBIASS BY DEED DATED APRIL 24, 2006 AND RECORDED UNDER COUNTY CLERK'S FILE NO. 2006024870 OF THE OFFICIAL RECORDS OF BRAZORIA COUNTY, TEXAS; THE BEARINGS STATED IN THIS DESCRIPTION ARE GRID BEARINGS AND ARE BASED ON THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983; DISTANCES ARE HORIZONTAL GROUND LEVEL LENGTHS AND MAY BE CONVERTED TO GRID DISTANCES USING THE COMBINED FACTOR OF 0.9998819; SAID 10.001 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a five-eighths inch iron rod found at the northeast corner of Tract 174, on the south line of Tract 135 of said B.C.I.C. S/D No. 9, and on the west line of a 30 feet wide platted, unimproved road; thence as follows:

North 87° 18' 51" East along the south line of said Tract 135 and across the end of said 30 feet wide road, a distance of 30.00 feet to a five-eighths inch iron rod set for the northwest corner of Tract 167 of said B.C.I.C. S/D No. 9 and on the east line of said 30 feet wide road;

South 03° 00' 11" East along the west line of said Tracts 167, 168 and 169 of said B.C.I.C. S/D No. 9 and the east line of said 30 feet wide road, at 277.21 feet pass a five-eighths inch iron rod set for the common west corner of said Tracts 167 and 168, at 583.08 feet pass a five-eighths inch iron rod set for the common west corner of said Tracts 168 and 169, and continuing for a total distance of 888.95 feet to a five-eighths inch iron rod set for the common west corner of said Tracts 169 and 170 and the POINT OF BEGINNING of the herein described tract of land;

THENCE North 87° 05' 16" East along the common line of said Tracts 169 and 170, a distance of 712.01 feet (called 723.4 feet) to a five-eighths inch iron rod set for the common east corner of said Tracts 169 and 170 on the west line of a 30 feet wide platted, unimproved road;

THENCE South 03° 13' 20" East along the east line of said Tracts 170 and 171 and the west line of said 30 feet wide road, a distance of 610.00 feet (called 609.50 feet) to a five-eighths inch iron rod set for the common east corner of Tracts 171 and 172 of said B.C.I.C. S/D No. 9;

THENCE South 86° 56' 56" West along the common line of said Tracts 171 and 172, a distance of 714.34 feet (called 723.4 feet) to a five-eighths inch iron rod set for the common west corner of said Tracts 171 and 172 and on the east line of a 30 feet wide platted, unimproved road;

DESCRIPTION OF TRACTS 170 & 171
PAGE 2 OF 2 PAGES

THENCE North 03° 00' 11" West along the west line of said Tracts 170 and 171 and the east line of said 30 feet wide road, a distance of 611.74 feet (called 609.50 feet) to the POINT OF BEGINNING and containing 10.001 acres of land. Each five-eighths inch iron rod described as set in this description has a plastic cap marked "Baker & Lawson". The description herein is based on a survey made in March, April, and May, 2012 by Baker & Lawson, Inc.

CERTIFIED CORRECT: _____

Cecil J. Booth
Cecil J. Booth
Registered Professional Land Surveyor
Registration No. 2061

Date: 18 May 12
Job No. 10858





BEING A 5.039 ACRE TRACT OF LAND IN THE FREDERICK J. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS; SAID 5.039 ACRE TRACT BEING TRACT 173 OF THE BRAZOS COAST INVESTMENT COMPANY SUBDIVISION (B.C.I.C.) SUBDIVISION (S/D) NO. 9 RECORDED IN VOLUME 2, PAGE 141 OF THE PLAT RECORDS OF BRAZORIA COUNTY, TEXAS; SAID TRACT 173 BEING CONVEYED TO MIKE SORRELL FROM DAVID MELASS BY DEED DATED APRIL 24, 2006 AND RECORDED UNDER COUNTY CLERK'S FILE (C.C.F.) NO. 2006024870 OF THE OFFICIAL RECORDS OF BRAZORIA COUNTY, TEXAS (O.R.B.C.T.); THE BEARINGS STATED IN THIS DESCRIPTION ARE GRID BEARINGS AND ARE BASED ON THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983; DISTANCES ARE HORIZONTAL GROUND LEVEL LENGTHS AND MAY BE CONVERTED TO GRID DISTANCES USING THE COMBINED FACTOR OF 0.9998819; SAID 5.039 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a three-eighths inch iron rod found in concrete at a southwest corner of said B.C.I.C. S/D No. 9 and at an interior ell corner of a 346.909 acre tract of land conveyed to Michael J. Sorrell and wife, Lori E. Sorrell from Katherine Cullen Burton, et al, Trustees of the Roy G. Cullen Trust for the benefit of Roy Henry Cullen, the Roy G. Cullen Trust for the benefit of Harry Holmes Cullen and the Roy G. Cullen Trust for the benefit of Cornelia Cullen Long recorded under C.C.F. No. 01-011002 of the O.R.B.C.T.; same being at the intersection of the west and south lines of two 30 feet wide platted, unimproved roads; thence as follows:

North 03° 00' 11" West along a west line of said B.C.I.C. S/D No. 9 and a northerly east line of said 346.909 acre tract, a distance of 30.00 feet and North 86° 59' 22" East across said 30 feet wide road, a distance of 30.00 feet to a five-eighths inch iron rod set for the southwest corner of said Tract 173 and the POINT OF BEGINNING of the herein described tract of land and on east line of said 30 feet wide road;

THENCE North 03° 00' 11" West along the west line of said Tract 173 and the east line of said 30 feet wide road, a distance of 305.87 feet (called 304.75 feet) to a five-eighths inch iron rod set for the common west corner of Tracts 172 and 173 of said B.C.I.C. S/D No. 9;

THENCE North 86° 52' 47" East along the common line of said Tracts 172 and 173, a distance of 715.51 feet (called 723.4 feet) to a five-eighths inch iron rod set for the common east corner of said Tracts 172 and 173 on the west line of a 30 feet wide platted, unimproved road;

THENCE South 03° 13' 20" East along the east line of said Tract 173 and the west line of said 30 feet wide road, a distance of 307.24 feet (called 304.75 feet) to a five-eighths inch iron rod set for the southeast corner of said Tract 173 and at the intersection of the west line of said 30 feet wide road with the north line of another 30 feet wide platted, unimproved road; said corner being situated 30 feet north of and at right angles to the north line said 346.909 acre tract;

DESCRIPTION OF TRACT 173

PAGE 2 OF 2 PAGES

THENCE South 86° 59' 22" West along the south line of said Tract 173, the north line of said 30 feet wide road, and 30 feet north of and parallel to the north line of said 346.909 acre tract, a distance of 716.68 feet (called 723.4 feet) to the POINT OF BEGINNING and containing 5.039 acres of land. Each five-eighths inch iron rod described as set in this description has a plastic cap marked "Baker & Lawson". The description herein is based on a survey made in March, April, and May, 2012 by Baker & Lawson, Inc.

CERTIFIED CORRECT:



Cecil J. Booth

Registered Professional Land Surveyor

Registration No. 2061

Date: 18 May 12
Job No. 10858



Tracts 133-135
+174-180



BEING A 50.210 ACRE TRACT OF LAND IN THE FREDERICK J. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS; SAID 50.210 ACRE TRACT BEING TRACTS 133 THROUGH 135 AND TRACTS 174 THROUGH 180 OF THE BRAZOS COAST INVESTMENT COMPANY SUBDIVISION (B.C.I.C.) SUBDIVISION (S/D) NO. 9 RECORDED IN VOLUME 2, PAGE 141 OF THE PLAT RECORDS OF BRAZORIA COUNTY, TEXAS; SAID TRACTS 133 AND 134 BEING CONVEYED TO MIKE SORRELL TRUCKING AND MATERIALS, INC. FROM THE CITY OF FREEPORT BY DEED DATED SEPTEMBER 4, 2007 AND RECORDED UNDER COUNTY CLERK'S FILE (C.C.F.) NO. 2012014068 OF THE OFFICIAL RECORDS OF BRAZORIA COUNTY, TEXAS (O.R.B.C.T.); SAID TRACT 135 BEING CONVEYED TO MICHAEL J. SORRELL FROM JAMES E. THOMPSON AND WIFE, DELTA H. THOMPSON BY DEED DATED NOVEMBER 6, 2007 AND RECORDED UNDER C.C.F. NO. 2008000500 OF THE O.R.B.C.T.; A ONE-HALF INTEREST IN SAID TRACT 174 BEING CONVEYED TO MIKE SORRELL FROM DAVID MBLASS BY DEED DATED APRIL 24, 2006 AND RECORDED UNDER C.C.F. NO. 2006024870 OF THE O.R.B.C.T.; AND TRACTS 175 THROUGH 180 BEING CONVEYED TO MIKE SORRELL FROM DAVID MBLASS BY DEED DATED APRIL 24, 2006 AND RECORDED UNDER C.C.F. NO. 2006024870 OF THE O.R.B.C.T.; THE BEARINGS STATED IN THIS DESCRIPTION ARE GRID BEARINGS AND ARE BASED ON THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983; DISTANCES ARE HORIZONTAL GROUND LEVEL LENGTHS AND MAY BE CONVERTED TO GRID DISTANCES USING THE COMBINED FACTOR OF 0.9998819; SAID 50.210 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a five-eighths inch iron rod found in concrete at the southeast corner of said Tract 180 and at the most northerly northeast corner of a 346.909 acre tract of land conveyed to Michael J. Sorrell and wife, Lori B. Sorrell from Katherine Cullen Burton, et al, Trustees of the Roy G. Cullen Trust for the benefit of Roy Henry Cullen, the Roy G. Cullen Trust for the benefit of Harry Holmes Cullen and the Roy G. Cullen Trust for the benefit of Cornelia Cullen Long recorded under C.C.F. No. 01-011002 of the O.R.B.C.T.; same being on the west line of a 30 feet wide platted, unimproved road;

THENCE South 86° 47' 22" West, along the south line of said Tract 180 and the north line of said 346.909 acre tract, at 545.01 feet pass a five-eighths inch iron rod set on line, at 892.16 feet pass a five-eighths inch iron rod set on the right descending bank of the cut off portion of Oyster Creek, and continuing for a total distance of 907.16 feet to a point for corner at the right descending water's edge of the cut off portion of Oyster Creek;

THENCE in a northerly direction along the right descending water's edge of the cut off portion of Oyster Creek and the west lines of said Tracts 133 through 135 and said Tracts 174 through 180 with the following thirteen (13) meanders:

1. North 14° 44' 30" East a distance of 12.11 feet;

DESCRIPTION OF TRACTS 133 - 135 AND 174 - 180

PAGE 2 OF 3 PAGES

2. North 03° 02' 56" East a distance of 234.93 feet;
3. North 01° 59' 52" East a distance of 250.25 feet;
4. North 03° 16' 02" West a distance of 270.32 feet;
5. North 02° 28' 36" West a distance of 255.61 feet;
6. North 06° 20' 35" East a distance of 199.04 feet;
7. North 17° 18' 51" East a distance of 75.18 feet;
8. North 22° 31' 49" East a distance of 333.02 feet;
9. North 27° 19' 06" East a distance of 164.54 feet;
10. North 29° 18' 41" East a distance of 319.57 feet;
11. North 25° 14' 24" East a distance of 235.12 feet;
12. North 22° 43' 36" East a distance of 248.80 feet; and
13. North 18° 39' 51" East a distance of 294.24 feet to a point for the common west corner of Tracts 132 and 133 of said B.C.I.C. S/D No. 9;

THENCE North 87° 11' 05" East along the common line of said Tracts 132 and 133, at 15.00 feet pass a five-eighths inch iron rod set on the set on the right descending bank of the cut off portion of Oyster Creek, and continuing for a total distance of 766.50 feet to a five-eighths inch iron rod set for the east corner of said Tract 133 and on the west line of a 30 feet wide platted, unimproved road;

THENCE South 03° 06' 52" East along the east line of said Tracts 133 through 135 and the west line of said 30 feet wide road, 268.62 feet a five-eighths inch iron rod set at the common east corner of said Tracts 133 and 134, at 490.82 feet pass a one-half inch iron rod found at the common east corner of said Tracts 134 and 135, and continuing for a total distance of 700.36 feet to a one-half inch iron rod found at the southeast corner of said Tract 135 and on the north line of Tract 167 of said B.C.I.C. S/D No. 9;

THENCE South 87° 18' 51" West along the common line of said Tracts 135 and 167, at 665.87 feet pass a five-eighths inch iron rod set at the northwest corner of said Tract 167, and continuing for a total distance of 695.87 feet to a five-eighths inch iron rod found at the northeast corner of said Tract 174 on the west line of a 30 feet wide platted, unimproved road;

DESCRIPTION OF TRACTS 133 - 135 AND 174 - 180

PAGE 3 OF 3 PAGES

THENCE South 03° 00' 11" East along the east lines of said Tracts 174 through 180 and the west line of said 30 feet wide road, at 414.99 feet (called 415 feet) pass a five-eighths inch iron rod found at the common east corner of said Tracts 174 and 175, at 715.35 feet (called 715.4 feet) pass a five-eighths inch iron rod found at the common east corner of said Tracts 175 and 176, at 985.20 feet (called 980.6 feet) pass a five-eighths inch iron rod found at the common east corner of said Tracts 176 and 177, at 1,240.80 feet (called 1,236.2 feet) pass a five-eighths inch iron rod found at the common east corner of said Tracts 177 and 178, at 1,491.46 feet (called 1,505.2 feet) pass a five-eighths inch iron rod set to replace the rusty remains of an iron rod found at the common east corner of said Tracts 178 and 179, at 1,760.42 feet (called 1,755.9 feet) pass a five-eighths inch iron rod found at the common east corner of said Tracts 179 and 180, and continuing for a total distance of 2,002.27 feet (called 1,997.9 feet) to the POINT OF BEGINNING and containing 50.210 acres of land. Each five-eighths inch iron rod described as set in this description has a plastic cap marked "Baker & Lawson". The description herein is based on a survey made in March, April, and May, 2012 by Baker & Lawson, Inc.

CERTIFIED CORRECT:



Cecil J. Booth

Registered Professional Land Surveyor

Registration No. 2061

Date: 18 MAY 12

Job No. 10858



Additional Legal Descriptions for Sorrell Tracts 62, 63, 66 and 67

Tract 62

Approximately 5.00 acres out of the Frederick J. Calvit League, Abstract No. 51, Brazoria County, Texas, being Lot 62, beginning to the east of a 30 feet wide platted, unimproved road

Tract 63

Approximately 5.00 acres out of the Frederick J. Calvit League, Abstract No. 51, Brazoria County, Texas, being Lot 63

Tract 66

Approximately 5.00 acres out of the Frederick J. Calvit League, Abstract No. 51, Brazoria County, Texas, being Lot 66

Tract 67

Approximately 5.00 acres out of the Frederick J. Calvit League, Abstract No. 51, Brazoria County, Texas, being Lot 67

EXHIBIT "A"

Being the same land conveyed by Deed deemed effective as of January 3, 1975, from The Dow Chemical Company, as grantor, to Ernest H. Cockrell, et al, as grantees, filed for record in the Office of the County Clerk of Brazoria County, Texas, in Volume 1231, page 859.

774,67012 acres of land out of Tract No. 1 of the H. Haskins Estate, described in Deed dated July 12, 1883, recorded in Vol. V, page 303, Deed Records, Brazoria County, Texas, in the J. E. Groce & Leagues Grant, Abstract No. 66, Brazoria County, Texas, described in match and bounds, using survey terminology which refers to the Texas Coordinate System, South Central Zone, except the distances which are the horizontal ground level lengths, as follows:

Beginning at the position $x = 3,173,146.629$ and $y = 450,883.487$, for the southeast corner, which is the point of intersection of the center line of right-of-way of Texas State Highway U.M. No. 523 with the south line of J. E. Groce & Leagues, Abstract No. 66, from which the underground portion of an old broken concrete monument situated in said south line, at the position $x = 3,173,189.626$ and $y = 450,883.783$, bears N. $87^{\circ} 27' 41.55''$ E. a distance of 51.854 feet and in turn an old concrete monument situated at the position $x = 3,173,200.59$ and $y = 450,875.17$, which marks the southeast corner of said J. E. Groce & Leagues, bears N. $87^{\circ} 27' 13.04''$ E. a distance of 2017.197 feet; said south line and southeast corner of the J. E. Groce & Leagues as located by the above monuments or markers is the ground location which has been consistently and prominently maintained for the identical as described in the original grant of July 29, 1824, and no physical evidence contrary can be found on the premises;

THENCE, with said south line, S. $87^{\circ} 27' 41.55''$ W., at a distance of 60.003 feet to the position $x = 3,173,086.892$ and $y = 450,880.630$ which is the point of intersection with the west right-of-way line of said Highway U.M. No. 523, set a concrete monument with $1/2''$ lag screw, center punched, to mark said point, continue in all a distance of 749.891 feet to the position $x = 3,172,348.123$ and $y = 450,850.284$, at which was found a capped $3/4''$ G.K.R. set in 6" of concrete, a marker in good condition with the appearance indicating its age to be approximately 15 years in the identical location, situated on the east bank of the eastern part of Stubbinsfield Lake, for a slight angle point in said south line;

THENCE, continue with said south line, S. $87^{\circ} 25' 43.98''$ W., traversing the marshy bed of Stubbinsfield Lake, in all a distance

THENCE, continue with said south line, S. 87° 27' 14.75" W., crossing the west bank of the eastern part of Stubbsfield Lake, at 1057 feet cross the east bank of the western part of said lake, cross the lake, at 1329 feet cross the west bank of said western part of said lake, cross a private road, continue S. 87° 27' 20.78" W. crossing Houston Lighting and Power Company's power line right-of-way, crossing a pipeline corridor, cross a private road, at 3184.053 feet to the position X = 3,160,791.456 and Y = 490,689.741 and set a concrete monument with 1/2" log screw, capstan punched, for the offset marker for the south southwest corner, in all a distance of 3116.036 feet to the position X = 3,160,789.889 and Y = 490,689.380, which is the point of intersection of said south line with the right ascending waters edge of Oyater Creek, for the south southwest corner;

THENCE, with and along the right ascending waters edge of Oyater Creek, upstream, the following boundaries:

N. 21° 40' 30.84" E. a distance of 110.076 feet;
 N. 25° 13' 45.03" E. a distance of 100.847 feet;
 N. 17° 32' 11.37" E. a distance of 100.041 feet;
 N. 16° 40' 39.02" E. a distance of 100.401 feet;
 N. 8° 58' 47.01" E. a distance of 100.727 feet;
 N. 2° 22' 37.36" W. a distance of 69.930 feet;
 N. 30° 47' 25.7" W. a distance of 67.133 feet;
 N. 32° 42' 13.63" W. a distance of 61.325 feet;
 N. 64° 50' 40.08" W. a distance of 23.601 feet;
 N. 27° 19' 33.64" W. a distance of 100.023 feet;
 N. 18° 54' 05.62" W. a distance of 101.110 feet;
 N. 26° 43' 07.32" W. a distance of 100.050 feet;
 N. 37° 33' 43.84" W. a distance of 127.788 feet;
 N. 53° 24' 47.08" W. a distance of 78.930 feet;
 N. 46° 52' 49.6" W. a distance of 101.602 feet;
 N. 36° 47' 18.53" W. a distance of 100.078 feet;
 N. 55° 38' 42.68" W. a distance of 100.187 feet;
 N. 64° 13' 19.97" W. a distance of 100.403 feet;
 N. 63° 39' 23.89" W. a distance of 100.319 feet;
 N. 66° 18' 12.41" W. a distance of 49.636 feet;
 N. 74° 24' 07.34" W. a distance of 91.440 feet;
 N. 71° 41' 40.98" W. a distance of 100.171 feet;
 N. 74° 50' 28.03" W. a distance of 100.083 feet;
 N. 40° 33' 53.82" W. a distance of 100.177 feet;
 N. 62° 44' 34.85" W. a distance of 61.359 feet;
 N. 63° 28' 17.71" W. a distance of 86.600 feet;
 N. 80° 16' 16.33" W. a distance of 168.240 feet;
 N. 84° 59' 10.01" W. a distance of 169.030 feet;
 N. 71° 51' 07.45" W. a distance of 100.844 feet;
 N. 80° 42' 46.31" W. a distance of 100.170 feet;
 N. 67° 53' 26.47" W. a distance of 159.812 feet;
 N. 85° 27' 08.81" W. a distance of 199.152 feet;
 S. 61° 57' 46.44" W. a distance of 200.383 feet;
 N. 67° 27' 05.83" W. a distance of 209.145 feet;
 N. 83° 43' 31.83" W. a distance of 200.780 feet;
 N. 68° 43' 44.77" W. a distance of 200.901 feet;
 S. 82° 26' 50.52" W. a distance of 169.733 feet;
 S. 79° 50' 47" W. a distance of 189.43 feet;
 S. 65° 39' 26" W. a distance of 36.90 feet;

THENCE N. $20^{\circ} 56' 10.11''$ W., at 59.000 feet to the position $x = 3,163,676.142$ and $y = 452,301.897$ and set a concrete monument with $1/2''$ lag screw, center punched, for the off-set marker for the west southwest corner, cross a private road, in all a distance of 3085.000 feet to the position $x = 3,163,521.042$ and $y = 455,323.644$ and set a $1/2'' \times 6''$ galvanized lag bolt in east base of 40" dia. Live Oak tree for the west northwest corner;

THENCE N. $07^{\circ} 03' 41.03''$ E. in all a distance of 2095.000 feet to the position $x = 3,167,613.020$ and $y = 459,431.024$ and set a concrete monument with $1/2''$ lag screw, center punched, for the interior northwest corner;

THENCE N. $20^{\circ} 56' 10.11''$ W. in all a distance of 895.629 feet to the position $x = 3,167,567.636$ and $y = 456,315.379$ and set a concrete monument with $1/2''$ lag screw, center punched, for the north northwest corner;

THENCE N. $07^{\circ} 03' 41.03''$ E., crossing Houston Lighting and Power Company's power line right-of-way, crossing a pipeline corridor, at 3635.953 feet to the position $x = 3,171,199.361$ and $y = 456,501.741$, which is the point of intersection with the westerly right-of-way line of Texas State Highway F.M. No. 523, set a concrete monument with $1/2''$ lag screw, center punched, to mark said point, continue in all a distance of 3704.166 feet to the position $x = 3,171,266.472$ and $y = 456,508.237$, which is the point of intersection with the center line of right-of-way of said highway, for the northeast corner, from which triangulation station Pharm 2, 1956 (U.S.G. and G.S.) bears N. $13^{\circ} 41' 59.57''$ W. a distance of 264.232 feet;

THENCE, with and along the center line of the right-of-way, which is 120 feet in width, of Texas State Highway F.M. No. 523, S. $31^{\circ} 20' 19.28''$ E. in all a distance of 2016.347 feet to the position $x = 3,172,731.165$ and $y = 454,099.800$ which is the point of a curve to the left and southeasterly in said center line;

THENCE, continue with said center line along a curve to the left and southeasterly, which curve has a central angle of $80^{\circ} 43' 31.85''$, a radius of 2864.936 feet and its radius point fixed at the position $x = 3,175,177.825$ and $y = 455,869.757$, in all a distance of 436.290 feet, arc length, to the position $x = 3,172,985.494$ and $y = 453,743.983$ which is the point of tangency of said curve;

THENCE, continue with said center line; S. $40^{\circ} 03' 51.13''$ E. in all a distance of 218.864 feet to the position $x = 3,173,126.412$ and $y = 453,578.426$ which is the point of a curve to the right and southerly in said center line;

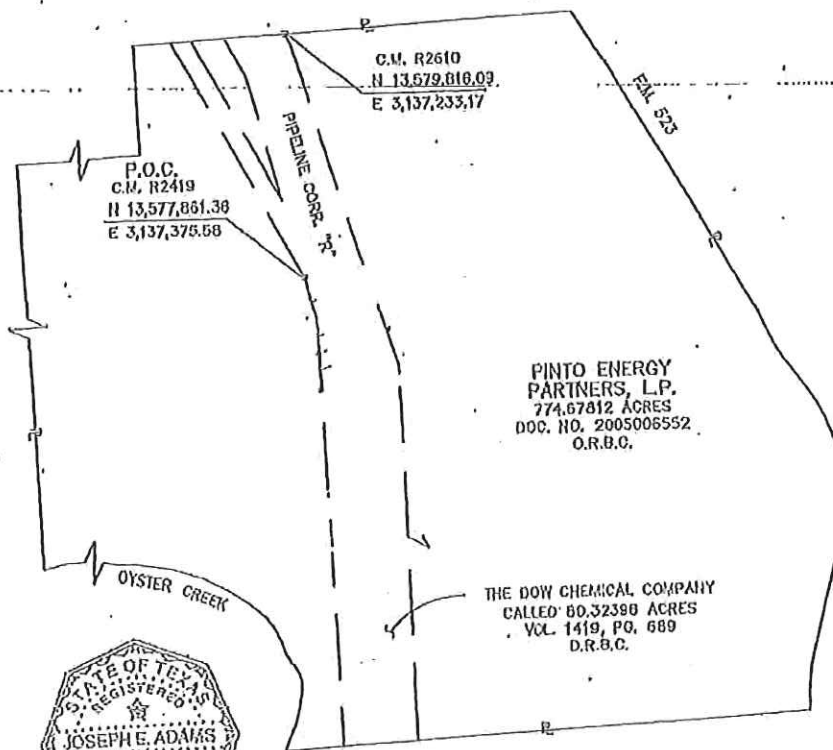
THENCE, continue with said center line along a curve to the right and southerly, which curve has a central angle of $54^{\circ} 42' 26.33''$, a radius of 1432.683 feet and its radius point fixed at the position $x = 3,172,030.080$ and $y = 452,656.399$, in all a distance of 1367.961 feet, arc length, to the position $x = 3,173,416.059$ and $y = 452,294.264$ which is the point of tangency of said curve;

East, arc length, to the position $x = 3,173,141.850$ and $y = 450,973$, which is the point of tangency of said curve;

THENCE, continue with said center line, S. $30^{\circ} 08' 07.14''$ E. in all a distance of 90.390 feet to the position $x = 3,173,146.829$ and $y = 450,803.487$, which is the point of beginning, lineating and enclosing 774.67812 acres of land of which 0.67012 acres is situated in the western one-half of the right-of-way of Texas State Highway F.M. No. 523.

BRAZORIA COUNTY, TEXAS
JARED E. GROCE 5 LEAGUES GRANT, A-66

THE DOW CHEMICAL COMPANY
 6,782.72 ACRES
 VOL. 1231, PG. 874
 O.R.B.C.



1.13.10

Joseph E. Adams

JOSEPH E. ADAMS
 REGISTERED PROFESSIONAL LAND SURVEYOR
 NO. 5102

BEARINGS BASED ON TEXAS STATE PLANE COORDINATE
 SYSTEM, NAD 83, SOUTH CENTRAL ZONE, DERIVED FROM
 GPS OBSERVATIONS

REFERENCE DRAWING: 13096-9007
 EXHIBIT B-2: LICENSES UNDER SECTION 2.5 OF THE LEASE AGREEMENT

| | | | | | | | | | | | | | | | | | | | |
|--|---------|----|------------------|----|--|------|------|-------------|----|---|---------|----|------------------|----|---|--|--|--|--|
| <table border="1"> <tr> <td>REV.</td> <td>DATE</td> <td>BY</td> <td>DESCRIPTION</td> <td>AT</td> </tr> <tr> <td>0</td> <td>1/13/10</td> <td>RM</td> <td>ISSUED TO CLIENT</td> <td>AT</td> </tr> </table> | | | | | REV. | DATE | BY | DESCRIPTION | AT | 0 | 1/13/10 | RM | ISSUED TO CLIENT | AT | <p align="center">Freeport LNG Development</p> | | | | |
| REV. | DATE | BY | DESCRIPTION | AT | | | | | | | | | | | | | | | |
| 0 | 1/13/10 | RM | ISSUED TO CLIENT | AT | | | | | | | | | | | | | | | |
| PROJECT NO. 13096 | | | | | DOW PIPELINE CORRIDOR TO FLNG STORAGE FACILITY | | | | | | | | | | | | | | |
| MUSTANG ENGINEERING, L.P. HOUSTON, TEXAS | | | | | BRAZORIA COUNTY, TEXAS | | | | | | | | | | | | | | |
| DRAWN BY: J.C. | | | DATE: 12/03/09 | | DWG. NO. | | REV. | | | | | | | | | | | | |
| CHECKED BY: KM | | | DATE: 12/10/09 | | 13096-9411 | | 0 | | | | | | | | | | | | |
| SCALE: 1"=1000' | | | APP: 1 | | | | | | | | | | | | | | | | |

EXHIBIT A

INOYENE U.S.A., L.L.C.
9.21 Acres of Land

Being 9.21 acres of land a out of the Jared E. Green 5 League, Abstract No. 66, Brazoria County, Texas, and being a portion of that certain 474.77 acre-tract described by Warranty Deed to AMOCO Pipeline Company now known as BP Pipelines (North America), Inc. in Volume 1124 on Page 425 of the Official Records of Brazoria County, Texas dated June 6, 1972. Said 474.77 acre-tract was transferred to O & D U.S.A., L.L.C., a Delaware Limited Liability Company by Quit Claim Deed With Out Warranty recorded under Document Number 2005057911 in the Official Records of Brazoria County, Texas on April 1, 2005. The name of O & D U.S.A., L.L.C. was then changed by Document Number 2005055955 to Inoyene U.S.A., L.L.C. and recorded in the Official Records of Brazoria County, Texas on May 24, 2005. The above-mentioned 9.21 acre-tract is more particularly described by metes and bounds as follows:

COMMENCING at a 2 inch iron pipe found for the southeast corner of the above mentioned 474.77 acre-tract of land.

THENCE N 59°02'18" W for a distance of 1,012.55 feet to a 5/8 inch iron rod with cap stamped "RPLS 5006" set on the northwest line of the Missouri-Pacific Railroad right-of-way for the east corner of the herein described 9.21 acre-tract and the POINT OF BEGINNING.

THENCE S 45°34'15" W along said northwest line of the Missouri-Pacific Railroad for a distance of 1,032.09 feet to a 5/8 inch iron rod stamped "RPLS 5006" set at the intersection of said northwest line and a fence on the northeast line of State F.M. Highway 523 as described in Volume 652 on Page 291 of the Official Records of Brazoria County, Texas for the South corner of the herein described 9.21 acre-tract.

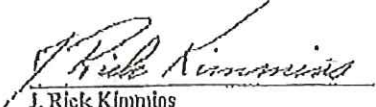
THENCE N 40°42'57" W along a fence for the northeast line of State F.M. Highway 523 for a distance of 389.75 feet to a 5/8 inch iron rod with cap stamped "RPLS 5006" set at the base and on the west side of a damaged fence corner post for the intersection of said northeast line and the southeast line of County Road 227, as maintained for public use, for the west corner of the herein described 9.21 acre-tract.

THENCE N 45°03'06" E along a fence for the southeast line of County Road 227 for a distance of 1,006.91 feet to a 5/8 inch iron rod with cap stamped "RPLS 5006" set on said southeast line for the North corner of the herein described 9.21 acre-tract.

THENCE S 44°25'36" E along the northeast line of the herein described 9.21 acre-tract for a distance of 398.05 feet to the POINT OF BEGINNING and containing 9.21 acres of land, more or less.

Bearings described herein are based on the Texas State Plane Coordinate System, NAD 83, South Central Zone, derived from GPS observations.

This description is based on the Land Title Survey, and plat made by J. Rick Kimmins, Registered Professional Surveyor No. 5006 on November 06, 2005.


J. Rick Kimmins
RPLS No. 5006
Date: December 14, 2005



Application II

ATTACHMENT 24

The Brazoria County guidelines and criteria for the creation of a reinvestment zone are attached.

*ATTACHMENT TO APPLICATION FOR APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY BY FREEPORT LNG DEVELOPMENT, L.P. AND ITS AFFILIATES
TO BRAZOSPORT ISD*

Date: 5/22/2012

THE SPECIAL COMMISSIONERS COURT SESSION OF BRAZORIA COUNTY, TEXAS

ORDER NO. VII.B.1.a.

RE: Adoption of Tax Abatement Guidelines and Criteria

- 1. The Court approves adopting the Guidelines and Criteria for granting tax abatement attached hereto.**
- 2. The Tax Abatement Guidelines and Criteria are effective beginning this date.**

**GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENT
IN A REINVESTMENT ZONE CREATED IN BRAZORIA COUNTY**

WHEREAS, the creation, retention and diversification of job opportunities that bring new wealth are among the highest civic priority; and

WHEREAS, the purpose of tax abatement is to provide an incentive offered by the taxpayers, i.e. citizens of Brazoria County, to attract investments, that lead to better quality of life and better services. The wealth created by these enterprises leads to more service and retail businesses, which in addition to improving quality of life, increases the tax base. In summary, by giving incentive in terms of tax abatement, the citizens agree to give up short term tax benefits, for long term benefits; and

WHEREAS, new jobs, investment and industrial diversification will benefit the area economy, provide needed opportunities, strengthen the real estate market and generate tax revenue to support local services; and

WHEREAS, the communities within Brazoria County must compete with other localities across the nation currently offering tax inducements to attract new plant and modernization projects; and

WHEREAS, any tax incentives offered in Brazoria County would reduce needed tax revenue unless strictly limited in application to those new and existing industries that bring new wealth to the community; and

WHEREAS, the abatement of property taxes, when offered to attract capital investment and primary jobs in industries which bring in money from outside a community instead of merely recirculating dollars within a community, has been shown to be an effective method of enhancing and diversifying an area of economy; and

WHEREAS, Texas law requires any eligible taxing jurisdiction to establish Guidelines and Criteria as to eligibility for tax abatement agreements prior to granting of any future tax abatement, and said Guidelines and Criteria to be unchanged for a two year period unless amended by a three-quarters vote;

Now, therefore, be it resolved that Brazoria County does hereby adopt these Guidelines and Criteria for granting tax abatement in reinvestment zones in Brazoria County.

DEFINITIONS Section 1

- (a) "Abatement" means the full or partial exemption from ad valorem taxes on certain real property in a reinvestment zone designated by Brazoria County for economic development purposes.

- (b) "Abatement Period" means the period during which all or a portion of the value of real property or tangible personal property that is the subject of a tax abatement agreement is exempt from taxation.
- (c) "Abated Facility Site" (or "proposed abated facility site") means the tract(s) or area of land underlying the proposed improvements to be abated.
- (d) "Agreement" means a contractual agreement between a property owner and/or lessee and Brazoria County for the purpose of tax abatement.
- (e) "Base year value" means the assessed value of eligible property January 1 preceding the execution of the agreement plus the agreed upon value of eligible property improvements made after January 1 but before the execution of the agreement.
- (f) "Brazoria County Vendor and Services" means a company that employs Brazoria County residents and pays Brazoria County taxes.
- (g) "Deferred maintenance" means the improvements necessary for continued operations which do not improve productivity or alter the process technology.
- (h) "Distribution Center Facility" means buildings and structures, including machinery and equipment, used or to be used primarily to receive, store, service, or distribute goods or materials owned by the facility operator where seventy percent (70%) of the goods or services are distributed outside of Brazoria County.
- (i) "Economic Development" means participation in or support of an organized program or entity which for the purpose of its mission, engages in activities designed to encourage employment opportunities development/commercial and manufacturing business/industry to locate and/or expand in Brazoria County, thus expanding and diversifying the tax base as well as increasing the economic strength and stability of Brazoria County.
- (j) "Eligible jurisdiction" means Brazoria County and any municipality or other local taxing jurisdictions eligible to abate taxes according to Texas law, the majority of which is located in Brazoria County that levies ad valorem taxes upon and provides services to reinvestment zone designated by Brazoria County.
- (k) "Employee" for the purposes of the economic qualifications of Section 2(h)(2) of these Guidelines and Criteria shall include all persons directly employed by the owner of the planned improvement at the abated facility site/reinvestment zone together with any independent contractor or employee of independent contractors employed on a full-time (40 hours per week equivalent) basis at the facility site/reinvestment zone continuously for the duration of the abatement agreement.
- (l) "Existing facility" is the facility described in Section 2 (a) that will be expanded or modernized and which contains the proposed improvements to be abated. A manufacturing or processing unit or units of a larger plant complex that separately comprise a manufactur-

ing or production sub-unit of the larger plant shall be considered the existing facility for purposes of the Section 2 (h) (2) employment retention requirement (that the planned improvements cause the retention or prevention of loss of employment of 10 employees or 50% of the employees of the existing facility, whichever is greater). For example, if an existing facility has 100 employees, an expansion or modernization of all or part of that facility must result in the retention of at least 50 employees employed at or in connection with the expanded or modernized "existing facility" in order for the facility improvements to qualify for abatement.

- (m) "Expansion" means the addition of buildings, structures, machinery or equipment for purposes of increasing production capacity.
- (n) "Facility" means property improvements completed or in the process of construction which together comprise an integral whole.
- (o) "Manufacturing Facility" means buildings and structures, including machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.
- (p) "Modernization" means the replacement and upgrading of existing facilities which increases the productive input or output, updates the technology or substantially lowers the unit cost of the operation. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing, or repairing.
- (q) "New Facility" means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.
- (r) "Other Basic Industry" means buildings and structures including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services which serve a market primarily outside Brazoria County.
- (s) "Productive Life" means the number of years a property improvement is expected to be in service. After a cessation of production, the productive life of property improvements may be deemed to end, at County's election, on the date of cessation of production either upon (1) a determination by the County that it is unlikely the improvement(s) will be re-activated as an integral part of a producing facility, and/or (2) the expiration of eighteen (18) continuous or non-consecutive months of non-production in any twenty-four (24) month period following the date the property improvement(s) cease to be in active service as part of a facility operating in a producing capacity. Upon cessation of production and for calculation of the recapture amount of taxes, the "productive life" will be determined to begin on the effective date of the tax abatement as set forth in the Agreement.
- (t) "Qualified Vendors and Services" means those vendors and services that meet the company's individual stated requirements, which can include but are not limited to: safety,

financial condition, environmental record, quality or ability to perform.

- (u) "Regional Entertainment Facility" means buildings and structures, including machinery and equipment, used or to be used to provide entertainment through the admission of the general public where seventy percent (70%) of users reside at least 50 miles from its location in Brazoria County.
- (v) "Research Facility" means buildings and structures, including machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.
- (w) "Regional Service Facility" means buildings and structures, including machinery and equipment, used or to be used to service goods where seventy percent (70%) of the goods being serviced originate outside of Brazoria County.
- (x) "Tangible personal property" means tangible personal property classified as such under state law, but excludes inventory and/or supplies, ineligible property as defined herein, and tangible personal property that was located in the investment zone at any time before the period covered by the agreement with the County.

ABATEMENT AUTHORIZED Section 2

- (a) **Authorized Facility.** A facility may be eligible for abatement if it is a: Manufacturing Facility, Research Facility, Distribution Center or Regional Service Facility, Regional Entertainment Facility, Other Basic Industry, or a facility that Commissioners Court determines would enhance job creation and the economic future of Brazoria County.
- (b) **Creation of New Value.** Abatement may only be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between Brazoria County and the real property owner, tangible personal property owner, leasehold interest, and/or lessee, subject to such limitations as Brazoria County may require.
- (c) **New and Existing Facilities.** Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.
- (d) **Eligible Property.** Abatement may be extended to the value of buildings, structures, tangible personal property as defined in the Tax Code including fixed machinery and equipment, site improvements and related fixed improvements necessary to the operation and administration of the facility.

Tangible Personal Property: Abatement may be granted with the owner of tangible personal property located on real property in a reinvestment zone to exempt from taxation (1) all or a portion of the value of the real property, (2) all or a portion of the value of the

tangible personal property located on the real property, or (3) all or a portion of the value of both.

An abatement may be granted with the owner of tangible personal property or an improvement located on tax-exempt real property that is located in a designated reinvestment zone to exempt all or a portion of the value of the tangible personal property or improvement located on the real property.

- (e) **Ineligible Property.** The following type of property shall be fully taxable and ineligible for tax abatement: land, existing improvements, tangible personal property that the Brazoria County Appraisal District classifies as inventory or supplies, tools, furnishings, and other forms of movable personal property; vehicles, watercraft, aircraft, housing, hotel accommodations, retail facilities, deferred maintenance investments, property to be rented or leased except as provided in Section 2(f), tangible personal property located in the reinvestment zone prior to the effective date of the tax abatement agreement, real property with a productive life of less than 10 years, property owned or used by the State of Texas or its political subdivisions or by any organizations owned, operated or directed by a political subdivision of the State of Texas, or any other property for which abatement is not allowed by state law.

- (f) **Leased Facilities. Leasehold Interest:** Abatement may be granted with the owner of a leasehold interest in tax-exempt real property located in a reinvestment zone designated to exempt all or a portion of the value of the leasehold interest in the real property.

Lessee Interest: Abatement may be granted with a lessee of taxable real property located in a reinvestment zone to exempt from taxation (1) all or a portion of the value of the fixtures, improvements, or other real property owned by the lessee and located on the property that is subject to the lease, (2) all or a portion of the value of tangible personal property owned by the lessee and located on the real property that is the subject of the lease, or (3) all or a portion of the value of both the fixtures, improvements, or other real property and the tangible personal property defined herein.

Leasehold Interest/Lessee shall be required to submit with its application a copy of the executed lease agreement between lessor/lessee demonstrating a minimum lease term double the abatement term granted.

- (g) **Value and Term of Abatement.** Abatement shall be granted effective with the January 1 valuation date immediately following the date of the Commissioners Court Order granting the abatement and approving the abatement application. One hundred percent of the value (or such percentage of value that shall be set by Commissioners' Court order) of new eligible properties shall be abated for up to seven years or one-half (1/2) the productive life of the improvement whichever is less. The "productive life" will be calculated from the effective date of the tax abatement and the date the equipment ceased to be in service. The abatement may be extended through an initial agreement and a subsequent agreement may be required to comply with state law regarding the term of the reinvestment zone.

If it is determined that the abatement period would better benefit the County and the Applicant by deferring the commencement date beyond the January 1st following the Commissioners Court Order granting the abatement and approving the abatement application, the County may defer the commencement date of the abatement period to a future date certain. The deferral of the commencement date will not allow the duration of the abatement period to extend beyond seven (7) years. However, in no event shall the abatement begin later than the January 1 following the commencement of construction.

If a modernization project includes facility replacement, the abated value shall be the value of the new unit(s) less the value of the old unit(s).

New eligible properties must be in active service and operation as part of a facility operating in a producing capacity for a period equal to double the abatement period (*i.e.* seven year abatement, then in producing capacity for 14 years) in order to receive the full term of the abatement granted and not be subject to the term reduction and recapture/payment obligation provisions.

(h) Economic Qualification. In order to be eligible for designation as a reinvestment zone and to qualify for tax abatement the planned improvement:

- (1) must be reasonably expected to increase and must actually increase the value of the property in the amount of \$1 million or more;
- (2) must create employment for at least 10 people on a full-time (40 hours per week equivalent) basis in Brazoria County for the duration of the abatement period at the abated facility site described in the tax abatement application; or alternatively, must retain and prevent the loss of employment of 10 employees or fifty percent (50%) of the existing number of employees, at the time of application, employed at or in connection with the existing facility containing the abated facility site described in the tax abatement application, whichever is greater, for the duration of the abatement period. The following is applicable to the employment retention/preventing loss of employment requirement:

a. "Existing facility" is the facility described in Section 2 (a) that will be expanded or modernized and which contains the proposed improvements to be abated. A manufacturing or processing unit or units of a larger plant complex that separately comprise a manufacturing or production sub-unit of the larger plant shall be considered the existing facility for purposes of the Section 2(h)(2) employment retention requirement (that the planned improvements cause the retention or prevention of loss of employment of 10 employees or 50% of the employees of the existing facility, whichever is greater). For example, if a large plant complex has a sub-unit that produces chlorine and 100 employees are employed at or in connection with that unit, an expansion or modernization of all or part of that facility must result in the retention of at least 50 employees employed at or in connection with the

expanded or modernized "existing facility" in order for the facility improvements to qualify for abatement.

b. Employees of a larger plant unit transferred or assigned to and employed at or in connection with a new sub-unit containing the planned improvements, constructed on undeveloped land constituting the proposed abated facility site/reinvestment zone shall be considered "created" employment for purposes of this sub-section.

The proposed number of employees to be employed at the abated facility as stated in the abatement application for the property that is the subject of the tax abatement agreement (including the projected creation or retention of employment) must be maintained for the duration of the abatement period at the abated facility site. For purposes of this sub-section, in order for a planned improvement to be considered as preventing the loss of employment or retaining employment, the abated facility/project must be necessary in order to retain or keep employment at levels as indicated in the application and in order to retain the proposed number of employees at the abated facility as indicated in the application. The owner/Applicant seeking to qualify on the basis of retention or preventing loss of employment must provide a detailed statement as an attachment to its application affirmatively representing compliance with this sub-section and explaining the necessity of this project to prevent loss of employment. Any variance from the requirements of this sub-section is subject to approval of Commissioners Court in accordance with the variance section of these Guidelines & Criteria.

- (3) must be not expected to solely or primarily have the effect of transferring employment from one part of the county to another part of the county. A variance may be requested relative to this provision which approval shall be at the sole discretion of the County.
- (4) must be necessary because capacity cannot be provided efficiently utilizing existing improved property;

Additionally, the owner of the project:

- (5) must provide for and pay, at the time of filing an application for tax abatement, a non-refundable application fee of \$1,000. A part of the application fee will be dedicated by Brazoria County to economic development programs authorized by Local Government Code, Section 381.004.
- (6) must file a plan statement with application demonstrating willingness and planned efforts to use qualified Brazoria County vendors and services where applicable in the construction and operations of the facility. Brazoria County vendors and services must be competitive with non-county vendors and services regarding price, quality, safety, availability and ability perform. It is preferred that applicant seek qualified workers who are United States citizens and veterans and also legal resi-

- dents prior to seeking workers from other countries.
- (7) will annually, for the term of the abatement, contribute .000165 of the value reported in "Part IV Section F" of the abatement application (estimated value of abated improvements at the conclusion of the abatement period). Air carriers receiving abatement will contribute an amount equal to .000165 of the estimated value of the personal property of the air carrier indicated in its Application. Each project will contribute no more than \$15,000 nor less than \$1,000 annually to be used specifically to fund economic development in Brazoria County as authorized by Local Government Code, Section 381.004. The annual contribution shall be paid to Brazoria County through the County Auditor's Office on or before January 1 of each year of the tax abatement contract term.
 - (8) must not file with the Brazoria County Appraisal District a valuation or taxpayer protest or notice of protest pursuant to the Texas Property Tax Code during the abatement period legally protesting the valuation of the abated improvements of a manufacturing facility pursuant to an appraisal method that produces a valuation of improvements based on each improvement's value as a separate item of personal property rather than the improvements' value as integral fixtures of a producing manufacturing facility. An owner's legal protest the improvements' value pursuant to the Texas Property Tax Code must be based on and use accepted appraisal methods and techniques allowed by law (Texas Property Tax Code) and uniform standards of professional appraisal practice. The filing of a valuation protest or notice of protest contrary to this standard shall cause the tax abatement agreement to be subject to termination and recapture of all previously abated taxes.
 - (9) must not be a defendant in any litigation by the County seeking recovery or recapture of previously abated taxes.
 - (i) Taxability. From the execution of the abatement contract to the end of the agreement period, taxes shall be payable as follows:
 - (1) The value of ineligible property as provided in Section 2(e) shall be fully taxable;
 - (2) the base year value of existing eligible property as determined each year shall be fully taxable; and
 - (3) the additional value of new eligible property shall be taxable in the manner described in Section 2(g).

APPLICATION Section 3

- (a) The Application for tax abatement may be obtained from the County Judge's Office or on the Brazoria County website at www.brazoria-county.com. Applicant may contact the Judge's Office at (979) 864-1200 or (281) 756-1200.

- (b) Any present or potential owner of taxable property in Brazoria County may request the creation of a reinvestment zone and tax abatement by filing a tax abatement application with Brazoria County. The application shall be filed with the County Judge by providing twelve (12) copies or an electronic version and five (5) copies. The additional copies provided will be furnished to each member of Commissioners Court and the Tax Abatement Review Committee (TARC). After filing the application, the Applicant shall provide an economic impact analysis report, in a format comparable to the Texas Governor's economic impact analysis report, to the County Judge's Office prior to the TARC meeting on the Applicant's tax abatement application.
- (c) The application shall consist of a completed application form accompanied by: a general description of the proposed use and the general nature and extent of the modernization, expansion or new improvements which will be a part of the facility; a map and property description; a time schedule for undertaking and completing the planned improvements. In the case of modernizing, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The application form shall require such financial and other information as Brazoria County deems appropriate for evaluating the financial capacity and other factors of the Applicant. Applicant should not submit confidential information as part of the application. If doing so cannot be avoided, a general description in non-confidential terms should be included on the application, along with a sealed document containing the confidential information as an attachment and clearly marked "CONFIDENTIAL".
- (d) Upon receipt of a completed application, the County Judge shall notify in writing the presiding officer of the legislative body of each eligible jurisdiction. Before acting upon the application, Brazoria County Commissioners' Court shall hold a public hearing at which interested parties shall be entitled to speak and present written materials for or against the approval of the tax abatement. The public hearing shall also afford the Applicant and the designated representative of any eligible jurisdiction opportunity to show cause why the abatement should or should not be granted. Notice of the public hearing shall be clearly identified on a Brazoria County notice to be posted at least 30 days prior to the hearing.
- (e) After receipt of an application for creation of a reinvestment zone and application for abatement, the Tax Abatement Review Committee (TARC) shall prepare a feasibility study setting out the impact of the proposed reinvestment zone and tax abatement. The feasibility study shall include, but not be limited to, an estimate of the economic effect of the creation of the zone and the abatement of taxes and the benefit to the eligible jurisdiction and the property to be included in the zone. The economic impact analysis report provided by the Applicant shall be attached to the feasibility study and included as part of the feasibility study report.
- (f) If upon written request for a legal opinion or interpretation from the Commissioners' Court or its members, the legal counsel for Brazoria County determines that the application does not appear to comply with the written language of the Guidelines and Criteria, a public hearing on said application if already set, shall be postponed for a period of at least

thirty days from the scheduled date of public hearing to allow time for further review by the Commissioners' Court or any duly appointed review committee, or if an initial setting has not been made, the hearing on such application shall be set on the Commissioners' Court agenda no sooner than sixty (60) days from the time the Court enters an order to set the public hearing date.

The Applicant shall file a supplement or addendum to its application to show cause why the application should be approved and shall present reasons at the public hearing on the same.

Provided that any final decision or interpretation as to the intent and meaning or policy of any provision or its written language; any final decision as to whether or not an application complies or does not comply with the guidelines and criteria; and any final decision as to whether to grant or deny tax abatement shall be made by the Commissioners' Court at its sole discretion.

- (g) Brazoria County shall not establish a reinvestment zone for the purpose of abatement if it finds that the request for the abatement was filed after the commencement of construction, alteration, or installation of improvements related to a proposed modernization, expansion or new facility.
- (h) Variance. Requests for variance from the provisions of Subsections (a) (b) (e) (g), (h) (1), (h) (2) and/or (h) (3) of Section 2 may be made in written form to the County Judge with a copy forwarded to the TARC. Such requests shall include a complete description of the circumstances explaining why the Applicant should be granted a variance. Approval of a request requires a four-fifths (4/5) vote of the Commissioners Court.
- (i) Special Variance: Air Carriers. A special variance from all applicable provisions of these guidelines and criteria, with the exception of Section 2 (h) (5) and (h) (7) may be granted allowing abatement or partial abatement of ad valorem taxes on the personal property of a certificated or non-certificated air carrier that owns or leases taxable real property in Brazoria County provided that the personal property has a value of at least \$10,000,000. Approval of a request for this variance requires a three-fourth (3/4) vote of the Commissioners Court.

PUBLIC HEARING Section 4

- (a) Neither a reinvestment zone nor abatement agreement shall be authorized if it is determined that:
 - (1) there would be a substantial adverse affect on the provision of government service or tax base;
 - (2) the Applicant has insufficient financial capacity;

- (3) planned or potential use of the property would constitute hazard to public safety, health or morals; or,
- (4) violation of other codes or laws.

AGREEMENT Section 5

- (a) After approval, Brazoria County Commissioners' Court shall formally pass a resolution and execute an agreement with the Applicant as required which shall include:
 - (1) estimated value to be abated and the base year value;
 - (2) percent of value to be abated each year as provided in Section 2(g);
 - (3) the commencement date and the termination date of abatement;
 - (4) the proposed use of the facility; nature of construction, time schedule, map, property description and improvement list as provided in Application, Sections II and III;
 - (5) contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignment as provided in Sections 2(a), 2(f), 2(g), 2(h) 6, 7, and 8;
 - (6) size of investment and average number of jobs involved for the period of abatement; and
 - (7) provision that Applicant shall annually furnish information necessary for Brazoria County's evaluation of Applicant's compliance with the terms and conditions of the tax abatement agreement and these guidelines and criteria (in the form of an annual report/statement of compliance), together with an additional provision that Brazoria County may, at its election, request and obtain information from Applicant as is necessary for the County's evaluation of Applicant's compliance with the terms and conditions of the tax abatement agreement and these guidelines and criteria. See Attachment A.
 - (8) provision that, upon expiration of the tax abatement agreement, Applicant shall begin annually reporting the status of the abated improvements regarding active service and operation as part of a facility operating in a producing capacity. Reporting will be for the same amount of years as the tax abatement period (*i.e.* seven year abatement, then follow-up reporting for seven more years). See Attachment B.
- (b) Such agreement shall be executed within sixty (60) days after the Applicant has for-

warded all necessary information and documentation to Brazoria County.

RECAPTURE Section 6

- (a) In the event the facility contemplated herein is completed and begins producing product or service, but the company fails to maintain the level of employment (including the projected creation or retention of employment) stated in the abatement application for the property that is the subject of the abatement agreement, the county may elect to: (1) Declare a default and terminate the abatement agreement without recapturing prior years' abated taxes; (2) Declare a default, terminate the agreement and order a recapture of all or part of the previous years' abated taxes; or (3) Set specific terms and conditions for the continuation of the abatement exemption for the duration of the term of the agreement under its present terms or alter the amount of the abatement for the remaining term of the agreement.
- (b) Should Brazoria County determine that the company or individual is in default according to the terms and conditions of its agreement, Brazoria County shall notify the company or individual in writing at the address stated in the agreement and if such is not cured within sixty (60) days from the date of such notice ("Cure Period"), then the agreement may be terminated.
- (c) In the event that the company or individual (1) allows its ad valorem taxes owed the County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest, or (2) violates any of the terms and conditions of the abatement agreement and fails to cure during the Cure Period, the agreement then may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within sixty (60) days of the termination.
- (d) Failure to provide any requested statement or information pursuant to the provisions described in Section 5(a)(7) without just cause within sixty (60) days of the request for the information or the presentation of any false or misleading statement may, at the County's option, be construed as a default by the company or individual and cause for immediate termination of the tax abatement agreement and recapture of all previously abated taxes, if after written notice of default, the company or individual has not cured such default prior to the expiration of thirty (30) days from such written notice. The Cure Period provisions of sub-sections (b) and (c) above are not applicable to a default and termination under this paragraph.

ADMINISTRATION Section 7

- (a) The Chief Appraiser of the County shall annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the assessor with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser shall notify

the eligible jurisdictions which levies taxes on the amount of the assessment.

- (b) The agreement shall stipulate that TARC of Brazoria County will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such a manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with their safety standards.

- (c) Tax Abatement Review Committee:

The Commissioners' Court shall appoint a standing Tax Abatement Review Committee (TARC) for purposes of (i) reviewing the tax abatement application and preparing the feasibility study report required by Section 3(d) of these guidelines; (ii) conducting annual inspections and/or evaluations of the abated facilities to insure compliance with the terms/conditions of the tax abatement agreement.

- (d) The Tax Abatement Review Committee shall be comprised of, but not limited to, a representative appointed by each Commissioners' Court member. The County Auditor, County Treasurer, District Attorney representative, and County Tax Assessor Collector shall serve as ex-officio members of the Committee to advise on abatement qualifications and procedures. The County Judge and the Commissioner of the Precinct in which a proposed abated facility will be located will serve on the Committee during the period when the Committee is preparing the feasibility study report and conducting the annual inspection and/or evaluation of the facility.

- (e) Upon completion of construction, the owner of an abated facility must submit a written report/statement of compliance annually during the life of the abatement to the Brazoria County Commissioners' Court and the Tax Abatement Review Committee clearly detailing the status of the facility and how it is complying with the abatement guidelines. The Committee shall annually evaluate each abated facility and report possible violations to the contract and agreement to the Brazoria County Commissioners' Court. A form of annual report that may be used by the owner is attached as Attachment A to these Guidelines & Criteria, and the owner's annual report shall, at a minimum, contain the information shown in the Attachment A form.

- (f) Upon expiration of the Tax Abatement term, the owner of the abated improvements must submit a written report/statement of compliance annually, beginning January 1 after the expiration of the tax abatement term, documenting that the abated improvements remain in active service and operation as part of a facility operating in a producing capacity for an additional period equal to the abatement period granted and completed (*i.e.* seven year abatement, then in producing capacity for an additional 7 years after expiration of the tax abatement agreement) in order to receive the full term of the abatement granted and not be subject to the term reduction and recapture/payment obligation provisions. The Report shall be delivered to the County Judge. The Committee shall annually evaluate each

abated facility and report possible violations to the contract and agreement to the Brazoria County Commissioners' Court. A form of annual report that may be used by the owner is attached as Attachment B to these Guidelines & Criteria, and the owner's annual report shall, at a minimum, contain the information shown in the Attachment B form.

- (g) The County shall timely file with the Texas Department of Commerce and the Property Tax Division of the State Comptroller's office all information required by the Tax Code.

ASSIGNMENT Section 8

Abatement may be transferred and assigned by the holder to a new owner or lessee of the same facility upon the approval by resolution of Brazoria County subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed by the execution of a new contractual agreement with Brazoria County. No assignment or transfer shall be approved if the new parties to the existing agreement, the new owner or new lessee are liable to Brazoria County or any eligible jurisdiction for delinquent taxes or other obligations. Approval shall not be unreasonably withheld.

PROVISIONS REGARDING CITY-INITIATED ABATEMENTS Section 9

- (a) This section is applicable to tax abatement applications for property located in a reinvestment zone designated by a city and applications by Applicants who have previously entered into a tax abatement agreement with a city regarding that property.
- (b) All provisions of these Guidelines & Criteria are applicable to city-initiated reinvestment zones and abated areas within a city's territorial limits unless otherwise stated herein or provided by law.
- (c) An Applicant shall file a tax abatement application on the County's application form together with all attachments and statements described in the application instructions and in subsection (d) herein below.
- (d) Upon receipt of a tax abatement application applicable to property within a city-designated reinvestment zone subject to a city's tax abatement agreement, the application shall be reviewed for approval as to (a) correct application form, (b) represented compliance with economic value estimates and employment criteria of Section 2(h) of the Guidelines & Criteria, (c) legal description requirements, (d) attachment of a correct copy of the city's ordinance designating the area as a reinvestment zone and granting abatement and (e) attachment of a correct copy of the fully executed tax abatement agreement between the city and the Applicant.
- (e) After review (and subject to approval of the matters in (d) above), the public hearing on the tax abatement shall be scheduled at the Commissioners Court meeting that next follows the one at which the Order Setting Hearing Date is entered, unless otherwise or-

dered by Commissioners Court. If there are any compliance problems with the application (including any problems to be resolved or amendments to the application to be made prior to the public hearing), the County Judge and Precinct Commissioners shall be advised of these compliance problems/matters to be resolved in a memo from the Civil Division-District Attorney's Office transmitting the Order Setting Hearing Date. No hearing shall be set on any application that fails to attach both the ordinance designating reinvestment zone and the copy of the fully executed tax abatement agreement between the city and the Applicant, or which is deficient as to application form or legal description. In such case the Applicant shall be informed of the necessity of attaching those documents or making necessary corrections, and there will be no further processing of the application until the same are received.

- (f) The notice provisions of Section 3 (c) are not applicable to an application under this section.
- (g) The percentage of property value abated and the term of abatement shall be the same as that stated in the city's tax abatement agreement unless otherwise specifically ordered in the Commissioners Court order granting abatement.

SUNSET PROVISION Section 10

- (a) These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two years, at which time all reinvestment zones and tax abatement contracts created pursuant to its provisions will be reviewed by Brazoria County to determine whether the goals have been achieved. Based on that review, the Guidelines and Criteria will be modified, renewed or eliminated, provided that such actions shall not affect existing contracts or applications for tax abatement filed prior to the expiration of said Guidelines and Criteria. Applications for abatement filed prior to the expiration of the Guidelines and Criteria shall be governed by the provisions of these Guidelines and Criteria regardless of any subsequent modification or amendment.
- (b) This policy is mutually exclusive of existing Industrial District Contracts and owners of real property in areas deserving of special attention as agreed by the eligible jurisdictions.
- (c) These guidelines and policies for Tax Abatement shall be effective May 11, 2012, and shall remain in force until May 11, 2014, unless amended or superseded, modified, renewed, or eliminated by Commissioners' Court prior to that date.

Attachment B

Certificate of Account Status



TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

SUSAN COMBS • COMPTROLLER • AUSTIN, TEXAS 78774

February 13, 2013

CERTIFICATE OF ACCOUNT STATUS

THE STATE OF TEXAS
COUNTY OF TRAVIS

I, Susan Combs, Comptroller of Public Accounts of the State of Texas, DO
HEREBY CERTIFY that according to the records of this office

FREEMPORT LNG DEVELOPMENT, L.P.

is, as of this date, in good standing with this office having no franchise tax
reports or payments due at this time. This certificate is valid through the
date that the next franchise tax report will be due May 15, 2013.

This certificate does not make a representation as to the status of the
entity's registration, if any, with the Texas Secretary of State.

This certificate is valid for the purpose of conversion when the converted
entity is subject to franchise tax as required by law. This certificate is not
valid for any other filing with the Texas Secretary of State.

GIVEN UNDER MY HAND AND
SEAL OF OFFICE in the City of
Austin, this 13th day of
February 2013 A.D.

A handwritten signature in cursive script, reading "Susan Combs", is written over the printed name and title.

Susan Combs
Texas Comptroller

Taxpayer number: 12700304111
File number: 0800125153

Form 05-304 (Rev. 12-07/17)

Attachment C

State Comptroller's Recommendation

S U S A N
C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



December 19, 2012

Karin Holacka
Superintendent
Brazosport ISD
P. O. Drawer Z
Freeport, Texas 77542

Dear Superintendent Holacka:

On September 21, 2012, the Comptroller received the completed application (Application #245) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted on August 31, 2012 to the Brazosport Independent School District (Brazosport ISD) by Freeport LNG Development, L.P. This letter presents the results of the comptroller's review of the application:

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

Brazosport ISD is currently classified as a rural school district in Category 1 according to the provisions of Chapter 313. Therefore, the applicant properly applied under the provisions of Subchapter C, applicable to rural school districts. The amount of proposed qualified investment (\$1.3 billion) is consistent with the proposed appraised value limitation sought (\$30 million). The property value limitation amount noted in this recommendation is based on property values available at the time of application and may change prior to the execution of any final agreement. Freeport LNG Development, L.P. is proposing the construction of a manufacturing facility in Brazoria County. Freeport LNG Development, L.P. is an active franchise taxpayer in good standing, as required by Tax Code Section 313.024(a).

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

After reviewing the application using the criteria listed in Section 313.026, and the information provided by Freeport LNG Development, L.P., the Comptroller's recommendation is that Freeport LNG Development, L.P.'s application under Tax Code Chapter 313 be approved.

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

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

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

Note that any new building or other improvement existing as of the application review start date of September 21, 2012, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2).

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

1. The applicant must provide the Comptroller a copy of the proposed limitation on appraised value agreement no later than 10 days prior to the meeting scheduled by the district to consider approving the agreement, so that the Comptroller may review it for compliance with the statutes and the Comptroller's rules as well as consistency with the application;
2. The Comptroller providing written confirmation that it received and reviewed the draft agreement and affirming the recommendation made in this letter;
3. The district must approve and execute a limitation agreement that has been reviewed by this office within a year from the date of this letter; and
4. Section 313.025 requires the district to provide to the Comptroller a copy of the signed limitation agreement within 7 days after execution.

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

Sincerely,



Martin A. Hubert
Deputy Comptroller

Enclosure

cc: Robert Wood

Attachment D

Economic Analysis

Economic Impact for Chapter 313 Project

| | |
|---|-------------------------------------|
| Applicant | Freeport LNG Development, L.P. 2017 |
| Tax Code, 313.024 Eligibility Category | Manufacturing |
| | |
| School District | Brazosport |
| 2010-11 Enrollment in School District | 12,671 |
| County | Brazoria |
| | |
| Total Investment in District | \$1,800,000,000 |
| Qualified Investment | \$1,300,000,000 |
| Limitation Amount | \$30,000,000 |
| | |
| Number of total jobs committed to by applicant | 52 |
| Number of qualifying jobs committed to by applicant | 42 |
| Average Weekly Wage of Qualifying Jobs committed to by applicant | \$1,250.00 |
| Minimum Weekly Wage Required Tax Code, 313.051(b) | \$1,033.00 |
| Minimum Annual Wage committed to by applicant for qualified jobs | \$65,000 |
| Investment per Qualifying Job | \$42,857,143 |
| | |
| Estimated 15 year M&O levy without any limit or credit: | \$194,387,501 |
| Estimated gross 15 year M&O tax benefit | \$136,398,853 |
| Estimated 15 year M&O tax benefit (<i>after</i> deductions for estimated school district revenue protection--but not including any deduction for supplemental payments or extraordinary educational expenses): | \$117,713,552 |
| Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program) | \$11,522,679 |
| | |
| Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection: | \$76,673,949 |
| | |
| Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted) | 60.6% |
| Percentage of tax benefit due to the limitation | 91.6% |
| Percentage of tax benefit due to the credit | 8.4% |

This presents the Comptroller's economic impact evaluation of Freeport LNG Development, L.P. (the project) applying to Brazosport Independent School District (the district), as required by Tax Code, 313.026. This evaluation is based on information provided by the applicant and examines the following criteria:

- (1) the recommendations of the comptroller;
- (2) the name of the school district;
- (3) the name of the applicant;
- (4) the general nature of the applicant's investment;
- (5) the relationship between the applicant's industry and the types of qualifying jobs to be created by the applicant to the long-term economic growth plans of this state as described in the strategic plan for economic development submitted by the Texas Strategic Economic Development Planning Commission under Section 481.033, Government Code, as that section existed before February 1, 1999;
- (6) the relative level of the applicant's investment per qualifying job to be created by the applicant;
- (7) the number of qualifying jobs to be created by the applicant;
- (8) the wages, salaries, and benefits to be offered by the applicant to qualifying job holders;
- (9) the ability of the applicant to locate or relocate in another state or another region of this state;
- (10) the impact the project will have on this state and individual local units of government, including:
 - (A) tax and other revenue gains, direct or indirect, that would be realized during the qualifying time period, the limitation period, and a period of time after the limitation period considered appropriate by the comptroller; and
 - (B) economic effects of the project, including the impact on jobs and income, during the qualifying time period, the limitation period, and a period of time after the limitation period considered appropriate by the comptroller;
- (11) the economic condition of the region of the state at the time the person's application is being considered;
- (12) the number of new facilities built or expanded in the region during the two years preceding the date of the application that were eligible to apply for a limitation on appraised value under this subchapter;
- (13) the effect of the applicant's proposal, if approved, on the number or size of the school district's instructional facilities, as defined by Section 46.001, Education Code;
- (14) the projected market value of the qualified property of the applicant as determined by the comptroller;
- (15) the proposed limitation on appraised value for the qualified property of the applicant;
- (16) the projected dollar amount of the taxes that would be imposed on the qualified property, for each year of the agreement, if the property does not receive a limitation on appraised value with assumptions of the projected appreciation or depreciation of the investment and projected tax rates clearly stated;
- (17) the projected dollar amount of the taxes that would be imposed on the qualified property, for each tax year of the agreement, if the property receives a limitation on appraised value with assumptions of the projected appreciation or depreciation of the investment clearly stated;
- (18) the projected effect on the Foundation School Program of payments to the district for each year of the agreement;
- (19) the projected future tax credits if the applicant also applies for school tax credits under Section 313.103; and
- (20) the total amount of taxes projected to be lost or gained by the district over the life of the agreement computed by subtracting the projected taxes stated in Subdivision (17) from the projected taxes stated in Subdivision (16).

Wages, salaries and benefits [313.026(6-8)]

After construction, the project will create 52 new jobs when fully operational. Forty-two jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the Houston-Galveston Area Council of Governments Region, where Brazoria County is located was \$53,711 in 2011. The annual average manufacturing wage for 2011-2012 for Brazoria County is \$91,429. That same year, the county annual average wage for all industries was \$49,374. In addition to a salary of \$65,000, each qualifying position will receive benefits including medical coverage (company pays 80% of employee health insurance premiums), dental plan, group life insurance, paid holidays, paid vacation and 401(k) retirement savings plan. The project's total investment is \$1.8 billion, resulting in a relative level of investment per qualifying job of \$42.9 million.

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

According to Freeport LNG Development, L.P.'s application, "Freeport LNG (FLNG) is keen to invest in LNG liquefaction and export facilities at its Quintana Island terminal because of its pre-existing assets there that would enable such an investment and the generally favorable business environment in Brazoria County and Texas. However, there are no other fundamental advantages to the location and FLNG could seek to invest in such facilities elsewhere. The three existing LNG terminals in Louisiana, which are similar to FLNG's, are all considering developing liquefaction and export facilities and would enjoy that state's 100% across-the-board 10-year industrial tax abatement. Those facilities enjoy a shipping advantage because they are somewhat closer to both the Atlantic and Pacific Basin markets (the latter, though the expanded Panama Canal, being the world's fastest growing energy markets). FLNG could partner with the owners of one of those terminals to co-develop new facilities with them on their site.

Alternatively, FLNG is aware of several completely undeveloped greenfield sites along the Texas and Louisiana coasts that could be suitable for LNG liquefaction and export facilities. FLNG could seek to acquire and develop on those sites. In any case, competition to develop new LNG liquefaction and export facilities is likely to be intense, especially in light of well advanced plans to do so in Australia, Russia, Africa and Middle East. To maximize its competitiveness, FLNG has selected the most energy-efficient liquefaction technology available, would leverage off its pre-existing assets to the greatest extent practicable, and would endeavor to economize on operations and maintenance costs as much as possible. Any economic development incentives received from Brazosport ISD or other Brazoria County jurisdictions would facilitate FLNG's competitiveness in this global marketplace and could be decisive towards the success of this project. A successful project development on Quintana Island would benefit not just FLNG but the entire Brazoria County economy and the Texas natural gas market, which would deliver very substantial quantities to the new facilities for decades to come."

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

During the past two years, 23 projects in the Houston-Galveston Area Council of Governments Region applied for value limitation agreements under Tax Code, Chapter 313.

Relationship of applicant's industry and jobs and Texas's economic growth plans [313.026(5)]

The Texas Economic Development Plan focuses on attracting and developing industries using technology. It also identifies opportunities for existing Texas industries. The plan centers on promoting economic prosperity throughout Texas and the skilled workers that the Freeport LNG Development, L.P., project requires appear to be in line with the focus and themes of the plan. Texas identified manufacturing as one of six target clusters in the Texas Cluster Initiative. The plan stresses the importance of technology in all sectors of the manufacturing industry.

Economic Impact [313.026(10)(A), (10)(B), (11), (13-20)]

Table 1 depicts Freeport LNG Development, L.P.'s estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office

calculated the economic impact based on 18 years of annual investment and employment levels using software from Regional Economic Models, Inc. (REMI). The impact includes the construction period and the operating period of the project.

Table 1: Estimated Statewide Economic Impact of Investment and Employment in Freeport LNG Development, L.P.

| Year | Employment | | | Personal Income | | |
|------|------------|--------------------|-------|-----------------|--------------------|---------------|
| | Direct | Indirect + Induced | Total | Direct | Indirect + Induced | Total |
| 2014 | 200 | 193 | 393 | \$12,480,000 | \$11,520,000 | \$24,000,000 |
| 2015 | 1200 | 1134 | 2334 | \$74,880,000 | \$76,120,000 | \$151,000,000 |
| 2016 | 1400 | 1349 | 2749 | \$87,360,000 | \$104,640,000 | \$192,000,000 |
| 2017 | 1225 | 1251 | 2476 | \$76,420,000 | \$112,580,000 | \$189,000,000 |
| 2018 | 452 | 597 | 1049 | \$28,163,200 | \$75,836,800 | \$104,000,000 |
| 2019 | 52 | 200 | 252 | \$3,203,200 | \$44,796,800 | \$48,000,000 |
| 2020 | 52 | 210 | 262 | \$3,203,200 | \$41,796,800 | \$45,000,000 |
| 2021 | 52 | 250 | 302 | \$3,203,200 | \$41,796,800 | \$45,000,000 |
| 2022 | 52 | 279 | 331 | \$3,203,200 | \$42,796,800 | \$46,000,000 |
| 2023 | 52 | 316 | 368 | \$3,203,200 | \$44,796,800 | \$48,000,000 |
| 2024 | 52 | 350 | 402 | \$3,203,200 | \$47,796,800 | \$51,000,000 |
| 2025 | 52 | 374 | 426 | \$3,203,200 | \$50,796,800 | \$54,000,000 |
| 2026 | 52 | 393 | 445 | \$3,203,200 | \$54,796,800 | \$58,000,000 |
| 2027 | 52 | 344 | 396 | \$3,203,200 | \$51,796,800 | \$55,000,000 |
| 2028 | 52 | 339 | 391 | \$3,203,200 | \$51,796,800 | \$55,000,000 |
| 2029 | 52 | 337 | 389 | \$3,203,200 | \$53,796,800 | \$57,000,000 |
| 2030 | 52 | 335 | 387 | \$3,203,200 | \$55,796,800 | \$59,000,000 |
| 2031 | 52 | 335 | 387 | \$3,203,200 | \$57,796,800 | \$61,000,000 |

Source: CPA, REMI, Freeport LNG Development, L.P.

The statewide average ad valorem tax base for school districts in Texas was \$1.7 billion in 2011-2012. Brazosport ISD's ad valorem tax base in 2011-2012 was \$6.3 billion. The statewide average wealth per WADA was estimated at \$347,943 for fiscal 2011-2012. During that same year, Brazosport ISD's estimated wealth per WADA was \$417,778. The impact on the facilities and finances of the district are presented in Attachment 2.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Brazoria County, Velasco Drainage District, Port of Freeport, and Brazosport Junior College District, with all property tax incentives sought being granted using estimated market value from Freeport LNG Development, L.P.'s application. Freeport LNG Development, L.P. has applied for both a value limitation under Chapter 313, Tax Code and tax abatements with the county, drainage district, port, and college district. Table 3 illustrates the estimated tax impact of the Freeport LNG Development, L.P. project on the region if all taxes are assessed.

| Year | Estimated Taxable Value for I&S | Estimated Taxable Value for M&O | Tax Rate ¹ | Brazosport ISD I&S Levy | Brazosport ISD M&O Levy | Brazosport ISD M&O and I&S Tax Levies (Before Credit Credited) | Brazosport ISD M&O and I&S Tax Levies (After Credit Credited) | Brazoria County Tax Levy | Velasco Drainage District Tax Levy | Brazosport Junior College District Tax Levy | Port of Freeport Tax Levy | Estimated Total Property Taxes |
|------|---------------------------------|---------------------------------|-----------------------|-------------------------|-------------------------|--|---|--------------------------|------------------------------------|---|---------------------------|--------------------------------|
| | | | | 0.2015 | 1.0400 | | | 0.4731 | 0.0942 | 0.2392 | 0.0535 | |
| 2017 | \$172,149,901 | \$172,149,901 | | \$951,382 | \$4,910,359 | \$5,861,741 | \$5,861,741 | \$0 | \$0 | \$0 | \$0 | \$5,861,741 |
| 2018 | \$695,800,000 | \$695,800,000 | | \$1,402,037 | \$7,236,320 | \$8,638,357 | \$8,638,357 | \$0 | \$0 | \$0 | \$0 | \$8,638,357 |
| 2019 | \$1,771,308,000 | \$30,000,000 | | \$3,569,186 | \$312,000 | \$3,881,186 | \$3,881,186 | \$0 | \$0 | \$0 | \$0 | \$3,881,186 |
| 2020 | \$1,709,312,220 | \$30,000,000 | | \$3,444,264 | \$312,000 | \$3,756,264 | \$2,110,167 | \$0 | \$0 | \$0 | \$0 | \$2,110,167 |
| 2021 | \$1,649,486,243 | \$30,000,000 | | \$3,323,715 | \$312,000 | \$3,635,715 | \$1,989,618 | \$0 | \$0 | \$0 | \$0 | \$1,989,618 |
| 2022 | \$1,591,754,226 | \$30,000,000 | | \$3,207,385 | \$312,000 | \$3,519,385 | \$1,873,288 | \$0 | \$0 | \$0 | \$0 | \$1,873,288 |
| 2023 | \$1,496,519,980 | \$30,000,000 | | \$3,015,488 | \$312,000 | \$3,327,488 | \$1,681,391 | \$0 | \$0 | \$0 | \$0 | \$1,681,391 |
| 2024 | \$1,418,878,839 | \$30,000,000 | | \$2,859,041 | \$312,000 | \$3,171,041 | \$1,585,520 | \$0 | \$0 | \$0 | \$0 | \$1,585,520 |
| 2025 | \$1,345,268,765 | \$30,000,000 | | \$2,710,717 | \$312,000 | \$3,022,717 | \$1,511,358 | \$6,364,480 | \$1,267,432 | \$3,217,856 | \$719,719 | \$13,080,845 |
| 2026 | \$1,264,796,116 | \$30,000,000 | | \$2,548,564 | \$312,000 | \$2,860,564 | \$1,430,282 | \$5,983,763 | \$1,191,615 | \$3,025,367 | \$676,666 | \$12,307,693 |
| 2027 | \$1,189,143,372 | \$1,189,143,372 | | \$2,396,124 | \$12,367,091 | \$14,763,215 | \$14,352,085 | \$5,625,849 | \$1,120,340 | \$2,844,407 | \$636,192 | \$24,578,872 |
| 2028 | \$1,118,021,579 | \$1,118,021,579 | | \$2,252,813 | \$11,627,424 | \$13,880,238 | \$13,880,238 | \$5,289,371 | \$1,053,333 | \$2,674,285 | \$598,142 | \$23,495,369 |
| 2029 | \$1,051,159,175 | \$1,051,159,175 | | \$2,118,086 | \$10,932,055 | \$13,050,141 | \$13,050,141 | \$4,973,045 | \$990,339 | \$2,514,352 | \$562,370 | \$22,090,247 |
| 2030 | \$988,300,802 | \$988,300,802 | | \$1,991,426 | \$10,278,328 | \$12,269,754 | \$12,269,754 | \$4,675,661 | \$931,118 | \$2,363,996 | \$528,741 | \$20,769,270 |
| 2031 | \$929,206,607 | \$929,206,607 | | \$1,872,351 | \$9,663,749 | \$11,536,100 | \$11,536,100 | \$4,396,086 | \$875,443 | \$2,222,644 | \$497,126 | \$19,527,398 |
| | | | | | | Total | \$95,651,226 | \$37,308,255 | \$7,429,618 | \$18,862,907 | \$4,218,955 | \$163,470,961 |

Assumes School Value Limitation and Tax Abatements with the County, Drainage District, College District, and Port

Source: CPA, Freeport LNG Development, L.P.

¹Tax Rate per \$100 Valuation

| Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives | | | | | | | | | | | | |
|---|---------------------------------|---------------------------------|-----------------------|-------------------------|-------------------------|---------------------------------------|--------------------------|------------------------------------|---|---------------------------|--------------------------------|---------------|
| Year | Estimated Taxable Value for I&S | Estimated Taxable Value for M&O | | Brazosport ISD I&S Levy | Brazosport ISD M&O Levy | Brazosport ISD M&O and I&S Tax Levies | Brazoria County Tax Levy | Velasco Drainage District Tax Levy | Brazosport Junior College District Tax Levy | Port of Freeport Tax Levy | Estimated Total Property Taxes | |
| | | | Tax Rate ¹ | 0.2015 | 1.0400 | | 0.4731 | 0.0942 | 0.2392 | 0.0535 | | |
| 2017 | \$472,149,901 | \$472,149,901 | | \$951,382 | \$4,910,359 | \$5,861,741 | \$2,233,746 | \$444,831 | \$1,129,373 | \$252,600 | \$9,922,292 | |
| 2018 | \$695,800,000 | \$695,800,000 | | \$1,402,037 | \$7,236,320 | \$8,638,357 | \$3,291,837 | \$655,541 | \$1,664,340 | \$372,253 | \$14,622,327 | |
| 2019 | \$1,771,308,000 | \$1,771,308,000 | | \$3,569,186 | \$18,421,603 | \$21,990,789 | \$8,380,076 | \$1,668,820 | \$4,236,933 | \$947,650 | \$37,224,268 | |
| 2020 | \$1,709,312,220 | \$1,709,312,220 | | \$3,444,264 | \$17,776,847 | \$21,221,111 | \$8,086,773 | \$1,610,411 | \$4,088,641 | \$914,482 | \$35,921,419 | |
| 2021 | \$1,649,486,243 | \$1,649,486,243 | | \$3,323,715 | \$17,154,657 | \$20,478,372 | \$7,803,736 | \$1,554,047 | \$3,945,538 | \$882,475 | \$34,664,168 | |
| 2022 | \$1,591,754,226 | \$1,591,754,226 | | \$3,207,385 | \$16,554,244 | \$19,761,629 | \$7,530,605 | \$1,499,655 | \$3,807,444 | \$851,589 | \$33,450,922 | |
| 2023 | \$1,496,519,980 | \$1,496,519,980 | | \$3,015,488 | \$15,563,808 | \$18,579,296 | \$7,080,051 | \$1,409,931 | \$3,579,646 | \$800,638 | \$31,449,562 | |
| 2024 | \$1,418,878,839 | \$1,418,878,839 | | \$2,859,041 | \$14,756,340 | \$17,615,381 | \$6,712,730 | \$1,336,783 | \$3,393,930 | \$759,100 | \$29,817,923 | |
| 2025 | \$1,345,268,765 | \$1,345,268,765 | | \$2,710,717 | \$13,990,795 | \$16,701,512 | \$6,364,480 | \$1,267,432 | \$3,217,856 | \$719,719 | \$28,370,998 | |
| 2026 | \$1,264,796,116 | \$1,264,796,116 | | \$2,548,564 | \$13,153,880 | \$15,702,444 | \$5,983,763 | \$1,191,615 | \$3,025,367 | \$676,666 | \$26,579,855 | |
| 2027 | \$1,189,143,372 | \$1,189,143,372 | | \$2,396,124 | \$12,367,091 | \$14,763,215 | \$5,625,849 | \$1,120,340 | \$2,844,407 | \$636,192 | \$24,990,003 | |
| 2028 | \$1,118,021,579 | \$1,118,021,579 | | \$2,252,813 | \$11,627,424 | \$13,880,238 | \$5,289,371 | \$1,053,333 | \$2,674,285 | \$598,142 | \$23,495,369 | |
| 2029 | \$1,051,159,175 | \$1,051,159,175 | | \$2,118,086 | \$10,932,055 | \$13,050,141 | \$4,973,045 | \$990,339 | \$2,514,352 | \$562,370 | \$22,090,247 | |
| 2030 | \$988,300,802 | \$988,300,802 | | \$1,991,426 | \$10,278,328 | \$12,269,754 | \$4,675,661 | \$931,118 | \$2,363,996 | \$528,741 | \$20,769,270 | |
| 2031 | \$929,206,607 | \$929,206,607 | | \$1,872,351 | \$9,663,749 | \$11,536,100 | \$4,396,086 | \$875,443 | \$2,222,644 | \$497,126 | \$19,527,398 | |
| | | | | | | Total | \$232,050,079 | \$88,427,809 | \$17,609,638 | \$44,708,751 | \$9,999,742 | \$392,796,019 |

Source: CPA, Freeport LNG Development, L.P.

¹Tax Rate per \$100 Valuation



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

Michael L. Williams
Executive Director

December 14, 2012

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

Dear Mr. Wood:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Freeport LNG Development (Phase 2) project on the number and size of school facilities in Brazosport Independent School District (BISD). Based on the analysis prepared by Moak, Casey and Associates for the school district and a conversation with the BISD superintendent, Dr. Karin Holacka, the TEA has found that the Freeport LNG Development (Phase 2) project would not have a significant impact on the number or size of school facilities in BISD.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Al McKenzie", followed by a horizontal line.

Al McKenzie, Manager
Foundation School Program Support

AM/bd



TEXAS EDUCATION AGENCY

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

December 14, 2012

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

Dear Mr. Wood:

The Texas Education Agency (TEA) has analyzed the revenue gains that would be realized by the proposed Freeport LNG Development (Phase 2) project for the Brazosport Independent School District (BISD). Projections prepared by the TEA State Funding Division confirm the analysis that was prepared by Moak, Casey and Associates and provided to us by your division. We believe the firm's assumptions regarding the potential revenue gain are valid, and its estimates of the impact of the Freeport LNG Development (Phase 2) project on BISD are correct.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Al McKenzie", with a stylized flourish at the end.

Al McKenzie, Manager
Foundation School Program Support

AM/bd

Brazoria County

Population

- Total county population in 2010 for Brazoria County: 314,407 , up 1.7 percent from 2009. State population increased 1.8 percent in the same time period.
- Brazoria County was the state's 15th largest county in population in 2010 and the 50 th fastest growing county from 2009 to 2010.
- Brazoria County's population in 2009 was 56.0 percent Anglo (above the state average of 46.7 percent), 10.9 percent African-American (below the state average of 11.3 percent) and 26.6 percent Hispanic (below the state average of 36.9 percent).
- 2009 population of the largest cities and places in Brazoria County:

| | | | |
|-----------|--------|----------------|--------|
| Pearland: | 86,341 | Lake Jackson: | 28,980 |
| Alvin: | 23,284 | Angleton: | 19,123 |
| Freeport: | 12,618 | Clute: | 10,915 |
| Manvel: | 6,375 | West Columbia: | 4,203 |
| Sweeny: | 3,663 | Richwood: | 3,584 |

Economy and Income

Employment

- September 2011 total employment in Brazoria County: 137,947 , up 1.8 percent from September 2010. State total employment increased 0.9 percent during the same period.
(October 2011 employment data will be available November 18, 2011).
- September 2011 Brazoria County unemployment rate: 9.0 percent, up from 8.9 percent in September 2010. The statewide unemployment rate for September 2011 was 8.5 percent, up from 8.2 percent in September 2010.
- September 2011 unemployment rate in the city of:

| | |
|---------------|---|
| Pearland: | 7.3 percent, up from 6.5 percent in September 2010. |
| Lake Jackson: | 7.5 percent, down from 8.0 percent in September 2010. |

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

Income

- Brazoria County's ranking in per capita personal income in 2009: 54th with an average per capita income of \$37,523, down 1.3 percent from 2008. Statewide average per capita personal income was \$38,609 in 2009, down 3.1 percent from 2008.

Industry

- Agricultural cash values in Brazoria County averaged \$97.62 million annually from 2007 to 2010. County total agricultural values in 2010 were up 14.7 percent from 2009. Major agriculture related commodities in Brazoria County during 2010 included:
 - Sorghum • Horses • Nursery • Rice • Other Beef
- 2011 oil and gas production in Brazoria County: 898,558.0 barrels of oil and 14.3 million Mcf of gas. In September 2011, there were 297 producing oil wells and 161 producing gas wells.

Taxes

Sales Tax - Taxable Sales

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

Quarterly (September 2010 through December 2010)

- Taxable sales in Brazoria County during the fourth quarter 2010: \$670.47 million, up 7.2 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

| | |
|--------------------|--|
| Pearland: | \$288.26 million, up 5.3 percent from the same quarter in 2009. |
| Lake Jackson: | \$113.83 million, up 2.5 percent from the same quarter in 2009. |
| Alvin: | \$77.36 million, up 6.0 percent from the same quarter in 2009. |
| Angleton: | \$36.45 million, up 0.1 percent from the same quarter in 2009. |
| Freeport: | \$18.95 million, up 9.5 percent from the same quarter in 2009. |
| Clute: | \$25.55 million, up 14.8 percent from the same quarter in 2009. |
| Manvel: | \$10.76 million, up 19.8 percent from the same quarter in 2009. |
| West Columbia: | \$10.48 million, up 13.2 percent from the same quarter in 2009. |
| Sweeny: | \$2.59 million, down 73.4 percent from the same quarter in 2009. |
| Richwood: | \$3.81 million, up 3.2 percent from the same quarter in 2009. |
| Brazoria: | \$9.22 million, up 14.4 percent from the same quarter in 2009. |
| Jones Creek: | \$273,198.00, up 2.9 percent from the same quarter in 2009. |
| Brookside Village: | \$1.08 million, up 118.1 percent from the same quarter in 2009. |

| | |
|--------------------------|--|
| Danbury: | \$662,540.00, up 13.5 percent from the same quarter in 2009. |
| Oyster Creek: | \$2.25 million, up 12.1 percent from the same quarter in 2009. |
| Holiday Lakes: | \$150,524.00, down 8.5 percent from the same quarter in 2009. |
| Iowa Colony: | \$13.50 million, down 1.7 percent from the same quarter in 2009. |
| Surfside Beach: | \$818,623.00, up 16.3 percent from the same quarter in 2009. |
| Bailey's Prairie: | \$34,200.00, down 2.7 percent from the same quarter in 2009. |
| Liverpool: | \$165,407.00, up 61.6 percent from the same quarter in 2009. |
| Quintana: | \$7,038.00 |

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

- Taxable sales in Brazoria County through the fourth quarter of 2010: \$2.46 billion, up 1.4 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

| | |
|---------------------------|--|
| Pearland: | \$1.04 billion, up 0.3 percent from the same period in 2009. |
| Lake Jackson: | \$402.67 million, down 0.2 percent from the same period in 2009. |
| Alvin: | \$289.95 million, up 0.3 percent from the same period in 2009. |
| Angleton: | \$145.19 million, up 0.8 percent from the same period in 2009. |
| Freeport: | \$74.78 million, up 10.4 percent from the same period in 2009. |
| Clute: | \$96.86 million, down 1.1 percent from the same period in 2009. |
| Manvel: | \$47.09 million, up 10.7 percent from the same period in 2009. |
| West Columbia: | \$39.73 million, up 14.0 percent from the same period in 2009. |
| Sweeny: | \$21.41 million, down 21.8 percent from the same period in 2009. |
| Richwood: | \$15.80 million, down 19.4 percent from the same period in 2009. |
| Brazoria: | \$34.75 million, down 1.6 percent from the same period in 2009. |
| Jones Creek: | \$1.08 million, down 4.4 percent from the same period in 2009. |
| Brookside Village: | \$3.79 million, up 78.2 percent from the same period in 2009. |
| Danbury: | \$2.53 million, up 26.1 percent from the same period in 2009. |
| Oyster Creek: | \$9.25 million, up 7.1 percent from the same period in 2009. |
| Holiday Lakes: | \$636,130.00, down 7.0 percent from the same period in 2009. |
| Iowa Colony: | \$52.04 million, down 18.0 percent from the same period in 2009. |
| Surfside Beach: | \$4.57 million, up 11.3 percent from the same period in 2009. |
| Bailey's Prairie: | \$87,007.00, down 37.8 percent from the same period in 2009. |
| Liverpool: | \$554,661.00, up 32.8 percent from the same period in 2009. |
| Quintana: | \$18,815.00 |

Annual (2010)

- Taxable sales in Brazoria County during 2010: \$2.46 billion, up 1.4 percent from 2009.
- Brazoria County sent an estimated \$153.68 million (or 0.90 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:

| | |
|---------------------------|---|
| Pearland: | \$1.04 billion, up 0.3 percent from 2009. |
| Lake Jackson: | \$402.67 million, down 0.2 percent from 2009. |
| Alvin: | \$289.95 million, up 0.3 percent from 2009. |
| Angleton: | \$145.19 million, up 0.8 percent from 2009. |
| Freeport: | \$74.78 million, up 10.4 percent from 2009. |
| Clute: | \$96.86 million, down 1.1 percent from 2009. |
| Manvel: | \$47.09 million, up 10.7 percent from 2009. |
| West Columbia: | \$39.73 million, up 14.0 percent from 2009. |
| Sweeny: | \$21.41 million, down 21.8 percent from 2009. |
| Richwood: | \$15.80 million, down 19.4 percent from 2009. |
| Brazoria: | \$34.75 million, down 1.6 percent from 2009. |
| Jones Creek: | \$1.08 million, down 4.4 percent from 2009. |
| Brookside Village: | \$3.79 million, up 78.2 percent from 2009. |
| Danbury: | \$2.53 million, up 26.1 percent from 2009. |
| Oyster Creek: | \$9.25 million, up 7.1 percent from 2009. |
| Holiday Lakes: | \$636,130.00, down 7.0 percent from 2009. |
| Iowa Colony: | \$52.04 million, down 18.0 percent from 2009. |
| Surfside Beach: | \$4.57 million, up 11.3 percent from 2009. |

| | |
|-------------------|---|
| Bailey's Prairie: | \$87,007.00, down 37.8 percent from 2009. |
| Liverpool: | \$554,661.00, up 32.8 percent from 2009. |
| Quintana: | \$18,815.00 |

Sales Tax – Local Sales Tax Allocations

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

Monthly

- Statewide payments based on the sales activity month of August 2011: \$505.22 million, up 13.9 percent from August 2010.
- Payments to all cities in Brazoria County based on the sales activity month of August 2011: \$3.57 million, up 9.2 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:

| | |
|--------------------|--|
| Pearland*: | \$1.62 million, up 5.1 percent from August 2010. |
| Lake Jackson: | \$568,565.83, up 9.2 percent from August 2010. |
| Alvin: | \$486,410.35, up 16.2 percent from August 2010. |
| Angleton: | \$249,880.72, up 9.9 percent from August 2010. |
| Freeport: | \$173,510.53, up 18.7 percent from August 2010. |
| Clute: | \$154,235.75, up 22.5 percent from August 2010. |
| Manvel: | \$93,103.54, up 23.3 percent from August 2010. |
| West Columbia: | \$63,572.59, up 26.9 percent from August 2010. |
| Sweeny: | \$23,337.23, down 23.8 percent from August 2010. |
| Richwood: | \$25,511.08, up 10.0 percent from August 2010. |
| Brazoria: | \$62,718.11, up 13.0 percent from August 2010. |
| Jones Creek: | \$3,295.75, down 3.4 percent from August 2010. |
| Brookside Village: | \$2,387.38, down 20.5 percent from August 2010. |
| Danbury: | \$6,606.86, up 48.8 percent from August 2010. |
| Oyster Creek: | \$13,907.07, down 21.7 percent from August 2010. |
| Holiday Lakes: | \$573.54, down 13.3 percent from August 2010. |
| Iowa Colony: | \$10,575.40, down 15.9 percent from August 2010. |
| Surfside Beach: | \$7,278.22, up 18.4 percent from August 2010. |
| Bailey's Prairie: | \$396.90, down 1.6 percent from August 2010. |
| Liverpool: | \$1,835.61, down 63.3 percent from August 2010. |
| Quintana: | \$2,563.69, up 78.1 percent from August 2010. |

Fiscal Year

- Statewide payments based on sales activity months from September 2010 through August 2011: \$6.08 billion, up 8.0 percent from the same period in 2010.
- Payments to all cities in Brazoria County based on sales activity months from September 2010 through August 2011: \$42.66 million, up 4.7 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:

| | |
|--------------------|---|
| Pearland*: | \$19.83 million, up 2.3 percent from fiscal 2010. |
| Lake Jackson: | \$7.00 million, up 3.4 percent from fiscal 2010. |
| Alvin: | \$5.45 million, up 7.5 percent from fiscal 2010. |
| Angleton: | \$3.03 million, up 3.1 percent from fiscal 2010. |
| Freeport: | \$1.96 million, up 20.0 percent from fiscal 2010. |
| Clute: | \$1.82 million, up 9.9 percent from fiscal 2010. |
| Manvel: | \$983,543.45, up 11.2 percent from fiscal 2010. |
| West Columbia: | \$685,356.40, up 2.2 percent from fiscal 2010. |
| Sweeny: | \$302,452.77, down 0.4 percent from fiscal 2010. |
| Richwood: | \$274,954.27, up 10.7 percent from fiscal 2010. |
| Brazoria: | \$719,283.78, up 6.9 percent from fiscal 2010. |
| Jones Creek: | \$42,124.74, up 2.8 percent from fiscal 2010. |
| Brookside Village: | \$35,875.21, down 9.7 percent from fiscal 2010. |
| Danbury: | \$81,357.57, up 37.2 percent from fiscal 2010. |
| Oyster Creek: | \$158,682.12, down 2.0 percent from fiscal 2010. |
| Holiday Lakes: | \$7,727.20, up 5.9 percent from fiscal 2010. |
| Iowa Colony: | \$165,247.97, up 50.5 percent from fiscal 2010. |
| Surfside Beach: | \$62,657.63, up 21.0 percent from fiscal 2010. |

| | |
|-------------------|--|
| Bailey's Prairie: | \$5,454.70, down 28.7 percent from fiscal 2010. |
| Liverpool: | \$25,085.09, up 17.9 percent from fiscal 2010. |
| Quintana: | \$20,775.61, down 36.4 percent from fiscal 2010. |

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

- Statewide payments based on sales activity months through August 2011: \$3.99 billion, up 8.3 percent from the same period in 2010.
- Payments to all cities in Brazoria County based on sales activity months through August 2011: \$27.60 million, up 3.4 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:

| | |
|--------------------|---|
| Pearland*: | \$12.68 million, up 0.2 percent from the same period in 2010. |
| Lake Jackson: | \$4.49 million, up 2.8 percent from the same period in 2010. |
| Alvin: | \$3.58 million, up 8.2 percent from the same period in 2010. |
| Angleton: | \$1.95 million, up 2.0 percent from the same period in 2010. |
| Freeport: | \$1.32 million, up 14.3 percent from the same period in 2010. |
| Clute: | \$1.20 million, up 12.0 percent from the same period in 2010. |
| Manvel: | \$675,446.20, up 9.0 percent from the same period in 2010. |
| West Columbia: | \$439,718.95, up 0.5 percent from the same period in 2010. |
| Sweeny: | \$197,504.78, down 2.5 percent from the same period in 2010. |
| Richwood: | \$184,879.84, up 8.9 percent from the same period in 2010. |
| Brazoria: | \$474,043.43, up 6.3 percent from the same period in 2010. |
| Jones Creek: | \$27,593.02, up 2.8 percent from the same period in 2010. |
| Brookside Village: | \$22,157.56, down 23.2 percent from the same period in 2010. |
| Danbury: | \$48,106.28, up 22.6 percent from the same period in 2010. |
| Oyster Creek: | \$101,462.63, down 10.3 percent from the same period in 2010. |
| Holiday Lakes: | \$5,340.78, up 10.7 percent from the same period in 2010. |
| Iowa Colony: | \$118,301.95, up 50.3 percent from the same period in 2010. |
| Surfside Beach: | \$47,156.99, up 23.1 percent from the same period in 2010. |
| Bailey's Prairie: | \$3,774.23, up 7.4 percent from the same period in 2010. |
| Liverpool: | \$18,583.44, up 25.7 percent from the same period in 2010. |
| Quintana: | \$16,036.10, up 29.4 percent from the same period in 2010. |

12 months ending in August 2011

- Statewide payments based on sales activity in the 12 months ending in August 2011: \$6.08 billion, up 8.0 percent from the previous 12-month period.
- Payments to all cities in Brazoria County based on sales activity in the 12 months ending in August 2011: \$42.66 million, up 4.7 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:

| | |
|--------------------|--|
| Pearland*: | \$19.83 million, up 2.3 percent from the previous 12-month period. |
| Lake Jackson: | \$7.00 million, up 3.4 percent from the previous 12-month period. |
| Alvin: | \$5.45 million, up 7.5 percent from the previous 12-month period. |
| Angleton: | \$3.03 million, up 3.1 percent from the previous 12-month period. |
| Freeport: | \$1.96 million, up 20.0 percent from the previous 12-month period. |
| Clute: | \$1.82 million, up 9.9 percent from the previous 12-month period. |
| Manvel: | \$983,543.45, up 11.2 percent from the previous 12-month period. |
| West Columbia: | \$685,356.40, up 2.2 percent from the previous 12-month period. |
| Sweeny: | \$302,452.77, down 0.4 percent from the previous 12-month period. |
| Richwood: | \$274,954.27, up 10.7 percent from the previous 12-month period. |
| Brazoria: | \$719,283.78, up 6.9 percent from the previous 12-month period. |
| Jones Creek: | \$42,124.74, up 2.8 percent from the previous 12-month period. |
| Brookside Village: | \$35,875.21, down 9.7 percent from the previous 12-month period. |
| Danbury: | \$81,357.57, up 37.2 percent from the previous 12-month period. |
| Oyster Creek: | \$158,682.12, down 2.0 percent from the previous 12-month period. |
| Holiday Lakes: | \$7,727.20, up 5.9 percent from the previous 12-month period. |
| Iowa Colony: | \$165,247.97, up 50.5 percent from the previous 12-month period. |
| Surfside Beach: | \$62,657.63, up 21.0 percent from the previous 12-month period. |
| Bailey's Prairie: | \$5,454.70, down 28.7 percent from the previous 12-month period. |

| | |
|------------|---|
| Liverpool: | \$25,085.09, up 17.9 percent from the previous 12-month period. |
| Quintana: | \$20,775.61, down 36.4 percent from the previous 12-month period. |

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

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

| | |
|--------------------|---|
| Pearland*: | \$16.53 million, up 1.7 percent from the same period in 2010. |
| Lake Jackson: | \$5.92 million, up 3.2 percent from the same period in 2010. |
| Alvin: | \$4.51 million, up 6.7 percent from the same period in 2010. |
| Angleton: | \$2.51 million, up 3.6 percent from the same period in 2010. |
| Freeport: | \$1.61 million, up 18.0 percent from the same period in 2010. |
| Clute: | \$1.51 million, up 12.8 percent from the same period in 2010. |
| Manvel: | \$822,290.83, up 11.4 percent from the same period in 2010. |
| West Columbia: | \$573,559.55, up 2.7 percent from the same period in 2010. |
| Sweeny: | \$249,336.88, down 0.9 percent from the same period in 2010. |
| Richwood: | \$229,245.62, up 14.6 percent from the same period in 2010. |
| Brazoria: | \$600,072.15, up 6.1 percent from the same period in 2010. |
| Jones Creek: | \$34,177.91, up 2.0 percent from the same period in 2010. |
| Brookside Village: | \$27,813.93, down 19.0 percent from the same period in 2010. |
| Danbury: | \$59,717.24, up 20.6 percent from the same period in 2010. |
| Oyster Creek: | \$129,141.24, down 5.6 percent from the same period in 2010. |
| Holiday Lakes: | \$6,525.94, up 9.2 percent from the same period in 2010. |
| Iowa Colony: | \$142,860.27, up 52.1 percent from the same period in 2010. |
| Surfside Beach: | \$53,230.26, up 21.4 percent from the same period in 2010. |
| Bailey's Prairie: | \$4,661.08, down 33.1 percent from the same period in 2010. |
| Liverpool: | \$21,746.84, up 20.5 percent from the same period in 2010. |
| Quintana: | \$18,275.03, down 42.7 percent from the same period in 2010. |

Annual (2010)

- Statewide payments based on sales activity months in 2010: \$5.77 billion, up 3.3 percent from 2009.
- Payments to all cities in Brazoria County based on sales activity months in 2010: \$41.77 million, up 0.9 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:

| | |
|--------------------|---|
| Pearland*: | \$19.80 million, up 2.2 percent from 2009. |
| Lake Jackson: | \$6.88 million, down 0.9 percent from 2009. |
| Alvin: | \$5.18 million, down 1.0 percent from 2009. |
| Angleton: | \$2.99 million, down 0.7 percent from 2009. |
| Freeport: | \$1.80 million, up 11.9 percent from 2009. |
| Clute: | \$1.69 million, down 3.6 percent from 2009. |
| Manvel: | \$928,016.24, up 5.5 percent from 2009. |
| West Columbia: | \$683,003.60, down 1.5 percent from 2009. |
| Sweeny: | \$307,562.66, down 5.1 percent from 2009. |
| Richwood: | \$259,772.39, down 8.8 percent from 2009. |
| Brazoria: | \$691,277.98, down 7.0 percent from 2009. |
| Jones Creek: | \$41,386.13, down 8.1 percent from 2009. |
| Brookside Village: | \$42,556.62, up 35.3 percent from 2009. |
| Danbury: | \$72,498.57, up 12.8 percent from 2009. |
| Oyster Creek: | \$170,345.11, up 5.4 percent from 2009. |
| Holiday Lakes: | \$7,212.68, down 10.7 percent from 2009. |
| Iowa Colony: | \$125,637.22, up 5.9 percent from 2009. |
| Surfside Beach: | \$53,802.40, up 10.0 percent from 2009. |
| Bailey's Prairie: | \$5,194.29, down 45.8 percent from 2009. |
| Liverpool: | \$21,280.04, up 15.2 percent from 2009. |
| Quintana: | \$17,136.83, down 54.6 percent from 2009. |

*On 1/1/2009, the city of Pearland's local sales tax rate increased by 0.00 from 1.500 percent to 1.500 percent.

Property Tax

- As of January 2009, property values in Brazoria County: \$26.70 billion, down 1.7 percent from January 2008 values. The property

tax base per person in Brazoria County is \$86,351, above the statewide average of \$85,809. About 2.4 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- Brazoria County's ranking in state expenditures by county in fiscal year 2010: 21st. State expenditures in the county for FY2010: \$996.28 million, up 0.5 percent from FY2009.
- In Brazoria County, 19 state agencies provide a total of 2,892 jobs and \$26.88 million in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):
 - Department of Criminal Justice
 - Department of Family and Protective Services
 - Department of Transportation
 - Department of Public Safety

Higher Education

- Community colleges in Brazoria County fall 2010 enrollment:
 - Brazosport College, a Public Community College, had 4,174 students.
 - Alvin Community College, a Public Community College, had 5,721 students.
- Brazoria County is in the service area of the following:
 - Alvin Community College with a fall 2010 enrollment of 5,721. Counties in the service area include: Brazoria County
 - Brazosport College with a fall 2010 enrollment of 4,174. Counties in the service area include: Brazoria County
- Institutions of higher education in Brazoria County fall 2010 enrollment:
 - None.

School Districts

- Brazoria County had 8 school districts with 93 schools and 59,838 students in the 2009-10 school year.
(Statewide, the average teacher salary in school year 2009-10 was \$48,263. The percentage of students, statewide, meeting the 2010 TAKS passing standard for all 2009-10 TAKS tests was 77 percent.)
 - Alvin ISD had 16,591 students in the 2009-10 school year. The average teacher salary was \$49,031. The percentage of students meeting the 2010 TAKS passing standard for all tests was 81 percent.
 - Angleton ISD had 6,282 students in the 2009-10 school year. The average teacher salary was \$50,412. The percentage of students meeting the 2010 TAKS passing standard for all tests was 87 percent.
 - Brazosport ISD had 12,822 students in the 2009-10 school year. The average teacher salary was \$49,929. The percentage of students meeting the 2010 TAKS passing standard for all tests was 78 percent.
 - Columbia-Brazoria ISD had 3,070 students in the 2009-10 school year. The average teacher salary was \$46,937. The percentage of students meeting the 2010 TAKS passing standard for all tests was 78 percent.
 - Damon ISD had 168 students in the 2009-10 school year. The average teacher salary was \$41,023. The percentage of students meeting the 2010 TAKS passing standard for all tests was 75 percent.
 - Danbury ISD had 773 students in the 2009-10 school year. The average teacher salary was \$47,625. The percentage of students meeting the 2010 TAKS passing standard for all tests was 86 percent.
 - Pearland ISD had 18,198 students in the 2009-10 school year. The average teacher salary was \$48,294. The percentage of students meeting the 2010 TAKS passing standard for all tests was 87 percent.
 - Sweeny ISD had 1,934 students in the 2009-10 school year. The average teacher salary was \$49,272. The percentage of students meeting the 2010 TAKS passing standard for all tests was 86 percent.

Attachment E

Summary of Financial Impact

**SUMMARY OF FINANCIAL IMPACT OF THE PROPOSED
FREEPORT LNG DEVELOPMENT, L.P. (PHASE 2) PROJECT ON
THE FINANCES OF THE BRAZOSPORT INDEPENDENT SCHOOL
DISTRICT UNDER A REQUESTED CHAPTER 313 PROPERTY
VALUE LIMITATION**

October 17, 2012

Final Report

PREPARED BY



Estimated Impact of the Proposed Freeport LNG Development, L.P. (Phase 2) Project on the Finances of the Brazosport Independent School District under a Requested Chapter 313 Property Value Limitation

Introduction

Freeport LNG Development, L.P. (Freeport LNG) has requested that the Brazosport Independent School District (BISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to BISD on August 31, 2012, the second phase of the Freeport LNG project calls for an investment of \$1.8 billion to construct a new natural gas liquefaction project in BISD. The entire three-phase project is expected to result in a total investment of \$4.8 billion.

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

Under the provisions of Chapter 313, BISD may offer a minimum value limitation of \$30 million. The provisions of Chapter 313 call for the project to be fully taxable in the 2017-18 and 2018-19 school years, anticipating that the District and the Company will agree to an extension of the start of the two-year qualifying time period. For the purpose of this analysis, it is assumed that the qualifying time period will be the 2017-18 and 2018-19 school years. Beginning in the 2019-20 school year, the project would go on the local tax roll at \$30 million and remain at that level of taxable value for eight years for maintenance and operations (M&O) taxes.

The full taxable value of the project can be assessed for debt service taxes on voter-approved bond issues throughout the limitation period and after, with BISD currently levying a \$0.202 I&S tax rate. The full taxable value of the first phase of this investment is expected to reach \$1.8 billion in the 2018-19 school year, with depreciation expected to reduce the taxable value of the project over the course of the value limitation agreement.

In the case of the Freeport LNG project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. BISD would experience a revenue loss as a result of the implementation of the value limitation in the 2019-20 school year (-\$13 million), with smaller additional revenue losses in subsequent years that result in a formula-loss total of -\$18.7 million for the eight value-limitation years.

Under the assumptions outlined below, the potential tax benefits under a Chapter 313 agreement could reach an estimated \$117.7 million over the course of the agreement. This amount is net of any anticipated revenue losses for the District.

School Finance Mechanics

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

The third year is often problematical financially for a school district that approves a Chapter 313 value limitation. The implementation of the value limitation often results in a revenue loss to the school district in the third year of the agreement that would not be reimbursed by the state, but require some type of compensation from the applicant under the revenue protection provisions of the agreement. In years 4-10, smaller revenue losses would be anticipated when the state property values are aligned at the minimum value established by the Board on both the local tax roll and the corresponding state property value study.

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

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

For the 2012-13 school year, the SB 1 changes called for smaller across-the-board reductions and funding ASATR-receiving target revenue districts at 92.35 percent of the level provided for under the existing funding formula. The result of these changes is that the number of ASATR districts is expected to be 421, with 603 formula districts.

For the 2013-14 school year and beyond, the ASATR reduction percentage will be set in the General Appropriations Act. The recent legislative session also saw the adoption of a statement of legislative intent to no longer fund target revenue (through ASATR) by the 2017-18 school year. It is likely that ASATR state funding will be reduced in future years and eliminated by the 2017-18 school year, based on current state policy.

One key element in any analysis of the school finance implications is the provision for revenue protection in the agreement between the school district and the applicant. In the case of the Freeport LNG project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. This meets the statutory requirement under Section 313.027(f)(1) of the Tax Code to provide school district revenue protection language in the agreement.

Underlying Assumptions

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

The general approach used here is to maintain static enrollment and property values in order to isolate the effects of the value limitation under the school finance system. The current SB 1 reductions are reflected in the underlying models. With regard to ASATR funding the 92.35 percent reduction enacted for the 2012-13 school year and thereafter, until the 2017-18 school year. A statement of legislative intent adopted in 2011 to no longer fund target revenue by the 2017-18 school year, so that change is reflected in the estimates presented below, to the extent this provision has any impact on the estimates presented. The projected taxable values of the Freeport LNG project are factored into the base model used here, as are the effects of previously approved Chapter 313 value limitation agreements. The impact of the limitation value for the proposed Freeport LNG project (Phase 2) is isolated separately and the focus of this analysis.

Student enrollment counts are held constant at 11,570 students in average daily attendance (ADA) in analyzing the effects of the Freeport LNG project on the finances of BISD. The District's local tax base reached \$6.2 billion for the 2011 tax year and is maintained for the forecast period in order to isolate the effects of the property value limitation. An M&O tax rate of \$1.04 is used throughout this analysis. BISD has estimated state property wealth per weighted ADA or WADA of approximately \$483,406 for the 2016-17 school year. It is estimated that BISD will be subject to recapture at the current equalized wealth level for several years under the agreement, although the amount owed for the project is reduced as a result of the value limitation agreement. The enrollment and property value assumptions for the 15 years that are the subject of this analysis are summarized in Table 1.

School Finance Impact

School finance models were prepared for BISD under the assumptions outlined above through the 2031-32 school year. Beyond the 2012-13 school year, no attempt was made to forecast the 88th percentile or Austin yield that influence future state funding beyond the projected level for that school year. In the analyses for other districts and applicants on earlier projects, these changes appeared to have little impact on the revenue associated with the implementation of the property value limitation, since the baseline and other models incorporate the same underlying assumptions.

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

A second model is developed which adds the Freeport LNG value but imposes the proposed property value limitation effective in the third year, which in this case is the 2018-19 school year. The results of this model are identified as “Value Limitation Revenue Model” under the revenue protection provisions of the proposed agreement (see Table 3).

A summary of the differences between these models is shown in Table 4. Under these assumptions, BISD would experience a revenue loss as a result of the implementation of the value limitation in the 2018-19 school year (-\$13.0 million). The revenue reduction results from the mechanics of the up to six cents beyond the compressed M&O tax rate equalized to the Austin yield or not subject to recapture, which reflect the one-year lag in value associated with the state property value study. Smaller revenue losses are expected in several subsequent school years under the value limitation.

As noted previously, no attempt was made to forecast further reductions in ASATR funding beyond the 92.35 percent adjustment adopted for the 2012-13 school year, although it is assumed that ASATR will be eliminated beginning in the 2017-18 school year, based on the 2011 statement of legislative intent. ASATR funding does not appear to have an impact on the estimates presented here.

Future school funding formula changes could have a potential impact on these estimates. For example, when the \$30 million value limitation takes effect in the 2019-20 school year, Freeport LNG would be expected to see initial tax savings of \$18.1 million. Recapture costs would be expected to be reduced by about \$5.1 million, but there are few other offsets, resulting in the hold-harmless loss amount of \$14.6 million. In the 2020-21 school year, state formula changes reflecting the lower state property value reduce recapture by \$12.9 million, offsetting much of the \$17.5 million in tax savings anticipated for the Company.

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

Impact on the Taxpayer

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

Under the assumptions used here, the potential gross tax savings from the value limitation total \$124.9 million over the life of the agreement. In addition, Freeport LNG would be eligible for a tax credit for M&O taxes paid on value in excess of the value limitation in each of the two qualifying years. The credit amount is paid out slowly through years 4-10 due to statutory limits on the scale of these payments over these seven years, with catch-up payments permitted in years 11-13. The tax credits are expected to total approximately \$11.5 million over the life of the

agreement, with no unpaid tax credits anticipated. The school district is to be reimbursed by the Texas Education Agency for the cost of these credits.

The key BISD revenue losses are expected to total approximately -\$18.7 million over the course of the agreement. In total, the potential net tax benefits (inclusive of tax credits but after hold-harmless payments are made) are estimated to total \$117.7 million. While future legislative changes could affect the level of hold-harmless payments, the state property value study reflecting the reduced value reflected in the limitation agreement is expected to continue to offset most local revenue losses after the initial \$30 million limitation year.

Facilities Funding Impact

The Freeport LNG project remains fully taxable for debt services taxes, with BISD currently levying a \$0.202 I&S rate. The value of the Freeport LNG project is expected to depreciate over the life of the agreement and beyond, but full access to the additional value is expected to assist BISD in meeting its I&S tax obligations.

The Freeport LNG project is not expected to affect BISD in terms of enrollment. Continued expansion of the project through its three phases and related development could result in additional employment in the area and an increase in the school-age population, but a variety of housing options exist in the Brazosport ISD area so it is difficult to determine if the workforce expected at the Freeport LNG site will have much impact on BISD's enrollment.

Conclusion

The proposed Freeport LNG natural gas liquefaction project enhances the tax base of BISD. It reflects continued capital investment in keeping with the goals of Chapter 313 of the Tax Code.

Under the assumptions outlined above, the potential tax savings for the applicant under a Chapter 313 agreement could reach an estimated \$117.7 million. (This amount is net of any anticipated revenue losses for the District.) The additional taxable value also enhances the tax base of BISD in meeting its future debt service obligations.

Table 1 – Base District Information with Freeport LNG Development, L.P. Project Value and Limitation Values

| Year of Agreement | School Year | ADA | WADA | M&O Tax Rate | I&S Tax Rate | CAD Value with Project | CAD Value with Limitation | CPTD with Project | CPTD With Limitation | CPTD Value with Project per WADA | CPTD Value with Limitation per WADA |
|-------------------|-------------|-----------|-----------|--------------|--------------|------------------------|---------------------------|-------------------|----------------------|----------------------------------|-------------------------------------|
| Pre-Year 1 | 2016-17 | 11,569.85 | 15,136.61 | \$1.0400 | \$0.2015 | \$7,560,832,578 | \$7,560,832,578 | \$7,317,121,503 | \$7,317,121,503 | \$483,406 | \$483,406 |
| 1 | 2017-18 | 11,569.85 | 15,136.61 | \$1.0400 | \$0.2015 | \$7,999,215,020 | \$7,999,215,020 | \$7,650,832,578 | \$7,650,832,578 | \$505,452 | \$505,452 |
| 2 | 2018-19 | 11,569.85 | 15,136.61 | \$1.0400 | \$0.2015 | \$10,217,383,605 | \$10,217,383,605 | \$8,089,215,020 | \$8,089,215,020 | \$534,414 | \$534,414 |
| 3 | 2019-20 | 11,569.85 | 15,136.61 | \$1.0400 | \$0.2015 | \$11,181,679,975 | \$9,440,371,975 | \$10,307,383,605 | \$10,307,383,605 | \$680,957 | \$680,957 |
| 4 | 2020-21 | 11,569.85 | 15,136.61 | \$1.0400 | \$0.2015 | \$8,480,880,699 | \$6,801,568,479 | \$11,271,679,975 | \$9,530,371,975 | \$744,664 | \$629,624 |
| 5 | 2021-22 | 11,569.85 | 15,136.61 | \$1.0400 | \$0.2015 | \$8,421,259,231 | \$6,801,772,988 | \$8,570,880,699 | \$6,891,568,479 | \$566,235 | \$455,292 |
| 6 | 2022-23 | 11,569.85 | 15,136.61 | \$1.0400 | \$0.2015 | \$8,363,839,636 | \$6,802,085,410 | \$8,511,259,231 | \$6,891,772,988 | \$562,296 | \$455,305 |
| 7 | 2023-24 | 11,569.85 | 15,136.61 | \$1.0400 | \$0.2015 | \$8,437,782,617 | \$6,971,262,637 | \$8,453,839,636 | \$6,892,085,410 | \$558,503 | \$455,326 |
| 8 | 2024-25 | 11,569.85 | 15,136.61 | \$1.0400 | \$0.2015 | \$8,800,902,076 | \$7,412,023,237 | \$8,527,782,617 | \$7,061,262,637 | \$563,388 | \$466,502 |
| 9 | 2025-26 | 11,569.85 | 15,136.61 | \$1.0400 | \$0.2015 | \$8,699,276,811 | \$7,384,008,046 | \$8,890,902,076 | \$7,502,023,237 | \$587,378 | \$495,621 |
| 10 | 2026-27 | 11,569.85 | 15,136.61 | \$1.0400 | \$0.2015 | \$9,140,485,386 | \$7,905,689,270 | \$8,789,276,811 | \$7,474,008,046 | \$580,664 | \$493,770 |
| 11 | 2027-28 | 11,569.85 | 15,136.61 | \$1.0400 | \$0.2015 | \$9,016,115,680 | \$9,016,115,680 | \$9,230,485,386 | \$7,995,689,270 | \$609,812 | \$528,235 |
| 12 | 2028-29 | 11,569.85 | 15,136.61 | \$1.0400 | \$0.2015 | \$10,716,688,382 | \$10,716,688,382 | \$9,106,115,680 | \$9,106,115,680 | \$601,596 | \$601,596 |
| 13 | 2029-30 | 11,569.85 | 15,136.61 | \$1.0400 | \$0.2015 | \$10,531,257,848 | \$10,531,257,848 | \$10,806,688,382 | \$10,806,688,382 | \$713,944 | \$713,944 |
| 14 | 2030-31 | 11,569.85 | 15,136.61 | \$1.0400 | \$0.2015 | \$10,354,706,024 | \$10,354,706,024 | \$10,621,257,848 | \$10,621,257,848 | \$701,694 | \$701,694 |
| 15 | 2031-32 | 11,569.85 | 15,136.61 | \$1.0400 | \$0.2015 | \$10,186,611,727 | \$10,186,611,727 | \$10,444,706,024 | \$10,444,706,024 | \$690,030 | \$690,030 |

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

Table 2-- "Baseline Revenue Model"--Project Value Added with No Value Limitation

| Year of Agreement | School Year | M&O Taxes @ Compressed Rate | State Aid | Additional State Aid- Hold Harmless | Excess Formula Reduction | Recapture Costs | Additional Local M&O Collections | State Aid From Additional M&O Tax Collections | Recapture from the Additional Local Tax Effort | Total General Fund |
|-------------------|-------------|-----------------------------|-------------|-------------------------------------|--------------------------|-----------------|----------------------------------|---|--|--------------------|
| Pre-Year 1 | 2016-17 | \$66,890,227 | \$4,946,125 | \$639,549 | \$0 | -\$907,784 | \$9,686,565 | \$1,062,825 | -\$1,697,099 | \$80,620,408 |
| 1 | 2017-18 | \$70,793,043 | \$4,136,235 | \$0 | \$0 | -\$3,852,277 | \$10,251,743 | \$871,833 | -\$1,948,831 | \$80,251,746 |
| 2 | 2018-19 | \$90,540,877 | \$4,946,125 | \$0 | \$0 | -\$9,321,258 | \$13,111,483 | \$730,531 | -\$2,724,544 | \$97,283,215 |
| 3 | 2019-20 | \$99,442,158 | \$4,136,235 | \$0 | \$0 | -\$28,364,625 | \$14,400,503 | \$0 | -\$3,949,753 | \$85,664,519 |
| 4 | 2020-21 | \$75,386,312 | \$4,946,125 | \$0 | \$0 | -\$25,790,268 | \$10,916,908 | \$0 | -\$3,220,703 | \$62,238,374 |
| 5 | 2021-22 | \$74,844,646 | \$4,136,235 | \$0 | \$0 | -\$11,268,103 | \$10,838,467 | \$292,148 | -\$2,440,379 | \$76,403,015 |
| 6 | 2022-23 | \$74,322,964 | \$4,946,125 | \$0 | \$0 | -\$10,773,344 | \$10,762,921 | \$326,530 | -\$2,401,387 | \$77,183,810 |
| 7 | 2023-24 | \$74,963,958 | \$4,136,235 | \$0 | \$0 | -\$10,456,356 | \$10,855,745 | \$365,212 | -\$2,400,449 | \$77,464,345 |
| 8 | 2024-25 | \$78,182,619 | \$4,946,125 | \$0 | \$0 | -\$11,454,766 | \$11,321,849 | \$332,816 | -\$2,532,534 | \$80,796,109 |
| 9 | 2025-26 | \$77,264,499 | \$4,946,125 | \$0 | \$0 | -\$13,855,744 | \$11,188,893 | \$107,056 | -\$2,636,703 | \$77,014,127 |
| 10 | 2026-27 | \$81,177,854 | \$4,946,125 | \$0 | \$0 | -\$13,834,159 | \$11,755,597 | \$175,772 | -\$2,732,045 | \$81,489,143 |
| 11 | 2027-28 | \$79,846,271 | \$4,946,125 | \$0 | \$0 | -\$16,582,569 | \$11,562,767 | \$0 | -\$2,844,369 | \$76,928,225 |
| 12 | 2028-29 | \$94,986,070 | \$4,946,125 | \$0 | \$0 | -\$18,763,808 | \$13,755,205 | \$0 | -\$3,332,835 | \$91,590,757 |
| 13 | 2029-30 | \$93,335,226 | \$4,946,125 | \$0 | \$0 | -\$29,527,833 | \$13,516,141 | \$0 | -\$3,858,593 | \$78,411,066 |
| 14 | 2030-31 | \$91,763,426 | \$4,946,125 | \$0 | \$0 | -\$27,977,032 | \$13,288,524 | \$0 | -\$3,739,966 | \$78,281,078 |
| 15 | 2031-32 | \$90,266,922 | \$4,946,125 | \$0 | \$0 | -\$26,536,438 | \$13,071,811 | \$0 | -\$3,626,987 | \$78,121,434 |

Table 3-- "Value Limitation Revenue Model"--Project Value Added with Value Limit

| Year of Agreement | School Year | M&O Taxes @ Compressed Rate | State Aid | Additional State Aid-Hold Harmless | Excess Formula Reduction | Recapture Costs | Additional Local M&O Collections | State Aid From Additional M&O Tax Collections | Recapture from the Additional Local Tax Effort | Total General Fund |
|-------------------|-------------|-----------------------------|-------------|------------------------------------|--------------------------|-----------------|----------------------------------|---|--|--------------------|
| Pre-Year 1 | 2016-17 | \$66,890,227 | \$4,946,125 | \$639,549 | \$0 | -\$907,784 | \$9,686,565 | \$1,062,825 | -\$1,697,099 | \$80,620,408 |
| 1 | 2017-18 | \$70,793,043 | \$4,136,235 | \$0 | \$0 | -\$3,852,277 | \$10,251,743 | \$871,833 | -\$1,948,831 | \$80,251,746 |
| 2 | 2018-19 | \$90,540,877 | \$4,946,125 | \$0 | \$0 | -\$9,321,258 | \$13,111,483 | \$730,531 | -\$2,724,544 | \$97,283,215 |
| 3 | 2019-20 | \$83,623,325 | \$4,136,235 | \$0 | \$0 | -\$23,852,502 | \$12,109,733 | \$0 | -\$3,321,443 | \$72,695,348 |
| 4 | 2020-21 | \$60,130,677 | \$4,946,125 | \$0 | \$0 | -\$13,892,550 | \$8,707,695 | \$0 | -\$2,216,218 | \$57,675,730 |
| 5 | 2021-22 | \$60,132,498 | \$7,789,297 | \$0 | \$0 | \$0 | \$8,707,959 | \$1,259,693 | -\$1,342,006 | \$76,547,441 |
| 6 | 2022-23 | \$60,135,279 | \$7,787,439 | \$0 | \$0 | \$0 | \$8,708,362 | \$1,259,596 | -\$1,342,162 | \$76,548,514 |
| 7 | 2023-24 | \$61,641,424 | \$7,784,601 | \$0 | \$0 | \$0 | \$8,926,471 | \$1,290,901 | -\$1,375,925 | \$78,267,473 |
| 8 | 2024-25 | \$65,565,413 | \$6,247,718 | \$0 | \$0 | \$0 | \$9,494,715 | \$1,236,431 | -\$1,545,993 | \$80,998,284 |
| 9 | 2025-26 | \$65,316,000 | \$4,946,125 | \$0 | \$0 | -\$2,393,919 | \$9,458,597 | \$905,908 | -\$1,736,775 | \$76,495,936 |
| 10 | 2026-27 | \$69,960,405 | \$4,946,125 | \$0 | \$0 | -\$2,324,629 | \$10,131,166 | \$991,281 | -\$1,847,622 | \$81,856,727 |
| 11 | 2027-28 | \$79,846,271 | \$4,946,125 | \$0 | \$0 | -\$7,429,127 | \$11,562,767 | \$713,463 | -\$2,360,942 | \$87,278,557 |
| 12 | 2028-29 | \$94,986,070 | \$4,946,125 | \$0 | \$0 | -\$18,763,808 | \$13,755,205 | \$0 | -\$3,332,835 | \$91,590,757 |
| 13 | 2029-30 | \$93,335,226 | \$4,946,125 | \$0 | \$0 | -\$29,527,833 | \$13,516,141 | \$0 | -\$3,858,593 | \$78,411,066 |
| 14 | 2030-31 | \$91,763,426 | \$4,946,125 | \$0 | \$0 | -\$27,977,032 | \$13,288,524 | \$0 | -\$3,739,966 | \$78,281,078 |
| 15 | 2031-32 | \$90,266,922 | \$4,946,125 | \$0 | \$0 | -\$26,536,438 | \$13,071,811 | \$0 | -\$3,626,987 | \$78,121,434 |

Table 4 -- Value Limit less Project Value with No Limit

| Year of Agreement | School Year | M&O Taxes @ Compressed Rate | State Aid | Additional State Aid-Hold Harmless | Excess Formula Reduction | Recapture Costs | Additional Local M&O Collections | State Aid From Additional M&O Tax Collections | Recapture from the Additional Local Tax Effort | Total General Fund |
|-------------------|-------------|-----------------------------|-------------|------------------------------------|--------------------------|-----------------|----------------------------------|---|--|--------------------|
| Pre-Year 1 | 2016-17 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1 | 2017-18 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2 | 2018-19 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 3 | 2019-20 | -\$15,818,834 | \$0 | \$0 | \$0 | \$4,512,123 | -\$2,290,771 | \$0 | \$628,310 | -\$12,969,171 |
| 4 | 2020-21 | -\$15,255,635 | \$0 | \$0 | \$0 | \$11,897,719 | -\$2,209,212 | \$0 | \$1,004,485 | -\$4,562,643 |
| 5 | 2021-22 | -\$14,712,148 | \$3,653,062 | \$0 | \$0 | \$11,268,103 | -\$2,130,508 | \$967,545 | \$1,098,373 | \$144,426 |
| 6 | 2022-23 | -\$14,187,685 | \$2,841,314 | \$0 | \$0 | \$10,773,344 | -\$2,054,559 | \$933,066 | \$1,059,225 | -\$635,295 |
| 7 | 2023-24 | -\$13,322,533 | \$3,648,366 | \$0 | \$0 | \$10,456,356 | -\$1,929,274 | \$925,689 | \$1,024,525 | \$803,128 |
| 8 | 2024-25 | -\$12,617,206 | \$1,301,593 | \$0 | \$0 | \$11,454,766 | -\$1,827,134 | \$903,614 | \$986,541 | \$202,175 |
| 9 | 2025-26 | -\$11,948,499 | \$0 | \$0 | \$0 | \$11,461,825 | -\$1,730,296 | \$798,852 | \$899,927 | -\$518,191 |
| 10 | 2026-27 | -\$11,217,448 | \$0 | \$0 | \$0 | \$11,509,530 | -\$1,624,431 | \$815,510 | \$884,423 | \$367,583 |
| 11 | 2027-28 | \$0 | \$0 | \$0 | \$0 | \$9,153,442 | \$0 | \$713,463 | \$483,427 | \$10,350,332 |
| 12 | 2028-29 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 13 | 2029-30 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 14 | 2030-31 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 15 | 2031-32 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Table 5 - Estimated Financial impact of the Freeport LNG Development, L.P. Project Property Value Limitation Request Submitted to BISD at \$1.04 M&O Tax Rate

| Year of Agreement | School Year | Project Value | Estimated Taxable Value | Value Savings | Taxes Before Value Limit | Taxes after Value Limit | Tax Savings @ Projected M&O Rate | Tax Credits for First Two Years Above Limit | Tax Benefit to Company Before Revenue Protection | School District Revenue Losses | Estimated Net Tax Benefits |
|--|-------------|-----------------|-------------------------|-----------------|--------------------------|-------------------------|----------------------------------|---|--|--------------------------------|----------------------------|
| Pre-Year 1 | 2016-17 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 1 | 2017-18 | \$472,149,901 | \$472,149,901 | \$0 | \$4,910,359 | \$4,910,359 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2 | 2018-19 | \$695,800,000 | \$695,800,000 | \$0 | \$7,236,320 | \$7,236,320 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 3 | 2019-20 | \$1,771,308,000 | \$30,000,000 | \$1,741,308,000 | \$18,421,603 | \$312,000 | \$18,109,603 | \$0 | \$18,109,603 | -\$12,969,171 | \$5,140,432 |
| 4 | 2020-21 | \$1,709,312,220 | \$30,000,000 | \$1,679,312,220 | \$17,776,847 | \$312,000 | \$17,464,847 | \$1,646,097 | \$19,110,944 | -\$4,562,643 | \$14,548,301 |
| 5 | 2021-22 | \$1,649,486,243 | \$30,000,000 | \$1,619,486,243 | \$17,154,657 | \$312,000 | \$16,842,657 | \$1,646,097 | \$18,488,754 | \$0 | \$18,488,754 |
| 6 | 2022-23 | \$1,591,754,226 | \$30,000,000 | \$1,561,754,226 | \$16,554,244 | \$312,000 | \$16,242,244 | \$1,646,097 | \$17,888,341 | -\$635,295 | \$17,253,046 |
| 7 | 2023-24 | \$1,496,519,980 | \$30,000,000 | \$1,466,519,980 | \$15,563,808 | \$312,000 | \$15,251,808 | \$1,646,097 | \$16,897,905 | \$0 | \$16,897,905 |
| 8 | 2024-25 | \$1,418,878,839 | \$30,000,000 | \$1,388,878,839 | \$14,756,340 | \$312,000 | \$14,444,340 | \$1,585,520 | \$16,029,860 | \$0 | \$16,029,860 |
| 9 | 2025-26 | \$1,345,268,765 | \$30,000,000 | \$1,315,268,765 | \$13,990,795 | \$312,000 | \$13,678,795 | \$1,511,358 | \$15,190,153 | -\$518,191 | \$14,671,962 |
| 10 | 2026-27 | \$1,264,796,116 | \$30,000,000 | \$1,234,796,116 | \$13,153,880 | \$312,000 | \$12,841,880 | \$1,430,282 | \$14,272,162 | \$0 | \$14,272,162 |
| 11 | 2027-28 | \$1,189,143,372 | \$1,189,143,372 | \$0 | \$12,367,091 | \$12,367,091 | \$0 | \$411,130 | \$411,130 | \$0 | \$411,130 |
| 12 | 2028-29 | \$1,118,021,579 | \$1,118,021,579 | \$0 | \$11,627,424 | \$11,627,424 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 13 | 2029-30 | \$1,051,159,175 | \$1,051,159,175 | \$0 | \$10,932,055 | \$10,932,055 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 14 | 2030-31 | \$988,300,802 | \$988,300,802 | \$0 | \$10,278,328 | \$10,278,328 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 15 | 2031-32 | \$929,206,607 | \$929,206,607 | \$0 | \$9,663,749 | \$9,663,749 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Totals | | | | | \$194,387,501 | \$69,511,327 | \$124,876,174 | \$11,522,679 | \$136,398,853 | -\$18,685,301 | \$117,713,552 |
| Tax Credit for Value Over Limit in First 2 Years | | | | | | | | Year 1 | Year 2 | Max Credits | |
| | | | | | | | | \$4,598,359 | \$6,924,320 | \$11,522,679 | |
| | | | | | | | | Credits Earned | | \$11,522,679 | |
| | | | | | | | | Credits Paid | | <u>\$11,522,679</u> | |
| | | | | | | | | Excess Credits Unpaid | | \$0 | |

***Note:** School District Revenue-Loss estimates are subject to change based on numerous factors, including legislative and Texas Education Agency administrative changes to school finance formulas, year-to-year appraisals of project values, and changes in school district tax rates. One of the most substantial changes to the school finance formulas related to Chapter 313 revenue-loss projections could be the treatment of Additional State Aid for Tax Reduction (ASATR). Legislative intent is to end ASATR in 2017-18 school year. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.

Attachment F

Taxable Value of Property

DATE: 06/26/2012
TIME: 10:06:45

COMPTROLLER OF PUBLIC ACCOUNTS - PROPERTY TAX ASSISTANCE DIVISION
2011 ISD SUMMARY WORKSHEET
020/Brasoria
020-905/Brasosport ISD

PAGE: 001
REPT: PTS265
VRSN: F

| CATEGORY | LOCAL TAX ROLL VALUE | 2011 WTD MEAN RATIO | 2011 PTAD VALUE ESTIMATE | 2011 VALUE ASSIGNED |
|-----------------------------|-------------------------|------------------------|-----------------------------|------------------------|
| A. SINGLE-FAMILY RESIDENCES | 2,042,998,142 | N/A | 2,042,998,142 | 2,042,998,142 |
| B. MULTIFAMILY RESIDENCES | 108,139,127 | N/A | 108,139,127 | 108,139,127 |
| C. VACANT LOTS | 82,226,940 | N/A | 82,226,940 | 82,226,940 |
| D. RURAL REAL (TAXABLE) | 47,424,074 | N/A | 47,424,074 | 47,424,074 |
| F1. COMMERCIAL REAL | 415,933,004 | N/A | 415,933,004 | 415,933,004 |
| F2. INDUSTRIAL REAL | 4,026,773,400 | N/A | 4,026,773,400 | 4,026,773,400 |
| G. OIL, GAS, MINERALS | 14,456,619 | N/A | 14,456,619 | 14,456,619 |
| J. UTILITIES | 136,336,280 | N/A | 136,336,280 | 136,336,280 |
| L1. COMMERCIAL PERSONAL | 270,430,460 | N/A | 270,430,460 | 270,430,460 |
| L2. INDUSTRIAL PERSONAL | 708,659,460 | N/A | 708,659,460 | 708,659,460 |
| M. MOBILE HOMES | 3,058,780 | N/A | 3,058,780 | 3,058,780 |
| N. INTANGIBLE PERS/UNCERT | 0 | N/A | 0 | 0 |
| O. RESIDENTIAL INVENTORY | 20,945,920 | N/A | 20,945,920 | 20,945,920 |
| S. SPECIAL INVENTORY | 8,631,960 | N/A | 8,631,960 | 8,631,960 |
| SUBTOTAL | 7,886,014,166 | | 7,886,014,166 | 7,886,014,166 |
| LESS TOTAL DEDUCTIONS | 1,584,426,986 | | 1,584,426,986 | 1,584,426,986 |
| TOTAL TAXABLE VALUE | 6,301,587,180 | | 6,301,587,180 | 6,301,587,180 T2 |

| CATEGORY D DETAIL | LOCAL TAX ROLL | RATIO | PTAD VALUE |
|--|----------------|-------|------------|
| MARKET VALUE NON-QUALIFIED ACRES & FARM/RANCH IMP | 45,160,645 | N/A | 45,160,645 |
| PROD VALUE QUALIFIED ACRES | 2,263,429 | N/A | 2,263,429 |
| TAXABLE VALUE | 47,424,074 | | 47,424,074 |

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

DATE: 06/26/2012
TIME: 10:06:45

COMPTROLLER OF PUBLIC ACCOUNTS - PROPERTY TAX ASSISTANCE DIVISION
2011 FINAL VALUES WORKSHEET
020/Brazoria
020-905/Brazosport ISD

PAGE: 002
REPT: PTS265
VRSN: F

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 OPERATIONS (M&O) TAX PURPOSES AND FOR INTEREST AND SINKING FUND (I&S) TAX PURPOSES. FOR DISTRICTS THAT HAVE NOT ENTERED INTO VALUE LIMITATION AGREEMENTS, T1 THROUGH T6 WILL BE THE SAME AS T7 THROUGH T12.

VALUE TAXABLE FOR M&O PURPOSES

| T1 | T2 | T3 | T4 | T5 | T6 |
|--|---------------|---------------|---------------|---------------|---------------|
| 6,432,782,969 | 6,301,587,180 | 6,352,993,828 | 6,221,798,039 | 6,307,536,999 | 6,227,747,858 |
| LOSS TO THE ADDITIONAL \$10,000 HOMESTEAD EXEMPTION | | | | | |
| 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION | | | | | |
| 131,195,789 | | | | | |
| 79,789,141 | | | | | |

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
T3 = T1 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION
T4 = T2 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION
T5 = T2 BEFORE THE LOSS TO THE TAX CEILING REDUCTION
T6 = T5 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION

VALUE TAXABLE FOR I&S PURPOSES

| T7 | T8 | T9 | T10 | T11 | T12 |
|--|---------------|---------------|---------------|---------------|---------------|
| 6,722,679,659 | 6,591,483,870 | 6,642,890,518 | 6,511,694,729 | 6,597,433,689 | 6,517,644,548 |
| 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 | | | | | |
| T9 = T7 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION | | | | | |
| T10 = T8 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION | | | | | |
| T11 = T8 BEFORE THE LOSS TO THE TAX CEILING REDUCTION | | | | | |
| T12 = T11 MINUS 50% OF THE LOSS TO THE LOCAL OPTIONAL PERCENTAGE HOMESTEAD EXEMPTION | | | | | |

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

**** END OF REPORT ****

Attachment G

Participation Agreement

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

by and between

BRAZOSPORT INDEPENDENT SCHOOL DISTRICT

and

FREEPORT LNG DEVELOPMENT, L.P.
(Texas Taxpayer ID # 12700304111)

and its affiliates

FLNG LIQUEFACTION 2, LLC
(Texas Taxpayer ID # 32048303864)

FLNG LIQUEFACTION 3, LLC
(Texas Taxpayer ID # 32048642410)

FLIQ COMMON FACILITIES, LLC
(Texas Taxpayer ID # 32048786746)

ANGLER PIPELINE, LLC
(Texas Taxpayer ID # 32041445050)

TEXAS COMPTROLLER APPLICATION No. 245

Dated
February 19, 2013

WHEREAS, on February 5, 2013, at a duly called and noticed Board meeting, the Board of Trustees hereby granted an extension of time to Freeport LNG Development, L.P., and its affiliates, in accordance with Tex. Tax Code § 313.025(b) for final action upon the pending application until April 30, 2013; and,

WHEREAS, the Comptroller has established September 21, 2012 as the completed Application date; and,

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

WHEREAS, the Application was reviewed by the Comptroller pursuant to Texas Tax Code §313.025(d), and, on December 19, 2012, the Comptroller, via letter, recommended that the Application be approved; and,

WHEREAS, the Comptroller conducted an economic impact evaluation pursuant to Chapter 313 of the Texas Tax Code which was presented to the Board of Trustees at the February 19, 2013 public hearing held in connection with the Board of Trustees' consideration of the Application; and,

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

WHEREAS, the Applicant has requested, pursuant to the authority created by Texas Tax Code §313.027(h), that the date upon which the Qualifying Time Period for the project begins, *i.e.* the "Commencement Date," be deferred until January 2, 2016.

WHEREAS, on February 19, 2013, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District; and,

WHEREAS, on February 19, 2013, the Board of Trustees made factual findings pursuant to Texas Tax Code §313.025(f), including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) this Agreement is in the best interest of the District and the State of Texas; (iii) the Applicant is eligible for the Limitation on Appraised Value of the Applicant's Qualified Property; and, (iv) each criterion listed in Texas Tax Code §313.025(e) has been met; and,

WHEREAS, the Brazosport Independent School District was within an area that qualified as a strategic investment area under Chapter 171 of the Texas Tax Code, Subchapter O immediately before that Subchapter expired; and because of that fact, the District qualifies as a rural school district under the provisions of Texas Tax Code §313.051(a)(1); and,

WHEREAS, on February 19, 2013, the Board of Trustees determined that the Tax Limitation Amount requested by the Applicant, and as defined in Sections 1.2 and 1.3, below, is consistent with the minimum values set out by Texas Tax Code, §§313.022(b) and 313.052, as such Tax Limitation Amount was computed as of the date of this Agreement; and,

WHEREAS, on February 12, 2013, the District received written notification, pursuant to 34 Texas Administrative Code §9.1055(e)(2)(A), that the Texas Comptroller of Public Accounts reviewed this Agreement, and reaffirmed the recommendation previously made on December 19, 2012 that the Application be approved; and,

WHEREAS, on February 19, 2013, 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;

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

ARTICLE I

AUTHORITY, TERM, DEFINITIONS, AND GENERAL PROVISIONS

Section 1.1. AUTHORITY

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

Section 1.2. TERM OF THE AGREEMENT

This Agreement shall commence and first become effective on the Commencement Date, as defined in Section 1.3, below. In the event that the Applicant makes a Qualified Investment in the amount defined in Section 2.6 below, between the Commencement Date and the end of the Qualifying Time Period, the Applicant will be entitled to the Tax Limitation Amount defined in Section 1.3 below, for the following Tax Years: 2019, 2020, 2021, 2022, 2023, 2024, 2025, and 2026. The limitation on the local ad valorem property values for Maintenance and Operations purposes shall commence with the property valuations made as of January 1, 2019, the appraisal date for the third full Tax Year following the Commencement Date.

The period beginning with the Commencement Date of January 2, 2016 and ending on December 31, 2018 will be referred to herein as the "Qualifying Time Period," as that term is defined in Texas Tax Code §313.021(4). The Applicant shall not be entitled to a tax limitation during the Qualifying Time Period.

Unless sooner terminated as provided herein, the limitation on the local ad valorem property values shall terminate on December 31, 2026. Except as otherwise provided herein, this Agreement will terminate in full on the Final Termination Date. The termination of this Agreement shall not (i) release any obligations, liabilities, rights and remedies arising out of any breach of, or failure to comply with, this Agreement occurring prior to such termination, or (ii) affect the right of a Party to enforce the payment of any amount to which such Party was entitled before such termination or to which such Party became entitled as a result of an event that occurred before such termination, so long as the right to such payment survives said termination.

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

| Full Tax Year of Agreement | Date of Appraisal | School Year | Tax Year | Summary Description of Provisions |
|---|-------------------|-------------|----------|---|
| Partial Year Commencing on date of Board approval (2/19/13) | January 1, 2013 | 2013-14 | 2013 | Deferral Period |
| Pre-year | January 1, 2014 | 2014-15 | 2014 | Deferral Period |
| Pre-year | January 1, 2015 | 2015-16 | 2015 | Deferral Period |
| Partial Year January 1, 2016 to January 2, 2016 | January 1, 2016 | 2016-17 | 2016 | Deferral Period |
| Partial Year (Commencing January 2, 2016) | January 1, 2016 | 2016-17 | 2016 | Start of Qualifying Time Period beginning with Commencement Date. No limitation on value. First year for computation of Annual Limit. |
| 1 | January 1, 2017 | 2017-18 | 2017 | Qualifying Time Period. No limitation on value. Possible tax credit in future years. |

| Full Tax Year of Agreement | Date of Appraisal | School Year | Tax Year | Summary Description of Provisions |
|----------------------------|-------------------|-------------|----------|---|
| 2 | January 1, 2018 | 2018-19 | 2018 | Qualifying Time Period. No limitation on value. Possible tax credit in future years. |
| 3 | January 1, 2019 | 2019-20 | 2019 | \$ 30 million property value limitation. |
| 4 | January 1, 2020 | 2020-21 | 2020 | \$ 30 million property value limitation. Possible tax credit due to Applicant. |
| 5 | January 1, 2021 | 2021-22 | 2021 | \$ 30 million property value limitation. Possible tax credit due to Applicant. |
| 6 | January 1, 2022 | 2022-23 | 2022 | \$ 30 million property value limitation. Possible tax credit due to Applicant. |
| 7 | January 1, 2023 | 2023-24 | 2023 | \$ 30 million property value limitation. Possible tax credit due to Applicant. |
| 8 | January 1, 2024 | 2024-25 | 2024 | \$ 30 million property value limitation. Possible tax credit due to Applicant. |
| 9 | January 1, 2025 | 2025-26 | 2025 | \$ 30 million property value limitation. Possible tax credit due to Applicant. |
| 10 | January 1, 2026 | 2026-27 | 2026 | \$ 30 million property value limitation. Possible tax credit due to Applicant. |
| 11 | January 1, 2027 | 2027-28 | 2027 | No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination. |

| Full Tax Year of Agreement | Date of Appraisal | School Year | Tax Year | Summary Description of Provisions |
|----------------------------|-------------------|-------------|----------|---|
| 12 | January 1, 2028 | 2028-29 | 2028 | No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination. |
| 13 | January 1, 2029 | 2029-30 | 2029 | No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination. |

Section 1.3. DEFINITIONS

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

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

“Affiliate” means any entity that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Applicant. For purposes of this definition, control of an entity means (i) the ownership, directly or indirectly, of fifty (50) percent or more of the voting rights in a company or other legal entity or (ii) the right to direct the management or operation of such entity whether by ownership (directly or indirectly) of securities, by contract or otherwise.

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

“Aggregate Limit” means, for any year of this Agreement, the cumulative total of the Annual Limit amount for the current year and all previous years of the Agreement, less all amounts paid by the Applicant to or on behalf of the District under Article IV, below.

“Agreement” means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented from time to time in accordance with Section 6.3.

“Annual Limit” means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Texas Tax Code §313.027(i). For purposes of this Agreement, the amount of the Annual Limit shall be One Million One Hundred Fifty Thousand Seven Hundred Nine Dollars and Thirty Cents (\$1,157,309.30) based upon the

District's 2011-12 Average Daily Attendance of 11,573.093. The Annual Limit shall first be computed for tax year 2016, which, by virtue of the Commencement Date is the first year of the Qualifying Time Period under this Agreement.

"Applicant" means Freeport LNG Development, L.P., (Texas Taxpayer ID #12700304111) and its affiliates, FLNG Liquefaction 2, LLC, (Texas Taxpayer ID #32048303864); FLNG Liquefaction 3, LLC, (Texas Taxpayer ID #32048642410); FLIQ Common Facilities, LLC, (Texas Taxpayer ID #32048786746); and, Angler Pipeline, LLC, (Texas Taxpayer ID #32041445050), listed in the Preamble of this Agreement who, on September 4, 2012, filed the Original Application; and on October 17, 2012, filed supplemental Application materials with the District for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The term "Applicant" shall also include the Applicants' assigns and successors-in-interest and their direct and indirect subsidiaries.

"Applicable School Finance Law" means Chapters 41 and 42 of the Texas Education Code, the Texas Economic Development Act (Chapter 313 of the Texas Tax Code), Chapter 403, Subchapter M, of the Texas Government Code applicable to the District, and the Constitution and general laws of the State applicable to the independent school districts of the State, including specifically, the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State, and judicial decisions construing or interpreting any of the above. The term also includes any amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of the Applicant's ad valorem tax obligation to the District, either with or without the limitation of property values made pursuant to this Agreement.

"Application" means the Original 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 4, 2012, together with the October 17, 2012 supplemental Application materials, which have been certified by the Comptroller to collectively constitute a complete final Application as of the date of September 21, 2012. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

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

"Appraisal District" means the Brazoria County Appraisal District.

"Board of Trustees" means the Board of Trustees of the Brazosport Independent School District.

"Commencement Date" means January 2, 2016. By agreement of the Parties pursuant to Texas Tax Code §313.027(h), the Commencement Date has been deferred, at the request of the

Applicant, from the date upon which this Agreement was approved by the District's Board of Trustees.

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

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

"County" means Brazoria County, Texas.

"Determination of Breach" shall have the meaning assigned to such term in Section 7.8 of the Agreement.

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

"Final Termination Date" means December 31, 2029.

"Force Majeure" means a failure caused by (a) provisions of law, or the operation or effect of rules, regulations or orders promulgated by any governmental authority having jurisdiction over the Applicant, the Applicant's Qualified Property or the Applicant's Qualified Investment or any upstream, intermediate or downstream equipment or support facilities as are necessary to the operation of the Applicant's Qualified Property or the Applicant's Qualified Investment; (b) any demand or requisition, arrest, order, request, directive, restraint or requirement of any government or governmental agency whether federal, state, military, local or otherwise; (c) the action, judgment or decree of any court; (d) floods, storms, hurricanes, evacuation due to threats of hurricanes, lightning, earthquakes, washouts, high water, fires, acts of God or public enemies, wars (declared or undeclared), blockades, epidemics, riots or civil disturbances, insurrections, strikes, labor disputes (it being understood that nothing contained in this Agreement shall require the Applicant to settle any such strike or labor dispute), explosions, breakdown or failure of plant, machinery, equipment, lines of pipe or electric power lines (or unplanned or forced outages or shutdowns of the foregoing for inspections, repairs or maintenance), inability to obtain, renew or extend franchises, licenses or permits, loss, interruption, curtailment or failure to obtain electricity, gas, steam, water, wastewater disposal, waste disposal or other utilities or utility services, inability to obtain or failure of suppliers to deliver equipment, parts or material, or inability of the Applicant to ship or failure of carriers to transport electricity from the Applicant's facilities; or (e) any other cause (except financial), whether similar or dissimilar, over which the Applicant has no reasonable control and which forbids or prevents performance.

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

"Maintain Viable Presence" means after the development and construction of the project described in the Application and in the description of Qualified Investment/Qualified Property as set forth in Section 2.3, below, (i) the operation over the term of this Agreement of the facility or facilities for which the tax limitation is granted, as the same may from time to time be expanded, upgraded, improved, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured, and/or reengineered: (ii) the retention over the term of this Agreement of the number of New Jobs and Qualifying Jobs set forth in its Application by the Applicant, and the retention of the highest number of New Jobs and Qualifying Jobs set forth in its Application through the Final Termination Date of this Agreement.

"M&O Amount" shall have the meaning assigned to such term in Section 3.2 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 Texas Education Code §45.002 and Article VII §3 of the Texas Constitution, plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 of the Texas Education Code or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace District M&O Revenue lost as a result of such similar agreements, less (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the Texas Education Code.

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

"Net Tax Benefit" means, (i) the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for all Tax Years if this Agreement had not been entered into by the Parties, (ii) adding to the amount determined under clause (i) all Tax Credits received by the Applicant under Chapter 313 of the Texas Tax Code, and (iii) subtracting from the sum of the amounts determined under clauses (i) and (ii) the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas, for all Tax Years of this Agreement, plus (B) any payments due to the District under Article III under this Agreement.

"New Jobs" means the total number of jobs, defined by 34 Texas Administrative Code §9.1051, which the Applicant will create in connection with the project which is the subject of its Application. In accordance with the requirements of Texas Tax Code §313.024(d), Eighty Percent (80%), of all New Jobs created by the Applicant on the project shall also be Qualifying Jobs, as defined below.

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

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

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

"Qualifying Time Period" means, after a deferral period as permitted by Texas Tax Code §313.027(h), the period that begins on the Commencement Date of January 2, 2016 and ends on December 31, 2018.

"Revenue Protection Amount" means the amount calculated pursuant to Section 3.2 of this Agreement.

"State" means the State of Texas.

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

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

"Tax Limitation Amount" means the maximum amount which may be placed as the Appraised Value on Qualified Property/Qualified Investment for years three (3) through ten (10) of this Agreement pursuant to Texas Tax Code §313.054. That is, for each of the eight (8) Tax

Years 2019, 2020, 2021, 2022, 2023, 2024, 2025, and 2026, the Appraised Value of the Applicant's Qualified Investment for the District's maintenance and operations ad valorem tax purposes shall not exceed, and the Tax Limitation Amount shall be, the lesser of:

- (a) the Market Value of the Applicant's Qualified Investment; or
- (b) Thirty Million Dollars (\$30,000,000.00).

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

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

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

"Texas Education Agency Rules" means the applicable rules and regulations adopted by the Texas Commissioner of Education in relation to the administration of Chapter 313 of the Texas Tax Code, which are set forth at Title 19 – Part 2, Texas Administrative Code, together with any court or administrative decisions interpreting same.

ARTICLE II

PROPERTY DESCRIPTION

Section 2.1. LOCATION WITHIN A QUALIFIED REINVESTMENT OR ENTERPRISE ZONE

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

Section 2.2. LOCATION OF QUALIFIED PROPERTY

The location of the Applicant's Qualified Property upon which the Applicant's Qualified Investment will be located is described in the legal description which is attached to this Agreement as **EXHIBIT 2** and is 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** without the express authorization of each of the Parties.

Section 2.3. DESCRIPTION OF QUALIFIED INVESTMENT AND QUALIFIED PROPERTY

The Qualified Investment and/or Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 3**, which is attached hereto and incorporated herein by reference for all purposes ("Applicant's Qualified Investment"). Qualified Investment shall be that property, described in **EXHIBIT 3** that is placed in service under the terms of the Application during the Qualifying Time Period described in both Section 1.2, above, and the definition of Qualifying Time Period set forth in Section 1.3, above. Qualified Property shall be all property described in **EXHIBIT 3**, including, but not limited to, the Applicant's Qualified Investment, together with the land described in **EXHIBIT 2** which: 1) is owned by the Applicant; 2) was first placed in service after September 21, 2012, the completed Application date established by the Comptroller; and 3) is used in connection with the activities described in the Application. Property which is not specifically described in **EXHIBIT 3** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Investment or Qualified Property for purposes of this Agreement, unless pursuant to Texas Tax Code §313.027(e) and Section 8.3 of this Agreement, the Board of Trustees, by official action, provides that such other property is a part of the Applicant's Qualified Investment for purposes of this Agreement.

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

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

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

At the end of the Qualifying Time Period, or at any other time when there is a material change in the Qualified Property located on the land described in **EXHIBIT 2**; upon a reasonable request of the District, the Comptroller, or the Appraisal District, the Applicant shall provide to the District, the Comptroller, and the Appraisal District a specific and detailed description of the tangible personal property, buildings, or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Qualified Property to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property within the boundaries of the real property which is subject to this Agreement.

Section 2.5. QUALIFYING USE

The Applicant's Qualified Investment described above in Section 2.3 qualifies for a tax limitation agreement under Texas Tax Code §313.024(b)(1) as a manufacturing facility.

Section 2.6. LIMITATION ON APPRAISED VALUE

So long as the Applicant makes a Qualified Investment in the amount of Thirty Million Dollars (\$30,000,000.00), or greater, during the Qualifying Time Period; and unless this Agreement has been terminated as provided herein before such Tax Year, for each of the eight (8) Tax Years 2019, 2020, 2021, 2022, 2023, 2024, 2025, and 2026, the Appraised Value of the Applicant's Qualified Investment for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

- (a) the Market Value of the Applicant's Qualified Investment; or
- (b) Thirty Million Dollars (\$30,000,000.00).

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

ARTICLE III

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 3.1. INTENT OF THE PARTIES

Subject to the limitations contained in this Agreement (including Section 5.1), it is the intent of the Parties that the District shall, in accordance with the provisions of Texas Tax Code §313.027(f)(1), be compensated by the Applicant for any loss that the District incurs in its Maintenance and Operations Revenue as a result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement, as well as any financial benefit accrued to the District resulting from the taxable value of Applicant's other improvements (not including land) described in the Application and the Agreement between the Applicant and the District contained in Texas Comptroller Application Number 246; which offset some or all of any losses calculated due to this Agreement alone. Such payments shall be independent of, and in addition to, all such other payments as are set forth in Article IV. Subject only to the limitations contained in this Agreement (including Section 5.1), it is the intent of the Parties that the risk of any negative financial consequence to the District in making the decision to enter into this Agreement will be borne by the Applicant and not by the District, and paid by the Applicant to the District in addition to any and all payments due under Article IV.

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

Subject to the provisions of Sections 5.1 and 5.2, the amount to be paid by the Applicant to compensate the District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year during the term of this Agreement (the "M&O Amount") shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the formulae set forth in the following Subsections 3.2(a) and 3.2(b):

- (a) For each of Tax Years 2019 through 2026, the M&O Amount owed by the Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue;

Where:

- i. "*Original M&O Revenue*" means the total State and local Maintenance & Operations Revenue that the District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Qualified Property and/or Qualified Investment been subject to the ad valorem maintenance & operations tax at the tax rate set by the District for the applicable year.
 - ii. "*New M&O Revenue*" means the total State and local Maintenance & Operations Revenue that the District actually received for such school year, after all adjustments have been made to Maintenance and Operations Revenue because of any portion of this Agreement.
- (b) For each of Tax Years 2019 and 2020 only, an amount equal to the District's Net Financial Benefit that occurs as a result of taxable value increases on improvements, not including land, which are described in the Application and the Agreement between the Applicant and the District contained in Texas Comptroller Application Number 246, shall be subtracted from any amounts calculated pursuant to Subsection 3.2(a), above.

For purposes of this Subsection 3.2(b) and for each year in which this Subsection applies:

- i. *Net Financial Benefit* means the District's New M&O Revenue *minus* the Adjusted M&O Revenue;

Where:

- A. "*New M&O Revenue*" means the total State and local Maintenance & Operations Revenue that the District actually received for such school year, after all adjustments have been made to Maintenance and Operations Revenue because of any portion of this Agreement.

B. "*Adjusted M&O Revenue*" means the total State and local Maintenance & Operations Revenue that the District would have received for the school year under the Applicable School Finance Law had the Applicant not constructed the improvements described in the Application referenced in Subsection 3.2(b), above, at the tax rate set by the District for the applicable year.

(c) In making all of the calculations required by this Section 3.2 and for purposes of this Agreement only:

- i. the Taxable Value of Qualified Property or other improvements described in the separate Agreements listed in Subsection 3.2(b) for each school year will be determined under the Applicable School Finance Law.
- ii. The tax collection rate on the Applicant's Qualified Property and/or the Applicant's Qualified Investment will be presumed to be one hundred percent (100%).
- iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue, as calculated under this Section 3.2(a) results in a negative number, the negative number will be considered to be zero.
- iv. If, for any year of this Agreement, the difference between the Adjusted M&O Revenue and the New M&O Revenue, as calculated under this Section 3.2(b) results in a negative number, the negative number will be considered to be zero.
- v. Any amount computed under the methodology set forth in Subsection 3.2(b) shall first be credited to offset the adjustment required by Subsection 3.2(b) of the Agreement, dated February 19, 2013 between the Applicant and the District contained in Texas Comptroller Application Number 244, and then if any amounts are left over, to offset amounts required under this Subsection, it being the intent of the parties hereto that such offset amounts calculated under this Subsection be only counted one time.
- vi. All calculations made for years three (3) through ten (10) of this Agreement under Section 3.2 will reflect the Tax Limitation Amount for such year.

- vii. All calculations made under Section 3.2(a) shall be made by a methodology which isolates the full M & O Revenue impact caused by this Agreement.
- viii. The Applicant shall not be responsible under this Agreement to reimburse the District for other revenue losses created by other agreements, on account of any other factors not contained in or described by this Agreement.

Section 3.3. COMPENSATION FOR LOSS OF OTHER REVENUES

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

- (a) all non-reimbursed costs incurred by the District in paying or otherwise crediting to the account of the Applicant, any applicable tax credit to which the Applicant may be entitled pursuant to Chapter 313, Subchapter D of the Texas Tax Code, and for which the District does not receive reimbursement from the State pursuant to Texas Education Code §42.2515, or other similar or successor statute.
- (b) all non-reimbursed costs, certified by the District's external auditor to have been incurred by the District for extraordinary education-related expenses related to the project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project.
- (c) any other loss of District revenues which are, or may be attributable to the payment by the Applicant to or on behalf of any other third party beneficiary.

Section 3.4. CALCULATIONS TO BE MADE BY THIRD PARTY

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

Section 3.5. DATA USED FOR CALCULATIONS

The calculations for payments under this Agreement shall be initially based upon the valuations placed upon the Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Brazoria County Appraisal District in its annual certified tax roll submitted to the District pursuant to Texas Tax Code §26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit

the valuation information to the Third Party selected under Section 3.4. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Brazoria County Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

Section 3.6. DELIVERY OF CALCULATIONS

On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 3.4 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 3.2 and/or 3.3 and Article IV, or under Section 5.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's offices, personnel, books, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation and fee for a period of five (5) years after payment. The Applicant shall not be liable for any of Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement or the fee paid by the Applicant to the Third Party pursuant to Section 3.7, if such fee is timely paid.

Section 3.7. PAYMENT BY APPLICANT

The Applicant shall pay any amount determined to be due and owing to the District under this Agreement on or before the January 31 of the year 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 for all calculations under this Agreement under Section 3.6, above, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or tax credit or other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement. In Tax Years 2019 and 2020, the Applicant will be responsible for the payment of any total expenses under this Section and Section 3.6, above, up to Fifteen Thousand Dollars (\$15,000.00). In all other years during which this Agreement is effective, the Applicant will be responsible for the payment of any total expenses under this Section and Section 3.6, above, not to exceed Ten Thousand Dollars (\$10,000.00).

Section 3.8. RESOLUTION OF DISPUTES

Pursuant to Section 3.4 and Section 3.6, should the Applicant disagree with the certification containing the calculations, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days of receipt of the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the District's Board of Trustees within thirty (30) days of the final determination of certification containing the calculations.

Section 3.9. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT

In the event that, at the time the Third Party selected under Section 3.4 makes its calculations under this Agreement, the Applicant has appealed the taxable values placed by the County Appraisal District on the Qualified Property, and the appeal of the appraised values are unresolved, the Third Party shall base its calculations upon the values placed upon the Qualified Property by the County Appraisal District.

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

Section 3.10. EFFECT OF STATUTORY CHANGES

Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 5.1, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, the Applicant shall make payments to the District, up to the revenue protection amount limit set forth in Section 5.1, that are necessary to offset any negative impact on the District as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on the District.

ARTICLE IV

Section 4.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS

In interpreting the provisions of Article IV, the Parties agree as follows:

(a) **Amounts Exclusive of Indemnity Amounts**

In addition to undertaking the responsibility for the payment of all of the amounts set forth under Article III, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the Supplemental Payments set forth in this Article IV. The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 of the Texas Tax Code, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the obligation for Supplemental Payments under this Article IV are separate and independent of the obligation of the Applicant to pay the amounts described in Article III; provided, however, that all payments under Articles III and IV are subject to the limitations contained in Section 5.1, and that all payments under Article IV are subject to the separate limitations contained in Section 4.4.

(b) **Adherence to Statutory Limits on Supplemental Payments**

It is the express intent of the Parties that any Supplemental Payments made to or on behalf of the District by the Applicant, under this Article IV, shall not exceed the limit imposed by the provisions of Texas Tax Code §313.027(i) unless that limit is increased by the Legislature at a future date.

Section 4.2. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO AGGREGATE LIMIT

During the term of this Agreement, the District shall not be entitled to receive Supplemental Payments that exceed the least amount which would be due to the District under any of the following three Subsections:

- (a) the Applicant's Stipulated Supplemental Payment Amount, defined as ten percent (10%) of the Applicant's Net Tax Benefit, as the term is defined in Section 1.3, above; or,
- (b) the Aggregate Limit, as the term is defined in Section 1.3, above; or,
- (c) on an annual basis, the amounts listed below:

| <u>APPLICABLE TAX</u> | | <u>PAYMENT</u> |
|-----------------------|-------------------------|----------------|
| <u>YEAR</u> | <u>PAYMENT DUE DATE</u> | <u>AMOUNT</u> |
| 2019 | January 31, 2020 | \$1,050,000 |
| 2020 | January 31, 2021 | \$1,050,000 |
| 2021 | January 31, 2022 | \$1,050,000 |
| 2022 | January 31, 2023 | \$1,050,000 |
| 2023 | January 31, 2024 | \$1,050,000 |
| 2024 | January 31, 2025 | \$1,050,000 |
| 2025 | January 31, 2026 | \$1,050,000 |
| 2026 | January 31, 2027 | \$1,050,000 |
| 2027 | January 31, 2028 | \$1,050,000 |
| 2028 | January 31, 2029 | \$1,050,000 |

Section 4.3. ANNUAL CALCULATION OF STIPULATED SUPPLEMENTAL PAYMENT AMOUNT

The Parties agree that for each Tax Year of this Agreement, beginning with the third full year (Tax Year 2019), the Stipulated Supplemental Payment amount, described in Section 4.2 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 school tax rate of any other governmental entity, including the State of Texas, for such Tax Year;

Plus,

Any Tax Credit received by the Applicant with respect to such Tax Year;

Minus,

Any amounts previously paid to the District under Article III;

Multiplied by,

The number 0.1;

Minus,

Any amounts previously paid to the District under Sections 4.2 and 4.3 with respect to such Tax Year.

In the event that there are changes in the data upon which the calculations set forth herein are made, the Third Party described in Section 3.4, above, shall adjust the Stipulated Supplemental Payment amount calculation to reflect any changes in the data.

Section 4.4. CALCULATION OF ANNUAL SUPPLEMENTAL PAYMENTS TO THE DISTRICT AND APPLICATION OF AGGREGATE LIMIT

For each year of this Agreement, beginning with year three (Tax Year 2019) and continuing thereafter through year thirteen (Tax Year 2029), the District, or its Successor Beneficiary, should one be designated under Section 4.6 below, shall not be entitled to receive Supplemental Payments, computed under Sections 4.2 and 4.3, above, that exceed the Aggregate Limit, defined in Section 1.3, above.

If, for any year of this Agreement the payment of the Applicant's Stipulated Supplemental Payment amount, calculated under sections 4.2 and 4.3 above, exceeds the Aggregate Limit for that year, the difference between the Stipulated Supplemental Payment amount and the Aggregate Limit, shall be carried forward from year-to-year into subsequent years of this Agreement, and to the extent not limited by the Aggregate Limit in any subsequent year of this Agreement, shall be paid to the District.

Any Stipulated Supplemental Payment amount, which cannot be made to the District prior to the end of year thirteen (Tax Year 2029), because such payment would exceed the Aggregate Limit, will be deemed to have been cancelled by operation of law.

Section 4.5. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS

- (a) All calculations required by this Article, including but not limited to: (i) the calculation of the 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 Stipulated Supplemental Payment amounts unpaid by the Applicant due to the Aggregate Limit in previous years, shall be calculated by the Third Party selected pursuant to Section 3.4.
- (b) The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 3.6.
- (c) The payment of all amounts due under this Article shall be made at the time set forth in Section 3.7.

Section 4.6. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY

At any time during this Agreement, the District's Board of Trustees may, in its sole discretion, so long as such decision does not result in additional costs to the Applicant under this Agreement, direct that the Applicant's payment obligations under this Article IV be made to its educational foundation, or to a similar entity. The alternative entity may only use such funds received under this Article to support the educational mission of the District and its students. Any designation of an alternative entity must be made by recorded vote of the District's Board of Trustees at a properly posted public Board meeting. Any such designation will become effective after public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 6.1, below. Such designation may be rescinded by the District's Board of Trustees, by Board action, at any time.

Any designation of a successor beneficiary under this Section shall not alter the Aggregate Limitation on Supplemental payments described in Section 4.4, above.

ARTICLE V

ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

SECTION 5.1. ANNUAL LIMITATION AFTER FIRST THREE YEARS

Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year during the term of this Agreement after the 2019 Tax Year, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles III and IV with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Section 3.4, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles III and IV shall be reduced until such excess is eliminated.

Section 5.2. OPTION TO CANCEL AGREEMENT

In the event that any payment otherwise due from the Applicant to the District under Article III and/or Section 4.2 with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 5.1 above, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to cancel this Agreement by notifying the District of its election in writing not later than the July 31 of the year next following the Tax Year with respect to which a reduction under Section 5.1 is applicable. Any cancellation of this Agreement under the foregoing provisions of this Section 5.2 shall be effective immediately prior to the second Tax Year next following the Tax Year in which the reduction giving rise to the option occurred. Upon such termination this Agreement shall terminate and be of no further force or effect; provided, however, that the Parties respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged.

ARTICLE VI

TAX CREDITS

Section 6.1. APPLICANT'S ENTITLEMENT TO TAX CREDITS

The Applicant shall be entitled to tax credits from the District under and in accordance with the provisions of Subchapter D of the Act and Comptroller Rules, provided that the

Applicant complies with the requirements under such provisions, including the filing of a completed Application under Section 313.103 of the Texas Tax Code and Comptroller Rules.

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

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

Section 6.3. COMPENSATION FOR LOSS OF TAX CREDIT PROTECTION REVENUES

If after the Applicant has actually received the benefit of a tax credit under Section 6.1, the District does not receive aid from the State pursuant to Texas Education Code §42.2515 or other similar or successor statute with respect to all or any portion of such tax credit for reasons other than the District's failure to comply with the requirements for obtaining such aid, then the District shall notify the Applicant in writing thereof and the circumstances surrounding the State's failure to provide such aid to the District. The Applicant shall pay to the District the amount of such tax credit for which the District did not receive such aid within thirty (30) calendar days after receipt of such notice, and such payment shall be subject to the same provisions for late payment as are set forth in Section 7.4 and 7.5. If the District receives aid from the State for all or any portion of a tax credit with respect to which the Applicant has made a payment to the District under this Section 6.3, then the District shall pay to the Applicant the amount of such aid within thirty (30) calendar days after the District's receipt thereof.

ARTICLE VII

ADDITIONAL OBLIGATIONS OF APPLICANT

Section 7.1. DATA REQUESTS

During the term of this Agreement, and upon the written request of one Party or by the Comptroller (the "Requesting Party"), the other Party shall provide the Requesting Party with all information reasonably necessary for the Requesting Party to determine whether the other Party is in compliance with its obligations, including any employment obligations which may arise under this Agreement. The Applicant shall allow authorized employees of the District, the Comptroller, and/or the Brazoria County Appraisal District to have access to the Applicant's Qualified Property and/or business records, in accordance with Texas Tax Code §22.07, during the term of this Agreement, in order to inspect the project to determine compliance with the terms hereof. All inspections will be made at a mutually agreeable time after the giving of not less than forty-eight (48) 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. 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 Brazoria County Appraisal District with any technical or business information that is private personnel data, proprietary, a trade secret or confidential in nature or is subject to a confidentiality agreement with any third party.

Section 7.2. REPORTS TO OTHER GOVERNMENTAL AGENCIES

The Applicant shall timely make any and all reports that are or may be required under the provisions of law or administrative regulation, including but not limited to the annual report or certifications that may be required to be submitted by the Applicant to the Comptroller under the provisions of Texas Tax Code §313.032. Applicant shall forward a copy of all such required reports or certifications to the District contemporaneously with the filing thereof. The obligation to make all such required filings shall be a material obligation under this Agreement.

Section 7.3. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE

By entering into this Agreement, the Applicant warrants that:

- (a) it will abide by all of the terms of the Agreement;
- (b) it will Maintain Viable Presence in the District 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 (as hereinafter defined), provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure; and,
- (c) it will meet minimum eligibility requirements under Chapter 313 of the Texas Tax Code throughout the value limitation and tax-credit settle-up periods.

Section 7.4. 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 5.2, or in the event that the Applicant or its successor-in-interest fails to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, after the notice and cure period provided by Section 7.8, then the District shall be entitled to the recapture of all ad valorem tax revenue lost as a result of this Agreement together with the payment of interest, as calculated in accordance with Section 7.5, on that recaptured ad valorem tax revenue. For purposes of this recapture calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Article III. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV.

(b) Notwithstanding Section 7.4(a), in the event that the District determines that the Applicant has failed to Maintain Viable Presence and provides written notice of termination of the Agreement, then the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of such termination notice. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem 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 interest, as calculated in accordance with Section 7.5. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Article III. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV. Upon payment of such liquidated damages, the Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

Section 7.5. CALCULATION OF CALCULATION OF PENALTY AND INTEREST

In determining the amount of interest due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes owed less all credits under Section 7.4 for each Tax Year during the term of this Agreement since the Commencement Date. The District shall calculate interest for each Tax Year during the term of this Agreement since the Commencement Date 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 7.4 had become due and payable on February 1 of the calendar year following such Tax Year. Interest on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code §33.01(c), or its successor statute.

In the event the liquidated damages are not paid by February 1 of the calendar year following the Tax Year where the breach occurred, penalties on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code §33.01(a), or its successor statute.

Section 7.6 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:

- (a) Applicant is determined to have failed to meet its obligations to have made accurate representations of fact in submission of its Application as is required by Section 8.13, below.
- (b) Applicant fails to Maintain Viable Presence in the District, as required by Section 7.3 of this Agreement, through the Final Termination Date of this Agreement.

- (c) Applicant fails to make any payment required under Articles III or IV of this Agreement on or before its due date.
- (d) Applicant fails to create and maintain at least the number of New Jobs set forth it committed to create and maintain on Schedule C, Column C of its Application.
- (e) Applicant fails to create and maintain at least the number of Qualifying Jobs set forth it committed to create and maintain on Schedule C, Column E of its Application.
- (f) Applicant fails to create and maintain at least Eighty Percent (80%) of all New Jobs created by the Applicant on the project as Qualifying Jobs.
- (g) Applicant makes any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 of the Texas Tax Code, in excess of the amounts set forth in Articles III and IV, above. Voluntary donations made by the Applicant to the District after the date of execution of this Agreement, and not mandated by this Agreement or made in recognition of or in consideration of this Agreement for limitation on appraised value made pursuant to Chapter 313 of the Texas Tax Code are not barred by this provision.
- (h) Applicant fails to comply with any other term of this Agreement, or the Applicant fails to meet its obligations under the applicable Comptroller's Rules, and under the Texas Economic Development Act.

Section 7.7 LIMITED STATUTORY CURE OF MATERIAL BREACH

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

Section 7.8. DETERMINATION OF MATERIAL BREACH AND TERMINATION OF AGREEMENT

Prior to making a determination that the Applicant has committed a material breach of this Agreement, such as making a misrepresentation in the Application, failing to Maintain Viable Presence in the District as required by Section 7.3 of this Agreement, failing to make any payment required under this Agreement when due, or has otherwise committed a material breach

of this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the material breach 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 material breach of its obligations under the Agreement, or that it has cured or undertaken to cure any such material breach.

If the Board of Trustees is not satisfied with such response and/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 whether or not a material breach of this Agreement has occurred, the date such breach occurred, if any, and whether or not any such breach has been cured. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall also terminate the Agreement and determine the amount of recaptured taxes under Section 7.4 (net of all credits under Section 7.4), and the amount of any interest under Section 7.5 that are owed to the District.

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.").

Section 7.9. DISPUTE RESOLUTION

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

In the event that any mediation is not successful in resolving the dispute or that payment is not received before the expiration of such ninety (90) days, the District shall have the remedies for the collection of the amounts determined under Section 7.8 as are set forth in Texas Tax Code

Chapter 33, Subchapters B and C, for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees and a tax lien on the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Texas Tax Code §33.07 to the attorneys representing the District pursuant to Texas Tax Code §6.30.

In any event where a dispute between the District and the Applicant under this Agreement cannot be resolved by the Parties, after completing the procedures required above in this Section, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in any judicial proceeding, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any covenant, agreement or undertaking made by a Party pursuant to this Agreement.

Section 7.10. 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 greater of either any amounts calculated under Sections 7.4 and 7.5 above, or the monetary sum of the difference between the payments and credits due and owing to the Applicant at the time of such default and the District taxes that would have been lawfully payable to the District had this Agreement not been executed. In addition, the District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement.

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

Section 7.11. BINDING ON SUCCESSORS

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

Section 7.12. ADDITIONAL APPLICANT OBLIGATIONS PRIOR TO END OF DEFERRAL PERIOD

As set forth in section 1.2, above, the Parties have agreed to the deferral of the Commencement Date for this Agreement until January 2, 2016. The Applicant must, therefore comply with the following additional requirements in conformance with the provisions of 34 Texas Administrative Code §9.1054(h)(13). Not earlier than July 7, 2015, nor later than October 4, 2016, the Applicant shall provide the District with an update on the project status. If there have been no material changes in the project schedule, cost projections, taxable value

projections, or employment projections made in the Application, the Applicant shall notify the District and the Comptroller that no change in status has occurred. In the event that there has been any material change any data or projection submitted as a part of the Application, then the Applicant shall within the time aforesaid time period deliver to the District and the Comptroller an Application amendment and/or supplement Application materials informing them of any material change in the Application materials. Additionally, prior to the Commencement Date, the Applicant shall diligently comply with any written request from the District or the Comptroller to provide additional information necessary to evaluate the economic impact analysis for the conditions prior to the start of the Qualifying Time Period.

In the event that any information submitted pursuant to this Section results in the Comptroller's recommendation in favor of the project being changed to a negative recommendation by the Comptroller, then the District's Board of Trustees may, in its sole discretion immediately terminate this Agreement by giving Notice of said termination in accordance with the provisions of Section 8.1, below. After receiving such Notice, the Applicant shall be entitled to invoke the Dispute resolution provisions set forth at section 7.9, above.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.1. INFORMATION AND NOTICES

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

Notices to the District shall be addressed to the District's Authorized Representative as follows:

Dr. Karin Holacka, Superintendent
BRAZOSPORT INDEPENDENT SCHOOL DISTRICT
P.O. Drawer Z
Freeport, Texas 77542
Fax: (979) 266-2409
Email: kholacka@brazosportisd.net

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

Notices to the Applicant shall be addressed to:

Attn: Controller
FREEPORT LNG DEVELOPMENT, L.P. AND ITS AFFILIATES
333 Clay Street, Suite 5050
Houston, Texas 77002
Fax: 713-980-2903
Email: GHeck@freeportlng.com

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

Section 8.2. EFFECTIVE DATE, TERMINATION OF AGREEMENT

- (a) This Agreement shall be and become effective on the date of final approval of this Agreement by the District's Board of Trustees.
- (b) The obligation to Maintain Viable Presence under this Agreement shall remain in full force and effect through the termination in full date established in Section 1.2 of this Agreement.
- (c) In the event that Applicant fails to make a Qualified Investment in the amount of Thirty Million Dollars (\$30,000,000.00), or greater, during the Qualifying Time Period, this Agreement shall become null and void on December 31, 2018.

Section 8.3. AMENDMENTS TO AGREEMENT; WAIVERS

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

Section 8.4. ASSIGNMENT

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

Section 8.5. MERGER

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

Section 8.6. MAINTENANCE OF COUNTY APPRAISAL DISTRICT RECORDS

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

Section 8.7. GOVERNING LAW

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

Section 8.8. AUTHORITY TO EXECUTE AGREEMENT

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

Section 8.9. SEVERABILITY

If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal or unenforceable in any respect under any Law (as hereinafter defined), this

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

Section 8.10. PAYMENT OF EXPENSES

Except as otherwise expressly provided in this Agreement, or as covered by the application fee, 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 8.11. INTERPRETATION

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

Section 8.12. EXECUTION OF COUNTERPARTS

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

Section 8.13. ACCURACY OF REPRESENTATIONS CONTAINED IN APPLICATION

The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application. The Applicant warrants that all information, facts, and representations contained therein are true and correct. The Parties further agree that the Application and all the attachments thereto are included by reference into this Agreement as if set forth herein in full.

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

Section 8.14. PUBLICATION OF DOCUMENTS

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

- a. Within seven days of such document, the school district shall submit a copy to the Comptroller for Publication on the Comptroller's Internet website.
- b. 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 Texas Tax Code §313.028.


IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 19 day of February 2013.

BRAZOSPORT INDEPENDENT SCHOOL DISTRICT

By: 

RUTH ANN FEW
President
Board of Trustees

ATTEST:

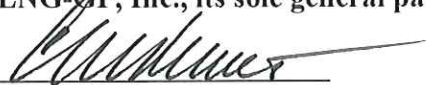
By: 

RON DAMIAN
Secretary
Board of Trustees

THE APPLICANT:

FREEPORT LNG DEVELOPMENT, L.P.

By: Freeport LNG-GP, Inc., its sole general partner

By: 

Name: Charles Reimer

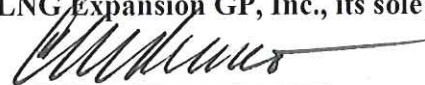
Title: President

Date signed: 02/21/2013

FLNG LIQUEFACTION 2, LLC

By: Freeport LNG Expansion, L.P., its sole member

By: Freeport LNG Expansion GP, Inc., its sole general partner

By: 

Name: Charles Reimer

Title: President

Date signed: 02/21/2013

FLNG LIQUEFACTION 3, LLC

By: Freeport LNG Expansion, L.P., its sole member

By: Freeport LNG Expansion GP, Inc., its sole general partner

By: 

Name: Charles Reimer

Title: President

Date signed: 02/21/2013

FLIQ COMMON FACILITIES, LLC

By: FLNG Liquefaction, LLC and FLNG Liquefaction 2, LLC, its sole members

By: Freeport LNG Expansion, L.P., the sole member of each

By: Freeport LNG Expansion GP, Inc., its sole general partner

By: 

Name: Charles Reimer

Title: President

Date signed: 02/21/2013

ANGLER PIPELINE, LLC

By: FLEX NGL, LLC, its sole member

By: Freeport LNG Expansion, L.P., its sole member

By: Freeport LNG Expansion GP, Inc., its sole general partner

By: 

Name: Charles Reimer

Title: President

Date signed: 02/21/2013

EXHIBIT 1

DESCRIPTION OF QUALIFIED REINVESTMENT ZONE

The *Freeport LNG Development, L.P. Reinvestment Zone Number 2* was originally created on September 28, 2010 by action of the Brazoria County Commissioners Court. A map of *The Freeport LNG Development, L.P. Reinvestment Zone Number 2* is attached below to this EXHIBIT 1.

The *Freeport LNG Development, L.P. Reinvestment Zone Number 3* was originally created on July 24, 2012 by action of the Brazoria County Commissioners Court. A map of *The Freeport LNG Development, L.P. Reinvestment Zone Number 3* is attached below to this EXHIBIT 1.

As a result of the action of the Brazoria County Commissioners Court, *Freeport LNG Development, L.P. Reinvestment Zones Number 2 and Number 3* include real property within Brazoria County, Texas, more specifically the property tracts listed on the chart also attached to this EXHIBIT 1.

Total Acreage for Freeport LNG Development, L.P. Reinvestment Zones No. 2 and No. 3
As Created by Brazoria County

| | Acreage | Acreage |
|--|---------------------------|---|
| Freeport LNG Development, L.P. Reinvestment Zone No. 2 | | |
| Tract I - Main Facilities - Regas | | 211.700 |
| Total Freeport LNG Development, L.P. Reinvestment Zone No. 2 Acreage | | 211.700 |
| Freeport LNG Development, L.P. Reinvestment Zone No. 3 | | |
| Lease V | | 170.051 |
| Lease IV | | 47.450 |
| Quintana Townsite Lots/Blocks 23 and 10 and Roadway Crossings | | |
| Holly Street Crossing (R.O.W.) | | 0.1403 |
| Quintana, Block 23, Lot 1 | | 0.1416 |
| Quintana, Block 23, Lot 2 | | 0.1416 |
| Quintana, Block 23, Lot 3 | | 0.1416 |
| Quintana, Block 23, Lot 4 | | 0.1416 |
| Quintana, Block 23, Lot 5 | | 0.1416 |
| Quintana, Block 23, Lot 7 | | 0.1416 |
| Quintana, Block 23, Lot 8 | | 0.1416 |
| Quintana, Block 23, Lot 9 | | 0.1416 |
| Quintana, Block 23, Lot 10 | | 0.1416 |
| Quintana, Block 23, Lot 11-12 | | 0.2831 |
| Second Street Crossing (R.O.W.) | | 0.1403 |
| Quintana, Block 10, Lot 7 | | 0.1416 |
| Quintana, Block 10, Lot 8 | | 0.1416 |
| Quintana, Block 10, Lot 9 | | 0.1416 |
| Quintana, Block 10, Lot 10 | | 0.1416 |
| Quintana, Block 10, Lot 11 | | 0.1416 |
| Quintana, Block 10, Lot 12 | | 0.1416 |
| Total Quintana Townsite Lots and Road Crossing R.O.W. | | 2.6876 |
| ROW Tracts for existing 42" pipeline, Proposed NGL Pipeline and Proposed Fiber Optics | Temporary Easement | Permanent Easement, Tract or Roadway/Waterway Crossing |
| 2 | 0.000 | 2.638 |
| 3 | 0.000 | 0.240 |
| 5 | 0.000 | 0.210 |
| 6 | 0.410 | 0.480 |
| 6R | 0.000 | 0.127 |
| 5.5R | 0.000 | 0.051 |
| 7 | 0.320 | 0.660 |
| 7R | 0.000 | 0.034 |
| 8 | 1.390 | 0.640 |
| 9 | 0.370 | 0.060 |
| 10 | 0.390 | 0.220 |
| 10R | 0.390 | 0.047 |
| 11 | 0.390 | 0.558 |
| 12 | 8.270 | 1.380 |
| 15 | 0.800 | 0.410 |
| 1E | 0.830 | 0.420 |
| 16R | 0.000 | 0.507 |
| 17 | 1.240 | 0.570 |
| 18 & 19 | 0.700 | 0.790 |
| 20 | 0.560 | 0.330 |
| 21 | 0.000 | 0.270 |
| 21R | 0.000 | 0.400 |
| 22 | 0.000 | 0.049 |
| 22a | 0.000 | 0.210 |
| 22R | 0.000 | 0.037 |
| 23a | 0.000 | 0.600 |
| 24a | 0.000 | 0.030 |
| 25a | 0.000 | 5.000 |
| 26a | 0.000 | 5.000 |
| 26R | 0.000 | 0.036 |
| 26.5a | 0.000 | 0.220 |
| 27a | 0.000 | 5.000 |
| 28a | 0.500 | 0.720 |
| 29a | 0.000 | 0.300 |
| 30a | 0.000 | 0.240 |
| 31a | 0.000 | 0.340 |
| 35 | 0.000 | 0.340 |
| 35 | 0.000 | 5.000 |
| 37 | 0.350 | 0.000 |
| 37.5 | 4.070 | 0.510 |
| 37.5R | 0.000 | 0.048 |

Total Acreage for Freeport LNG Development, L.P. Reinvestment Zones No. 2 and No. 3
As Created by Brazoria County

| | | |
|---|--------|----------|
| 38 | 1.900 | 0.910 |
| 39 | 11.150 | 4.550 |
| 40 | 0.990 | 0.700 |
| 41 | 0.540 | 0.360 |
| 42 | 0.500 | 0.360 |
| 43 | 0.540 | 0.360 |
| 44 | 0.720 | 0.360 |
| 45 | 0.540 | 0.380 |
| 46 | 0.460 | 0.310 |
| 47 | 0.460 | 0.310 |
| 48 | 0.450 | 0.310 |
| 49 | 0.610 | 0.310 |
| 50 | 0.450 | 0.310 |
| 51 | 0.610 | 0.370 |
| 52 | 1.220 | 0.610 |
| 52R | 0.000 | 0.075 |
| 53 | 0.000 | 0.610 |
| 55 | 0.000 | 0.020 |
| 56 | 0.000 | 0.911 |
| 57 | 0.000 | 0.680 |
| 57R | 0.000 | 0.139 |
| 58 | 1.840 | 1.390 |
| 59 | 0.530 | 0.600 |
| 61 | 4.040 | 2.690 |
| 62.01 and 62.02 | 0.540 | 0.460 |
| 62.023 | 0.020 | 0.030 |
| 62a | 2.000 | 1.500 |
| 62.03 | 0.200 | 0.230 |
| 65 | 0.440 | 0.500 |
| 66 | 0.890 | 1.020 |
| 67 | 0.000 | 21.700 |
| 68 | 0.020 | 0.020 |
| 69 | 0.180 | 7.780 |
| | 51.410 | 85.575 |
| Total Calculated Existing 42" Pipeline, Proposed NGL Line and Proposed Fiber Optics ROW Acreage | | 136.985 |
| Sorrell Property | | 305.672 |
| Sorrell - Bld | | 4.998 |
| Sorrell Tract 136 | | 4.976 |
| Sorrell Tract 140 | | 5.112 |
| Sorrell Tract 154 | | 10.224 |
| Sorrell Tract 156 & 163 | | 20.595 |
| Sorrell Tract 158-161 | | 4.990 |
| Sorrell Tract 156 | | 4.504 |
| Sorrell Tract 157 | | 4.580 |
| Sorrell Tract 168 | | 10.001 |
| Sorrell Tract 170 & 171 | | 5.039 |
| Sorrell Tract 173 | | 50.210 |
| Sorrell Tract 183-185 & 174-180 | | 20.000 |
| Sorrell Tracts 62, 63, 66, 67 | | 451.301 |
| Total Sorrell Property Acreage | | 774.678 |
| Total Pinto Partners Tract | | 9.210 |
| Meter Station | | |
| Total Freeport LNG Development, L.P. Reinvestment Zone No. 3 Acreage | | 1,592.36 |

LEGAL DESCRIPTION

FLNG Land, Inc.

August 13, 2008

TRACT I

Field notes for a 211.70 acre tract of land out of the Stephen F. Austin 1/3 League, Abstract No. 28, Brazoria County, Texas. Said 211.70 acre tract being recorded in Memorandum of Lease agreements between Brazos River Harbor Navigation District of Brazoria County, Texas and FLNG Land, Inc. Said 211.70 acre tract of land being described in the following recorded documents:

Memorandum of Lease between Brazos River Harbor Navigation District of Brazoria County, Texas and FLNG Land, Inc. dated June 30, 2004 Document No. 2004038630 of the Official Records of Brazoria County, Texas

Memorandum of Lease between Brazos River Harbor Navigation District of Brazoria County, Texas and FLNG Land, Inc. dated June 30, 2004 Document No. 2004038631 of the Official Records of Brazoria County, Texas

Memorandum of Lease between Brazos River Harbor Navigation District of Brazoria County, Texas and FLNG Land, Inc. dated June 30, 2004 Document No. 2004038632 of the Official Records of Brazoria County, Texas

Said 211.70 acre tract of land being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8-inch iron rod found on the northwest right of way line of County Road 723 (80-feet wide) for the east corner of a called 212.913 acre tract of land described by Deed to Brazos River Harbor Navigation District of Brazoria County, Texas, filed for record March 28, 1968 in Volume 1340, Page 97 of the Deed Records of Brazoria County, Texas. Said iron rod being a corner of said 211.70 acre lease tract as described in the aforesaid Memorandum of Lease agreements.

1. **THENCE**, with the northwest right of way line of County Road 723, same being the Lease Line of said 211.70 acre tract as described in the aforesaid Memorandum of Lease agreements, S 56°10'39" W, a distance of 846.86 feet to an 5/8-inch iron rod with cap stamped "John Mercer" found for the most southerly corner of the herein described tract of land.
2. **THENCE**, continuing with said Lease Line, N 33°49'26" W, at 1524.01 feet pass a 5/8-inch iron rod with cap stamped "Mustang, LP" set for a witness corner, in all, a total distance of 1574.01 feet to a point on the shoreline of the Gulf Intra-Coastal Waterway for the west corner of the herein described tract.
3. **THENCE**, continuing with said Lease Line, same being the shoreline of the Gulf Intra-Coastal Waterway the following forty courses:

4. N 60°21'17" E, a distance of 40.34 feet;
5. N 56°28'13" E, a distance of 104.62 feet;
6. N 53°02'48" E, a distance of 111.40 feet;
7. N 58°30'57" E, a distance of 131.95 feet;
8. N 58°44'21" E, a distance of 47.64 feet;
9. N 53°13'06" E, a distance of 72.39 feet;
10. N 72°38'26" E, a distance of 41.83 feet;
11. N 56°50'17" E, a distance of 53.99 feet;
12. N 75°24'57" E, a distance of 51.04 feet;
13. N 89°44'23" E, a distance of 34.81 feet;
14. N 59°46'16" E, a distance of 51.51 feet;
15. N 57°01'39" E, a distance of 86.74 feet;
16. N 37°16'17" E, a distance of 36.25 feet;
17. N 09°04'44" W, a distance of 13.59 feet;
18. N 45°16'11" E, a distance of 45.79 feet;
19. N 23°22'10" E, a distance of 83.45 feet;
20. N 43°14'27" E, a distance of 74.16 feet;
21. N 53°45'19" E, a distance of 99.60 feet;
22. N 46°05'26" E, a distance of 130.76 feet;
23. N 68°39'08" E, a distance of 115.00 feet;
24. N 50°16'32" E, a distance of 33.15 feet;
25. N 28°49'35" E, a distance of 78.53 feet;
26. N 08°52'35" E, a distance of 80.20 feet;
27. N 51°21'41" W, a distance of 32.85 feet;
28. N 12°42'49" E, a distance of 52.75 feet;
29. S 79°44'15" E, a distance of 19.16 feet;
30. N 20°24'23" E, a distance of 91.06 feet;
31. N 66°52'32" E, a distance of 51.57 feet;
32. N 50°32'09" E, a distance of 60.22 feet;
33. N 11°45'16" E, a distance of 37.06 feet;
34. N 53°06'17" E, a distance of 209.90 feet;
35. N 47°49'19" E, a distance of 162.10 feet;
36. N 31°25'57" E, a distance of 166.42 feet;
37. N 45°26'22" E, a distance of 143.82 feet;
38. N 32°19'38" E, a distance of 99.32 feet;
39. N 14°57'00" E, a distance of 137.40 feet;
40. N 43°22'58" E, a distance of 150.42 feet;
41. N 40°25'48" E, a distance of 138.98 feet;
42. N 46°58'21" E, a distance of 322.68 feet;
43. N 61°02'09" E, a distance of 69.38 feet;
44. **THENCE**, continuing with said Lease Line, S 44°54'24" E, at a distance of 50.00 feet pass a 5/8-inch iron rod with cap stamped "Mustang, LP" set for a witness corner, in all, a total distance of 1410.02 feet to an iron rod with cap stamped "Mustang, LP" set.

45. **THENCE**, continuing with said Lease Line, N 45°05'50" E, at a distance of 1509.49 feet pass a 5/8-inch iron rod with cap stamped "RPLS 3808" found at the south corner of a called 3.45 acre tract of land described in a document titled "First Amendment to Ground Lease and Development Agreement" filed for record February 15, 2007 in Document No. 2007009294 of the Official Records of Brazoria County, Texas, in all, a distance of 1812.99 feet to a 1/2-inch iron rod found at the west corner of said 3.45 acre tract.
46. **THENCE**, continuing with said Lease Line, same being the northeasterly line of said 3.45 acre tract, N 44°54'32" W, at a distance of 495.00 feet pass a 5/8-inch iron rod with cap stamped "RPLS 3808" found at the north corner said 3.45 acre tract, in all, a distance of 1411.38 feet to a 5/8-inch iron rod with cap stamped "Mustang, LP" set.
47. **THENCE**, continuing with said Lease Line, N 45°06'26" E, a distance of 1089.40 feet to a 5/8-inch iron rod with cap stamped "Mustang, LP" set.
48. **THENCE**, continuing with said Lease Line, N 44°48'15" W, at a distance of 76.94 feet pass a 5/8-inch iron rod with cap stamped "Mustang, LP" set for a witness corner, in all a distance of 106.94 feet to a point on the shoreline of the Gulf Intra-Coastal Waterway.
49. **THENCE**, continuing with said Lease Line the following seventeen (17) courses:
- 50. N 66°09'00" E, a distance of 213.74 feet;
 - 51. N 72°57'30" E, a distance of 161.08 feet;
 - 52. N 80°21'59" E, a distance of 70.35 feet;
 - 53. S 86°59'20" E, a distance of 347.90 feet;
 - 54. N 74°42'06" E, a distance of 19.72 feet;
 - 55. S 86°00'04" E, a distance of 250.47 feet;
 - 56. S 69°42'34" E, a distance of 101.72 feet;
 - 57. S 18°50'12" W, a distance of 674.46 feet;
 - 58. S 44°53'19" E, a distance of 169.08 feet;
 - 59. N 45°03'20" E, a distance of 180.17 feet;
 - 60. S 44°54'24" E, a distance of 111.11 feet;
 - 61. N 45°05'46" E, a distance of 325.67 feet;
 - 62. S 44°56'11" E, a distance of 172.17 feet;
 - 63. N 45°05'50" E, a distance of 187.35 feet;
 - 64. S 68°35'00" E, a distance of 87.92 feet;
 - 65. S 37°00'10" E, a distance of 52.09 feet;
 - 66. S 40°44'21" E, a distance of 90.43 feet to a point on the northwesterly right of way line of Holly Street as recorded on the plat of Quintana Townsite recorded in Volume 2, Page 139 of the Plat Records of Brazoria County, Texas.

67. **THENCE**, continuing with said Lease Line, same being the northwest right of way line of said Holly Street, S 45°05'50" W, at a distance of 400.00 feet pass a 5/8-inch iron rod with cap stamped "Mustang, LP" set for a witness corner, in all, a total distance of 3,930.43 feet to a 5/8-inch iron rod with cap found on the southwesterly right of way line of Eleventh Street as recorded on the plat of said Quintana Townsite.
68. **THENCE**, continuing with said Lease Line, same being the southwesterly right of way line of said Eleventh Street, S 44°53'33" E, a distance of 283.30 feet to a 5/8-inch iron rod with cap found, said iron rod being on the northwesterly right of way line of Lamar Street as recorded on the plat of said Quintana Townsite.
69. **THENCE**, continuing with said Lease Line, same being the northwesterly right of way line of Lamar Street, S 45°05'50" W, a distance of 1,971.45 feet to a 5/8-inch iron rod with cap stamped "Mustang, LP" set.
70. **THENCE**, leaving said right of way line and continuing with said Lease Line, N 44°54'21" W, a distance of 22.02 feet to a 5/8-inch iron rod with cap stamped "Mustang, LP" set on the northwesterly right of way line of aforesaid County Road 723.
71. **THENCE**, continuing with said Lease Line and with said northwesterly right of way line, S 56°10'39" W, a distance of 837.55 feet to the **POINT OF BEGINNING** and containing 211.70 acres of land, more or less.

TRACT II

Field notes for a 3.45 acre tract of land out of the Stephen F. Austin 1/3 League, Abstract No. 28, Brazoria County, Texas. Said 3.45 acre tract being that same 3.45 acre tract of land described in a document titled "Fourth Amendment to Ground Lease and Development Agreement" filed for record February 15, 2007 in Document No. 2007009295 of the Official Records of Brazoria County, Texas. Said 3.45 acre tract of land being more particularly described by metes and bounds as follows:

COMMENCING for reference at a 5/8-inch iron rod found at the intersection of the northwesterly right of way line of Lamar Street and the southwesterly right of way line of Eleventh Street as recorded on the plat of Quintana Townsite in Volume 2, Page 139 of the Plat Records of Brazoria County, Texas.

THENCE, N 30°44'12" E, a distance of 1934.54 feet to a 1/2 -inch iron rod found for the **POINT OF BEGINNING**, said iron rod being the East corner of said 3.45 acre tract.

THENCE, with the southeasterly line of said 3.45 acre tract, S 45°05'50" W, a distance of 303.50 feet to a 5/8-inch iron rod with cap stamped "RPLS 3808" found for the south corner of said 3.45 acre tract.

THENCE, with the southwesterly line of said 3.45 acre tract, N 44°54'32" W, a distance of 495.00 feet to a 5/8-inch iron rod with cap stamped "Mustang, LP" set for the west corner of said 3.45 acre tract.

THENCE, with the northwesterly line of said 3.45 acre tract, N 45°05'50" E, a distance of 303.50 feet to a 5/8-inch iron rod with cap stamped "RPLS 3808" found for the north corner of said 3.45 acre tract.

THENCE, with the northeasterly line of said 3.45 acre tract, S 44°54'32" E, a distance of 495.00 feet the POINT OF BEGINNING and containing 3.45 acres of land more or less.

TRACT III

The following described lots are recorded in the name of FLNG Land, Inc. All listed lots are recorded on the plat of Quintana Townsite in Volume 2, Page 139 of the Plat Records of Brazoria County, Texas:

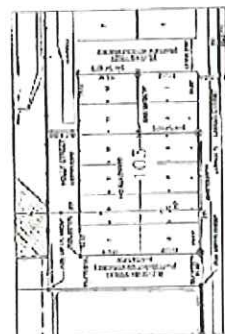
| Lot | BLOCK | GRANTEE | DOCUMENT NO. |
|------------------------------------|-------|-----------------|---------------------------|
| 8 | 10 | FLNG Land, Inc. | 2005015941 |
| 6 | 23 | FLNG Land, Inc. | 2008010715 |
| 8 | 23 | FLNG Land, Inc. | 2006039985 & 2006039986 |
| 9 | 23 | FLNG Land, Inc. | 2006024928 |
| 10 | 23 | FLNG Land, Inc. | 2006008268 |
| 11 & 12 | 23 | FLNG Land, Inc. | 2006008273 |
| 7 | 46 | FLNG Land, Inc. | 2006073414 & 2007056630 |
| 8 | 46 | FLNG Land, Inc. | 2006073646 |
| 9 | 46 | FLNG Land, Inc. | 2006070380 |
| 12 | 46 | FLNG Land, Inc. | 2008029563 & 2008029564 |
| 11 | 10 | FLNG Land, Inc. | 2007056629 |
| 1, 2, 3, 4, 7 | 23 | FLNG Land, Inc. | 2007056629 (1/3 interest) |
| 7, 8, 9, 10, 11, 12 | 53 | FLNG Land, Inc. | 2007056629 |
| 3 & 4 | 70 | FLNG Land, Inc. | 2007056629 |
| 11 & 12 | 76 | FLNG Land, Inc. | 2007047138 |
| 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 | 103 | FLNG Land, Inc. | 2007056629 |

All documents are recorded in the Official Records of Brazoria County, Texas.

This Field Note description is based on an ALTA/ACSM Land Title Survey of even date made by Archie D. Stout, Registered Professional Land Surveyor, Texas Registration No. 4416.

Archie D. Stout
8-13-08



[illegible]

FILED PLANT BOUNDARY SHEET 2 OF 2



Doyle & Wachtstetter, Inc

Surveying and Mapping • GPS/GIS

170.051 ACRES
S. F. AUSTIN 1/3 LEAGUE, ABSTRACT 28
J. G. McNEEL SURVEY, ABSTRACT 335
BRAZORIA COUNTY, TEXAS
PAGE 1 OF 4

ALL THAT CERTAIN 170.051 ACRES of land out of a called 212.913 acre tract conveyed to Brazos River Harbor Navigation District of Brazoria County, Texas in Volume 1340, Page 97 of the Brazoria County Deed Records and situated in the Stephen F. Austin 1/3 League, Abstract 28 and J. G. McNeel Survey, Abstract 335, Brazoria County, Texas, and more particularly described by metes and bounds using survey terminology which refers to the Texas State Plane Coordinate System, South Central Zone (NAD 83) in which the directions are Lambert grid bearings and the distances are horizontal surface level lengths as follows;

BEGINNING at a found 5/8" iron rod in the Northwest right-of-way line of County Road 723 at position X=3145059.84 and Y=13538911.35, same being the South corner of a called 211.70 acre tract recorded in memorandum of lease agreements between Brazos River Harbor Navigation District and FLNG Land, Inc. in County Clerk's Files 04-038630 through 04-038632 of the Brazoria County Official Records from which a found 5/8" iron rod marking the East corner of the aforementioned 212.913 acre tract bears North 56°10'39" East, a distance of 846.90 feet;

THENCE South 56°08'54" West, coincident with the Northwest right-of-way line of County Road 723, same being the Southeast line of the said 212.913 acre tract, a distance of 4438.83 feet to a found 3/4" iron rod for corner making the East corner of Bryan Beach Subdivision, Section VII, recorded in Volume 10, Page 39 of the Brazoria County Plat Records;

THENCE North 30°05'06" West, coincident with the Southwest line of the said 212.913 acre tract, same being the Northeast line of Bryan Beach Subdivision, Section VII, at 1800.00 feet pass a set 5/8" iron rod and continue to a total distance of 1835.27 feet a point for corner in the top bank of the Intracoastal Waterway;

THENCE along the top bank of the Intracoastal Waterway with the following meanders:

North 61°22'06" East, a distance of 197.22 feet;
North 58°27'34" East, a distance of 95.63 feet;
North 46°09'19" East, a distance of 36.36 feet;
North 71°40'52" East, a distance of 68.21 feet;
North 67°21'32" East, a distance of 92.86 feet;
North 59°05'34" East, a distance of 140.48 feet;
North 10°20'20" East, a distance of 10.93 feet;
North 46°33'45" East, a distance of 109.69 feet;
North 18°44'56" East, a distance of 13.87 feet;
North 63°12'00" East, a distance of 60.27 feet;
North 81°16'59" East, a distance of 61.39 feet;
North 54°47'25" East, a distance of 68.14 feet;
North 88°00'07" East, a distance of 51.07 feet;

170.051 ACRES
S. F. AUSTIN 1/3 LEAGUE, ABSTRACT 28
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BRAZORIA COUNTY, TEXAS
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South 71°19'00" East, a distance of 17.14 feet;
North 59°05'31" East, a distance of 63.20 feet;
North 7°49'01" East, a distance of 30.63 feet;
North 62°48'25" East, a distance of 53.26 feet;
North 48°58'11" East, a distance of 42.17 feet;
North 79°44'30" East, a distance of 9.29 feet;
North 19°09'07" East, a distance of 11.25 feet;
North 64°19'17" East, a distance of 55.21 feet;
North 26°45'22" East, a distance of 14.30 feet;
North 55°50'14" East, a distance of 40.42 feet;
South 89°40'30" East, a distance of 15.79 feet;
North 65°20'37" East, a distance of 76.63 feet;
North 60°02'20" East, a distance of 46.05 feet;
North 56°19'13" East, a distance of 72.04 feet;
North 54°32'40" East, a distance of 106.26 feet;
North 71°56'46" East, a distance of 27.23 feet;
North 54°26'38" East, a distance of 24.64 feet;
North 64°00'33" East, a distance of 101.20 feet;
North 53°01'15" East, a distance of 28.67 feet;
North 74°33'35" East, a distance of 38.49 feet;
North 57°36'43" East, a distance of 43.38 feet;
North 52°31'17" East, a distance of 64.92 feet;
North 56°16'47" East, a distance of 70.62 feet;
North 55°35'21" East, a distance of 89.52 feet;
North 54°20'52" East, a distance of 50.73 feet;
North 60°50'46" East, a distance of 57.92 feet;
North 63°05'13" East, a distance of 20.92 feet;
North 64°13'06" East, a distance of 19.19 feet;
North 82°31'53" East, a distance of 15.90 feet;
North 63°30'32" East, a distance of 26.36 feet;
North 73°51'09" East, a distance of 30.22 feet;
North 88°03'47" East, a distance of 51.52 feet;
North 43°35'05" East, a distance of 22.85 feet;
South 68°05'38" East, a distance of 27.24 feet;
North 74°51'17" East, a distance of 41.64 feet;
North 49°53'12" East, a distance of 31.78 feet;
North 60°38'27" East, a distance of 34.83 feet;
North 17°11'45" East, a distance of 21.50 feet;
North 58°27'10" East, a distance of 68.51 feet;
North 44°07'35" East, a distance of 18.61 feet;
North 72°26'27" East, a distance of 14.21 feet;
North 27°37'40" East, a distance of 14.48 feet;

170.051 ACRES

S. E. AUSTIN 1/3 LEAGUE, ABSTRACT 28

J. G. McNEEL SURVEY, ABSTRACT 335

BRAZORIA COUNTY, TEXAS

PAGE 3 OF 4

North 3°51'52" West, a distance of 13.92 feet;
North 53°41'25" East, a distance of 33.88 feet;
North 87°45'31" East, a distance of 9.22 feet;
North 51°15'42" East, a distance of 37.01 feet;
North 41°40'24" East, a distance of 45.34 feet;
North 81°26'04" East, a distance of 16.71 feet;
North 58°07'06" East, a distance of 99.40 feet;
North 15°15'50" East, a distance of 24.19 feet;
North 60°18'11" East, a distance of 16.91 feet;
North 29°16'26" East, a distance of 19.20 feet;
North 74°49'14" East, a distance of 39.54 feet;
North 87°27'08" East, a distance of 31.18 feet;
North 70°54'00" East, a distance of 48.18 feet;
North 56°50'00" East, a distance of 35.21 feet;
North 43°44'23" East, a distance of 46.71 feet;
North 11°58'41" East, a distance of 42.00 feet;
North 48°57'09" East, a distance of 14.26 feet;
North 64°34'34" East, a distance of 35.24 feet;
North 52°10'00" East, a distance of 36.70 feet;
North 32°21'20" East, a distance of 17.97 feet;
North 80°53'08" East, a distance of 18.50 feet;
North 59°56'28" East, a distance of 14.21 feet;
North 31°11'55" East, a distance of 27.05 feet;
North 85°59'17" East, a distance of 19.32 feet;
South 24°16'08" East, a distance of 37.66 feet;
North 84°04'07" East, a distance of 33.71 feet;
North 11°02'44" East, a distance of 12.74 feet;
North 52°05'44" East, a distance of 16.14 feet;
South 71°17'41" East, a distance of 11.47 feet;
North 67°49'48" East, a distance of 23.16 feet;
North 3°03'41" West, a distance of 9.52 feet;
North 40°30'22" East, a distance of 9.29 feet;
South 54°52'05" East, a distance of 12.58 feet;
South 34°57'02" East, a distance of 32.24 feet;
North 63°16'20" East, a distance of 22.86 feet;
South 77°45'24" East, a distance of 12.96 feet;
North 58°03'56" East, a distance of 35.11 feet;
North 7°00'50" West, a distance of 28.40 feet;
North 45°16'14" East, a distance of 55.58 feet;
North 48°16'37" East, a distance of 86.12 feet;
North 61°13'49" East, a distance of 74.25 feet;
North 47°56'51" East, a distance of 25.19 feet;

170.051 ACRES
S. F. AUSTIN 1/3 LEAGUE, ABSTRACT 28
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BRAZORIA COUNTY, TEXAS
PAGE 4 OF 4

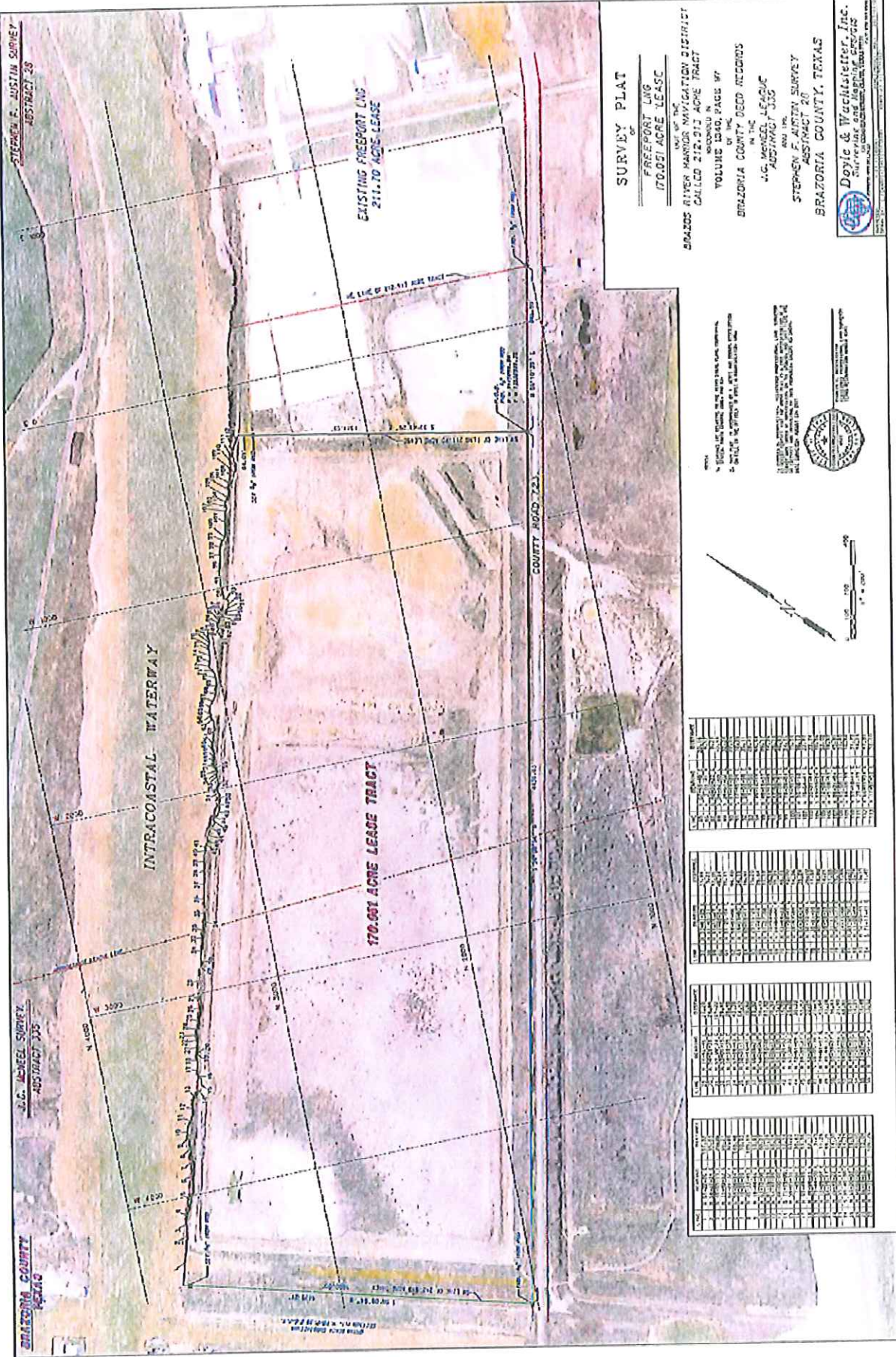
North 68°08'51" East, a distance of 46.83 feet;
South 78°39'04" East, a distance of 24.76 feet;
North 63°31'31" East, a distance of 35.59 feet;
North 56°08'18" East, a distance of 96.73 feet;
North 76°54'41" East, a distance of 22.82 feet;
North 36°31'44" East, a distance of 32.74 feet;
South 69°33'24" East, a distance of 10.56 feet;
North 73°06'47" East, a distance of 53.02 feet;
North 45°08'53" East, a distance of 18.62 feet;
North 86°21'54" East, a distance of 45.91 feet;
North 65°08'11" East, a distance of 31.80 feet;
North 88°09'59" East, a distance of 16.58 feet;
North 57°18'14" East, a distance of 31.72 feet;
North 39°41'15" East, a distance of 54.13 feet;
North 66°11'34" East, a distance of 47.91 feet;
and North 77°57'52" East, a distance of 52.10 feet;

THENCE South 33°49'26" East, coincident with the Southwest line of the aforementioned FLNG Land, Inc. 211.70 acre lease tract, at 84.09 feet pass a set 5/8" iron rod and continue to a total distance of 1514.69 to the POINT OF BEGINNING, containing 170.051 acres of land, more or less.

Charles D. Wachtstetter
Registered Professional Land Surveyor
Texas Registration Number 4547
August 23, 2011

This description is based on a survey, a plat of which, dated August 23, 2011 is on file in the office of Doyle & Wachtstetter, Inc.

131 Commerce Street • Clute, Texas 77531-5601
Phone: 979-265-3622 • Fax: 979-265-9940 • Email: DW-Surveyor.com



STEPHEN F. JUSTIN SURVEY
ABSTRACT 29

J.C. MCNEEL SURVEY
ABSTRACT 335

BRAZOS COUNTY
TEXAS

EXISTING FREEPORT LNG
211.70 ACRE LEASE

170.001 ACRE LEASE TRACT

COUNTY ROAD 723

SURVEY PLAT
OF
FREEPORT LNG
170.001 ACRE LEASE

IN THE
BRAZOS RIVER NAVIGATION DISTRICT
CALLED 212,913 ACRE TRACT
RECORDED IN
VOLUME 1340, PAGE 97
OF THE
BRAZOS COUNTY DEED RECORDS
IN THE
J.C. MCNEEL LEGAL
ABSTRACT 335
STEPHEN F. JUSTIN SURVEY
ABSTRACT 29
BRAZOS COUNTY, TEXAS

Doyle & Wachtmeister, Inc.
Surveyors
10000 W. 10th Street, Suite 100
Dallas, Texas 75243
Phone: (214) 343-1111
Fax: (214) 343-1112

NOTES:
1. THIS SURVEY WAS MADE IN ACCORDANCE WITH THE SURVEYING ACT OF 1909.
2. THE SURVEY WAS MADE BY THE SURVEYOR AND HIS ASSISTANTS.
3. THE SURVEY WAS MADE BY THE SURVEYOR AND HIS ASSISTANTS.
4. THE SURVEY WAS MADE BY THE SURVEYOR AND HIS ASSISTANTS.

| TRACT | ACRES | SECTION | TOWNSHIP | RANGE | COUNTY | STATE |
|-------|---------|---------|----------|-------|--------|-------|
| 1 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 2 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 3 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 4 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 5 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 6 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 7 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 8 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 9 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 10 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 11 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 12 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 13 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 14 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 15 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 16 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 17 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 18 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 19 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 20 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 21 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 22 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 23 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 24 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 25 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 26 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 27 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 28 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 29 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 30 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 31 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 32 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 33 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 34 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 35 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 36 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 37 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 38 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 39 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 40 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 41 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 42 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 43 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 44 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 45 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 46 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 47 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 48 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 49 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 50 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 51 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 52 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 53 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 54 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 55 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 56 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 57 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 58 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 59 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 60 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 61 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 62 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 63 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 64 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 65 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 66 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 67 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 68 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 69 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 70 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 71 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 72 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 73 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 74 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 75 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 76 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 77 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 78 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 79 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 80 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 81 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 82 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 83 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 84 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 85 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 86 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 87 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 88 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 89 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 90 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 91 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 92 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 93 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 94 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 95 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 96 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 97 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 98 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 99 | 170.001 | 36 | 10N | 10E | BRAZOS | TEXAS |
| 100 | 211.70 | 36 | 10N | 10E | BRAZOS | TEXAS |

LEGAL DESCRIPTION

Tract D-3

47.45 Acres

STATE OF TEXAS §

COUNTY OF BRAZORIA §

Being 47.45 acres of land out of the Stephen F. Austin Survey, Abstract No. 28, Brazoria County, Texas and being a portion of the Quintana Townsite as recorded in Volume 2, Page 139 of the Plat Records of Brazoria County, Texas and a portion of that certain tract of land described in that Final Judgment between Brazos River Harbor Navigation District and Terese Lewis Learned, et al, filed for record in Volume 1679, Page 485 of the Deed Records of Brazoria County, Texas, said 47.45 acres includes a portion of that certain 48.4333 acre tract of land described by Agreement for the Assignment of Ground Lease and Related Assets between Monsanto and FOC, Inc., filed for record May 31, 1994 under Clerk's File No. 94 020517 in the Official Records of Brazoria County, Texas and said 47.45 acre tract being more completely described by metes and bounds as follows:

BEGINNING at the most easterly south corner of said 48.4333 acre tract, being the east corner of that certain 14.3011 acre tract of land described by First Amendment to Ground Lease and Definitive Agreement Regarding Port Facilities between Brazos River Harbor Navigation District of Brazoria County, Texas and ExxonMobil Pipeline Company, filed for record June 27, 2000 under Clerk's File No. 00 026963 in the Official Records of Brazoria County, Texas.

THENCE along the most easterly southeast line of said 48.4333 acre tract, N 45°05'50" E, a distance of 770.10 feet to a 5/8" Iron rod with cap stamped "John D. Mercer, RPLS #1924" found for the most southerly east corner of said 48.4333 acre tract.

THENCE N 44°54'31" W, a distance of 1,411.38 feet to a 5/8" Iron rod with cap stamped "John D. Mercer, RPLS #1924" found on the most easterly northwest line of said 48.4333 acre tract.

THENCE along said northwest line, N 45°06'26" E, a distance of 1,089.40 feet to a 5/8" iron rod with cap stamped "John D. Mercer, RPLS #1924" found for an interior ell corner of said 48.4333 acre tract.

THENCE N 44°48'15" W, a distance of 76.53 feet to a 5/8" Iron rod with cap stamped "John D. Mercer, RPLS #1924" found on the southeast bank of the Gulf Intra-Coastal Waterway for the most northerly corner of the herein described tract.

THENCE along the southeast bank of the Gulf Intra-Coastal Waterway as follows:

S 63°18'57" W, a distance of 88.25 feet;
S 58°10'24" W, a distance of 108.84 feet;
S 48°55'13" W, a distance of 94.98 feet;
S 48°34'12" W, a distance of 87.65 feet;
S 37°39'56" W, a distance of 40.02 feet;
S 64°41'08" W, a distance of 103.68 feet;
S 52°41'13" W, a distance of 116.67 feet;
S 77°42'22" W, a distance of 73.40 feet;
S 46°05'49" W, a distance of 100.87 feet;
S 54°10'02" W, a distance of 37.38 feet;

COPY

Tract D - 3
47.45 Acres

S 06°48'27" W, a distance of 39.72 feet;
S 41°03'09" W, a distance of 52.39 feet;
S 32°48'20" W, a distance of 147.29 feet;
S 57°15'40" W, a distance of 104.15 feet;
N 69°11'48" W, a distance of 105.98 feet;
S 75°39'43" W, a distance of 30.04 feet;
S 08°40'49" W, a distance of 40.36 feet;
S 33°09'49" W, a distance of 137.32 feet;
S 34°55'41" W, a distance of 70.01 feet;
S 58°24'48" W, a distance of 63.09 feet;
N 89°46'54" W, a distance of 93.86 feet;
S 68°00'57" W, a distance of 31.93 feet;
S 60°57'55" W, a distance of 29.87 feet;
S 40°12'55" W, a distance of 36.71 feet;
S 41°42'45" W, a distance of 82.87 feet;
S 48°50'15" W, a distance of 30.84 feet;
S 32°17'49" W, a distance of 32.59 feet;
S 25°41'43" W, a distance of 27.89 feet;
S 14°34'52" E, a distance of 19.47 feet;
S 37°30'52" E, a distance of 64.67 feet;
S 03°14'21" E, a distance of 45.93 feet;
S 15°32'02" W, a distance of 115.86 feet;
S 44°57'56" W, a distance of 51.24 feet;
S 43°57'14" W, a distance of 76.71 feet;
S 40°28'39" W, a distance of 59.91 feet;
S 35°08'21" W, a distance of 108.92 feet;
S 05°06'52" W, a distance of 86.20 feet;
S 03°44'46" E, a distance of 76.41 feet;
S 38°39'21" E, a distance of 116.00 feet;
S 81°16'10" W, a distance of 52.36 feet;
N 48°07'15" W, a distance of 52.43 feet;
N 64°50'56" W, a distance of 60.41 feet;
N 84°43'49" W, a distance of 69.39 feet;
S 35°04'27" W, a distance of 105.55 feet;
S 37°16'41" W, a distance of 87.39 feet;
S 25°15'21" W, a distance of 63.04 feet;
S 20°48'56" E, a distance of 114.31 feet;
S 76°31'29" W, a distance of 64.16 feet;
N 66°34'25" W, a distance of 28.43 feet; and
S 60°54'58" W, a distance of 12.78 feet to a point for the most westerly corner of the herein
described tract.

Tract D - 3
47.45 Acres

THENCE S 44°54'23" E, passing a 5/8" Iron rod with cap stamped "John D. Mercer, RPLS #1924" found at 55.00 feet and continuing a total distance of 270.04 feet to the most westerly south corner of the herein described tract.

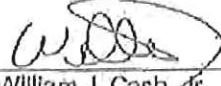
THENCE N 45°05'01" E, a distance of 628.77 feet to the most westerly north corner of said 14.3011 acre tract.

THENCE S 44°53'45" E, a distance of 509.06 feet an interior ell corner of said 14.3011 acre tract, being the most westerly south corner of said 48.4333 acre tract.

THENCE N 45°06'15" E, a distance of 414.46 feet to the most easterly north corner of said 14.3011 acre site, being an interior ell corner of said 48.4333 acre tract.

THENCE S 44°53'45" E, a distance of 631.08 feet to the POINT OF BEGINNING and containing 47.45 acres of land, more or less.

Bearings are derived from GPS observations and based on the Texas State Plane Coordinate System, South Central Zone, NAD 83 grid bearings.

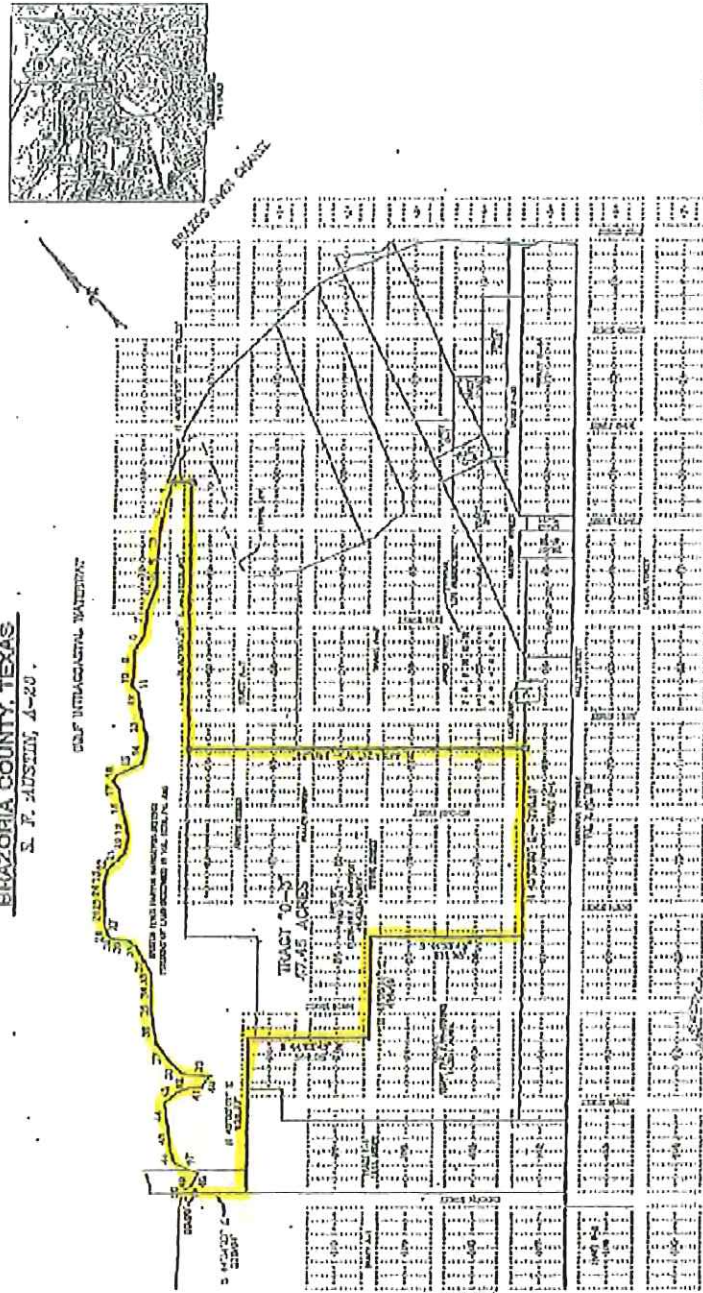

William J. Cash, Jr.
RPLS No. 3808



BRAZORIA COUNTY, TEXAS
S. P. AUSTIN, A-20

| DATE | COST TOTAL | | TOTAL |
|------|------------|-------------|---------|
| | AMOUNT | DESCRIPTION | |
| 1 | 5 | 10/1/21 | 10/1/21 |
| 2 | 5 | 10/1/21 | 10/1/21 |
| 3 | 5 | 10/1/21 | 10/1/21 |
| 4 | 5 | 10/1/21 | 10/1/21 |
| 5 | 5 | 10/1/21 | 10/1/21 |
| 6 | 5 | 10/1/21 | 10/1/21 |
| 7 | 5 | 10/1/21 | 10/1/21 |
| 8 | 5 | 10/1/21 | 10/1/21 |
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| 10 | 5 | 10/1/21 | 10/1/21 |
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| 83 | 5 | 10/1/21 | 10/1/21 |
| 84 | 5 | 10/1/21 | 10/1/21 |

BEARINGS BASED ON TEXAS STATE PLANE COORDINATE SYSTEM NAD 83, SOUTH CENTRAL ZONE - DERIVED FROM GPS OBSERVATIONS.



LEGEND

SCALE IN FEET

0 400 800

FLING LAND, INC.

FLING TERMINAL LEASE " D-3"

| | | | | |
|----------|----------|----------|----------|----------|
| DATE | DATE | DATE | DATE | DATE |
| TIME | TIME | TIME | TIME | TIME |
| NAME | NAME | NAME | NAME | NAME |
| ADDRESS | ADDRESS | ADDRESS | ADDRESS | ADDRESS |
| CITY | CITY | CITY | CITY | CITY |
| STATE | STATE | STATE | STATE | STATE |
| ZIP | ZIP | ZIP | ZIP | ZIP |
| PHONE | PHONE | PHONE | PHONE | PHONE |
| TELETYPE | TELETYPE | TELETYPE | TELETYPE | TELETYPE |
| FAX | FAX | FAX | FAX | FAX |
| EMAIL | EMAIL | EMAIL | EMAIL | EMAIL |
| WEBSITE | WEBSITE | WEBSITE | WEBSITE | WEBSITE |
| OTHER | OTHER | OTHER | OTHER | OTHER |

W. B. Lee - 8016-03

COPY

Additional Legal Descriptions for Quintana Block 23 (Lots 1-4, 6-12), Quintana Block 10 (Lots 7-12) and Holly Street and Second Street Crossings

Holly Street Crossing R.O.W

Approximately 0.1403 acres out of the S.F. Austin Survey, A-28, Brazoria County, Texas, being 61.1 feet in length across Holly Street and 100 feet in width

Quintana Block 23

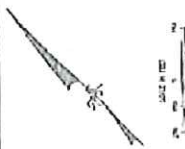
1. Lot 1 - Approximately 0.1416 acres out of Block 23 out of the S.F. Austin Survey, A-28, Brazoria County, Texas
2. Lot 2 - Approximately 0.1416 acres out of Block 23 out of the S.F. Austin Survey, A-28, Brazoria County, Texas
3. Lot 3 - Approximately 0.1416 acres out of Block 23 out of the S.F. Austin Survey, A-28, Brazoria County, Texas
4. Lot 4 - Approximately 0.1416 acres out of Block 23 out of the S.F. Austin Survey, A-28, Brazoria County, Texas
5. Lot 6 - Approximately 0.1416 acres out of Block 23 out of the S.F. Austin Survey, A-28, Brazoria County, Texas
6. Lot 7 - Approximately 0.1416 acres out of Block 23 out of the S.F. Austin Survey, A-28, Brazoria County, Texas
7. Lot 8 - Approximately 0.1416 acres out of Block 23 out of the S.F. Austin Survey, A-28, Brazoria County, Texas
8. Lot 9 - Approximately 0.1416 acres out of Block 23 out of the S.F. Austin Survey, A-28, Brazoria County, Texas
9. Lot 10 - Approximately 0.1416 acres out of Block 23 out of the S.F. Austin Survey, A-28, Brazoria County, Texas
10. Lots 11-12 - Approximately 0.2831 acres out of Block 23 out of the S.F. Austin Survey, A-28, Brazoria County, Texas

Second Street Crossing R.O.W

Approximately 0.1403 acres out of the S.F. Austin Survey, A-28, Brazoria County, Texas, being 61.1 feet in length across Second Street and 100 feet in width between Block 23 and Block 10

Quintana Block 10

1. Lot 7 - Approximately 0.1416 acres out of Block 10 out of the S.F. Austin Survey, A-28, Brazoria County, Texas
2. Lot 8 - Approximately 0.1416 acres out of Block 10 out of the S.F. Austin Survey, A-28, Brazoria County, Texas
3. Lot 9 - Approximately 0.1416 acres out of Block 10 out of the S.F. Austin Survey, A-28, Brazoria County, Texas
4. Lot 10 - Approximately 0.1416 acres out of Block 10 out of the S.F. Austin Survey, A-28, Brazoria County, Texas
5. Lot 11 - Approximately 0.1416 acres out of Block 10 out of the S.F. Austin Survey, A-28, Brazoria County, Texas
6. Lot 12 - Approximately 0.1416 acres out of Block 10 out of the S.F. Austin Survey, A-28, Brazoria County, Texas



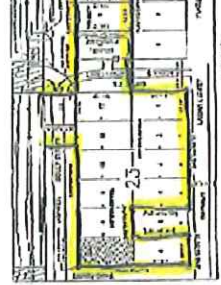
VEHICLE DRIVEWAY DISTANCE REQUIREMENTS

| VEHICLE TYPE | MINIMUM DISTANCE (FEET) |
|--------------------------------|-------------------------|
| Passenger Car | 10 |
| Light Truck | 15 |
| Medium Truck | 20 |
| Heavy Truck | 25 |
| Tractor Trailer | 30 |
| Tractor Trailer (Double) | 35 |
| Tractor Trailer (Triple) | 40 |
| Tractor Trailer (Quadruple) | 45 |
| Tractor Trailer (Pentuple) | 50 |
| Tractor Trailer (Hexuple) | 55 |
| Tractor Trailer (Septuple) | 60 |
| Tractor Trailer (Octuple) | 65 |
| Tractor Trailer (Nonuple) | 70 |
| Tractor Trailer (Decuple) | 75 |
| Tractor Trailer (Undecuple) | 80 |
| Tractor Trailer (Dodecuple) | 85 |
| Tractor Trailer (Tridecuple) | 90 |
| Tractor Trailer (Tetradecuple) | 95 |
| Tractor Trailer (Pentadecuple) | 100 |

TRACT 1 - SUBSTANTIAL IMPROVEMENTS

| NO. | DESCRIPTION | DATE | BY |
|-----|-------------|---------|-----|
| 1 | REVISION | 10/1/00 | XXX |
| 2 | REVISION | 10/1/00 | XXX |
| 3 | REVISION | 10/1/00 | XXX |
| 4 | REVISION | 10/1/00 | XXX |
| 5 | REVISION | 10/1/00 | XXX |
| 6 | REVISION | 10/1/00 | XXX |
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| 100 | REVISION | 10/1/00 | XXX |

TRACT 2 - SUBSTANTIAL IMPROVEMENTS



LEGEND

| | |
|-----|-------------------|
| 1 | EXISTING BUILDING |
| 2 | EXISTING DRIVEWAY |
| 3 | EXISTING PARKING |
| 4 | EXISTING STREET |
| 5 | EXISTING FENCE |
| 6 | EXISTING LOT |
| 7 | EXISTING LOT |
| 8 | EXISTING LOT |
| 9 | EXISTING LOT |
| 10 | EXISTING LOT |
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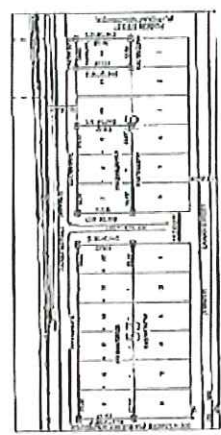
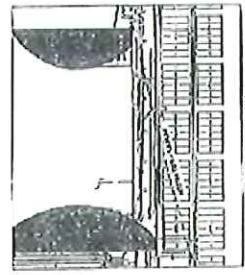
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Freemont LNG Development

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PROJECT NO. 000001
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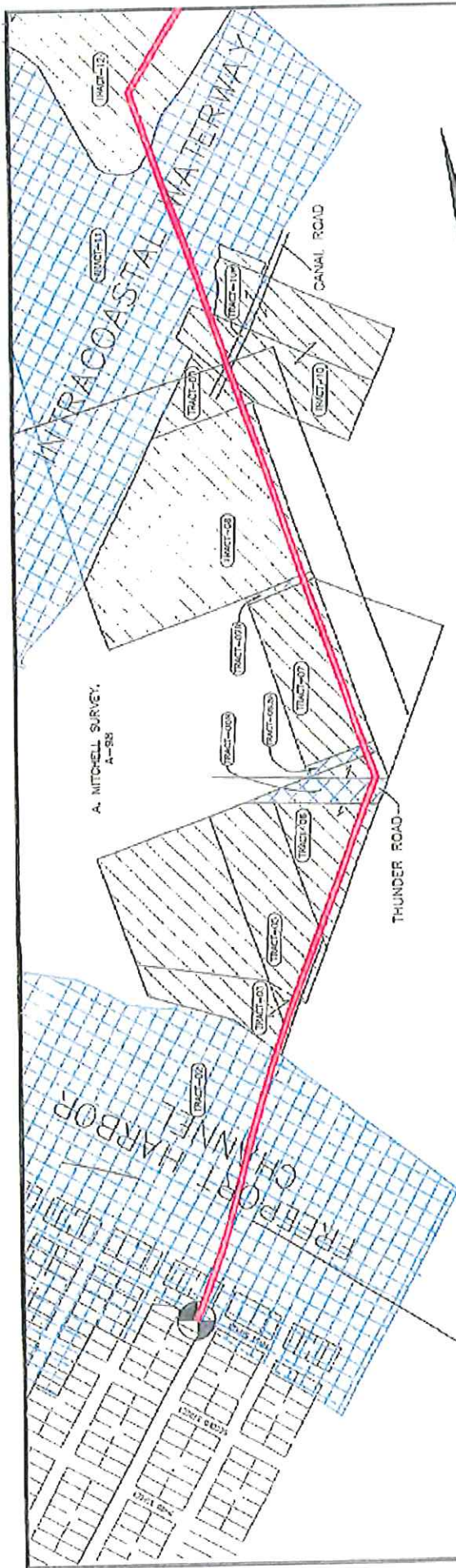
| Right of Way Tract Description Index for 42" Pipeline, Proposed NGL Pipeline and Proposed Fiber Optics Please see the electronic copy of the application for additional individual tract documents and information. | | | | | |
|---|--|--|------------------|---|---|
| Tract No. | Legal Land Description | Approximate Area Description | Approx. ROW Feet | File Name (PDF) | Page No. of file that Legal Land Description and Map are on (of electronic files) |
| 2 | S.F. Austin Survey, A-28 & A. Mitchell Survey, A-98, Brazoria County, Texas, Exhibit "B" | Land located across State-owned land in Brazoria County, Brazos River/Freepoint Harbor Channel (09.0 rods in length), being 50 feet wide on either side of the centerline of the 42" pipeline, being approximately 2,638 acres | | | 5 |
| 3 | Part Lot(s) 13A & 14, B.C.I.C. Division 3 Subdivision, A. Mitchell Labor, A-98, Brazoria County, Texas, Exhibit "A" | 0.24 acres out of Part Lot(s) 13A & 14, B.C.I.C. Division 3 Subdivision, A. Mitchell Labor, A-98, | 1149.00 | Tracts 2 and 50 | 2 |
| 5 | Part Lot 13, B.C.I.C. Division 3 Subdivision, A. Mitchell Labor, A-98, Brazoria County, Texas, Exhibit "A" | A 0.21 acre permanent easement Parcel out of the Mitchell Labor, Abstract 98, Brazoria County, Texas and being Lot 13 of the B.C.I.C. Subdivision, Division 3 | 239.70 | Tract 3 | 2 |
| 6 | Lot 22, B.C.I.C. Division 3 Subdivision, A. Mitchell Labor, A-98, Brazoria County, Texas, Exhibit "A" | A 0.48 permanent easement Parcel and a 0.41 acre temporary easement out of Lot 22, B.C.I.C. Division 3 Subdivision, A. Mitchell Labor, A-98 | 297.99 | Tract 5 | 2 |
| 6R | | Across defined roadway in Village of Surfside Beach (Thunder Road), being 25 feet on either side of the centerline of the 42" pipeline, being approximately 0.127 acres | 655.59 | Tract 6 | 2,3 |
| 6JR | A. Mitchell Survey, A-98, Brazoria County, Texas, Exhibit "A" | | 110.88 | Tracts 8R, 6.5R, 7R, 10R | 4 |
| 7 | A. Mitchell Survey, A-98, Brazoria County, Texas, Exhibit "A" | Across defined roadway in Village of Surfside Beach (Coast Guard Road), being 25 feet on either side of the centerline, being approximately 0.051 acres | 44.335 | Tracts 8R, 6.5R, 7R, 10R | 2 |
| 7R | Lot 12, B.C.I.C. Division 3 Subdivision, A. Mitchell Labor, A-98, Brazoria County, Texas, Exhibit "A" | A 0.66 acre permanent easement Parcel and a 0.92 acre temporary easement parcel out of the 5.00 acre parent tract (Lot 12) | 713.63 | Tract 7 | 5 |
| 8 | A. Mitchell Survey, A-98, Brazoria County, Texas, Exhibit "A" | Across defined roadway in Village of Surfside Beach (Unnamed Road), being 25 feet on either side of the centerline of the 42" pipeline, being approximately 0.034 acres | 30.03 | Tracts 8R, 6.5R, 7R, 10R | 2 |
| 9 | Lot 1, B.C.I.C. Division 3 Subdivision, A. Mitchell Labor, A-98, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | A 0.64 acre tract or parcel of land and a 1.39 acre temporary easement parcel of land out of the A. Mitchell Labor, Abstract 98, Lot 1, Brazoria County, Texas | 745.58 | Tract 8 | 2 |
| 10 | Lot 12, B.C.I.C. Division 2 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | A 0.06 acre tract or parcel of land and a 0.070 acre temporary easement parcel of land out of the F.J. Calvit League, Abstract 51, Lot 12, Brazoria County, Texas | 90.87 | Tract 9 | 3 |
| 10R | Lot 11, B.C.I.C. Division 2 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | A 0.22 acre tract or parcel of land out of the F.J. Calvit League, Abstract 51, Lot 11, Brazoria County, Texas | 321.49 | Tract 10 | 7 |
| 11 | A. Mitchell Survey, A-98 & F.J. Calvit Survey, A-51, Brazoria County, Texas, Exhibit "A" | Across defined roadway in Village of Surfside Beach (Canal St.), being 25 feet on either side of the centerline of the 42" pipeline, being approximately 0.077 acres | 40.59 | Tracts 8R, 6.5R, 7R, 10R | 2 |
| 12 | A. Mitchell Survey, A-98 & F.J. Calvit Survey, A-51, Brazoria County, Texas, Exhibit "B" | Across the Intercoastal Waterway (Total Length: 810.54' = 48.12 Rods) (Permanent Easement: 0.558 acres) | 810.54 | Tract 11 - Intercoastal Waterway Crossing | 3 |
| 15 | Lots 8, 9, 10, 11 & 12, B.C.I.C. Division 4 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | A tract or parcel of land (Permanent Easement: 1.38 acres, Temporary Easement: 8.270) out of Lots 8, 9, 10, 11 & 12, B.C.I.C. Division 4 Subdivision, F.J. Calvit League, Brazoria County, Texas | 2000.01 | Tract 12 | 2 |
| 16 | Lot 10, B.C.I.C. Division 4 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | A 0.41 acre tract or parcel of land and a 0.80 acre temporary easement parcel of land out of Lot 10, B.C.I.C. Division 4 Subdivision, F.J. Calvit League, A-51 | 445.31 | Tract 15 | 2 |
| | Lot A, B.C.I.C. Division 4 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | A 0.42 acre tract or parcel of land and a 0.83 acre temporary easement parcel of land out of Lot A, B.C.I.C. Division 4 Subdivision, F.J. Calvit League, A-51 | 459.51 | Tract 16 | 2 |

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| 16R | | The pipeline(s) is installed by conventional lay under the ground under the asphalt feeder roads servicing SH 332, within the TX DOT right of way, approximately 1060 feet northwest of where the SH 332 bridge begins to cross the Intracoastal Waterway. The approximate distance of the easement is 442 feet and the described width is 25 feet on either side of the centerline of the 42" pipeline, being 0.507 acres. | | | 2 |
| 17 | F.J. Calvit Survey, A-51, Brazoria County, Texas, Lot 2, B.C.I.C. Division 7 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | A 0.57 acre tract or parcel of land and a 1.24 acre temporary easement parcel out of Lot 2, B.C.I.C. Division 7 Subdivision, F.J. Calvit League, A-51 | 442.00 | Tract 16R | 2 |
| 18 | Same as Tract 19 | Same as Tract 19 | 491.28 | Tract 17 | 2 |
| 19 | Lots 10 & 11, B.C.I.C. Division 7 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | A 0.79 acre tract or parcel of land and a 0.70 acre temporary easement parcel of land out of Lots 10 and 11 of the Brazos Coast Investment Company, Division 7 Subdivision of the F.J. Calvit League, Abstract Number 51 | 0.00 | Tract 19 | Same as Tract 19 |
| 20 | Lot 12, B.C.I.C. Division 7 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | A 0.33 acre tract or parcel of land and a 0.56 acre temporary easement parcel of land out of Lot 12, B.C.I.C. Division 7 Subdivision, F.J. Calvit League, A-51, (5.00 acres) | 847.54 | Tract 19 | 4 |
| 21 | Lot 13, B.C.I.C. Division 7 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | A 0.27 acre easement tract or parcel of land out of Lot 13, B.C.I.C. Division 7 Subdivision, F.J. Calvit League, A-51 (14.95 rods in length) | 331.15 | Tract 20 | 6 |
| 21R | A. Mitchell Survey, A-98, Brazoria County, Texas | Land under, over or along a certain County Road (Tarpon Lane) - Approx. ROW feet = 356.235', being 25 feet on either side of the centerline of the 42" pipeline, being approximately 0.409 acres | 246.81 | Tracts 21, 50, 57 | 2 |
| 22 | Lot 14, B.C.I.C. Division 7 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | A 0.049 acre tract or parcel of land out of Lot 14 of the Brazos Coast Investment Company Division 7 Subdivision of the F.J. Calvit League, Abstract Number 51 | 356.24 | Tracts 21R, 22R, 26R, 37.5R, 52R, 57R | 2 |
| 22a | Lot 66, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas | A 0.21 acre tract or parcel of Lot 66, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, (10.00 acres) | 0.00 | Tract 22 | 5 |
| 22R | | Land under, over or along a certain County Road (Unnamed Road, Brazoria County), being approximately 0.037 acres - Approx. ROW feet = 32.34', Approx. width = 25 feet on either side of the centerline of the 42" pipeline. | 182.55 | Tract 22A | 3 |
| 23a | F.J. Calvit Survey, A-51, Brazoria County, Texas Lot 108, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | 0.60 acres out of Lot 108, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51 | 32.34 | Tracts 21R, 22R, 26R, 37.5R, 52R, 57R | 2 |
| 24a | Lot 105, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | 0.03 acres out of Lot 105, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51 | 521.07 | Tract 23A | 2 |
| 25a | Lot 106, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | 5.00 acres, owned by FLNG, being Lot 106, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, (5.00 acres), Brazoria County, Texas | 18.37 | Tract 24A | 2 |
| 26a | Lot 107, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | 5.00 acres, owned by FLNG, being Lot 107, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, (5.00 acres), Brazoria County, Texas | 566.78 | Tract 25A | 4 |
| 26R | | Land under, over or along a certain County Road, being approximately 0.036 acres (Unnamed Road, Brazoria County) - Approx. ROW feet = 31.35', Approx. width = 25 feet on either side of the centerline of the 42" pipeline | 498.17 | Tract 26A | 4 |
| 26.5a | Lot 116, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | 0.22 acres out of Lot 116, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51 | 31.35 | Tracts 21R, 22R, 26R, 37.5R, 52R, 57R | 2 |
| 27a | Lot 117, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | 5.00 acres, owned by FLNG, being Lot 117, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51 (5.00 acres) | 187.32 | Tract 26.5A | 4 |
| 28a | Lot 118, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | 0.72 acres out of Lot 118, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51 | 437.37 | Tract 27A | 2 |
| 29a | Lot 119, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | 0.30 acres out of Lot 119, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51 | 627.18 | Tract 28A | 2 |
| 30a | Lot 120, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | 0.24 acres out of Lot 120, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51 | 260.91 | Tract 29A | 2 |
| | | | 208.97 | Tract 30A | 2 |

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| 34a | Lot 121, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | 0.34 acres out of Lot 121, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51 | 294.43 | Tract 31A | 2 |
| 35 | Lot 122, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | A 0.34 acre tract or parcel of land out of Lot 122, out of the F.J. Calvit League, Abstract 51, Brazoria County, Texas | 297.37 | Tract 35 | 2 |
| 36 | Lot 123, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | 5.00 acres, owned by FJNG, being Lot 123, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas | 294.30 | Tract 36 | 6 |
| 37 | Lot 124, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A-2" | 0.00 acres of permanent easement and a 0.39 acre temporary easement parcel out of Lot 124, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas | 0.00 | Tracts 37, 41, 43, 45, 47, 52 | 4 |
| 37.5 | Lot 125, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | 0.51 acres and a 4.070 acre temporary easement parcel of land out of Lot 125, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51 | 338.19 | Tracts 37.5, 38 | 2 |
| 37.5R | F.J. Calvit Survey, A-51, Brazoria County, Texas | land under, over or along a certain County Road (Co. RD. 891, Brazoria County), being approximately 0.049 acres - Approx. ROW feet = 42.075', Approx. width = 25 feet on either side of the centerline of the 42' pipeline | 42.075 | Tracts 21R, 22R, 26R, 37.5R, 52R, 57R | 5 |
| 38 | Lot 126, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | A 0.94 acre tract or parcel of land and a 1.80 acre temporary easement parcel of land out of the F.J. Calvit League, Abstract Number 51, Brazoria County, Texas | 798.52 | Tracts 37.5, 38 | 3 |
| 39 | Lot 127, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | A 4.53 acre tract of land and a 11.150 acre temporary easement parcel of land out of 345.809 acres, F.J. Calvit League, A-51, Brazoria County, Texas | 3916.00 | Tract 39 | 2 |
| 40 | Lot 128, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A-1" | A 0.70 acre tract and a 0.59 acre temporary easement parcel of land out of a part of 107.5 acres, more or less, being tracts 126, 140, 154, 156, and 159, Brazos Coast Investment Company Subdivision #9 out of the F.J. Calvit League, Abstract 51, Brazoria County, Texas | 614.12 | Tracts 40, 42, 44, 49.55 | 2 |
| 41 | Lot 129, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A-2" | A 0.36 acre tract and a 0.50 acre temporary easement parcel of land out of Lot 129, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51 | 312.24 | Tracts 37, 41, 43, 45, 47, 52 | 5 |
| 42 | Lot 130, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A-3" | A 0.36 acre tract and a 0.54 acre temporary easement parcel of land out of a part of 102.5 acres, more or less, being tracts 126, 140, 154, 156, and 159, Brazos Coast Investment Company Subdivision #9 out of the F.J. Calvit League, Abstract 51, Brazoria County, Texas | 312.24 | Tracts 40, 42, 44, 49.55 | 3 |
| 43 | Lot 131, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A-4" | 0.36 acres and a 0.54 acre temporary easement parcel of land out of Lot 131, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51 | 312.24 | Tracts 37, 41, 43, 45, 47, 52 | 6 |
| 44 | Lot 132, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A-5" | 0.36 acres and a 0.72 acre temporary easement parcel of land out of a part of 102.5 acres, more or less, being tracts 126, 140, 154, 156, and 159, Brazos Coast Investment Company Subdivision #9 out of the F.J. Calvit League, Abstract 51, Brazoria County, Texas | 312.24 | Tracts 40, 42, 44, 49.55 | 6 |
| 45 | Lot 133, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A-6" | 0.31 acres and a 0.46 acre temporary easement parcel of land out of Lot 133, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51 | 313.73 | Tracts 37, 41, 43, 45, 47, 52 | 7 |
| 46 | Lot 134, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A-7" | 0.31 acres and a 0.46 acre temporary easement parcel of land out of Lot 134, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51 | 268.54 | Tract 46 | 4 |
| 47 | Lot 135, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A-8" | 0.31 acres and a 0.46 acre temporary easement parcel of land out of Lot 135, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51 | 267.82 | Tracts 37, 41, 43, 45, 47, 52 | 8 |
| 48 | Lot 136, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A-9" | 0.31 acres and a 0.46 acre temporary easement parcel of land out of Lot 136, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51 | 267.41 | Tract 48 | 4 |
| 49 | Lot 137, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A-10" | 0.31 acres and a 0.61 acre temporary easement parcel of land out of a part of 102.5 acres, more or less, being tracts 126, 140, 154, 156, and 159, Brazos Coast Investment Company Subdivision #9 out of the F.J. Calvit League, Abstract 51, Brazoria County, Texas | | | 5 |
| 50 | Lot 138, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A-11" | A 0.31 acre easement tract or parcel of land and a 0.46 acre temporary easement parcel of land out of Lot 141, B.C.I.C. Division 8 Subdivision, F.J. Calvit League, A-51 (16-21 rods in length) | 267.41 | Tracts 40, 42, 44, 49.55 | 7 |

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| 51 | Lot 142, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | A 0.37 acre tract of land, a 0.27 acre tract of land and a 0.61 acre temporary easement parcel of land out of Lot 142, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51. | 257.41 | Tract 51 | 2 |
| 52 | Lot 143 & 144, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A-A-1" | 0.61 acres and a 1.22 acre temporary easement parcel of land out of Lot 143 & 144, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51 | 888.15 | Tracts 37, 41, 43, 45, 47, 52 | 3 |
| 52R | F.J. Calvit Survey, A-51 & B.T. Archer Survey, A-9, Brazoria County, Texas | Land under, over or along a certain County Road (Co. RD. 690A - Galley Way Rd., Brazoria County), being approximately 0.075 acres - Approx. ROW feet = 65.01', Approx. width = 25 feet on either side of the centerline of the 42" pipeline | 65.01 | Tracts 21R, 22R, 26R, 37.5R, 52R, 57R | 5 |
| 53 | Lot 125, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" | 0.61 acres out of Lot 125, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51 | 898.10 | Tract 53 | 2 |
| 55 | Lot 126, B.C.I.C. Division 9 Subdivision, F.J. Calvit League, A-51, Brazoria County, Texas, Exhibit "A" - 5 | 0.02 acres out of a part of 102.5 acres, more or less, being tracts 126, 140, 154, 156, and 159, Brazos Coast Investment Company Subdivision #9 out of the F.J. Calvit League, Abstract 51, Brazoria County, Texas | 0.00 | Tracts 40, 42, 44, 49, 55 | 5 |
| 56 | F.J. Calvit Survey, A-51 & B.T. Archer Survey, A-9, Brazoria County, Texas, Exhibit "B" | Land located across State-owned land in Brazoria County, Oyster Creek (20.04 rods in length), East Union Slough (1.5 rods in length), being 50 feet wide on either side of the centerline of the 42" pipeline, being approximately 0.911 acres | 306.66 | Tracts 2 and 36 | 6,7 |
| 57 | Lot 121, B.T. Archer League, A-9, Brazoria County, Texas, Exhibit "A" | 0.69 acres out of Lot 121, B.T. Archer League, A-9, Brazoria County, Texas (a 62.5537 acre tract of land) | 989.23 | Tract 57 | 2 |
| 57R | B.T. Archer Survey, A-9, Brazoria County, Texas | Land under, over or along a certain County Road (Unnamed Road and Co. Rd. 792, Brazoria County), being approximately 0.139 acres - Approx. ROW feet = 120.345', Approx. width = 25 feet on either side of the centerline of the 42" pipeline | 120.35 | Tracts 21R, 22R, 26R, 37.5R, 52R, 57R | 7,8 |
| 58 | Lot 12, 1C2, 1C3, 1C4, 1C5, 1C6, 1C7 & 1C8, B.T. Archer League, A-9, Brazoria County, Texas, Exhibit "A" | 1.39 acres and a 1.34 acre temporary easement parcel of land out of Lots 1C, 1C2, 1C3, 1C4, 1C5, 1C6, 1C7 & 1C8, B.T. Archer League, A-9, Brazoria County, Texas (a 504.445 tract of land) | 1308.46 | Tract 58 | 2,3 |
| 59 | B.T. Archer League, A-2, Brazoria County, Texas, Exhibit "A" | A 0.60 acre tract or parcel of land and a 0.53 acre temporary easement parcel of land out of the B.T. Archer League, Abstract 9, Brazoria County, Texas | 658.00 | Tract 59 | 2 |
| 61 | John W. Lightfoot Survey, A-316, Brazoria County, Texas, Exhibit "A" | A strip of land (2.69 acre tract of land) and a 4.04 acre temporary easement parcel of land out of Tract 2 and Tract 3, being 500 acres, more or less, out of the John Lightfoot Survey, Abstract No. 316, Brazoria County, Texas | 2991.72 | Tract 61 | 2,3 |
| 62.01 and 62.02 | John W. Lightfoot Survey, A-316, Brazoria County, Texas, Exhibit "A" | A 0.46 acre tract or parcel of land and a 0.54 acre temporary easement parcel of land out of the John W. Lightfoot Survey, Abstract 316, Brazoria County, Texas | 496.71 | Tract 62.01, 62.02 | 2,3 |
| 62.023 | John W. Lightfoot Survey, A-316, Brazoria County, Texas, Exhibit "A" | A 0.03 acre tract or parcel of land and a 0.02 acre temporary easement parcel of land out of the John W. Lightfoot Survey, Abstract 316, Brazoria County, Texas | 29.66 | Tract 62.023 | 2 |
| 62a | John W. Lightfoot Survey, A-316, Brazoria County, Texas, Exhibit "A" | A forty (40) foot wide strip of land (approx. 1.50 acres) and a 2.00 acre temporary easement parcel of land across a certain 206.67 acre tract or parcel of land out of the John W. Lightfoot Survey, Abstract 316, Brazoria County, Texas | 1610.92 | Tract 62A | 2,3 |
| 62.02 | John W. Lightfoot Survey, A-316, Brazoria County, Texas, Exhibit "A" | A forty (40) foot wide strip of land (approx. 0.23 acres) and a 0.20 acre temporary easement parcel of land across a certain called 11.004 acre tract or parcel of land out of the John W. Lightfoot Survey, Abstract 316, Brazoria County, Texas | 248.01 | Tract 62.02 | 2 |
| 65 | John W. Lightfoot Survey, A-316, Brazoria County, Texas, Exhibit "A" | A 0.50 acre tract or parcel of land and a 0.44 acre temporary easement parcel of land out of the John W. Lightfoot Survey, Abstract 316, Brazoria County, Texas | 345.36 | Tract 65 | 2 |
| 66 | Lot 10, Jared E. Groce 5 Leagues Grant, A-66, Brazoria County, Texas, Exhibit "A" | A 1.02 acre tract and a 0.89 acre temporary easement parcel of land out of Lot 10, Jared E. Groce 5 Leagues Grant, A-66, Brazoria County, Texas (15.00 acres) | 1112.06 | Tract 66 | 2 |

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|----|--|--|--------------------------|-------------------|---------|
| 57 | Jared E. Groce 5 Leagues Grant, A-66, Brazoria County, Texas, Exhibit "A", approximately 20.55 acres out of a 5,782.72 acre tract. | (1) Approximately 542.7 rods, being 8,950.63 feet in length and 50 feet in width on either side of the centerline of the existing 42" pipeline, being approximately 20.55 acres of a 5,782.72 acre tract or parcel of land out of the Jared E. Groce 5 Leagues Grant, A-66, Brazoria County, Texas (owned by Dow Chemical Company); and (2) Approximately 500 feet in length and 100 feet in width, being approximately 1.15 acres of a 5,782.72 acre tract or parcel of land out of the Jared E. Groce 5 Leagues Grant Survey, A-66, Brazoria County, Texas (owned by Dow Chemical Company), for the NGL line split-off to Ineos. | 8950.63 ÷ 500 = 9450.63 | Tracts 21, 50, 67 | 3, 4, 5 |
| 68 | J. E. Groce 5 Leagues Grant, A-66, Brazoria County, Texas, Exhibit "A". | A 0.02 acre tract or parcel of land and a 0.02 acre temporary easement parcel of land out of the J. E. Groce 5 Leagues Grant Survey, Abstract 66, Brazoria County, Texas. | 20.09 | Tract 68 | 2 |
| 69 | Jared E. Groce 5 Leagues, A-66, Brazoria County, Texas, approximately 1.51 acres | (1) Approximately 1.81 acres and a 0.18 acre temporary easement parcel of land out of a 474.77 acre tract out of the Jared E. Groce 5 Leagues Survey, A-66, Brazoria County, Texas; and (2) Approximately 2,600 feet in length and 100 feet in width, being approximately 5.97 acres out of a 474.77 acre tract out of the Jared E. Groce 5 Leagues Survey A-66, Brazoria County, Texas, for the NGL line split off to Ineos. | 1058.94 ÷ 2600 = 3658.94 | Tract 69 | 3 |

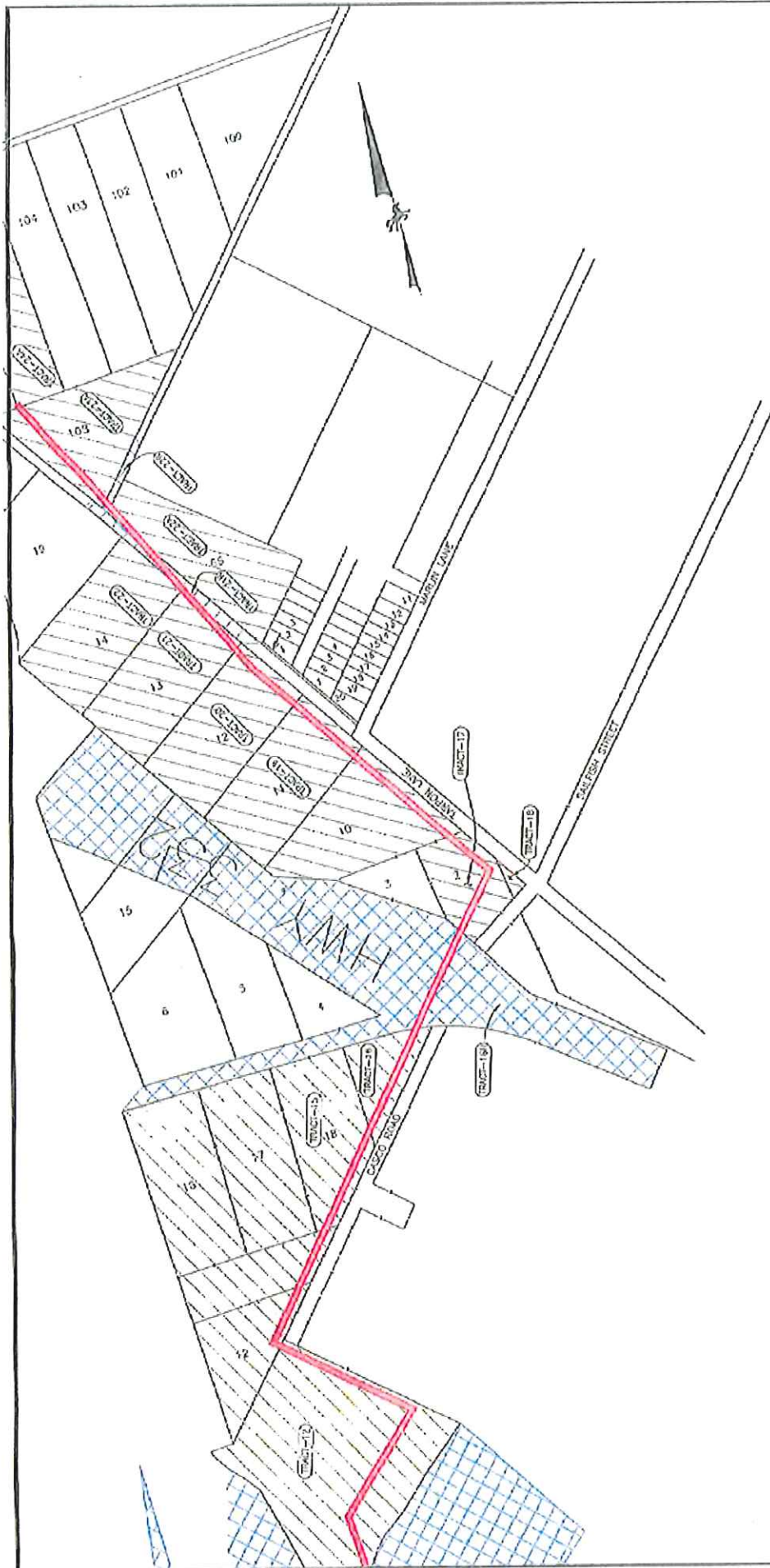


42" LNG PIPELINE
 ACQUIRED RIGHT-OF-WAY
 ARIAS UNDEVELOPED

Freport LNG Development

PROPERTY ACQUISITION
 ROUTE MAP

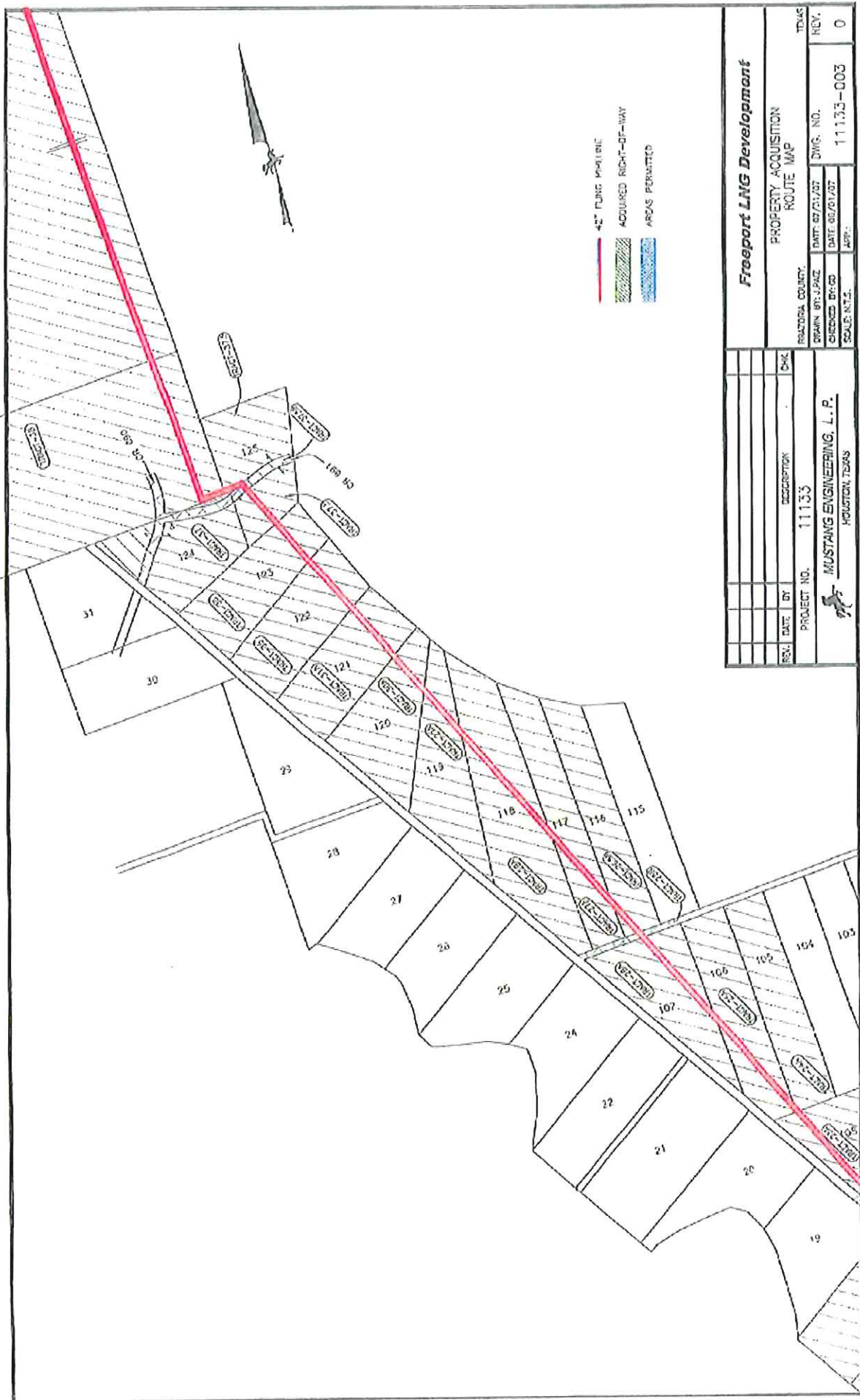
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| NO. | DATE | BY | DESCRIPTION | SIX |
| PROJECT NO. | 11133 | | | |
| <div>  MUSTANG ENGINEERING, L.P. HOUSTON, TEXAS </div> | | | | |
| <div> GRADORA COUNTY, DRAWN BY: J.PAC DATE: 02/01/07 DWG. NO. 11133-001 CHECKED BY: JAC DATE: 02/01/07 SCALE: N.E.S. REV. 0 </div> | | | | |



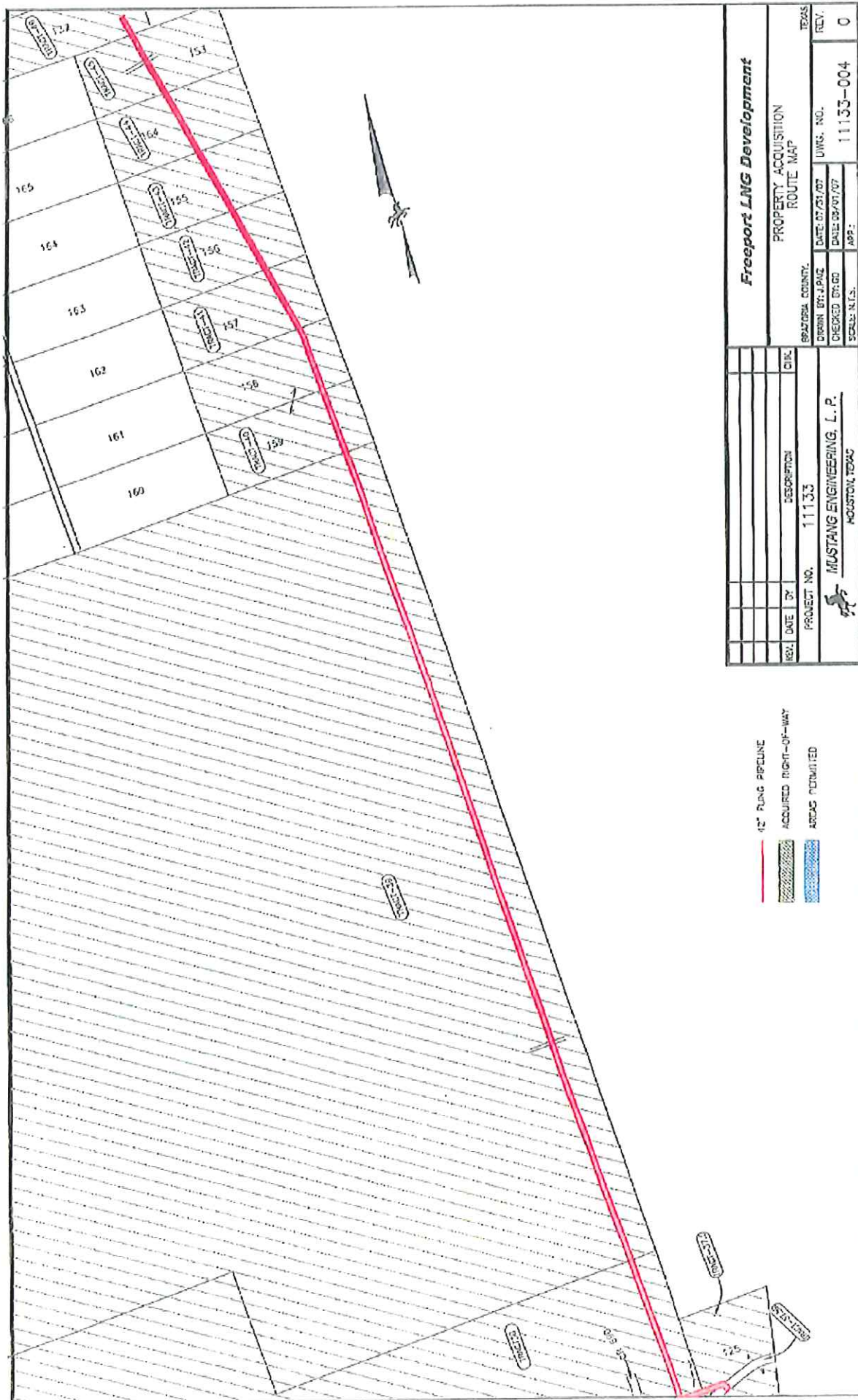
- 42' LNG PIPELINE
- ACQUIRED RIGHT-OF-WAY
- AREAS PERMITTED

Freeport LNG Development

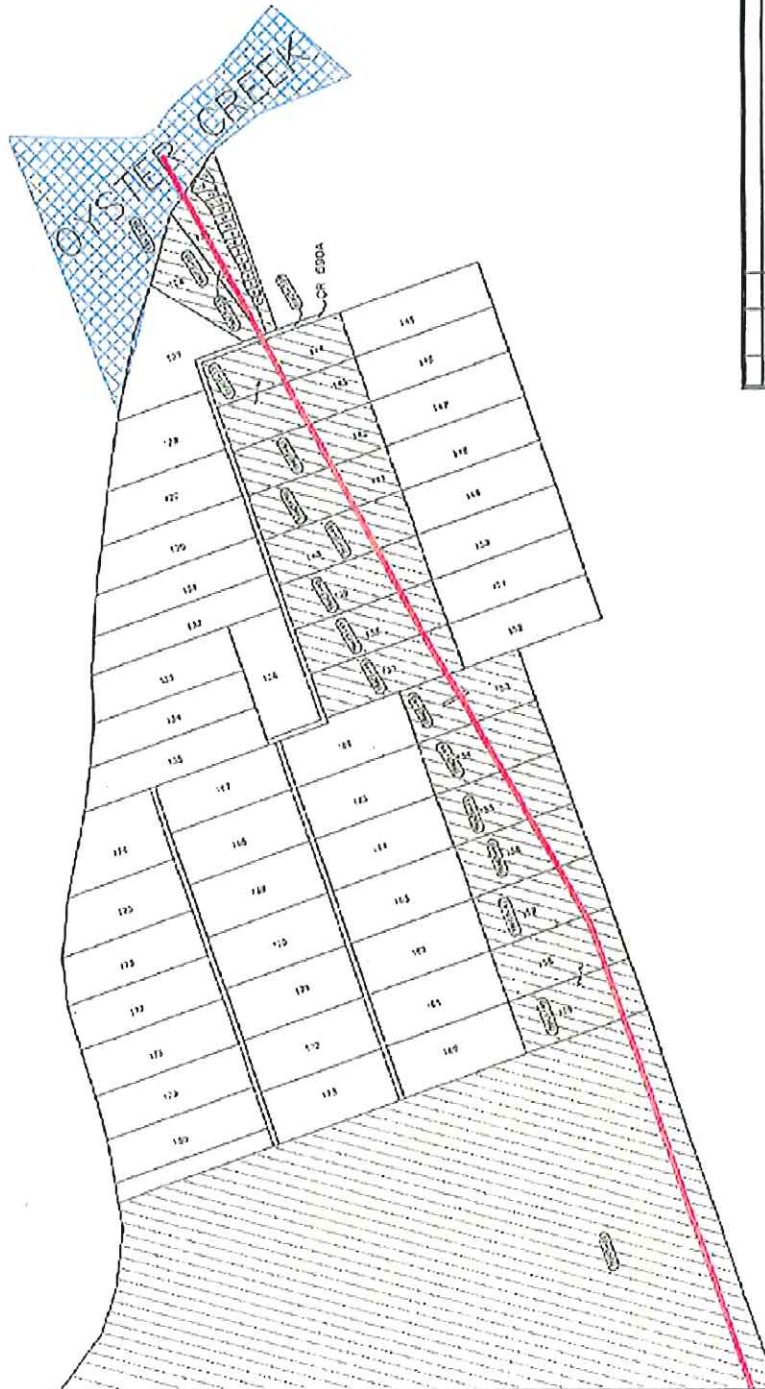
| PROPERTY ACQUISITION | | ROUTE MAP | | TXAS | |
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| ROLL | DATE | DESCRIPTION | DATE | DWG. NO. | REV. |
| PROJECT NO. 11133 | | DATE: 07/01/07 | | 11133-002 | |
| MUSTANG ENGINEERING, L.P. | | DATE: 08/01/07 | | 0 | |
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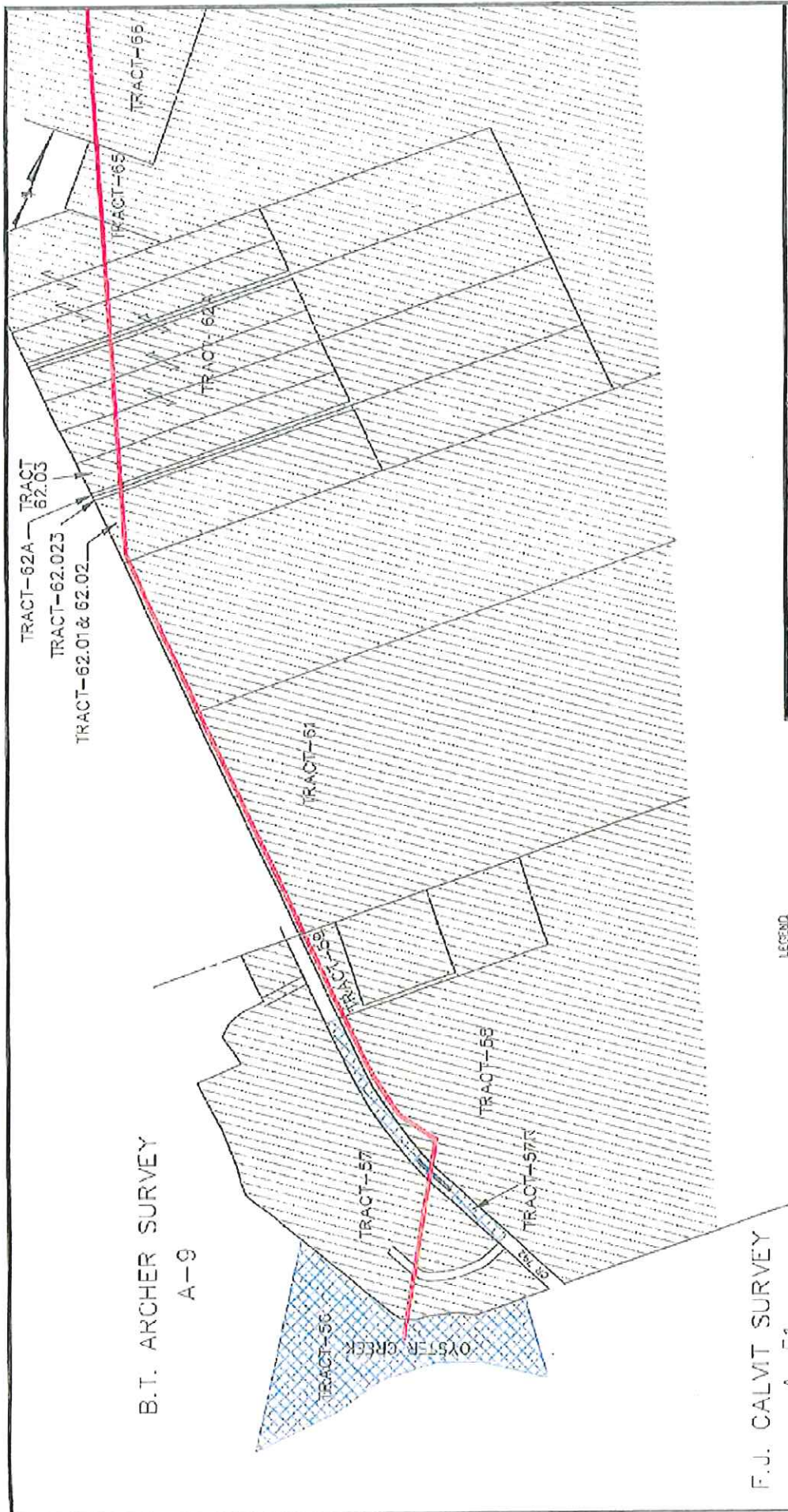
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| PROPERTY ACQUISITION ROUTE MAP | | | |
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| 204 | 12/29/19 | 11133 | 12/29/19 |
| 205 | 01/30/20 | 11133 | 01/30/20 |
| 206 | 02/30/20 | 11133 | 02/30/20 |
| 207 | 03/30/20 | 11133 | 03/30/20 |
| 208 | 04/30/20 | 11133 | 04/30/20 |
| 209 | 05/30/20 | 11133 | 05/30/20 |
| 210 | 06/30/20 | 11133 | 06/30/20 |
| 211 | 07/30/20 | 11133 | 07/30/20 |
| 212 | 08/30/20 | 11133 | 08/30/20 |
| 213 | 09/30/20 | 11133 | 09/30/20 |
| 214 | 10/30/20 | 11133 | 10/30/20 |
| 215 | 11/30/20 | 11133 | 11/30/20 |
| 216 | 12/30/20 | 11133 | 12/30/20 |
| 217 | 01/31/21 | 11133 | 01/31/21 |
| 218 | 02/31/21 | 11133 | 02/31/21 |
| 219 | 03/31/21 | 11133 | 03/31/21 |
| 220 | 04/31/21 | 11133 | 04/31/21 |
| 221 | 05/31/21 | 11133 | 05/31/21 |
| 222 | 06/31/21 | 11133 | 06/31/21 |
| 223 | 07/31/21 | 11133 | 07/31/21 |
| 224 | 08/31/21 | 11133 | 08/31/21 |
| 225 | 09/31/21 | 11133 | 09/31/21 |
| 226 | 10/31/21 | 11133 | 10/31/21 |
| 227 | 11/31/21 | 11133 | 11/31/21 |
| 228 | 12/31/21 | 11133 | 12/31/21 |
| 229 | 01/01/22 | 11133 | 01/01/22 |
| 230 | 02/01/22 | 11133 | 02/01/22 |
| 231 | 03/01/22 | 11133 | 03/01/22 |
| 232 | 04/01/22 | 11133 | 04/01/22 |
| 233 | 05/01/22 | 11133 | 05/01/22 |
| 234 | 06/01/22 | 11133 | 06/01/22 |
| 235 | 07/01/22 | 11133 | 07/01/22 |
| 236 | 08/01/22 | 11133 | 08/01/22 |
| 237 | 09/01/22 | 11133 | 09/01/22 |
| 238 | 10/01/22 | 11133 | 10/01/22 |
| 239 | 11/01/22 | 11133 | 11/01/22 |
| 240 | 12/01/22 | 11133 | 12/01/22 |
| 241 | 01/02/23 | 11133 | 01/02/23 |
| 242 | 02/02/23 | 11133 | 02/02/23 |
| 243 | 03/02/23 | 11133 | 03/02/23 |
| 244 | 04/02/23 | 11133 | 04/02/23 |
| 2 | | | |



| | |
|---|----------------|
| Freepoint LNG Development | |
| PROPERTY ACQUISITION ROUTE MAP | |
| BRADLEY COUNTY, TEXAS | DATE: 07/25/07 |
| DRAWN BY: J.P.AZ | DATE: 08/07/07 |
| CHECKED BY: GD | DATE: 08/07/07 |
| SCALE: N.T.S. | APP: 11133-004 |
| PROJECT NO. 11133 | REV. 0 |
| MUSTANG ENGINEERING, L.P. HOUSTON, TEXAS | |



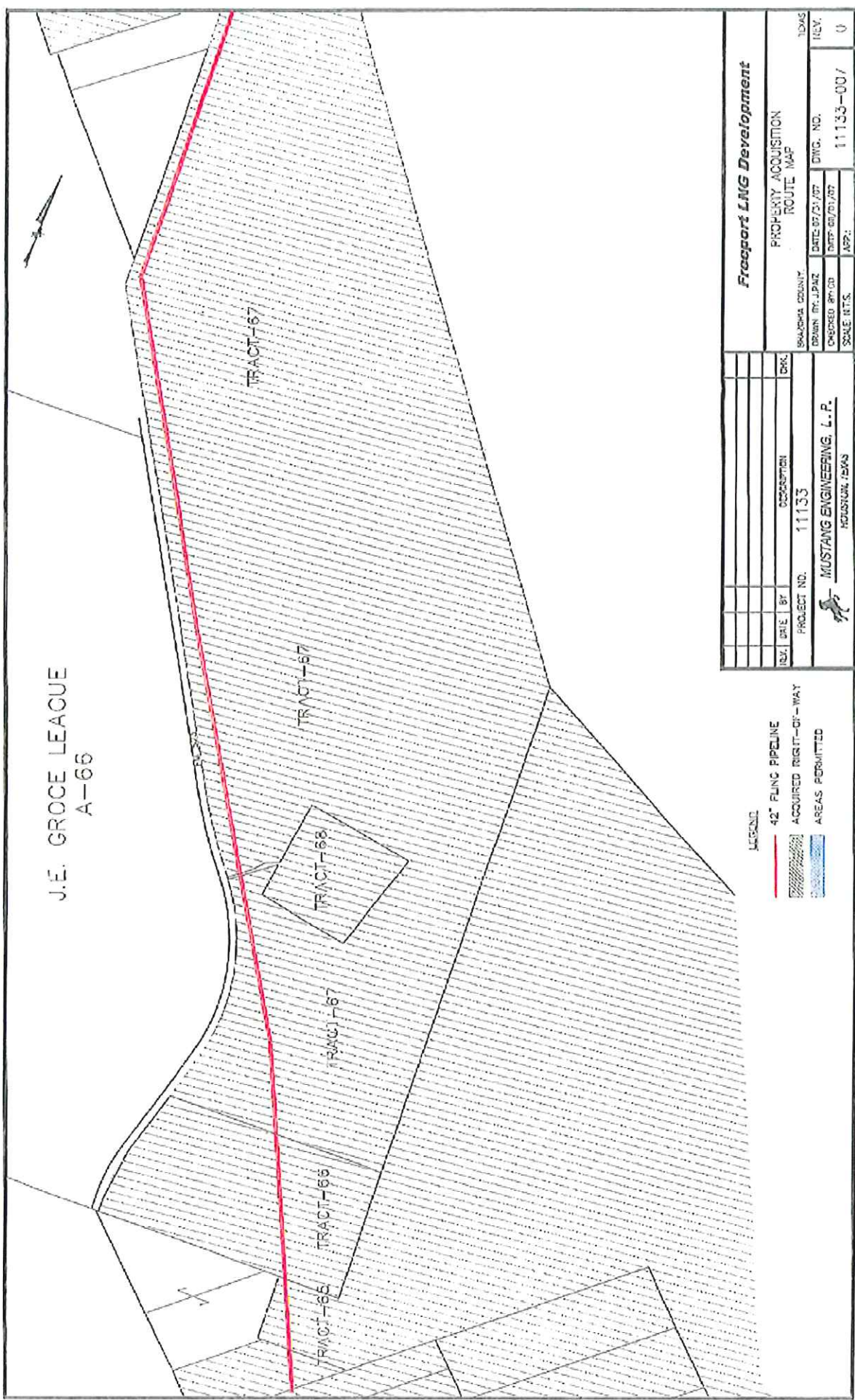
| Freepoint LNG Development | | | |
|---------------------------|----------------|-------------|-----------|
| PROPERTY ACQUISITION | | ROUTE MAP | |
| BRACORA COUNTY | DATE: 07/01/07 | DWG. NO. | 11133-005 |
| DRAWN BY: JPAZ | DATE: 07/01/07 | REV. | 0 |
| CHECKED BY: CO | DATE: 07/01/07 | | |
| SCALE: N.T.S. | APP. | | |
| MUSTANG ENGINEERING, L.P. | | | |
| HOUSTON, TEXAS | | | |
| PROJECT NO. | 11133 | | |
| DATE | BY | DESCRIPTION | CHK. |



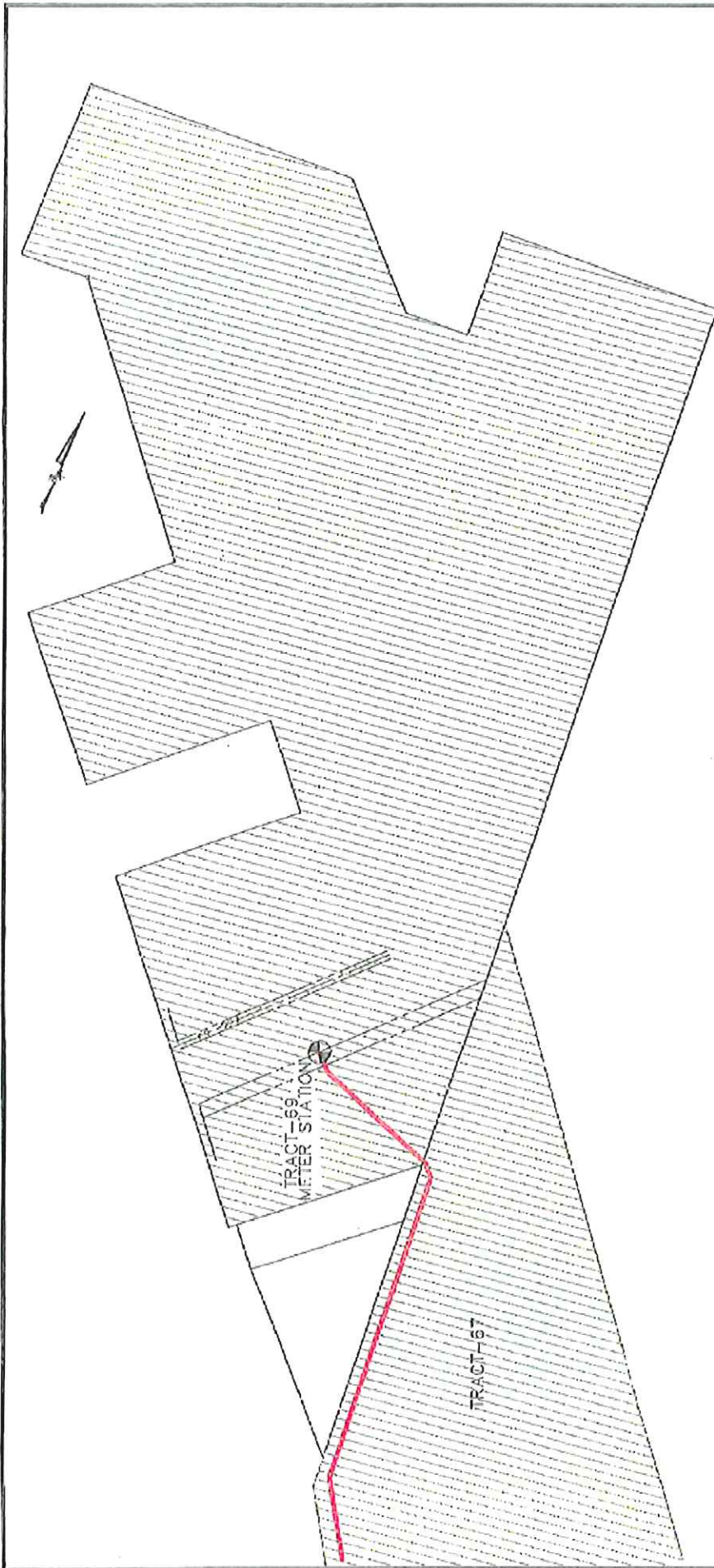
- LEGEND**
- 42' FLING PIPELINE
 - ACQUIRED RIGHT-OF-WAY
 - AIRLIS PERMITTED

| Freeport LNG Development | | | |
|---------------------------|------|--------------------------------|------|
| PROJECT NO. 11133 | | PROPERTY ACQUISITION ROUTE MAP | |
| REV. | DATE | DESCRIPTION | CHK. |
| | | | |
| PROJECT NO. 11133 | | BRATTON COUNTY, TEXAS | |
| MUSTANG ENGINEERING, L.P. | | DATE 07/31/07 | |
| HOUSTON, TEXAS | | DATE 08/01/07 | |
| | | SCALE: N.T.S. | |
| | | DWG. NO. 11133-006 | |
| | | REV. 0 | |

J.E. GROCE LEAGUE A-66



| Freight LNG Development | | | |
|---|----------------|-----------------------------------|-----------|
| NO. DATE BY | DESCRIPTION | DWG. | |
| PROJECT NO. 11133 | | | |
| MUSTANG ENGINEERING, L.P. HOUSTON, TEXAS | | | |
| BRADSHAW COUNTY | | PROPERTY ACQUISITION ROUTE MAP | |
| DRAWN BY: JPAZ | DATE: 07/21/07 | DWG. NO. | 11133-001 |
| CHECKED BY: JPAZ | DATE: 07/21/07 | SCALE: N.T.S. | 0 |
| SCALE: N.T.S. | | REV. | |



LEGEND

- 42" FUNG PIPELINE
- ACQUIRED RIGHT-OF-WAY
- AREAS PERMITTED

| | | | | | |
|-------------------|------|---|-------------|---|-----------------------------------|
| | | | | Freeport LNG Development | |
| REV. | DATE | BY | DESCRIPTION | CHK. | PROPERTY ACQUISITION ROUTE MAP |
| PROJECT NO. 11133 | | MUSTANG ENGINEERING, L.P. HOUSTON, TEXAS | | HARRIS COUNTY DATE: 07/31/07 DWG. NO. 11133-008 | |
| | | | | DATE: 08/01/07 SCALE: N.T.S. | |
| | | | | REV. 0 | |

Bid Sorrell



BEING A 305.672 ACRE TRACT OF LAND IN THE FREDERICK J. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS; SAID 305.672 ACRE TRACT BEING A PART OF THE FOLLOWING TWO TRACTS: (1) A 346.909 ACRE TRACT OF LAND CONVEYED TO MICHAEL J. SORRELL AND WIFE, LORIE, SORRELL FROM KATHERINE CULLEN BURTON, ET AL, TRUSTEES OF THE ROY G. CULLEN TRUST FOR THE BENEFIT OF ROY HENRY CULLEN, THE ROY G. CULLEN TRUST FOR THE BENEFIT OF HARRY HOLMES CULLEN AND THE ROY G. CULLEN TRUST FOR THE BENEFIT OF CORNELIA CULLEN LONG RECORDED UNDER COUNTY CLERK'S FILE (C.C.F.) NO. 01-011002 OF THE OFFICIAL RECORDS OF BRAZORIA COUNTY, TEXAS (O.R.B.C.T.); AND (2) A 9.495 ACRE TRACT OF LAND CONVEYED TO MICHAEL J. SORRELL FROM J. T. SUGGS, JR. BY DEED DATED AUGUST 28, 1986 AND RECORDED IN VOLUME (86)320, PAGE 391 OF THE O.R.B.C.T.; THE BEARINGS STATED IN THIS DESCRIPTION ARE GRID BEARINGS AND ARE BASED ON THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983; DISTANCES ARE HORIZONTAL GROUND LEVEL LENGTHS AND MAY BE CONVERTED TO GRID DISTANCES USING THE COMBINED FACTOR OF 0.9998819; SAID 305.672 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a three-eighths inch iron rod with cap found at the southwest corner of said 346.909 acre tract and on the east line of the Brazos Coast Investment Company (B.C.I.C.) Subdivision (S/D) No. 10 recorded in Volume 2, Page 141 of the Plat Records of Brazoria County, Texas (P.R.B.C.T.); same being the northwest corner of a 105.52 acre tract conveyed to Zim Exploration & Production Co. from Buccaneer Land Partnership by deed dated December 16, 1989 and recorded in Volume (90)756, Page 702 of the O.R.B.C.T.; from which a one and one-half inch iron pipe found at the southwest corner of said 105.52 acre tract bears South 09° 44' 50" East, 1,309.41 feet (called South 09° 45' 00" East, 1,308.5 feet);

THENCE North 09° 44' 50" West (called North 09° 45' 00" West), along the common line of said 346.909 acre tract and said B.C.I.C. S/D No. 10, a distance of 834.38 feet to a five-eighths inch iron rod set for corner;

THENCE North 86° 48' 42" East a distance of 40.85 feet to a five-eighths inch iron rod set for corner;

THENCE North 53° 05' 23" East a distance of 102.73 feet to a five-eighths inch iron rod set for corner;

THENCE North 37° 28' 56" East a distance of 97.87 feet to a five-eighths inch iron rod set for corner;

THENCE North 19° 44' 43" East a distance of 104.60 feet to a five-eighths inch iron rod set for corner;

DESCRIPTION OF 305.672 ACRES

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THENCE North 12° 33' 00" East a distance of 323.47 feet to a five-eighths inch iron rod set for corner;

THENCE North 19° 08' 27" East a distance of 111.23 feet to a five-eighths inch iron rod set for corner;

THENCE North 33° 56' 34" East a distance of 109.84 feet to a five-eighths inch iron rod set for corner;

THENCE North 49° 13' 02" East a distance of 109.35 feet to a five-eighths inch iron rod set for corner;

THENCE North 49° 45' 48" East a distance of 223.28 feet to a five-eighths inch iron rod set for corner;

THENCE South 09° 57' 26" East a distance of 46.57 feet to a five-eighths inch iron rod set for corner;

THENCE North 71° 06' 16" East a distance of 90.18 feet to a five-eighths inch iron rod set for corner;

THENCE North 82° 11' 52" East a distance of 118.26 feet to a five-eighths inch iron rod set for corner;

THENCE North 63° 32' 46" East a distance of 102.96 feet to a five-eighths inch iron rod set for corner;

THENCE North 74° 53' 41" East a distance of 100.36 feet to a five-eighths inch iron rod set for corner;

THENCE North 78° 01' 29" East a distance of 318.85 feet to a five-eighths inch iron rod set for corner;

THENCE North 36° 22' 03" East a distance of 237.67 feet to a five-eighths inch iron rod set for corner;

THENCE South 82° 49' 08" East a distance of 136.31 feet to a five-eighths inch iron rod set for corner;

THENCE North 03° 12' 38" West a distance of 1,659.52 feet to a five-eighths inch iron rod set for corner on the most northerly north line of said 346.909 acre tract and the south line of Tract 180 of the B.C.L.C. S/D No. 9, also recorded in Volume 2, Page 141 of the P.R.B.C.T.;

DESCRIPTION OF 305.672 ACRES
PAGE 3 OF 4 PAGES

THENCE North $86^{\circ} 47' 22''$ East (called North $86^{\circ} 48' 00''$ East), along the most northerly north line of said 346.909 acre tract and the south line of said Tract 180, a distance of 545.01 feet to a five-eighths inch iron rod found in concrete at the most northerly northeast corner of said 346.909 acre tract; same being the southeast corner of said Tract 180;

THENCE South $03^{\circ} 00' 11''$ East, along the most northerly east line of said 346.909 acre tract and a west line of said B.C.I.C. S/D No. 9, a distance of 140.30 feet (called South $03^{\circ} 00' 00''$ East, 140.08 feet) to a three-eighths inch iron rod found in concrete at an interior ell corner of said 346.909 acre tract and a southwest corner of said B.C.I.C. S/D No. 9;

THENCE North $86^{\circ} 59' 22''$ East (called North $87^{\circ} 00' 00''$ East), along the north line of said 346.909 acre tract and a northerly south line of said B.C.I.C. S/D No. 9, at 1,728.87 feet (called 1,728.70 feet) pass a three-eighths inch iron rod found on line, at 1,933.20 feet (called 1,933.00 feet) pass a railroad bridge bolt found on line, and continuing for a total distance of 2,246.40 feet to a five-eighths inch iron rod set at the northeast corner of said 346.909 acre tract; same being an interior ell corner of said B.C.I.C. S/D No. 9;

THENCE South $02^{\circ} 44' 33''$ East along the east line of said 346.909 acre tract and a west line of said B.C.I.C. S/D No. 9, a distance of 3,944.26 feet (called South $03^{\circ} 44' 30''$ East, 3,945.41 feet) to a point in water at the southeast corner of said 346.909 acre tract; same being the northeast corner of said 105.52 acre tract; from which a one-half inch iron rod with cap found at the southeast corner of said 105.52 acre tract bears South $02^{\circ} 44' 33''$ East, 701.23 feet (called South $02^{\circ} 44'$ East, 700.0 feet);

THENCE South $86^{\circ} 45' 14''$ West, along the most easterly south line of said 346.909 acre tract and the most easterly north line of said 105.52 acre tract, at 147.78 feet (called 148.0 feet) pass a one-half inch iron pipe found on line, at 592.38 feet (called 592.43 feet) pass a three-eighths inch iron rod with cap found 1.15 feet south of this line, and continuing for a total distance of 1,897.21 feet (called South $86^{\circ} 47' 33''$ West, 1,897.10 feet) to a three-fourths inch iron pipe found at the most southerly southwest corner of said 346.909 acre tract and an interior ell corner of said 105.52 acre tract;

THENCE North $03^{\circ} 13' 55''$ West, along the most southerly west line of said 346.909 acre tract and a northerly east line of said 105.52 acre tract, a distance of 600.13 feet (called North $03^{\circ} 14' 14''$ West, 600.34 feet), to a one-half inch iron pipe found at an interior ell corner of said 346.909 acre tract and a northerly northeast corner of said 105.52 acre tract;

THENCE South $86^{\circ} 44' 09''$ West, along a south line of said 346.909 acre tract and a north line of said 105.52 acre tract, a distance of 1,249.82 feet (called South $86^{\circ} 44' 37''$ West, 1,249.80 feet) to a five-eighths inch iron rod found for corner;

DESCRIPTION OF 305.672 ACRES
PAGE 4 OF 4 PAGES

THENCE North 03° 46' 27" East, along a west line of said 346.909 acre tract and an east line of said 105.52 acre tract, a distance of 88.61 feet (called North 04° 01' 00" East, 88.56 feet) to a five-eighths inch iron rod found for corner;

THENCE North 85° 19' 09" West, along a south line of said 346.909 acre tract and a north line of said 105.52 acre tract, a distance of 379.91 feet (called North 85° 14' 23" West, 380.60 feet) to a five-eighths inch iron rod found for corner;

THENCE South 47° 42' 38" West, along a southeast line of said 346.909 acre tract and a northwest line of said 105.52 acre tract, a distance of 221.91 feet (called South 47° 19' 09" West, 221.27 feet) to a five-eighths inch iron rod found for corner;

THENCE South 86° 50' 46" West, along the most westerly south line of said 346.909 acre tract and the most westerly north line of said 105.52 acre tract, a distance of 760.83 feet (called South 86° 51' 33" West, 761.31 feet) to the POINT OF BEGINNING and containing 305.672 acres of land. Each five-eighths inch iron rod described as set in this description has a plastic cap marked "Baker & Lawson". The description herein is based on a survey made in March, April, and May, 2012 by Baker & Lawson, Inc.

CERTIFIED CORRECT:

Cecil J. Booth

Cecil J. Booth
Registered Professional Land Surveyor
Registration No. 2061

Date: 18 May 12
Job No. 10858



Tract 136



BEING A 4.998 ACRE TRACT OF LAND IN THE FREDERICK J. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS; SAID 4.998 ACRE TRACT BEING TRACT 136 OF THE BRAZOS COAST INVESTMENT COMPANY SUBDIVISION (B.C.I.C.) SUBDIVISION (S/D) NO. 9 RECORDED IN VOLUME 2, PAGE 141 OF THE PLAT RECORDS OF BRAZORIA COUNTY, TEXAS; SAID TRACT 136 BEING CONVEYED TO MIKE SORRELL FROM DAVID MELASS BY DEED DATED APRIL 24, 2006 AND RECORDED UNDER COUNTY CLERK'S FILE NO. 2006024870 OF THE OFFICIAL RECORDS OF BRAZORIA COUNTY, TEXAS; THE BEARINGS STATED IN THIS DESCRIPTION ARE GRID BEARINGS AND ARE BASED ON THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983; DISTANCES ARE HORIZONTAL GROUND LEVEL LENGTHS AND MAY BE CONVERTED TO GRID DISTANCES USING THE COMBINED FACTOR OF 0.9998819; SAID 4.998 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a one-half inch iron rod found at the southeast corner of Tract 135 and on the north line of Tract 167 of said B.C.I.C. S/D No. 9; same being at the intersection of the south and west lines of a 30 feet wide platted, unimproved road; thence as follows:

North 03° 06' 52" West along the east line of said Tract 135 and the west line of said 30 feet wide road, a distance of 27.97 feet and North 87° 11' 05" East a distance of 30.00 feet to a five-eighths inch iron rod set for the southwest corner of said Tract 136 and POINT OF BEGINNING of the herein described tract; same being the intersection of the north and east lines of said 30 feet wide road;

THENCE North 03° 06' 52" West, along the east line of said Tract 136 and the east line of said 30 feet wide road, a distance of 672.39 feet to a five-eighths inch iron rod set for the northwest corner of said Tract 136 and on the south line of Tract 132 of said B.C.I.C. S/D No. 9;

THENCE North 87° 11' 05" East, along the common line of said Tracts 136 and 132, a distance of 323.33 feet (called 324.1 feet) to a five-eighths inch iron rod set at the northeast corner of said Tract 136 and on the west line of a 30 feet wide platted, unimproved road;

THENCE South 03° 11' 51" East, along the east line of said Tract 136 and the west line of said 30 feet wide road, a distance of 672.40 feet to a five-eighths inch iron rod set at the southeast corner of said Tract 136 and at the intersection of the north and west lines of a 30 feet wide platted, unimproved road;

DESCRIPTION OF TRACT 136

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THENCE South $87^{\circ} 11' 05''$ West, along the south line of said Tract 136 and the north line of said 30 feet wide road, a distance of 324.31 feet (called 324.1 feet) to the POINT OF BEGINNING and containing 4.998 acres of land. Each five-eighths inch iron rod described as set in this description has a plastic cap marked "Baker & Lawson". The description herein is based on a survey made in March, April, and May, 2012 by Baker & Lawson, Inc.

CERTIFIED CORRECT:

Cecil J. Booth

Cecil J. Booth
Registered Professional Land Surveyor
Registration No. 2061

Date: 18 May 12
Job No. 10858



Tract 140



BEING A 4.976 ACRE TRACT OF LAND IN THE FREDERICK J. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS; SAID 4.976 ACRE TRACT BEING TRACT 140 OF THE BRAZOS COAST INVESTMENT COMPANY SUBDIVISION (B.C.I.C.) SUBDIVISION (S/D) NO. 9 RECORDED IN VOLUME 2, PAGE 141 OF THE PLAT RECORDS OF BRAZORIA COUNTY, TEXAS; SAID TRACT 140 BEING CONVEYED TO MIKE SORRELL FROM DAVID MELASS BY DEED DATED APRIL 24, 2006 AND RECORDED UNDER COUNTY CLERK'S FILE NO. 2006024870 OF THE OFFICIAL RECORDS OF BRAZORIA COUNTY, TEXAS; THE BEARINGS STATED IN THIS DESCRIPTION ARE GRID BEARINGS AND ARE BASED ON THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983; DISTANCES ARE HORIZONTAL GROUND LEVEL LENGTHS AND MAY BE CONVERTED TO GRID DISTANCES USING THE COMBINED FACTOR OF 0.9998819; SAID 4.976 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a one and one-fourth inch iron pipe found at the northwest corner of Tract 166 of said B.C.I.C. S/D No. 9; same being at the intersection of the south and east lines of a 30 feet wide platted, unimproved road; thence as follows:

North 87° 11' 05" East along the north line of said Tract 166 and the south line of said 30 feet wide road, a distance of 311.59 feet to a five-eighths inch iron rod set at an interior ell corner of said Tract 166 and at the intersection with the east line of another 30 feet wide platted, unimproved road;

North 03° 11' 51" West along the east line of said 30 feet wide road and along the west lines of Tracts 137 through 139 of said B.C.I.C. S/D No. 9, a distance of 814.11 feet to a five-eighths inch iron rod set for the common west corner of said Tracts 139 and 140 and the POINT OF BEGINNING of the herein described tract;

THENCE North 03° 11' 51" West along the west line of said Tract 140 and the east line of said 30 feet wide road, a distance of 262.09 feet (called 262.1 feet) to a five-eighths inch iron rod set for the common west corner of Tracts 140 and 141 of said B.C.I.C. S/D No. 9;

THENCE North 87° 11' 05" East along the common line of said Tracts 140 and 141, a distance of 827.00 feet to a concrete monument with a brass disk stamped SE 141 SUBD 9 found at the common corner of Tracts 140, 141, 148 and 149 of said B.C.I.C. S/D No. 9;

THENCE South 03° 11' 51" East along the common line of said Tracts 140 and 149, a distance of 262.09 feet (called 262.1 feet) to a five-eighths inch iron rod with cap found at the common corner of Tracts 139, 140, 149 and 150 of said B.C.I.C. S/D No. 9;

DESCRIPTION OF TRACT 140

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THENCE South $87^{\circ} 11' 05''$ West along the common line of said Tracts 139 and 140, a distance of 827.00 feet to the POINT OF BEGINNING and containing 4.976 acres of land. Each five-eighths inch iron rod described as set in this description has a plastic cap marked "Baker & Lawson". The description herein is based on a survey made in March, April, and May, 2012 by Baker & Lawson, Inc.

CERTIFIED CORRECT:

C. J. Booth

Cecil J. Booth

Registered Professional Land Surveyor

Registration No. 2061

Date: 18 May 12

Job No. 10858



Tract 154



BEING A 5.112 ACRE TRACT OF LAND IN THE FREDERICK J. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS; SAID 5.112 ACRE TRACT BEING TRACT 154 OF THE BRAZOS COAST INVESTMENT COMPANY SUBDIVISION (B.C.I.C.) SUBDIVISION (S/D) NO. 9 RECORDED IN VOLUME 2, PAGE 141 OF THE PLAT RECORDS OF BRAZORIA COUNTY, TEXAS; SAID TRACT 154 BEING CONVEYED TO MIKE SORRELL FROM DAVID MELASS BY DEED DATED APRIL 24, 2006 AND RECORDED UNDER COUNTY CLERK'S FILE NO. 2006024870 OF THE OFFICIAL RECORDS OF BRAZORIA COUNTY, TEXAS; THE BEARINGS STATED IN THIS DESCRIPTION ARE GRID BEARINGS AND ARE BASED ON THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983; DISTANCES ARE HORIZONTAL GROUND LEVEL LENGTHS AND MAY BE CONVERTED TO GRID DISTANCES USING THE COMBINED FACTOR OF 0.9998819; SAID 5.112 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a five-eighths inch iron rod with cap found at the southeast corner of said Tract 154, at the northeast corner of 155 of said B.C.I.C. S/D No. 9 and on the west line of a 30 feet wide platted, unimproved road;

THENCE South $86^{\circ} 45' 39''$ West along the common line of said Tracts 154 and 155, a distance of 729.96 feet (called 730 feet) to a one-half inch iron rod found at the common corner of 154, 155, 164 and 165 of said B.C.I.C. S/D No. 9; from which a one and one-fourth inch iron pipe found at the common west corner of said Tracts 164 and 165 bears South $86^{\circ} 50' 14''$ West, 733.02 feet;

THENCE North $03^{\circ} 10' 52''$ West along the common line of said Tracts 154 and 165, a distance of 305.31 feet (called 304.75 feet) to a five-eighths inch iron rod set for the common corner of Tracts 153, 154, 165 and 166 of said B.C.I.C. S/D No. 9;

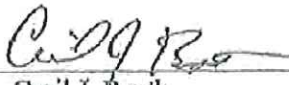
THENCE North $86^{\circ} 47' 59''$ East along the common line of said Tracts 153 and 154, a distance of 729.97 feet (called 730 feet) to a five-eighths inch iron rod with cap found at the common east corner of said Tracts 153 and 154 and on the west line of said 30 feet wide road;

DESCRIPTION OF TRACT 154

PAGE 2 OF 2 PAGES

THENCE South 03° 10' 44" East along the east line of said Tract 154 and the west line of said 30 feet wide road, a distance of 304.81 feet (called 304.75 feet) to the POINT OF BEGINNING and containing 5.112 acres of land. Each five-eighths inch iron rod described as set in this description has a plastic cap marked "Baker & Lawson". The description herein is based on a survey made in March, April, and May, 2012 by Baker & Lawson, Inc.

CERTIFIED CORRECT:



Cecil J. Booth
Registered Professional Land Surveyor
Registration No. 2061

Date: 18 May 12
Job No. 10858



Tract 156 + 163



BEING A 10.224 ACRE TRACT OF LAND IN THE FREDERICK J. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS; SAID 10.224 ACRE TRACT BEING TRACTS 156 AND 163 OF THE BRAZOS COAST INVESTMENT COMPANY SUBDIVISION (B.C.I.C.) SUBDIVISION (S/D) NO. 9 RECORDED IN VOLUME 2, PAGE 141 OF THE PLAT RECORDS OF BRAZORIA COUNTY, TEXAS; SAID TRACTS 156 AND 163 BEING CONVEYED TO MIKE SORRELL FROM DAVID MBLASS BY DEED DATED APRIL 24, 2006 AND RECORDED UNDER COUNTY CLERK'S FILE NO. 2006024870 OF THE OFFICIAL RECORDS OF BRAZORIA COUNTY, TEXAS; THE BEARINGS STATED IN THIS DESCRIPTION ARE GRID BEARINGS AND ARE BASED ON THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983; DISTANCES ARE HORIZONTAL GROUND LEVEL LENGTHS AND MAY BE CONVERTED TO GRID DISTANCES USING THE COMBINED FACTOR OF 0.9998819; SAID 10.224 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a one inch iron pipe found at the common west corner of Tracts 163 and 162 of said B.C.I.C. S/D No. 9 and on the east line of a 30 feet wide platted, unimproved road;

THENCE North 03° 13' 20" West along the west line of said Tract 163 and the east line of said 30 feet wide road, a distance of 304.67 feet (called 304.75 feet) to a five-eighths inch iron rod set for the common west corner of Tracts 163 and 164 of said B.C.I.C. S/D No. 9; from which a one and one-quarter inch iron pipe found at the common west corner of Tracts 164 and 165 of said B.C.I.C. S/D No. 9 bears North 03° 13' 20" West, 304.67 feet;

THENCE North 86° 50' 21" East along the common line of said Tracts 163 and 164, a distance of 732.71 feet (called 732 feet) to a one-half inch iron rod found at the common corner of Tracts 155, 156, 163 and 164 of said B.C.I.C. S/D No. 9;

THENCE North 86° 46' 44" East along the common line of said Tracts 155 and 156, a distance of 730.04 feet (called 730 feet) to a five-eighths inch iron rod with cap found at the common east corner of said Tracts 155 and 156 and on the west line of a 30 feet wide platted, unimproved road;

THENCE South 03° 10' 44" East along the east line of said Tract 156 and the west line of said 30 feet wide road, a distance of 304.84 feet (called 304.75 feet) to a five-eighths inch iron rod found at the common east corner of Tracts 156 and 157 of said B.C.I.C. S/D No. 9;

THENCE South 86° 49' 33" West along the common line of said Tracts 156 and 157, a distance of 729.86 feet (called 730 feet) to a two inch iron pipe found at the common corner of said Tracts 155, 156, 162 and 163;

DESCRIPTION OF TRACTS 156 & 163

PAGE 2 OF 2 PAGES

THENCE South 86° 48' 21" West along the common line of said Tracts 162 and 163, a distance of 732.67 feet (called 732 feet) to the POINT OF BEGINNING and containing 10.224 acres of land. Each five-eighths inch iron rod described as set in this description has a plastic cap marked "Baker & Lawson". The description herein is based on a survey made in March, April, and May, 2012 by Baker & Lawson, Inc.

CERTIFIED CORRECT:

CJ Booth

Cecil J. Booth

Registered Professional Land Surveyor

Registration No. 2061

Date: 18 MAY 12

Job No. 10858



Tract 158-161



BEING A 20.595 ACRE TRACT OF LAND IN THE FREDERICK J. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS; SAID 20.595 ACRE TRACT BEING TRACTS 158, 159, 160, AND 161 OF THE BRAZOS COAST INVESTMENT COMPANY SUBDIVISION (B.C.I.C.) SUBDIVISION (S/D) NO. 9 RECORDED IN VOLUME 2, PAGE 141 OF THE PLAT RECORDS OF BRAZORIA COUNTY, TEXAS; SAID TRACTS 158, 159, 160, AND 161 BEING CONVEYED TO MIKE SORRELL FROM DAVID MELASS BY DEED DATED APRIL 24, 2006 AND RECORDED UNDER COUNTY CLERK'S FILE (C.C.F.) NO. 2006024870 OF THE OFFICIAL RECORDS OF BRAZORIA COUNTY, TEXAS (O.R.B.C.T.); THE BEARINGS STATED IN THIS DESCRIPTION ARE GRID BEARINGS AND ARE BASED ON THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983; DISTANCES ARE HORIZONTAL GROUND LEVEL LENGTHS AND MAY BE CONVERTED TO GRID DISTANCES USING THE COMBINED FACTOR OF 0.9998819; SAID 20.595 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a one-half inch iron pipe found at the common west corner of Tracts 161 and 162 of said B.C.I.C. S/D No. 9 and on the east line of a 30 feet wide platted, unimproved road;

THENCE North $86^{\circ} 50' 02''$ East along the common line of said Tracts 161 and 162, a distance of 732.52 feet (called 732 feet) to a three inch iron pipe found at the common corner of Tracts 157, 158, 161 and 162 of said B.C.I.C. S/D No. 9;

THENCE North $86^{\circ} 47' 59''$ East along the common line of said Tracts 157 and 158, a distance of 729.78 feet (called 730 feet) to a five-eighths inch iron rod with cap found at the common east corner of said Tracts 157 and 158 and on the west line of a platted, unimproved road;

THENCE South $03^{\circ} 10' 44''$ East along the east line of said Tracts 158 and 159 and the west line of said 30 feet wide road, at 609.04 feet (called 609.5 feet) pass a five-eighths inch iron rod with cap found at the monumented southeast corner of said Tract 159, and continuing for a total distance of 615.92 feet to a five-eighths inch iron rod set for the southeast corner of said Tract 159 and on the north line of a 30 feet wide platted, unimproved road; said set five-eighths inch iron rod being situated 30 feet north of and at right angles to the north line of that 346.909 acre tract conveyed to Michael J. Sorrell and Wife, Lori B. Sorrell from Katherine Cullen Burton, et al, Trustees of the Roy G. Cullen Trust for the Benefit of Roy Henry Cullen, the Roy G. Cullen Trust for the Benefit of Harry Holmes Cullen and the Roy G. Cullen Trust for the Benefit of Cornelia Cullen Long recorded under C.C.F. No. 01-011002 of the O.R.B.C.T.; from said set five-eighths inch iron rod a five-eighths inch iron rod set at the northeast corner of said 346.909 acre tract bears South $03^{\circ} 10' 44''$ East, 30.00 feet and North $86^{\circ} 59' 22''$ East, 7.79 feet;

DESCRIPTION OF TRACTS 158, 159, 160, AND 161
PAGE 2 OF 2 PAGES

THENCE South $86^{\circ}59'22''$ West along the south line of said Tract 159, the north line of said 30 feet wide road, and 30 feet north of and parallel to the north line of said 346.909 acre tract, a distance of 729.30 feet (called 730 feet) to a five-eighths inch iron rod set for the common south corner of said Tracts 159 and 160; from which a found one inch iron pipe (laid over) bears North $03^{\circ}13'21''$ West, 4.15 feet;

THENCE South $86^{\circ}59'22''$ West along the south line of said Tract 160, the north line of said 30 feet wide road, and 30 feet north of and parallel to the north line of said 346.909 acre tract, a distance of 732.54 feet (called 732 feet) to a five-eighths inch iron rod set for the southwest corner of said Tract 160; same being at the intersection with the east line of another 30 feet wide platted, unimproved road;

THENCE North $03^{\circ}13'20''$ West along the west line of said Tracts 160 and 161 and the east line of said 30 feet wide road, a distance of 611.52 feet (called 609.5 feet) to the POINT OF BEGINNING and containing 20.595 acres of land. Each five-eighths inch iron rod described as set in this description has a plastic cap marked "Baker & Lawson". The description herein is based on a survey made in March, April, and May, 2012 by Baker & Lawson, Inc.

CERTIFIED CORRECT:

C. J. Booth

Cecil J. Booth
Registered Professional Land Surveyor
Registration No. 2061

Date: 18 May 12
Job No. 10858



Tract 166



BEING A 4.900 ACRE TRACT OF LAND IN THE FREDERICK J. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS; SAID 4.900 ACRE TRACT BEING TRACT 166 OF THE BRAZOS COAST INVESTMENT COMPANY SUBDIVISION (B.C.I.C.) SUBDIVISION (S/D) NO. 9 RECORDED IN VOLUME 2, PAGE 141 OF THE PLAT RECORDS OF BRAZORIA COUNTY, TEXAS; SAID TRACT 166 BEING CONVEYED TO MIKE SORRELL FROM DAVID MBLASS BY DEED DATED APRIL 24, 2006 AND RECORDED UNDER COUNTY CLERK'S FILE NO. 2006024870 OF THE OFFICIAL RECORDS OF BRAZORIA COUNTY, TEXAS; THE BEARINGS STATED IN THIS DESCRIPTION ARE GRID BEARINGS AND ARE BASED ON THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983; DISTANCES ARE HORIZONTAL GROUND LEVEL LENGTHS AND MAY BE CONVERTED TO GRID DISTANCES USING THE COMBINED FACTOR OF 0.9998819; SAID 4.900 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a one and one-fourth inch iron pipe found at the northwest corner of said Tract 166 and the intersection of the south and east lines of two 30 feet wide platted, unimproved roads;

THENCE North 87° 11' 05" East along the north line of said Tract 166 and the south line of said 30 feet wide road, a distance of 311.59 feet (called 317.6 feet) to a five-eighths inch iron rod set at an interior ell corner of said Tract 166 and at the intersection with the east line of another 30 feet wide platted, unimproved road;

North 03° 11' 51" West along the northern west line of said Tract 166 and the east line of said 30 feet wide road, a distance of 30.00 feet to a five-eighths inch iron rod set for the common west corner of Tracts 137 and 166 of said B.C.I.C. S/D No. 9;

THENCE North 87° 11' 05" East along the common line of said Tracts 137 and 166, a distance of 421.88 feet (called 440.1 feet) to a point in water at the common north corner of Tracts 153 and 166 of said B.C.I.C. S/D No. 9;

THENCE South 03° 10' 52" East along the common line of said Tracts 153 and 166, a distance of 301.34 feet (called 304.75 feet) to a five-eighths inch iron rod set for the common corner of Tracts 153, 154, 164, and 165 of said B.C.I.C. S/D No. 9; from which a five-eighths inch iron rod with cap found at the common east corner of said Tracts 153 and 154 bears North 86° 47' 59" East, 729.97 feet;

THENCE South 86° 47' 59" West along the common line of said Tracts 165 and 166, a distance of 733.24 feet to a five-eighths inch iron rod set for the common west corner of said Tracts 165 and 166 and on the east line of a 30 feet wide platted, unimproved road;

DESCRIPTION OF TRACT 166

PAGE 2 OF 2 PAGES

THENCE North 03° 13' 20" West along the west line of said Tract 166 and the east line of said 30 feet wide road, a distance of 276.27 feet (called 276.2 feet) to the POINT OF BEGINNING and containing 4.900 acres of land. Each five-eighths inch iron rod described as set in this description has a plastic cap marked "Baker & Lawson". The description herein is based on a survey made in March, April, and May, 2012 by Baker & Lawson, Inc.

CERTIFIED CORRECT:

Cecil J. Booth

Cecil J. Booth

Registered Professional Land Surveyor

Registration No. 2061

Date: 18 May 12

Job No. 10858





BEING A 4.504 ACRE TRACT OF LAND IN THE FREDERICK J. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS; SAID 4.504 ACRE TRACT BEING TRACT 167 OF THE BRAZOS COAST INVESTMENT COMPANY SUBDIVISION (B.C.I.C.) SUBDIVISION (S/D) NO. 9 RECORDED IN VOLUME 2, PAGE 141 OF THE PLAT RECORDS OF BRAZORIA COUNTY, TEXAS; SAID TRACT 167 BEING CONVEYED TO SORRELL FAMILY LIMITED PARTNERSHIP #2, LTD. FROM TAMARA ANN FOLLETT WEIKEL AND KALYNDA FOLLETT, AS DEVISEES UNDER THE WILL OF MARTIN DEWEY FOLLETT, JR. BY DEED DATED JANUARY 10, 2008 AND RECORDED UNDER COUNTY CLERK'S FILE NO. 2008003493 OF THE OFFICIAL RECORDS OF BRAZORIA COUNTY, TEXAS; A 37.5% INTEREST IN SAID TRACT 167 BEING CONVEYED TO DOW CHEMICAL COMPANY FROM HOUSTON BANK AND TRUST COMPANY BY DEED DATED JULY 15, 1969 AND RECORDED IN VOLUME 1037, PAGE 901 OF THE DEED RECORDS OF BRAZORIA COUNTY, TEXAS; THE BEARINGS STATED IN THIS DESCRIPTION ARE GRID BEARINGS AND ARE BASED ON THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983; DISTANCES ARE HORIZONTAL GROUND LEVEL LENGTHS AND MAY BE CONVERTED TO GRID DISTANCES USING THE COMBINED FACTOR OF 0.9998819; SAID 4.504 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a five-eighths inch iron rod found at the northeast corner of Tract 174, on the south line of Tract 135 said B.C.I.C. S/D No. 9, and on the west line of a 30 feet wide platted, unimproved road; thence as follows:

North 87° 18' 51" East along the south line of said Tract 135 and across the end of said 30 feet wide road, a distance of 30.00 feet to a five-eighths inch iron rod set for the northwest corner of said Tract 167 and the POINT OF BEGINNING of the herein described tract of land on the east line of said 30 feet wide road;

THENCE North 87° 18' 51" East along the common line of said Tracts 135 and 167, at 665.87 feet pass a one-half inch iron rod found at the southeast corner of said Tract 135 and on the south line of a 30 feet wide platted, unimproved road, at 702.37 feet pass a one-half inch iron rod found on line, and continuing for a total distance of 708.63 feet (called 723.4 feet) to a five-eighths inch iron rod set for the northeast corner of said Tract 167 and at the intersection with the west line of a 30 feet wide platted, unimproved road;

THENCE South 03° 13' 20" East along the east line of said Tract 167 and the west line of said 30 feet wide road, a distance of 276.14 feet (called 276.2 feet) to a five-eighths inch iron rod set for the common east corner of Tracts 167 and 168 of said B.C.I.C. S/D No. 9;

DESCRIPTION OF TRACT 167
PAGE 2 OF 2 PAGES

THENCE South $87^{\circ} 13' 39''$ West along the common line of said Tracts 167 and 168, at 6.13 feet pass a one-half inch iron rod found on line, and continuing for a total distance of 709.68 feet (called 723.4 feet) to a five-eighths inch iron rod set for the common west corner of said Tracts 167 and 168 and on the east line of a 30 feet wide platted, unimproved road;

THENCE North $03^{\circ} 00' 11''$ East along the west line of said Tract 167 and the east line of said 30 feet wide road, a distance of 277.21 feet (called 276.2 feet) to the POINT OF BEGINNING and containing 4.504 acres of land. Each five-eighths inch iron rod described as set in this description has a plastic cap marked "Baker & Lawson". The description herein is based on a survey made in March, April, and May, 2012 by Baker & Lawson, Inc.

CERTIFIED CORRECT:

Cecil J. Booth

Cecil J. Booth
Registered Professional Land Surveyor
Registration No. 2061

Date: 18 May 12
Job No. 10858





BEING A 4.980 ACRE TRACT OF LAND IN THE FREDERICK J. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS; SAID 4.980 ACRE TRACT BEING TRACT 168 OF THE BRAZOS COAST INVESTMENT COMPANY SUBDIVISION (B.C.I.C.) SUBDIVISION (S/D) NO. 9 RECORDED IN VOLUME 2, PAGE 141 OF THE PLAT RECORDS OF BRAZORIA COUNTY, TEXAS; SAID TRACT 168 BEING CONVEYED TO MIKE SORRELL FROM DAVID MELASS BY DEED DATED APRIL 24, 2006 AND RECORDED UNDER COUNTY CLERK'S FILE NO. 2006024870 OF THE OFFICIAL RECORDS OF BRAZORIA COUNTY, TEXAS; THE BEARINGS STATED IN THIS DESCRIPTION ARE GRID BEARINGS AND ARE BASED ON THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983; DISTANCES ARE HORIZONTAL GROUND LEVEL LENGTHS AND MAY BE CONVERTED TO GRID DISTANCES USING THE COMBINED FACTOR OF 0.9998819; SAID 4.980 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a five-eighths inch iron rod found at the northeast corner of Tract 174, on the south line of Tract 135 of said B.C.I.C. S/D No. 9, and on the west line of a 30 feet wide platted, unimproved road; thence as follows:

North $87^{\circ} 18' 51''$ East along the south line of said Tract 135 and across the end of said 30 feet wide road, a distance of 30.00 feet to a five-eighths inch iron rod set for the northwest corner of Tract 167 of said B.C.I.C. S/D No. 9, and on the east line of said 30 feet wide road;

South $03^{\circ} 00' 11''$ East along the west line of said Tract 167 and the east line of said 30 feet wide road, a distance of 277.21 feet (called 276.2 feet) to a five-eighths inch iron rod set for the common west corner of said Tracts 167 and 168 and the POINT OF BEGINNING of the herein described tract of land;

THENCE North $87^{\circ} 13' 39''$ East along the common line of said Tracts 167 and 168, at 703.55 feet pass a one-half inch iron rod found on line, and continuing for a total distance of 709.68 feet (called 723.4 feet) to a five-eighths inch iron rod set for the common east corner of said Tracts 167 and 168 on the west line of a 30 feet wide platted, unimproved road;

THENCE South $03^{\circ} 13' 20''$ East along the east line of said Tract 168 and the west line of said 30 feet wide road, a distance of 305.00 feet (called 304.75 feet) to a five-eighths inch iron rod set for the common east corner of Tracts 168 and 169 of said B.C.I.C. S/D No. 9;

THENCE South $87^{\circ} 09' 27''$ West along the common line of said Tracts 168 and 169, a distance of 710.84 feet (called 723.4 feet) to a five-eighths inch iron rod set for the common west corner of said Tracts 168 and 169 and on the east line of a 30 feet wide platted, unimproved road;

DESCRIPTION OF TRACT 168
PAGE 2 OF 2 PAGES

THENCE North 03° 00' 11" West along the west line of said Tract 168 and the east line of said 30 feet wide road, a distance of 305.87 feet (called 304.75 feet) to the POINT OF BEGINNING and containing 4.980 acres of land. Each five-eighths inch iron rod described as set in this description has a plastic cap marked "Baker & Lawson". The description herein is based on a survey made in March, April, and May, 2012 by Baker & Lawson, Inc.

CERTIFIED CORRECT:

Cecil J. Booth

Cecil J. Booth
Registered Professional Land Surveyor
Registration No. 2061

Date: 18 May 12
Job No. 10858



Tract 170 + 171



BEING A 10.001 ACRE TRACT OF LAND IN THE FREDERICK J. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS; SAID 10.001 ACRE TRACT BEING TRACTS 170 AND 171 OF THE BRAZOS COAST INVESTMENT COMPANY SUBDIVISION (B.C.I.C.) SUBDIVISION (S/D) NO. 9 RECORDED IN VOLUME 2, PAGE 141 OF THE PLAT RECORDS OF BRAZORIA COUNTY, TEXAS; SAID TRACTS 170 AND 171 BEING CONVEYED TO MIKE SORRELL FROM DAVID MELASS BY DEED DATED APRIL 24, 2006 AND RECORDED UNDER COUNTY CLERK'S FILE NO. 2006024870 OF THE OFFICIAL RECORDS OF BRAZORIA COUNTY, TEXAS; THE BEARINGS STATED IN THIS DESCRIPTION ARE GRID BEARINGS AND ARE BASED ON THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983; DISTANCES ARE HORIZONTAL GROUND LEVEL LENGTHS AND MAY BE CONVERTED TO GRID DISTANCES USING THE COMBINED FACTOR OF 0.9998819; SAID 10.001 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a five-eighths inch iron rod found at the northeast corner of Tract 174, on the south line of Tract 135 of said B.C.I.C. S/D No. 9, and on the west line of a 30 feet wide platted, unimproved road; thence as follows:

North 87° 18' 51" East along the south line of said Tract 135 and across the end of said 30 feet wide road, a distance of 30.00 feet to a five-eighths inch iron rod set for the northwest corner of Tract 167 of said B.C.I.C. S/D No. 9 and on the east line of said 30 feet wide road;

South 03° 00' 11" East along the west line of said Tracts 167, 168 and 169 of said B.C.I.C. S/D No. 9 and the east line of said 30 feet wide road, at 277.21 feet pass a five-eighths inch iron rod set for the common west corner of said Tracts 167 and 168, at 583.08 feet pass a five-eighths inch iron rod set for the common west corner of said Tracts 168 and 169, and continuing for a total distance of 888.95 feet to a five-eighths inch iron rod set for the common west corner of said Tracts 169 and 170 and the POINT OF BEGINNING of the herein described tract of land;

THENCE North 87° 05' 16" East along the common line of said Tracts 169 and 170, a distance of 712.01 feet (called 723.4 feet) to a five-eighths inch iron rod set for the common east corner of said Tracts 169 and 170 on the west line of a 30 feet wide platted, unimproved road;

THENCE South 03° 13' 20" East along the east line of said Tracts 170 and 171 and the west line of said 30 feet wide road, a distance of 610.00 feet (called 609.50 feet) to a five-eighths inch iron rod set for the common east corner of Tracts 171 and 172 of said B.C.I.C. S/D No. 9;

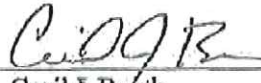
THENCE South 86° 56' 56" West along the common line of said Tracts 171 and 172, a distance of 714.34 feet (called 723.4 feet) to a five-eighths inch iron rod set for the common west corner of said Tracts 171 and 172 and on the east line of a 30 feet wide platted, unimproved road;

DESCRIPTION OF TRACTS 170 & 171

PAGE 2 OF 2 PAGES

THENCE North 03° 00' 11" West along the west line of said Tracts 170 and 171 and the east line of said 30 feet wide road, a distance of 611.74 feet (called 609.50 feet) to the POINT OF BEGINNING and containing 10.001 acres of land. Each five-eighths inch iron rod described as set in this description has a plastic cap marked "Baker & Lawson". The description herein is based on a survey made in March, April, and May, 2012 by Baker & Lawson, Inc.

CERTIFIED CORRECT:



Cecil J. Booth
Registered Professional Land Surveyor
Registration No. 2061

Date: 18 May 12
Job No. 10858





BEING A 5.039 ACRE TRACT OF LAND IN THE FREDERICK J. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS; SAID 5.039 ACRE TRACT BEING TRACT 173 OF THE BRAZOS COAST INVESTMENT COMPANY SUBDIVISION (B.C.I.C.) SUBDIVISION (S/D) NO. 9 RECORDED IN VOLUME 2, PAGE 141 OF THE PLAT RECORDS OF BRAZORIA COUNTY, TEXAS; SAID TRACT 173 BEING CONVEYED TO MIKE SORRELL FROM DAVID MELASS BY DEED DATED APRIL 24, 2006 AND RECORDED UNDER COUNTY CLERK'S FILE (C.C.F.) NO. 2006024870 OF THE OFFICIAL RECORDS OF BRAZORIA COUNTY, TEXAS (O.R.B.C.T.); THE BEARINGS STATED IN THIS DESCRIPTION ARE GRID BEARINGS AND ARE BASED ON THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983; DISTANCES ARE HORIZONTAL GROUND LEVEL LENGTHS AND MAY BE CONVERTED TO GRID DISTANCES USING THE COMBINED FACTOR OF 0.9998819; SAID 5.039 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a three-eighths inch iron rod found in concrete at a southwest corner of said B.C.I.C. S/D No. 9 and at an interior ell corner of a 346.909 acre tract of land conveyed to Michael J. Sorrell and wife, Lori E. Sorrell from Katherine Cullen Burton, et al, Trustees of the Roy G. Cullen Trust for the benefit of Roy Henry Cullen, the Roy G. Cullen Trust for the benefit of Harry Holmes Cullen and the Roy G. Cullen Trust for the benefit of Cornelia Cullen Long recorded under C.C.F. No. 01-011002 of the O.R.B.C.T.; same being at the intersection of the west and south lines of two 30 feet wide platted, unimproved roads; thence as follows:

North 03° 00' 11" West along a west line of said B.C.I.C. S/D No. 9 and a northerly east line of said 346.909 acre tract, a distance of 30.00 feet and North 86° 59' 22" East across said 30 feet wide road, a distance of 30.00 feet to a five-eighths inch iron rod set for the southwest corner of said Tract 173 and the POINT OF BEGINNING of the herein described tract of land and on east line of said 30 feet wide road;

THENCE North 03° 00' 11" West along the west line of said Tract 173 and the east line of said 30 feet wide road, a distance of 305.87 feet (called 304.75 feet) to a five-eighths inch iron rod set for the common west corner of Tracts 172 and 173 of said B.C.I.C. S/D No. 9;

THENCE North 86° 52' 47" East along the common line of said Tracts 172 and 173, a distance of 715.51 feet (called 723.4 feet) to a five-eighths inch iron rod set for the common east corner of said Tracts 172 and 173 on the west line of a 30 feet wide platted, unimproved road;

THENCE South 03° 13' 20" East along the east line of said Tract 173 and the west line of said 30 feet wide road, a distance of 307.24 feet (called 304.75 feet) to a five-eighths inch iron rod set for the southeast corner of said Tract 173 and at the intersection of the west line of said 30 feet wide road with the north line of another 30 feet wide platted, unimproved road; said corner being situated 30 feet north of and at right angles to the north line said 346.909 acre tract;

DESCRIPTION OF TRACT 173

PAGE 2 OF 2 PAGES

THENCE South $86^{\circ}59'22''$ West along the south line of said Tract 173, the north line of said 30 feet wide road, and 30 feet north of and parallel to the north line of said 346.909 acre tract, a distance of 716.68 feet (called 723.4 feet) to the POINT OF BEGINNING and containing 5.039 acres of land. Each five-eighths inch iron rod described as set in this description has a plastic cap marked "Baker & Lawson". The description herein is based on a survey made in March, April, and May, 2012 by Baker & Lawson, Inc.

CERTIFIED CORRECT:



Cecil J. Booth
Registered Professional Land Surveyor
Registration No. 2061

Date: 18 May 12
Job No. 10858



Tracts 133-135
+ 174-180



BEING A 50.210 ACRE TRACT OF LAND IN THE FREDERICK J. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS; SAID 50.210 ACRE TRACT BEING TRACTS 133 THROUGH 135 AND TRACTS 174 THROUGH 180 OF THE BRAZOS COAST INVESTMENT COMPANY SUBDIVISION (B.C.I.C.) SUBDIVISION (S/D) NO. 9 RECORDED IN VOLUME 2, PAGE 141 OF THE PLAT RECORDS OF BRAZORIA COUNTY, TEXAS; SAID TRACTS 133 AND 134 BEING CONVEYED TO MIKE SORRELL TRUCKING AND MATERIALS, INC. FROM THE CITY OF FREEPORT BY DEED DATED SEPTEMBER 4, 2007 AND RECORDED UNDER COUNTY CLERK'S FILE (C.C.F.) NO. 2012014068 OF THE OFFICIAL RECORDS OF BRAZORIA COUNTY, TEXAS (O.R.B.C.T.); SAID TRACT 135 BEING CONVEYED TO MICHAEL J. SORRELL FROM JAMES E. THOMPSON AND WIFE, DELTA H. THOMPSON BY DEED DATED NOVEMBER 6, 2007 AND RECORDED UNDER C.C.F. NO. 2008000500 OF THE O.R.B.C.T.; A ONE-HALF INTEREST IN SAID TRACT 174 BEING CONVEYED TO MIKE SORRELL FROM DAVID MELASS BY DEED DATED APRIL 24, 2006 AND RECORDED UNDER C.C.F. NO. 2006024870 OF THE O.R.B.C.T.; AND TRACTS 175 THROUGH 180 BEING CONVEYED TO MIKE SORRELL FROM DAVID MELASS BY DEED DATED APRIL 24, 2006 AND RECORDED UNDER C.C.F. NO. 2006024870 OF THE O.R.B.C.T.; THE BEARINGS STATED IN THIS DESCRIPTION ARE GRID BEARINGS AND ARE BASED ON THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983; DISTANCES ARE HORIZONTAL, GROUND LEVEL LENGTHS AND MAY BE CONVERTED TO GRID DISTANCES USING THE COMBINED FACTOR OF 0.9998819; SAID 50.210 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a five-eighths inch iron rod found in concrete at the southeast corner of said Tract 180 and at the most northerly northeast corner of a 346.909 acre tract of land conveyed to Michael J. Sorrell and wife, Lori B. Sorrell from Katherine Cullen Burton, et al, Trustees of the Roy G. Cullen Trust for the benefit of Roy Henry Cullen, the Roy G. Cullen Trust for the benefit of Harry Holmes Cullen and the Roy G. Cullen Trust for the benefit of Cornelia Cullen Long recorded under C.C.F. No. 01-011002 of the O.R.B.C.T.; same being on the west line of a 30 feet wide platted, unimproved road;

THENCE South 86° 47' 22" West, along the south line of said Tract 180 and the north line of said 346.909 acre tract, at 545.01 feet pass a five-eighths inch iron rod set on line, at 892.16 feet pass a five-eighths inch iron rod set on the right descending bank of the cut off portion of Oyster Creek, and continuing for a total distance of 907.16 feet to a point for corner at the right descending water's edge of the cut off portion of Oyster Creek;

THENCE in a northerly direction along the right descending water's edge of the cut off portion of Oyster Creek and the west lines of said Tracts 133 through 135 and said Tracts 174 through 180 with the following thirteen (13) meanders:

1. North 14° 44' 30" East a distance of 12.11 feet;

DESCRIPTION OF TRACTS 133 - 135 AND 174 - 180

PAGE 2 OF 3 PAGES

2. North 03° 02' 56" East a distance of 234.93 feet;
3. North 01° 59' 52" East a distance of 250.25 feet;
4. North 03° 16' 02" West a distance of 270.32 feet;
5. North 02° 28' 36" West a distance of 255.61 feet;
6. North 06° 20' 35" East a distance of 199.04 feet;
7. North 17° 18' 51" East a distance of 75.18 feet;
8. North 22° 31' 49" East a distance of 333.02 feet;
9. North 27° 19' 06" East a distance of 164.54 feet;
10. North 29° 18' 41" East a distance of 319.57 feet;
11. North 25° 14' 24" East a distance of 235.12 feet;
12. North 22° 43' 36" East a distance of 248.80 feet; and
13. North 18° 39' 51" East a distance of 294.24 feet to a point for the common west corner of Tracts 132 and 133 of said B.C.I.C. S/D No. 9;

THENCE North 87° 11' 05" East along the common line of said Tracts 132 and 133, at 15.00 feet pass a five-eighths inch iron rod set on the set on the right descending bank of the cut off portion of Oyster Creek, and continuing for a total distance of 766.50 feet to a five-eighths inch iron rod set for the east corner of said Tract 133 and on the west line of a 30 feet wide platted, unimproved road;

THENCE South 03° 06' 52" East along the east line of said Tracts 133 through 135 and the west line of said 30 feet wide road, 268.62 feet a five-eighths inch iron rod set at the common east corner of said Tracts 133 and 134, at 490.82 feet pass a one-half inch iron rod found at the common east corner of said Tracts 134 and 135, and continuing for a total distance of 700.36 feet to a one-half inch iron rod found at the southeast corner of said Tract 135 and on the north line of Tract 167 of said B.C.I.C. S/D No. 9;

THENCE South 87° 18' 51" West along the common line of said Tracts 135 and 167, at 665.87 feet pass a five-eighths inch iron rod set at the northwest corner of said Tract 167, and continuing for a total distance of 695.87 feet to a five-eighths inch iron rod found at the northeast corner of said Tract 174 on the west line of a 30 feet wide platted, unimproved road;

DESCRIPTION OF TRACTS 133 - 135 AND 174 - 180
PAGE 3 OF 3 PAGES

THENCE South 03° 00' 11" East along the east lines of said Tracts 174 through 180 and the west line of said 30 feet wide road, at 414.99 feet (called 415 feet) pass a five-eighths inch iron rod found at the common east corner of said Tracts 174 and 175, at 715.35 feet (called 715.4 feet) pass a five-eighths inch iron rod found at the common east corner of said Tracts 175 and 176, at 985.20 feet (called 980.6 feet) pass a five-eighths inch iron rod found at the common east corner of said Tracts 176 and 177, at 1,240.80 feet (called 1,236.2 feet) pass a five-eighths inch iron rod found at the common east corner of said Tracts 177 and 178, at 1,491.46 feet (called 1,505.2 feet) pass a five-eighths inch iron rod set to replace the rusty remains of an iron rod found at the common east corner of said Tracts 178 and 179, at 1,760.42 feet (called 1,755.9 feet) pass a five-eighths inch iron rod found at the common east corner of said Tracts 179 and 180, and continuing for a total distance of 2,002.27 feet (called 1,997.9 feet) to the POINT OF BEGINNING and containing 50.210 acres of land. Each five-eighths inch iron rod described as set in this description has a plastic cap marked "Baker & Lawson". The description herein is based on a survey made in March, April, and May, 2012 by Baker & Lawson, Inc.

CERTIFIED CORRECT:

Cecil J. Booth

Cecil J. Booth
Registered Professional Land Surveyor
Registration No. 2061

Date: 18 MAY 12
Job No. 10858



Additional Legal Descriptions for Sorrell Tracts 62, 63, 66 and 67

Tract 62

Approximately 5.00 acres out of the Frederick J. Calvit League, Abstract No. 51, Brazoria County, Texas, being Lot 62, beginning to the east of a 30 feet wide platted, unimproved road

Tract 63

Approximately 5.00 acres out of the Frederick J. Calvit League, Abstract No. 51, Brazoria County, Texas, being Lot 63

Tract 66

Approximately 5.00 acres out of the Frederick J. Calvit League, Abstract No. 51, Brazoria County, Texas, being Lot 66

Tract 67

Approximately 5.00 acres out of the Frederick J. Calvit League, Abstract No. 51, Brazoria County, Texas, being Lot 67

Fig. 10.11.14

[illegible][illegible]

11000 602 4 10000 1 5000 20000

EXHIBIT "A"

Being the same land conveyed by Deed deemed effective as of January 3, 1975, from The Dow Chemical Company, as grantor, to Ernest H. Cockrell, et al, as grantees, filed for record in the Office of the County Clerk of Brazoria County, Texas, in Volume 1231, page 859.

774.67812 acres of land out of Tract No. 2 of the R. H. Heston Estate, described in Deed dated July 12, 1903, recorded in Vol. V, page 305, Deed Records, Brazoria County, Texas, in the J. E. Groce 5 Leagues Grant, Abstract No. 66, Brazoria County, Texas, described in match and bounds, using survey terminology which refers to the Texas Coordinate System, South Central Zone, except the distances which are the horizontal ground level lengths, as follows:

BEARINGING at the position $x = 3,173,245.629$ and $y = 450,893.457$, for the southeast corner, which is the point of intersection of the center line of right-of-way of Texas State Highway F.M. No. 523 with the south line of J. E. Groce 5 Leagues, Abstract No. 66, from which the underground portion of an old broken concrete monument situated in said south line, at the position $x = 3,173,189.626$ and $y = 450,883.783$, bears N. $87^{\circ} 27' 41.55''$ E. a distance of 51.854 feet and in turn an old concrete monument situated at the position $x = 3,173,209.59$ and $y = 450,975.17$, which marks the southeast corner of said J. E. Groce 5 Leagues, bears N. $87^{\circ} 27' 13.04''$ E. a distance of 1012.197 feet; said south line and southeast corner of the J. E. Groce 5 Leagues as located by the above monuments or markers is the ground location which has been consistently and prominently maintained for the identical as described in the original grant of July 19, 1914, and no physical evidence contrary can be found on the premises;

THENCE, with said south line, S. $87^{\circ} 27' 41.55''$ W., at a distance of 40.003 feet to the position $x = 3,173,096.692$ and $y = 450,880.830$ which is the point of intersection with the west right-of-way line of said Highway F.M. No. 523, set a concrete monument with 1/2" lag screw, center punched, to mark said point, continue in all a distance of 749.831 feet to the position $x = 3,172,398.113$ and $y = 450,850.284$, at which was found a capped 3/4" G.I.P. set in 6" of concrete, a marker in good condition with the appearance indicating its age to be approximately 15 years in the identical location, situated on the east bank of the eastern part of Stubbinsfield Lake, for a slight angle point in said south line;

THENCE, continue with said south line, S. $87^{\circ} 25' 43.98''$ W., traversing the marshy bed of Stubbinsfield Lake, in all a distance

THENCE, continue with said south line, S. 87° 37' 14.75" W., crossing the west bank of the eastern part of Stubblefield Lake, at 1037 feet cross the east bank of the western part of said lake, cross the lake, at 1430 feet cross the west bank of said western part of said lake, cross a private road, continue S. 87° 37' 14.75" W. crossing Houston Lighting and Power Company's power line right-of-way, crossing a pipeline corridor, cross a private road, at 2184.055 feet to the position $x = 3,160,791.454$ and $y = 450,697.741$ and set a concrete monument with 1/2" lag screw, center punched, for the offset marker for the south southwest corner, in all a distance of 3316.936 feet to the position $x = 3,160,758.489$ and $y = 450,698.280$, which is the point of intersection of said south line with the right ascending waters edge of Oyster Creek, for the south southwest corner;

THENCE, with and along the right ascending waters edge of Oyster Creek, upstream, the following bearings:

N. 21° 40' 30.84" E. a distance of 110.076 feet;
 N. 31° 13' 45.05" E. a distance of 100.847 feet;
 N. 11° 31' 11.37" E. a distance of 100.041 feet;
 N. 10° 40' 39.62" E. a distance of 100.401 feet;
 N. 8° 58' 47.01" E. a distance of 109.727 feet;
 N. 3° 33' 37.35" W. a distance of 69.950 feet;
 N. 30° 27' 25.7" W. a distance of 67.333 feet;
 N. 32° 42' 23.63" W. a distance of 81.225 feet;
 N. 64° 50' 49.08" W. a distance of 23.401 feet;
 N. 27° 19' 33.64" W. a distance of 100.023 feet;
 N. 18° 58' 06.62" W. a distance of 101.110 feet;
 N. 36° 43' 07.32" W. a distance of 100.050 feet;
 N. 37° 35' 42.84" W. a distance of 127.758 feet;
 N. 33° 24' 47.03" W. a distance of 76.550 feet;
 N. 46° 52' 49.6" W. a distance of 101.602 feet;
 N. 58° 47' 16.55" W. a distance of 100.078 feet;
 N. 59° 38' 43.86" W. a distance of 100.287 feet;
 N. 64° 23' 15.97" W. a distance of 100.403 feet;
 N. 63° 39' 25.88" W. a distance of 100.319 feet;
 N. 66° 18' 12.41" W. a distance of 43.635 feet;
 N. 74° 14' 07.24" W. a distance of 91.440 feet;
 N. 73° 41' 40.98" W. a distance of 100.171 feet;
 N. 74° 50' 39.03" W. a distance of 100.085 feet;
 N. 80° 33' 59.82" W. a distance of 100.277 feet;
 N. 83° 44' 34.15" W. a distance of 61.359 feet;
 N. 83° 28' 17.71" W. a distance of 84.600 feet;
 N. 83° 16' 26.33" W. a distance of 100.240 feet;
 N. 84° 58' 10.81" W. a distance of 100.050 feet;
 N. 71° 52' 07.43" W. a distance of 100.844 feet;
 N. 80° 42' 46.31" W. a distance of 100.176 feet;
 N. 87° 33' 26.47" W. a distance of 100.812 feet;
 N. 85° 27' 04.02" W. a distance of 100.753 feet;
 S. 81° 57' 55.44" W. a distance of 100.355 feet;
 N. 88° 27' 05.53" W. a distance of 100.245 feet;
 N. 83° 43' 31.93" W. a distance of 100.780 feet;
 N. 88° 43' 44.77" W. a distance of 100.001 feet;
 S. 82° 26' 50.52" W. a distance of 148.733 feet;
 S. 79° 50' 47" W. a distance of 189.43 feet;
 S. 65° 39' 26" W. a distance of 36.90 feet;

THENCE N. 20° 56' 18.11" W., at 59.000 feet to the position $x = 3,165,676.141$ and $y = 452,301.227$ and set a concrete monument with 1/2" lag screw, center punched, for the off-set marker for the west southwest corner, cross a private road, in all a distance of 3085.000 feet to the position $x = 3,165,521.042$ and $y = 455,323.644$ and set a 1/2" x 6" galvanized lag bolt in east base of 40" dia. Live Oak tree for the west northwest corner;

THENCE N. 87° 03' 41.89" E. in all a distance of 2095.000 feet to the position $x = 3,167,621.029$ and $y = 455,431.024$ and set a concrete monument with 1/2" lag screw, center punched, for the interior northwest corner;

THENCE N. 20° 56' 18.11" W. in all a distance of 885.619 feet to the position $x = 3,167,567.615$ and $y = 456,315.379$ and set a concrete monument with 1/2" lag screw, center punched, for the north northwest corner;

THENCE N. 87° 03' 41.89" E., crossing Houston Lighting and Power Company's power line right-of-way, crossing a pipeline corridor, at 3635.955 feet to the position $x = 3,171,199.361$ and $y = 456,501.741$, which is the point of intersection with the westerly right-of-way line of Texas State Highway F.M. No. 523, set a concrete monument with 1/2" lag screw, center punched, to mark said point, continue in all a distance of 3704.164 feet to the position $x = 3,171,266.472$ and $y = 456,505.237$, which is the point of intersection with the center line of right-of-way of said highway, for the northeast corner, from which triangulation station Mark 2, 1936 (U.S.C. and G.S.) bears N. 13° 41' 59.57" W. a distance of 264.232 feet;

THENCE, with and along the center line of the right-of-way, which is 120 feet in width, of Texas State Highway F.M. No. 523, S. 31° 20' 19.28" W. in all a distance of 2616.547 feet to the position $x = 3,172,731.165$ and $y = 454,099.900$ which is the point of a curve to the left and southeasterly in said center line;

THENCE, continue with said center line along a curve to the left and southeasterly, which curve has a central angle of 89° 43' 31.85", a radius of 2854.934 feet and its radius point fixed at the position $x = 3,175,177.623$ and $y = 455,569.757$, in all a distance of 436.298 feet, arc length, to the position $x = 3,172,985.494$ and $y = 453,745.883$ which is the point of tangency of said curve;

THENCE, continue with said center line; N. 40° 03' 51.13" E. in all a distance of 218.966 feet to the position $x = 3,173,126.412$ and $y = 459,578.426$ which is the point of a curve to the right and southerly in said center line;

THENCE, continue with said center line along a curve to the right and southerly, which curve has a central angle of 54° 42' 26.33", a radius of 1432.685 feet and its radius point fixed at the position $x = 3,172,030.099$ and $y = 457,656.399$, in all a distance of 1367.961 feet, arc length, to the position $x = 3,173,416.059$ and $y = 452,294.264$ which is the point of tangency of said curve;

East, arc length, to the position $x = 3,173,141.850$ and $y = 450,973$, which is the point of tangency of said curve,

THENCE, continue with said center line, S. $30^{\circ} 05' 07.14''$ W. in all a distance of 90.360 feet to the position $x = 3,173,146.839$ and $y = 450,803.487$, which is the point of beginning, limiting and enclosing 774.67812 acres of land of which 5.67812 acres is situated in the western one-half of the right-of-way of Texas State Highway F.M. No. 523.

BRAZORIA COUNTY, TEXAS
JARED E. GROCE 5 LEAGUES GRANT, A-86

THE DOW CHEMICAL COMPANY
 6,782.72 ACRES
 VOL. 1231, P.O. 874
 O.R.B.O.

G.M. R2610
 N 13,579,818.02
 E 3,137,235.17

P.O.C.
 G.M. R2419
 N 13,577,031.30
 E 3,137,375.59

PINTO ENERGY
 PARTNERS, L.P.
 774,678.12 ACRES
 DOC. NO. 2005005552
 O.R.B.O.

THE DOW CHEMICAL COMPANY
 CALLED 80,323.85 ACRES
 VOL. 1419, P.O. 589
 O.R.B.O.



1-13-10

Joseph E. Adams
 JOSEPH E. ADAMS
 REGISTERED PROFESSIONAL LAND SURVEYOR
 NO. 5162

BEARINGS BASED ON TEXAS STATE PLANE COORDINATE
 SYSTEM, NAD 83, SOUTH CENTRAL ZONE, DERIVED FROM
 GPS OBSERVATIONS

REFERENCE DRAWING: 13096-3007
 EXHIBIT B-2: LIGURES UNDER SECTION 2.5 OF THE LEASE AGREEMENT

| PROJECT NO. 13096 | | | | | Freeport LNG Development | |
|---------------------------|---------|----|------------------|---|--------------------------|----|
| REV. | DATE | BY | DESCRIPTION | AT | DATE | BY |
| 0 | 1/13/10 | JA | ISSUED TO CLIENT | AT | | |
| PROJECT NO. 13096 | | | | DOW PIPELINE CORRIDOR TO LNG STORAGE FACILITY | | |
| MUSTANG ENGINEERING, L.P. | | | | BRAZORIA COUNTY, TEXAS | | |
| HOUSTON, TEXAS | | | | DOW NO. 13096-9411 | | |
| | | | | REV. 0 | | |

EXHIBIT A

INOVENE U.S.A., L.L.C.
9.21 Acres of Land

Being 9.21 acres of land a out of the Jared E. Groes 5 Leagues, Abstract No. 66, Brazoria County, Texas, and being a portion of that certain 474.77 acre-tract described by Warranty Deed to AMOCO Pipeline Company now known as BP Pipelines (North America), Inc. in Volume 1124 on Page 425 of the Official Records of Brazoria County, Texas dated June 6, 1972. Said 474.77 acre-tract was transferred to O & D U.S.A., L.L.C., a Delaware Limited Liability Company by Quit Claim Deed With Out Warranty recorded under Document Number 2005057911 in the Official Records of Brazoria County, Texas on April 1, 2005. The name of O & D U.S.A., L.L.C. was then changed by Document Number 2005055955 to Inovene U.S.A., L.L.C. and recorded in the Official Records of Brazoria County, Texas on May 24, 2005. The above-mentioned 9.21 acre-tract is more particularly described by metes and bounds as follows:

COMMENCING at a 2 inch iron pipe found for the southeast corner of the above mentioned 474.77 acre-tract of land,

THENCE N 59°02'18" W for a distance of 1,012.55 feet to a 5/8 inch iron rod with cap stamped "RPLS 5006" set on the northwest line of the Missouri-Pacific Railroad right-of-way for the east corner of the herein described 9.21 acre-tract and the POINT OF BEGINNING,

THENCE S 45°34'15" W along said northwest line of the Missouri-Pacific Railroad for a distance of 1,032.09 feet to a 5/8 inch iron rod stamped "RPLS 5006" set at the intersection of said northwest line and a fence on the northeast line of State P.M. Highway 523 as described in Volume 653 on Page 291 of the Official Records of Brazoria County, Texas for the South corner of the herein described 9.21 acre-tract,

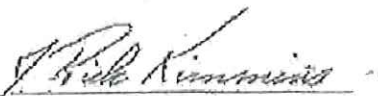
THENCE N 40°42'57" W along a fence for the northeast line of State P.M. Highway 523 for a distance of 389.75 feet to a 5/8 inch iron rod with cap stamped "RPLS 5006" set at the base and on the west side of a damaged fence corner post for the intersection of said northeast line and the southeast line of County Road 227, as maintained for public use, for the west corner of the herein described 9.21 acre-tract,

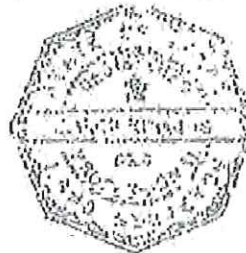
THENCE N 45°03'06" E along a fence for the southeast line of County Road 227 for a distance of 1,026.91 feet to a 5/8 inch iron rod with cap stamped "RPLS 5006" set on said southeast line for the North corner of the herein described 9.21 acre-tract,

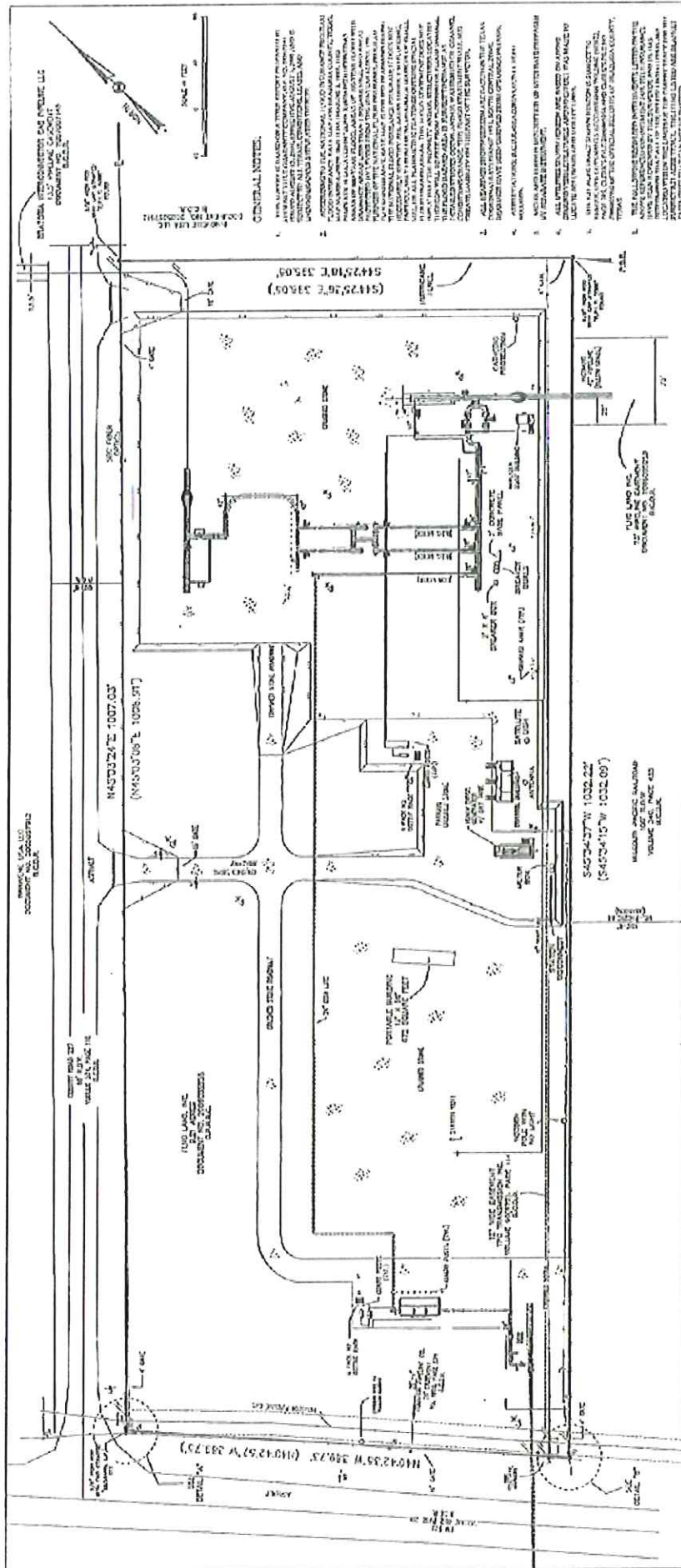
THENCE S 44°25'36" E along the northeast line of the herein described 9.21 acre-tract for a distance of 398.05 feet to the POINT OF BEGINNING and containing 9.21 acres of land, more or less.

Bearings described herein are based on the Texas State Plane Coordinate System, NAD 83, South Central Zone, derived from GPS observations.

This description is based on the Land Title Survey, and plat made by J. Rick Kimmins, Registered Professional Surveyor No. 5006 on November 06, 2005.


J. Rick Kimmins
RPLS No. 5006
Date: December 14, 2005

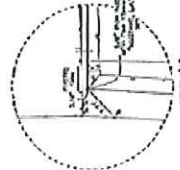
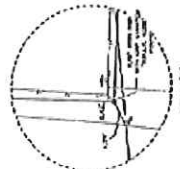





GENERAL NOTES:

- [illegible]

| FEED | NO. | LOCATIONS | ACQUISITION |
|------|-----|----------------|-------------|
| 1 | 1 | PROTON PUMPING | 2000-1971 |
| 2 | 2 | PROTON PUMPING | 2000-1971 |
| 3 | 3 | PROTON PUMPING | 2000-1971 |
| 4 | 4 | PROTON PUMPING | 2000-1971 |
| 5 | 5 | PROTON PUMPING | 2000-1971 |
| 6 | 6 | PROTON PUMPING | 2000-1971 |
| 7 | 7 | PROTON PUMPING | 2000-1971 |
| 8 | 8 | PROTON PUMPING | 2000-1971 |
| 9 | 9 | PROTON PUMPING | 2000-1971 |
| 10 | 10 | PROTON PUMPING | 2000-1971 |
| 11 | 11 | PROTON PUMPING | 2000-1971 |
| 12 | 12 | PROTON PUMPING | 2000-1971 |
| 13 | 13 | PROTON PUMPING | 2000-1971 |
| 14 | 14 | PROTON PUMPING | 2000-1971 |
| 15 | 15 | PROTON PUMPING | 2000-1971 |
| 16 | 16 | PROTON PUMPING | 2000-1971 |
| 17 | 17 | PROTON PUMPING | 2000-1971 |
| 18 | 18 | PROTON PUMPING | 2000-1971 |
| 19 | 19 | PROTON PUMPING | 2000-1971 |
| 20 | 20 | PROTON PUMPING | 2000-1971 |
| 21 | 21 | PROTON PUMPING | 2000-1971 |
| 22 | 22 | PROTON PUMPING | 2000-1971 |
| 23 | 23 | PROTON PUMPING | 2000-1971 |
| 24 | 24 | PROTON PUMPING | 2000-1971 |
| 25 | 25 | PROTON PUMPING | 2000-1971 |
| 26 | 26 | PROTON PUMPING | 2000-1971 |
| 27 | 27 | PROTON PUMPING | 2000-1971 |
| 28 | 28 | PROTON PUMPING | 2000-1971 |
| 29 | 29 | PROTON PUMPING | 2000-1971 |
| 30 | 30 | PROTON PUMPING | 2000-1971 |
| 31 | 31 | PROTON PUMPING | 2000-1971 |
| 32 | 32 | PROTON PUMPING | 2000-1971 |
| 33 | 33 | PROTON PUMPING | 2000-1971 |
| 34 | 34 | PROTON PUMPING | 2000-1971 |
| 35 | 35 | PROTON PUMPING | 2000-1971 |
| 36 | 36 | PROTON PUMPING | 2000-1971 |
| 37 | 37 | PROTON PUMPING | 2000-1971 |
| 38 | 38 | PROTON PUMPING | 2000-1971 |
| 39 | 39 | PROTON PUMPING | 2000-1971 |
| 40 | 40 | PROTON PUMPING | 2000-1971 |
| 41 | 41 | PROTON PUMPING | 2000-1971 |
| 42 | 42 | PROTON PUMPING | 2000-1971 |
| 43 | 43 | PROTON PUMPING | 2000-1971 |
| 44 | 44 | PROTON PUMPING | 2000-1971 |
| 45 | 45 | PROTON PUMPING | 2000-1971 |
| 46 | 46 | PROTON PUMPING | 2000-1971 |
| 47 | 47 | PROTON PUMPING | 2000-1971 |
| 48 | 48 | PROTON PUMPING | 2000-1971 |
| 49 | 49 | PROTON PUMPING | 2000-1971 |
| 50 | 50 | PROTON PUMPING | 2000-1971 |
| 51 | 51 | PROTON PUMPING | 2000-1971 |
| 52 | 52 | PROTON PUMPING | 2000-1971 |
| 53 | 53 | PROTON PUMPING | 2000-1971 |
| 54 | 54 | PROTON PUMPING | 2000-1971 |
| 55 | 55 | PROTON PUMPING | 2000-1971 |
| 56 | 56 | PROTON PUMPING | 2000-1971 |
| 57 | 57 | PROTON PUMPING | 2000-1971 |
| 58 | 58 | PROTON PUMPING | 2000-1971 |
| 59 | 59 | PROTON PUMPING | 2000-1971 |
| 60 | 60 | PROTON PUMPING | 2000-1971 |
| 61 | 61 | PROTON PUMPING | 2000-1971 |
| 62 | 62 | PROTON PUMPING | 2000-1971 |
| 63 | 63 | PROTON PUMPING | 2000-1971 |
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Freeport LNG Development

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 ROBERT L. BROWN, JR.
 1000 14TH ST. N.W.
 WASHINGTON, D.C. 20004

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EXHIBIT 2

LOCATION OF QUALIFIED INVESTMENT/QUALIFIED PROPERTY

All Qualified Property owned by the Applicant and located within the boundaries of Brazosport Independent School District and *Freeport LNG Development, L.P. Reinvestment Zones Number 2 and Number 3*, except that property which is specifically excluded in **EXHIBIT 3**, will be included in and subject to this Agreement. Specifically, all Qualified Property of the Applicant located within the boundaries on the maps and/or charts attached to **EXHIBIT 1** are included.

EXHIBIT 3

DESCRIPTION OF THE APPLICANT'S QUALIFIED INVESTMENT/QUALIFIED PROPERTY

TEXAS COMPTROLLER APPLICATION NO. 245

The Applicant's new Train 2 natural gas liquefaction infrastructure will be installed at an existing terminal to provide export capacity of approximately 4.4 million metric tons per annum (mtpa) of LNG per liquefaction train, which equates to processing approximately 670 MMcf/d of pipeline-quality natural gas (feed gas). The new infrastructure and improvements required to operate liquefaction Train 2 are described and quantified in the Application contained in Texas Comptroller file Number 245. Liquefaction Train 2 is projected to be in full operation in the third to fourth quarter of 2018. It will include one liquefaction train, capable of producing an export capacity of approximately to 4.4 mtpa, associated pretreatment system facilities for that train, and one marine berthing dock.

The feed gas will be derived from interconnecting intrastate systems through Freeport LNG's existing Stratton Ridge meter station. The gas will be pretreated along Freeport LNG's existing forty-two inch (42") natural gas pipeline, about halfway between Freeport LNG's existing facilities on Quintana Island and Freeport LNG's existing metering, compression, and underground storage facilities. The pretreated natural gas will then be delivered to the terminal through Freeport LNG's existing forty-two inch (42") natural gas pipeline. At the terminal, it will be liquefied and then stored in full-containment LNG storage tanks. LNG will be exported from the terminal by LNG carriers arriving via marine transit through the Freeport Harbor Channel.

The added liquefaction capability will not preclude the terminal from operating in vaporization and send-out mode as business conditions dictate. Also, having dual liquefaction and regasification capabilities will not result in any increase in the number of ship transits since the total amount of LNG handled, either by liquefying natural gas or by vaporizing LNG, will not exceed thresholds authorized under the FERC order approving the Phase II regas project.

The Applicant's Qualified Investment/Qualified Property will include property classified by Brazoria CAD as real estate improvements for one liquefaction train, capable of producing a LNG export capacity of approximately 4.4 mtpa, and associated pretreatment facilities for that train. This equipment typically includes, but is not limited to; three large refrigerant compressors, one main cryogenic heat exchanger, eight refrigerant vaporizers, two liquid turbines, 250+ fin fan air coolers, multiple heat exchangers and tower reboilers, multiple vessels, numerous

compressors, various pumps, and all of the associated concrete foundations, pipe supports, piping, instrumentation, power feeds, control loops, safety systems, fire water protection, insulation, and utilities necessary to connect the new facilities to the existing terminal, safely operate the new equipment, and pretreat and liquefy approximately 670 MMcf/d of pipeline-quality natural gas.

In addition to the property described above, the Applicant's Qualified Investment/Qualified Property, unique to this Agreement, also includes, but is not limited to; one piled marine berthing dock capable of berthing and loading/unloading LNG vessels of up to approximately 180,000 cubic meters.

The Applicant's Qualified Investment/Qualified Property will also include some personal property necessary for the Applicant to conduct the activities described above.

The specific locations of the Applicant's facilities developed in conjunction with Texas Comptroller Application Number 245 are shown on the map of such improvements attached as the page next following this **EXHIBIT 3**.

Excluded Property

The Applicant's Qualified Property/Qualified Investment shall not include the following improvements which were located within the Reinvestment Zones described in **EXHIBIT 1** prior to the Completed Application Date:

- The Phase I regasification terminal designed to vaporize and achieve a peak send-out capacity of ~2.0 Bcf per day.
- Two (2) full-containment, 160,000 cubic meter, LNG storage tanks.
- Piled marine dock, capable of handling LNG vessels in excess of 200,000 cubic meters, with associated double-walled vacuum insulated transfer pipelines.
- Seven vaporization trains and associated equipment, eight water glycol heaters, a water glycol tank, associated pumps, a drain drum and sump, eight intermediate exchangers and fuel gas heaters.
- Boil Off Gas Re-liquefaction unit.

- Approximately ten miles of forty-two inch (42") natural gas pipeline from the existing terminal to Stratton Ridge.
- Office building.
- Control room.
- Warehouse.
- Analyzer.
- Shop buildings.
- VE Warning Tower.
- Existing fencing and roads.

The foregoing items have, at the time of this Agreement, been assigned the following account numbers by the Brazoria county Appraisal District:

PERSONAL PROPERTY ACCOUNT NUMBERS

- 8900-0800-000
- 8900-0800-100

IMPROVEMENT ACCOUNT NUMBERS

- 8800-0450-000
- 8800-04 50-100
- ABAT-FLNG-00 1
- POLL-FLNG-00 1

NCAA Team Size Pattern, South Central Zone, U.S. Football



EXISTING FREIGHT LANE DEVELOPMENT, L.P.
RECOMMITMENT ZONE NO. 2

EXISTING FREIGHT LANE DEVELOPMENT, L.P.
RECOMMITMENT ZONE NO. 3

PROPOSED NEW FACILITIES

EXISTING INFRA-
STRUCTURE

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