Chapter 313 Annual Eligibility Report Form

Economic Development and Analysis

Form 50-772-A

SECTION 1: Applicant and District Information

1. Tax year covered by this report: 2014

   NOTE: This report must be completed and submitted to the school district by May 15 of every year using information from the previous tax (calendar) year.

2. Application number: 245

   NOTE: You can find your application number and all agreement documents and reports on the website www.texasahead.org/tax_programs/chapter313/applicants

3. Name of school district: Brazosport ISD

4. Name of project on original application *(or short description of facility)*: Freeport LNG Liquefaction Project (Train 2)

5. Name of applicant on original application: Freeport LNG Development, LP & Affiliates

6. Name the company entering into original agreement with distrct: Freeport LNG Development, LP & Affiliates

7. Amount of limitation at time of application approval: $30,000,000

8. If you are one of two or more companies originally applying for a limitation, list all other applicants here and describe their relationships. *(Use attachments if necessary.)*

   See attached affiliates

SECTION 2: Current Agreement Information

1. Name of current agreement holder(s) Freeport LNG Development, LP & Affiliates

2. Complete mailing address of current agreement holder 333 Clay Street, Suite 5050, Houston, TX 77002

3. Company contact person for agreement holder:

   Jerry Smith — Name
   Vice President & Controller — Title
   713-634-3521 — Phone
   jsmith@freeportlng.com — Email

4. Texas franchise tax ID number of current agreement holder: 12700304111 (See attached affiliates)

5. If the current agreement holder does not report under the franchise tax law, please include name and tax ID of reporting entity:

   N/A — Name
   Tax ID

6. If the authorized company representative *(same as signatory for this form)* is different from the contact person listed above, complete the following:

   Same as above — Name
   Title
   Complete Mailing Address
   Phone
   Email

7. If you are a current agreement holder who was not an original applicant, please list all other current agreement holders. Please describe the chain of ownership from the original applicant to the new entities. *(Use attachments if necessary.)*

   N/A

SECTION 3: Applicant Eligibility Information

1. Does the business entity have the right to transact business with respect to Tax Code, Chapter 171? *(Attach printout from Comptroller Web site: http://www.window.state.tx.us/taxinfo/coasintr.html)* ☑ Yes ☐ No
2. Is the business entity current on all taxes due to the State of Texas? ☑ Yes ☐ No
3. Is the business activity of the project an eligible business activity under Section 313.024(b)? ☑ Yes ☐ No

   3a. Please identify business activity: 325120 Industrial Gas Manufacturing

SECTION 4: Qualified Property Information

1. Market value for reporting year: $ 0.00
2. I&S taxable value for reporting year: $ 0.00
3. M&O taxable value for reporting year: $ 0.00

SECTION 5A: Wage and Employment Information for Applications Prior to Jan. 1, 2014 (#1 Through 999)

ONLY COMPLETE THE WAGE SECTION (5A or 5B) THAT APPLIES TO YOUR APPLICATION. You can find your application number on the website at www.texasahead.org/tax_programs/chapter313/applicants.

NOTE: All statutory references in Section 5A are for statute as it existed prior to Jan. 1, 2014. For job definitions see TAC §9.1051(14) and Tax Code, §313.021(3). If the agreement includes a definition of "new job" other than TAC §9.1051(14)(C), then please provide the definition "new job" as used in the agreement. Notwithstanding any waiver by the district of the requirement for the creation of a minimum number of new jobs, or any other job commitment in the agreement, Tax Code §313.024(d) requires that 80 percent of all new jobs be qualifying jobs.

1. How many new jobs were based on the qualified property in the year covered by this report? *(See note above)* 0
2. What is the number of new jobs required for a project in this school district according to §313.021(2)(A)(iv)(b), §313.051(b), as appropriate? 10
3. Did the applicant request that the governing body waive the minimum job requirement, as provided under Tax Code §313.025(f-1)? ☐ Yes ☑ No

   3a. If yes, how many new jobs must the approved applicant create under the waiver?
4. Calculate 80 percent of new jobs (0.80 x number of new jobs based on the qualified property in the year covered by this report.) 0
5. What is the minimum required annual wage for each qualifying job in the year covered by the report? $ 0.00
6. Identify which of the four Tax Code sections is used to determine the wage standard required by the agreement:
   ☐ §313.021(5)(A) or ☐ §313.021(5)(B) or ☐ §313.021(3)(E)(ii) or ☑ §313.051(b)

   6a. Attach calculations and cite exact Texas Workforce Commission data source as defined in TAC §9.1051.
7. Does the agreement require the applicant to provide a specified number of jobs at a specified wage? ☐ Yes ☑ No

   7a. If yes, how many qualifying jobs did the approved applicant commit to create in the year covered by the report?

   7b. If yes, what annual wage did the approved applicant commit to pay in the year covered by the report? $

   7c. If yes, how many qualifying jobs were created at the specified wage in the year covered by the report?
8. How many qualifying jobs (employees of this entity and employees of a contractor with this entity) were based on the qualified property in the year covered by the report? 0

   8a. Of the qualifying job-holders last year, how many were employees of the approved applicant? 0

   8b. Of the qualifying job-holders last year, how many were employees of an entity contracting with the approved applicant? 0

   8c. If any qualifying job-holders were employees of an entity contracting with the applicant, does the approved applicant or assignee have documentation from the contractor supporting the conclusion that those jobs are qualifying jobs? ☐ Yes ☐ No ☑ N/A

SECTION 5B: Wage and Employment Information for Applications After Jan. 1, 2014 (#1000 and Above)

ONLY COMPLETE THE WAGE SECTION (5A or 5B) THAT APPLIES TO YOUR APPLICATION. You can find your application number on the website at www.texasahead.org/tax_programs/chapter313/applicants.

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

QUALIFYING JOBS

1. What is the number of new qualifying jobs the applicant committed to create in the year covered by this report? ..... _____

2. Did the applicant request that the governing body waive the minimum qualifying job requirement, as provided under Tax Code §313.025(f-1)? ..... ☐ Yes ☐ No

   2a. _____

This section is not applicable to Freeport LNG Development (Application #245.)

3. Which ☐ §313.021(5)(B)

   3a. [illegible]

4. What is the minimum required annual wage for each qualifying job in the year covered by this report? ..... $ _____

5. What is the annual wage the applicant committed to pay for each of the qualifying jobs in the year covered by this report? ..... $ _____

6. Do the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? ..... ☐ Yes ☐ No

NON-QUALIFYING JOBS

7. What is the number of non-qualifying jobs the applicant had on Dec. 31 of the year covered by this report? ..... _____

8. What was the average wage you were paying for non-qualifying jobs on Dec. 31 of the year covered by this report? .. $ _____

9. What is the county average weekly wage for non-qualifying jobs, as defined in TAC §9.1051? ..... $ _____

MISCELLANEOUS

10. Did the applicant rely on a determination by the Texas Workforce Commission under the provisions §313.024(3)(F) in meeting the minimum qualifying job requirements? ..... ☐ Yes ☐ No

    10a. If yes, attach supporting documentation to evidence that the requirements of §313.021(3)(F) were met.

11. Are you part of a Single Unified Project (SUP) and relying on the provisions in Tax Code §313.024(d-2) to meet the qualifying job requirements? ..... ☐ Yes ☐ No

    11a. If yes, attach supporting documentation from the Texas Economic Development and Tourism Office including a list of the other school district(s) and the qualifying jobs located in each.

SECTION 6: Qualified Investment During Qualified Time Period

ENTITIES ARE NOT REQUIRED TO COMPLETE THIS SECTION IF THE YEAR COVERED BY THE REPORT IS AFTER THE QUALIFYING TIME PERIOD OF THEIR AGREEMENT. The qualified period for Freeport LNG Development (Application #245) begins on Jan.1, 2018.

1. What is the qualified investment expended by this entity from the beginning of the qualifying time period through the end of the year covered by this report? ..... $ _____

2. Was any of the land classified as qualified investment? ..... ☐ Yes ☑ No

3. Was any of the qualified Investment leased under a capitalized lease? ..... ☐ Yes ☑ No

4. Was any of the qualified Investment leased under an operating lease? ..... ☐ Yes ☑ No

5. Was any property not owned by the applicant part of the qualified investment? ..... ☐ Yes ☑ No

SECTION 7: Partial Interest

THE FOLLOWING QUESTIONS MUST BE ANSWERED BY ENTITIES HAVING A PARTIAL INTEREST IN AN AGREEMENT. For limitation agreements where there are multiple company entities that receive a part of the limitation provided by the agreement: 1) each business entity not having a full interest in the agreement should complete a separate form for their proportionate share of required employment and investment information; and, 2) separately, the school district is required to complete an Annual Eligibility Report that provides for each question in this form a sum of the individual answers from reports submitted by each entity so that there is a cumulative Annual Eligibility Report reflecting the entire agreement.

1. What was your limitation amount (or portion of original limitation amount) during the year covered by this report? . . . . _____

2. Please describe your interest in the agreement and identify all the documents creating that interest.

Not applicable

SECTION 8: Approval

"I am the authorized representative for the Company submitting this Annual Eligibility Report. I understand that this Report is a government record as defined in Chapter 37 of the Texas Penal Code. The information I am providing on this Report is true and correct to the best of my knowledge and belief."

print here Jerry Smith
Print Name *(Authorized Company Representative)*

Vice President & Controller
Title

sign here Jerry Smith
Signature *(Authorized Company Representative)*

5/13/2015
Date

print here Wes Jackson
Print Name of Preparer *(Person Who Completed the Form)*

713-266-4456 ext 2
Phone

Attachment 1 – Application 245 Affiliates List

Applicants:

- 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)
- Each of the affiliates listed above are, via one or more intermediary companies, wholly owned subsidiaries of Freeport LNG Development, L.P.

Franchise Tax Account Status

As of: 04/24/2015 04:34:35 PM

This Page is Not Sufficient for Filings with the Secretary of State

FREEPORT LNG DEVELOPMENT, L.P.	
Texas Taxpayer Number	12700304111
Mailing Address	333 CLAY ST STE 5050 HOUSTON, TX 77002-4101
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	09/20/2002
Texas SOS File Number	0800125153
Registered Agent Name	CORPORATION SERVICE COMPANY DBA CSC - LAWYERS INCO
Registered Office Street Address	211 E. 7TH STREET SUITE 620 AUSTIN, TX 78701

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*

ATTACHMENT 14

Quarterly Employment and Wages (QCEW)

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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)

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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

ATTACHMENT #14

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

COG	Wages Hourly	Wages 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% x $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.