

**FINDINGS OF THE GREGORY-PORTLAND
INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE
APPLICATION SUBMITTED
BY
CORPUS CHRISTI LIQUEFACTION, LLC (#297)**



February 18, 2014

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OF THE
GREGORY-PORTLAND INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
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FEBRUARY 18, 2014

Board Findings of the Gregory-Portland Independent School District

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INDEPENDENT SCHOOL DISTRICT BOARD OF
TRUSTEES UNDER THE
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CORPUS CHRISTI LIQUEFACTION, LLC (# 297)

STATE OF TEXAS §

COUNTY OF SAN PATRICIO §

On the 18th day of February, 2014, a public meeting of the Board of Trustees of the Gregory-Portland 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 Corpus Christi Liquefaction, LLC (CC Liquefaction #297) for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. 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 Gregory-Portland Independent School District makes the following findings with respect to the application of CC Liquefaction #297, and the economic impact of that application:

On August 16, 2013, the Texas Comptroller of Public Accounts received a completed Application from CC Liquefaction #297 for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is attached as **Attachment A**.

The Applicant, CC Liquefaction #297 (Texas Taxpayer Id. 32048261799) 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 Gregory-Portland 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 San Patricio 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 October 18, 2013. 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 Gregory-Portland 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 Gregory-Portland 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 CC Liquefaction #297 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. This form of the Agreement has been submitted to the Comptroller's Office pursuant to 34 Tex. Admin. Code § 9.1055 (e)(1). 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 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 Corpus Christi Liquefaction, LLC 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 San Patricio County, Texas, is in need of long-term improvement.

Based on information provided by the Comptroller's Office, San Patricio County is the 50th largest county in the state in terms of population. Population growth in San Patricio County has been well below the state average. The state population grew by 1.8 percent between 2009 and 2010, while the population of San Patricio County decreased by 1.4 percent over the same period.

September 2011 employment growth for San Patricio County increased by 2.7 percent from September 2010, while the state total employment increased by 0.9 percent during the same period. The unemployment rate in San Patricio County was 9.3 percent in September 2011, however, higher than the current state average of 8.5 percent.

Board Findings of the Gregory-Portland Independent School District

San Patricio County has a lower per capita personal income than the state as a whole. In terms of per capita income, San Patricio County's \$33,068 in 2009 ranked 121st among the 254 counties in Texas, while the Texas average was \$38,609 for the same period.

San Patricio County will benefit from economic activity like that associated with the CC Liquefaction #297 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.

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 average manufacturing wage. CC Liquefaction #297 indicates that project will create 35 total new jobs, with 28 being qualified.

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

After construction, the project will create 35 new jobs when fully operational. 28 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 Coastal Bend Council of Governments Region, where San Patricio County is located was \$47,786 in 2012. The annual average manufacturing wage for 2012 for San Patricio County is \$73,684. That same year, the county annual average wage for all industries was \$47,788. In addition to a salary of \$65,000, each qualifying position will receive benefits such as medical coverage, (company pays more than 80% of employee only 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 \$74.6 million on the basis of the goal of 28 new qualifying positions for the entire CC Liquefaction #297 project located in Gregory-Portland ISD.

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

The project's total investment is \$2.09 billion, resulting in a relative level of investment per qualifying job of \$74.6 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 Corpus Christi Liquefaction, LLC'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 16 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.

Board Findings of the Gregory-Portland Independent School District

Table 1: Estimated Statewide Economic Impact of Investment and Employment in Corpus Christi Liquefaction, LLC

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	1250	1219	2469	\$74,100,000	\$97,900,000	\$172,000,000
2020	1000	1,027	2027	\$59,280,000	\$97,720,000	\$157,000,000
2021	800	823	1623	\$47,424,000	\$90,576,000	\$138,000,000
2022	510	519	1029	\$30,290,000	\$69,710,000	\$100,000,000
2023	35	172	207	\$2,275,000	\$36,725,000	\$39,000,000
2024	35	168	203	\$2,275,000	\$32,725,000	\$35,000,000
2025	35	182	217	\$2,275,000	\$30,725,000	\$33,000,000
2026	35	203	238	\$2,275,000	\$30,725,000	\$33,000,000
2027	35	233	268	\$2,275,000	\$32,725,000	\$35,000,000
2028	35	262	297	\$2,275,000	\$34,725,000	\$37,000,000
2029	35	289	324	\$2,275,000	\$38,725,000	\$41,000,000
2030	35	260	295	\$2,275,000	\$36,725,000	\$39,000,000
2031	35	229	264	\$2,275,000	\$33,725,000	\$36,000,000
2032	35	221	256	\$2,275,000	\$33,725,000	\$36,000,000
2033	35	219	254	\$2,275,000	\$34,725,000	\$37,000,000
2034	35	225	260	\$2,275,000	\$36,725,000	\$39,000,000

Source: CPA, REMI, Corpus Christi Liquefaction, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.74 billion in 2011. Gregory-Portland ISD's ad valorem tax base in 2011 was \$1.12 billion. The statewide average wealth per WADA was estimated at \$347,943 for fiscal 2011-2012. During that same year, Gregory-Portland ISD's estimated wealth per WADA was \$229,824. 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, San Patricio County, and San Patricio County Drainage District, with all property tax incentives sought being granted using estimated market value from Corpus Christi Liquefaction, LLC's application. Corpus Christi Liquefaction, LLC has applied for a value limitation under Chapter 313, Tax Code, as well as a tax rebate with the county and a tax abatement with the drainage district. Table 3 illustrates the estimated tax impact of the Corpus Christi Liquefaction, LLC project on the region if all taxes are assessed.

Board Findings of the Gregory-Portland Independent School District

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Gregory-Portland CISD I&S Levy	Gregory-Portland CISD M&O Levy	Gregory-Portland CISD M&O and I&S Tax Levies (Before Credit Credited)	Gregory-Portland CISD M&O and I&S Tax Levies (After Credit Credited)	San Patricio County Tax Levy	San Patricio County Drainage District Tax Levy	Estimated Total Property Taxes
				0.1800	1.1700			0.5500	0.0669	
2020	\$350,000,000	\$350,000,000		\$630,000	\$4,095,000	\$4,725,000	\$4,725,000	\$96,250	\$0	\$4,821,250
2021	\$850,000,000	\$850,000,000		\$1,530,000	\$9,945,000	\$11,475,000	\$11,475,000	\$233,750	\$0	\$11,708,750
2022	\$1,450,000,000	\$30,000,000		\$2,610,000	\$351,000	\$2,961,000	\$2,961,000	\$398,750	\$0	\$3,359,750
2023	\$2,000,000,000	\$30,000,000		\$3,600,000	\$351,000	\$3,951,000	\$3,075,500	\$550,000	\$0	\$3,625,500
2024	\$1,930,000,000	\$30,000,000		\$3,474,000	\$351,000	\$3,825,000	\$2,974,000	\$530,750	\$0	\$3,504,750
2025	\$1,860,000,000	\$30,000,000		\$3,348,000	\$351,000	\$3,699,000	\$2,853,900	\$511,500	\$186,665	\$3,552,065
2026	\$1,800,000,000	\$30,000,000		\$3,240,000	\$351,000	\$3,591,000	\$2,767,500	\$990,000	\$361,287	\$4,118,787
2027	\$1,740,000,000	\$30,000,000		\$3,132,000	\$351,000	\$3,483,000	\$2,668,050	\$1,435,500	\$523,866	\$4,627,416
2028	\$1,680,000,000	\$30,000,000		\$3,024,000	\$351,000	\$3,375,000	\$2,577,900	\$1,848,000	\$674,402	\$5,100,302
2029	\$1,620,000,000	\$30,000,000		\$2,916,000	\$351,000	\$3,267,000	\$2,484,000	\$2,227,500	\$812,896	\$5,524,396
2030	\$1,560,000,000	\$1,560,000,000		\$2,808,000	\$18,252,000	\$21,060,000	\$13,512,150	\$2,574,000	\$1,043,718	\$17,129,868
2031	\$1,500,000,000	\$1,500,000,000		\$2,700,000	\$17,550,000	\$20,250,000	\$20,250,000	\$2,887,500	\$1,003,575	\$24,141,075
2032	\$1,450,000,000	\$1,450,000,000		\$2,610,000	\$16,965,000	\$19,575,000	\$19,575,000	\$3,190,000	\$970,123	\$23,735,123
2033	\$1,400,000,000	\$1,400,000,000		\$2,520,000	\$16,380,000	\$18,900,000	\$18,900,000	\$3,465,000	\$936,670	\$23,301,670
2034	\$1,350,000,000	\$1,350,000,000		\$2,430,000	\$15,795,000	\$18,225,000	\$18,225,000	\$3,712,500	\$903,218	\$22,840,718
						Total	\$129,024,000	\$24,651,000	\$7,416,419	\$161,091,419

Assumes School Value Limitation, a Tax Rebate from the County, and a Tax Abatement from the Drainage District.

Source: CPA, Corpus Christi Liquefaction, LLC

¹Tax Rate per \$100 Valuation

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Gregory-Portland CISD I&S Levy	Gregory-Portland CISD M&O Levy	Gregory-Portland CISD M&O and I&S Tax Levies	San Patricio County Tax Levy	San Patricio County Drainage District Tax Levy	Estimated Total Property Taxes	
				0.1800	1.1700		0.5500	0.0669		
2020	\$350,000,000	\$350,000,000		\$630,000	\$4,095,000	\$4,725,000	\$1,925,000	\$234,168	\$6,884,168	
2021	\$850,000,000	\$850,000,000		\$1,530,000	\$9,945,000	\$11,475,000	\$4,675,000	\$568,693	\$16,718,693	
2022	\$1,450,000,000	\$1,450,000,000		\$2,610,000	\$16,965,000	\$19,575,000	\$7,975,000	\$970,123	\$28,520,123	
2023	\$2,000,000,000	\$2,000,000,000		\$3,600,000	\$23,400,000	\$27,000,000	\$11,000,000	\$1,338,100	\$39,338,100	
2024	\$1,930,000,000	\$1,930,000,000		\$3,474,000	\$22,581,000	\$26,055,000	\$10,615,000	\$1,291,267	\$37,961,267	
2025	\$1,860,000,000	\$1,860,000,000		\$3,348,000	\$21,762,000	\$25,110,000	\$10,230,000	\$1,244,433	\$36,584,433	
2026	\$1,800,000,000	\$1,800,000,000		\$3,240,000	\$21,060,000	\$24,300,000	\$9,900,000	\$1,204,290	\$35,404,290	
2027	\$1,740,000,000	\$1,740,000,000		\$3,132,000	\$20,358,000	\$23,490,000	\$9,570,000	\$1,164,147	\$34,224,147	
2028	\$1,680,000,000	\$1,680,000,000		\$3,024,000	\$19,656,000	\$22,680,000	\$9,240,000	\$1,124,004	\$33,044,004	
2029	\$1,620,000,000	\$1,620,000,000		\$2,916,000	\$18,954,000	\$21,870,000	\$8,910,000	\$1,083,861	\$31,863,861	
2030	\$1,560,000,000	\$1,560,000,000		\$2,808,000	\$18,252,000	\$21,060,000	\$8,580,000	\$1,043,718	\$30,683,718	
2031	\$1,500,000,000	\$1,500,000,000		\$2,700,000	\$17,550,000	\$20,250,000	\$8,250,000	\$1,003,575	\$29,503,575	
2032	\$1,450,000,000	\$1,450,000,000		\$2,610,000	\$16,965,000	\$19,575,000	\$7,975,000	\$970,123	\$28,520,123	
2033	\$1,400,000,000	\$1,400,000,000		\$2,520,000	\$16,380,000	\$18,900,000	\$7,700,000	\$936,670	\$27,536,670	
2034	\$1,350,000,000	\$1,350,000,000		\$2,430,000	\$15,795,000	\$18,225,000	\$7,425,000	\$903,218	\$26,553,218	
						Total	\$304,290,000	\$123,970,000	\$15,080,387	\$443,340,387

Source: CPA, Corpus Christi Liquefaction, LLC

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 CC Liquefaction #297 project remains fully taxable for debt services taxes, with Gregory-Portland ISD currently levying an \$0.18 per \$100 I&S rate. With the substantial increase in taxable value to the District's I&S tax base, Gregory-Portland ISD will be in an improved position to address its future debt service needs.

Board Finding Number 7.

The effect of the applicant's proposal, if approved, on the number or size of needed school district instructional facilities could potentially increase the District's facility needs.

The CC Liquefaction project is not expected to have a significant impact on school facilities once the plant begins operation, with 35 permanent jobs expected. During the construction phase, however, up to 1,250 FTEs are expected to be working on the project, which could have a significant impact on the operation and facilities of the district. While housing availability and family-location decisions will obviously affect enrollment, provisions to offset extraordinary-related expenses that might be faced by the district during the construction phase are needed as part of the agreement. This finding is confirmed by the TEA evaluation of this project's impact on the number and size of school facilities in Gregory-Portland 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 Corpus Christi Liquefaction, LLC's application, "Corpus Christi Liquefaction, LLC is a subsidiary of Cheniere Energy, Inc. ("Cheniere") which is a Houston based energy company primarily engaged in LNG related

Board Findings of the Gregory-Portland Independent School District

businesses. In addition to Houston, TX, Cheniere has offices in Cameron Parish, Louisiana; Corpus Christi, Texas; London, U.K.; and Santiago, Chile. Cheniere owns and operates the Sabine Pass LNG import terminal (“Sabine Pass”) in Cameron Parish, Louisiana through its partial ownership interest in and management agreements with Cheniere Energy Partners, L.P. Cheniere is currently constructing two LNG liquefaction trains and associated export facilities at Sabine Pass and anticipates commencing construction of two additional trains in mid-2013. Cheniere has completed commercialization of the fifth train at Sabine Pass and is currently seeking to commercialize the sixth train, with permitting underway for both the fifth and sixth trains. Cheniere controls property elsewhere in Cameron Parish that is suitable for development as an LNG export facility. As a leading global LNG player, Cheniere has the ability to invest in new LNG Liquefaction facilities elsewhere in the U.S. and around the world. Major LNG industry developments are ongoing currently in Australia, British Columbia and East Africa that provide significantly shorter shipping distances to major Asian markets.”

Board Finding Number 9.

During the past two years, six projects in the Coastal Bend 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 Enterprise. Based upon the consultants’ review, the Board has determined that the information provided by the Applicant is true and correct.

Formal notification letters of the completion of due diligence research from the firms of O’Hanlon, McCollom & Demerath and Moak, Casey & Associates have been attached to these Findings.

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 2012 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year, shown as Attachment F, the total 2012 industrial value for Gregory-Portland ISD is \$262 million. Given that the value of industrial property in Gregory-Portland ISD is above \$200 million, the district is classified as a Subchapter C, Category 1 district which can offer a minimum value limitation of \$30 million. This results because Gregory-Portland ISD is located in what was previously designated as a Strategic Investment Area (SIA), making it eligible for the "Rural" school district classification under Chapter 313, providing an additional incentive for investment in Gregory-Portland ISD.

Board Finding Number 12.

The Applicant (Taxpayer Id. 32048261799) 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 will incur a revenue loss under current law in the initial and subsequent years that the value limitation is in effect without the proposed Agreement. However, with this Agreement, the negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District. Revenue protection measures are also in place for the duration of the Agreement.

Board Findings of the Gregory-Portland 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 Gregory-Portland 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 Gregory-Portland Independent School District.

Dated the 18th day of February 2014.

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT

By: 
Randy Eulenfeld, President Board of Trustees

ATTEST:

By: 
Becky Macha, Secretary Board of Trustees



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

February 18, 2014

President and Members
Board of Trustees
Gregory-Portland Independent School District
608 College Street
Portland, Texas 78374

Re: Recommendations and Findings of the firm Concerning Application of Corpus Christi Liquefaction, LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President Eulenfeld 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 Gregory-Portland Independent School District, with respect to the pending Application of Corpus Christi Liquefaction, LLC 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 Corpus Christi Liquefaction, LLC 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

808 WEST AVENUE
AUSTIN, TEXAS 78701
TELEPHONE: (512) 494-9949
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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 18, 2014

President and Members
Of the Board of Trustees
Gregory-Portland Independent School District
608 College Street
Portland, Texas 78374

Re: Recommendations and Findings of the Firm Concerning Application of Corpus Christi Liquefaction, LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President Eulenfeld 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 Gregory-Portland Independent School District, with respect to the pending Application of Corpus Christi Liquefaction, LLC 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 Corpus Christi Liquefaction, LLC. 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.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin O'Hanlon", written in a cursive style.

Kevin O'Hanlon
For the Firm



Attachment A

Application

O'HANLON, MCCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

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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

June 3, 2013

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

RE: Application to the Gregory-Portland Independent School District from Corpus Christi Liquefaction, LLC

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Gregory-Portland Independent School District is notifying the Applicant Corpus Christi Liquefaction, LLC of its intent to consider the application for appraised value limitation on qualified property. The Applicant submitted the Application to the school district on May 20, 2013. The Board voted to accept the application on May 21, 2013. The application has been determined complete as of May 30, 2013. This Application has a first qualifying year of **2020**.

The Applicant has confirmed that there have been no improvements or expenditures related to the project prior to the date the application was submitted to the school district. No improvements will start until after a final determination of a completed application by the Office of the Comptroller.

The school district has determined that the wage information included in the application represents the most recent wage data available at the time of the application. The wage the Applicant has committed to paying on this project is well above the required statutory minimums.

Letter to Local Government Assistance & Economic Analysis Division
June 3, 2013
Page 2 of 2

The school district created the reinvestment zone on May 21, 2013. The application will be supplemented with a signed copy of the resolution.

An electronic and paper copy of the application will be hand delivered to your office today. In accordance with 34 Tex. Admin Code §9.1054, a copy of the application will be submitted to the San Patricio County Appraisal District.

Please feel free to contact me with questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin O'Hanlon", written over a white background.

Kevin O'Hanlon
School District Consultant

Cc: Corpus Christi Liquefaction, LLC VIA EMAIL

San Patricio County Appraisal District, with enclosures
1301 E. Sinton Street-Suite B
Sinton, Texas 78387



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
		5-20-13
First Name	Last Name	
Dr. Paul	Clore	
Title		
Superintendent		
School District Name		
Gregory-Portland ISD		
Street Address		
608 College St.		
Mailing Address		
608 College St.		
City	State	ZIP
Portland	TX	78374
Phone Number	Fax Number	
361-777-1091	361-777-1093	
Mobile Number (optional)	E-mail Address	
	pclore@g-pisd.org	

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

Will consultant be primary contact? Yes No



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

Paul Case

Has the district determined this application complete? [X] Yes [X] No

If yes, date determined complete. 5-30-13

Have you completed the school finance documents required by TAC 9.1054(c)(3)? [] Yes [X] 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 Daniel		Last Name Belhumeur	
Title Vice President and General Tax Counsel			
Organization Corpus Christi Liquefaction, LLC			
Street Address 700 Milam Street Suite 800			
Mailing Address 700 Milam Street Suite 800			
City Houston		State TX	ZIP 77002
Phone Number 713-375-5583		Fax Number 713-375-6583	
Mobile Number (optional)		Business e-mail Address daniel.belhumeur@cheniere.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 Dana		Last Name Gavrila	
Title Tax Counsel			
Organization Corpus Christi Liquefaction, LLC			
Street Address 700 Milam Street Suite 800			
Mailing Address 700 Milam Street Suite 800			
City Houston		State TX	ZIP 77002
Phone Number 713-375-5000		Fax Number 713-375-6416	
Mobile Number (optional)		E-mail Address dana.gavrila@cheniere.com	

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

Will consultant be primary contact? Yes No



APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

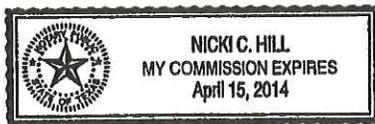
First Name D. Dale		Last Name Cummings	
Title Partner			
Firm Name Cummings Westlake LLC			
Street Address 12837 Louetta Rd, Suite 201			
Mailing Address 12837 Louetta Rd, Suite 201			
City Cypress		State TX	ZIP 77429
Phone Number 713-266-4456 x1		Fax Number 713-266-2333	
Business email Address dcummings@cwlp.net			

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 5/17/13
---	------------------------

GIVEN under my hand and seal of office this 17 day of May, 2013



(Notary Seal)


 Notary Public, State of TX

My commission expires 4-15-14

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

Corpus Christi Liquefaction, LLC

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

32048261799

NAICS code

325100

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.

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 Liability Corporation

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?
The property will be used as an integral part, or as a necessary auxiliary part, in one of the following activities:
(1) manufacturing
(2) research and development
(3) a clean coal project...
(4) an advanced clean energy project...
(5) renewable energy electric generation
(6) electric power generation using integrated gasification combined cycle technology
(7) nuclear electric power generation
(8) a computer center that is used as an integral part...
Are you requesting that any of the land be classified as qualified investment?
Will any of the proposed qualified investment be leased under a capitalized lease?
Will any of the proposed qualified investment be leased under an operating lease?
Are you including property that is owned by a person other than the applicant?
Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment?

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 TIMELINE

Begin Construction Q1 2019, Begin Hiring New Employees 2022, Construction Complete Q4 2022, Fully Operational Q1 2023, Purchase Machinery & Equipment Q2 2019

Do 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)?

When do you anticipate the new buildings or improvements will be placed in service? Q1 2023

ECONOMIC INCENTIVES

Identify state programs the project will apply for:

State Source	Amount
Texas Skills Development Fund _____	To Be Determined _____
_____	_____
_____	_____
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.)

Corpus Christi Liquefaction is planning to seek incentive agreements with San Patricio County, San Patricio County Drainage District, the City of Corpus Christi, and Corpus Christi ISD. At the time this application is submitted to Gregory-Portland ISD, no agreements have been finalized.

THE PROPERTY

Identify county or counties in which the proposed project will be located San Patricio

Central Appraisal District (CAD) that will be responsible for appraising the property San Patricio

Will 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: San Patricio(100%) City: n/a
(Name and percent of project) (Name and percent of project)

Hospital District: n/a Water District: n/a
(Name and percent of project) (Name and percent of project)

Other (describe): San Patricio County Drainage District (100%) Other (describe): n/a
(Name and percent of project) (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.

The project includes dock facilities that are integral to the operation of the plant. The dock facilities are in Corpus Christi ISD and a separate Application for Appraised Value Limitation on Qualified Property may be filed with Corpus Christi ISD. The investment and estimated market value of the dock facilities are not included in this application.

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? \$2,090,000,000

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? October 1, 2013

What is the anticipated date of the beginning of the qualifying time period? January 2, 2019

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? \$2,090,000,000

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? July 1, 2013

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

Will the project be on leased land? Yes No

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. \$0 (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)? 0

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

First Quarter Second Quarter Third Quarter Fourth Quarter of 2013
(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?
0

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 35 in 2023

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? 28 in 2023

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 \$890
 110% of the county average weekly wage for manufacturing jobs in the county is \$1,469
 110% of the county average weekly wage for manufacturing jobs in the region is \$983

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? \$51,138

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? _____

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. January 2013): Investment

Form 50-296

Applicant Name
ISD Name
Corpus Christi Liquefaction, LLC (Train 2 Application)
Gregory-Portland ISD

PROPERTY INVESTMENT AMOUNTS										
(Estimated investment in each year. Do not put cumulative totals.)										
	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: Tangible Personal Property (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 (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)	2013-2016	2013-2017	0	0			0			0
	2013-2017	2013-2017	0	0			0			0
	2018-2019	2018	0	0			0			0
	2019-2020	2019	860,000,000	\$	860,000,000	\$	860,000,000	\$		860,000,000
	2020-2021	2020	740,000,000	\$	740,000,000	\$	740,000,000	\$		740,000,000
	2021-2022	2021	490,000,000	\$	490,000,000	\$	490,000,000	\$		490,000,000
	2022-2023	2022	370,000,000	\$	370,000,000	\$	370,000,000	\$		370,000,000
	2023-2024	2023	0		0		0			0
	2024-2025	2024	0		0		0			0
	2025-2026	2025	0		0		0			0
	2026-2027	2026	0		0		0			0
	2027-2028	2027	0		0		0			0
	2028-2029	2028	0		0		0			0
	2029-2030	2029	0		0		0			0
	2030-2031	2030	0		0		0			0
2031-2032	2031	0		0		0			0	
2032-2033	2032	0		0		0			0	
2033-2034	2033	0		0		0			0	
2034-2035	2034	0		0		0			0	
Complete tax years of qualifying time period	1									
	2									
	3									
	4									
	5									
	6									
	7									
	8									
	9									
	10									
	11									
	12									
	13									
	14									
	15									
Tax Credit Period (with 50% cap on credit)										
Value Limitation Period										
Credit Settle-Up Period										
Continue to Maintain Viable Presence										
Post-Settle-Up Period										
Post-Settle-Up Period										

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.

Column B: Include estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period.

Column C: 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.

Column E: 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.

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.

Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

Signature:  DATE: 5/17/13

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

Schedule B (Rev. January 2013): Estimated Market And Taxable Value
Corpus Christi Liquefaction, LLC (Train 2 Application)
 Gregory-Portland ISD

Form 50-296

Applicant Name ISD Name	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"	Exempted Value	Final taxable value for ISD - after all reductions	Final taxable value for M&O--after all reductions	
	pre- year 1	2018-2019	2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	pre- year 2	2019-2020	2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Complete tax years of qualifying time period	1	2020-2021	2020	\$ -	\$ -	\$350,000,000	\$ -	\$ -	\$ 350,000,000	\$ 350,000,000
	2	2021-2022	2021	\$ -	\$ -	\$850,000,000	\$ -	\$ -	\$ 850,000,000	\$ 850,000,000
	3	2022-2023	2022	\$ -	\$ -	\$1,450,000,000	\$ -	\$ -	\$ 1,450,000,000	\$ 30,000,000
	4	2023-2024	2023	\$ -	\$ -	\$2,000,000,000	\$ -	\$ -	\$ 2,000,000,000	\$ 30,000,000
	5	2024-2025	2024	\$ -	\$ -	\$1,930,000,000	\$ -	\$ -	\$ 1,930,000,000	\$ 30,000,000
Value Limitation Period	6	2025-2026	2025	\$ -	\$ -	\$1,860,000,000	\$ -	\$ -	\$ 1,860,000,000	\$ 30,000,000
	7	2026-2027	2026	\$ -	\$ -	\$1,800,000,000	\$ -	\$ -	\$ 1,800,000,000	\$ 30,000,000
	8	2027-2028	2027	\$ -	\$ -	\$1,740,000,000	\$ -	\$ -	\$ 1,740,000,000	\$ 30,000,000
	9	2028-2029	2028	\$ -	\$ -	\$1,680,000,000	\$ -	\$ -	\$ 1,680,000,000	\$ 30,000,000
	10	2029-2030	2029	\$ -	\$ -	\$1,620,000,000	\$ -	\$ -	\$ 1,620,000,000	\$ 30,000,000
Credit Settle-Up Period	11	2030-2031	2030	\$ -	\$ -	\$1,560,000,000	\$ -	\$ -	\$ 1,560,000,000	\$ 1,560,000,000
	12	2031-2032	2031	\$ -	\$ -	\$1,500,000,000	\$ -	\$ -	\$ 1,500,000,000	\$ 1,500,000,000
	13	2032-2033	2032	\$ -	\$ -	\$1,450,000,000	\$ -	\$ -	\$ 1,450,000,000	\$ 1,450,000,000
Post- Settle-Up Period	14	2033-2034	2033	\$ -	\$ -	\$1,400,000,000	\$ -	\$ -	\$ 1,400,000,000	\$ 1,400,000,000
Post- Settle-Up Period	15	2034-2035	2034	\$ -	\$ -	\$1,350,000,000	\$ -	\$ -	\$ 1,350,000,000	\$ 1,350,000,000

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.

Paul Mark

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

5/17/13

DATE

Applicant Name
ISD Name

Corpus Christi Liquefaction, LLC (Train 2 Application)
Gregory-Portland ISD

Schedule C- Application: Employment Information

Form 50-296

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Construction		New Jobs		Qualifying Jobs	
				Column A: Number of Construction FTE's or man- hours (specify)	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.	Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs
	pre-year 1	2018-2019	2018	0	\$0	0	\$0	0	\$0
	pre-year 2	2019-2020	2019	1250 FTEs	\$59,280	0	\$0	0	\$0
Complete tax years of qualifying time period	1	2020-2021	2020	1000 FTEs	\$59,280	0	\$0	0	\$0
	2	2021-2022	2021	800 FTEs	\$59,280	0	\$0	0	\$0
	3	2022-2023	2022	500 FTEs	\$59,280	10	\$65,000	8	\$65,000
	4	2023-2024	2023			35	\$65,000	28	\$65,000
	5	2024-2025	2024			35	\$65,000	28	\$65,000
Tax Credit Period (with 50% cap on credit)	6	2025-2026	2025			35	\$65,000	28	\$65,000
	7	2026-2027	2026			35	\$65,000	28	\$65,000
	8	2027-2028	2027			35	\$65,000	28	\$65,000
	9	2028-2029	2028			35	\$65,000	28	\$65,000
	10	2029-2030	2029			35	\$65,000	28	\$65,000
Credit Settle-Up Period	11	2030-2031	2030			35	\$65,000	28	\$65,000
	12	2031-2032	2031			35	\$65,000	28	\$65,000
	13	2032-2033	2032			35	\$65,000	28	\$65,000
Post- Settle-Up Period	14	2033-2034	2033			35	\$65,000	28	\$65,000
	15	2034-2035	2034			35	\$65,000	28	\$65,000

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

5/17/13
DATE

Schedule D: (Rev. January 2013): Other Tax Information

Applicant Name

Corpus Christi Liquefaction, LLC (Train 2 Application)

ISD Name

Gregory-Portland ISD

Form 50-296

	Year	School Year (YYYY-YYYY)	Tax/Calendar Year YYYY	Sales Tax Information			Franchise Tax	Other Property Tax Abatements Sought					
				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		County	City	Hospital	Other (Drainage District)		
		2018-2019	2018			0	n/a	n/a	n/a	n/a	n/a	n/a	
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)													
Tax Credit Period (with 50% cap on credit)	Complete tax years of qualifying time period		2019-2020	2019	\$ 110,000,000	\$ 780,000,000	0	n/a	n/a	n/a	n/a	n/a	
			2020-2021	2020	\$ 90,000,000	\$ 670,000,000	0	n/a	n/a	n/a	n/a	n/a	100%
			2021-2022	2021	\$ 60,000,000	\$ 440,000,000	0	n/a	n/a	n/a	n/a	n/a	100%
			2022-2023	2022	\$ 50,000,000	\$ 330,000,000	0	n/a	n/a	n/a	n/a	n/a	100%
			2023-2024	2023	20,000,000	20,000,000	0	n/a	n/a	n/a	n/a	n/a	100%
			2024-2025	2024	20,000,000	20,000,000	0	n/a	n/a	n/a	n/a	n/a	100%
			2025-2026	2025	20,000,000	20,000,000	0	n/a	n/a	n/a	n/a	n/a	100%
			2026-2027	2026	20,000,000	20,000,000	0	n/a	n/a	n/a	n/a	n/a	100%
			2027-2028	2027	20,000,000	20,000,000	0	n/a	n/a	n/a	n/a	n/a	100%
			2028-2029	2028	20,000,000	20,000,000	0	n/a	n/a	n/a	n/a	n/a	100%
			2029-2030	2029	20,000,000	20,000,000	0	n/a	n/a	n/a	n/a	n/a	100%
			2030-2031	2030	20,000,000	20,000,000	0	n/a	n/a	n/a	n/a	n/a	n/a
			2031-2032	2031	20,000,000	20,000,000	0	n/a	n/a	n/a	n/a	n/a	n/a
			2032-2033	2032	20,000,000	20,000,000	0	n/a	n/a	n/a	n/a	n/a	n/a
			2033-2034	2033	20,000,000	20,000,000	0	n/a	n/a	n/a	n/a	n/a	n/a
	2034-2035	2034	20,000,000	20,000,000	0	n/a	n/a	n/a	n/a	n/a	n/a		

*For planning, construction and operation of the facility.

David Park
 SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

5/17/13
 DATE

ATTACHMENT 1

See application

ATTACHMENT 2

Copy of check attached

ATTACHMENT 3

See attached documentation of combined group membership

Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

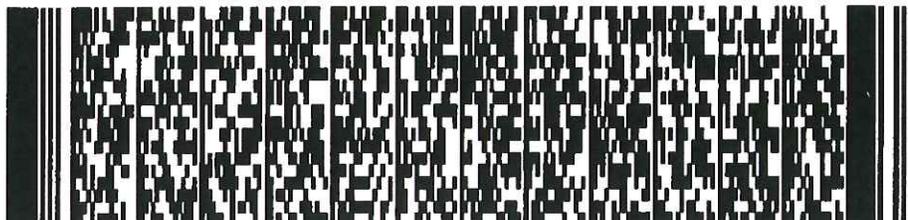
Reporting entity taxpayer number Report year Reporting entity taxpayer name
19543523864 2012 CHENIERE ENERGY, INC.

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate GRAND CHENIERE PIPELINE, LLC		2. Affiliate taxpayer number (if none, use FEI number) 32018400955		3. Affiliate NAICS code 551112	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010111		7. Affiliate reporting end date m m d d y y 123111	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		
1. Legal name of affiliate CHENIERE PIPELINE GP INTERESTS, LLC		2. Affiliate taxpayer number (if none, use FEI number) 32019693061		3. Affiliate NAICS code 551112	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010111		7. Affiliate reporting end date m m d d y y 123111	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		
1. Legal name of affiliate CHENIERE ENERGY SHARED SERVICES, INC.		2. Affiliate taxpayer number (if none, use FEI number) 32016416482		3. Affiliate NAICS code 561210	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010111		7. Affiliate reporting end date m m d d y y 123111	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 22673952 .00			
10. Gross receipts in Texas (before eliminations) 2123929 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must electronically submit common owner information online at window.texas.gov/commonowner/. This information must be provided to satisfy franchise tax reporting requirements. An information report (Form 05-102 or Form 05-167) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.

Texas Comptroller Official Use Only



VE/DE FM



Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

Reporting entity taxpayer number: 19543523864
Report year: 2012
Reporting entity taxpayer name: CHENIERE ENERGY, INC.

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate CHENIERE LNG O&M SERVICES, LLC		2. Affiliate taxpayer number (if none, use FEI number) 32035476996		3. Affiliate NAICS code 561210	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010111		7. Affiliate reporting end date m m d d y y 123111	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 16652118 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

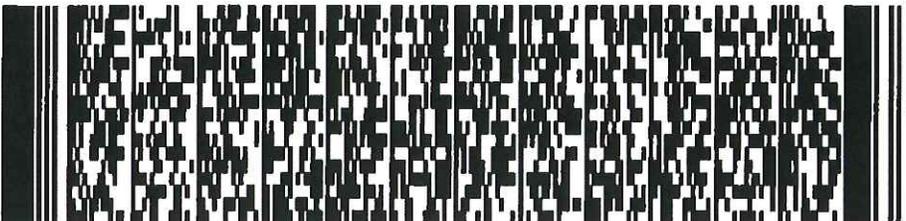
1. Legal name of affiliate CHENIERE LNG TERMINALS, INC.		2. Affiliate taxpayer number (if none, use FEI number) 32016451588		3. Affiliate NAICS code 551112	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010111		7. Affiliate reporting end date m m d d y y 123111	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

1. Legal name of affiliate CHENIERE CLASS B UNITS HOLDINGS, LLC		2. Affiliate taxpayer number (if none, use FEI number) 32016421615		3. Affiliate NAICS code 551112	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010111		7. Affiliate reporting end date m m d d y y 123111	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must electronically submit common owner information online at window.texas.gov/commonowner/. This information must be provided to satisfy franchise tax reporting requirements.

An information report (Form 05-102 or Form 05-167) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.

Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>	FM	<input type="checkbox"/>
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Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

Reporting entity taxpayer number: 19543523864
Report year: 2012
Reporting entity taxpayer name: CHENIERE ENERGY, INC.

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

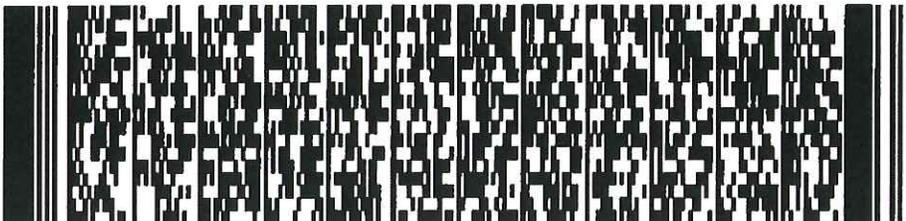
1. Legal name of affiliate CHENIERE LNG HOLDINGS, LLC		2. Affiliate taxpayer number (if none, use FEI number) 12033130860		3. Affiliate NAICS code 551112	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010111		7. Affiliate reporting end date m m d d y y 123111	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 97 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

1. Legal name of affiliate CHENIERE ENERGY PARTNERS GP, LLC		2. Affiliate taxpayer number (if none, use FEI number) 32027378812		3. Affiliate NAICS code 551112	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010111		7. Affiliate reporting end date m m d d y y 123111	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

1. Legal name of affiliate CHENIERE MIDSTREAM HOLDINGS INC.		2. Affiliate taxpayer number (if none, use FEI number) 12632113309		3. Affiliate NAICS code 551112	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010111		7. Affiliate reporting end date m m d d y y 123111	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must electronically submit common owner information online at window.texas.gov/commonowner/. This information must be provided to satisfy franchise tax reporting requirements. An information report (Form 05-102 or Form 05-187) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.

Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>	FM	<input type="checkbox"/>
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Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

Reporting entity taxpayer number Report year Reporting entity taxpayer name
19543523864 2012 CHENIERE ENERGY, INC.

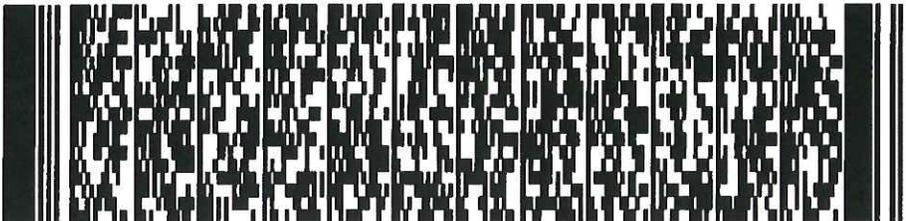
Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate CHENIERE COMMON UNITS HOLDINGS, LLC		2. Affiliate taxpayer number (if none, use FEI number) 12622920184		3. Affiliate NAICS code 551112	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>		6. Affiliate reporting begin date m m d d y y 010111	
				7. Affiliate reporting end date m m d d y y 123111	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		
1. Legal name of affiliate SABINE PASS LIQUEFACTION, LLC		2. Affiliate taxpayer number (if none, use FEI number) 32042158199		3. Affiliate NAICS code 325120	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>		6. Affiliate reporting begin date m m d d y y 010111	
				7. Affiliate reporting end date m m d d y y 123111	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		
1. Legal name of affiliate CHENIERE SUBSIDIARY HOLDINGS, LLC		2. Affiliate taxpayer number (if none, use FEI number) 12602490356		3. Affiliate NAICS code 551112	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>		6. Affiliate reporting begin date m m d d y y 010111	
				7. Affiliate reporting end date m m d d y y 123111	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must electronically submit common owner information online at window.texas.gov/commonowner/. This information must be provided to satisfy franchise tax reporting requirements.

An information report (Form 05-102 or Form 05-167) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.

Texas Comptroller Official Use Only



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Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

Reporting entity taxpayer number 19543523864
 Report year 2012
 Reporting entity taxpayer name CHENIERE ENERGY, INC.

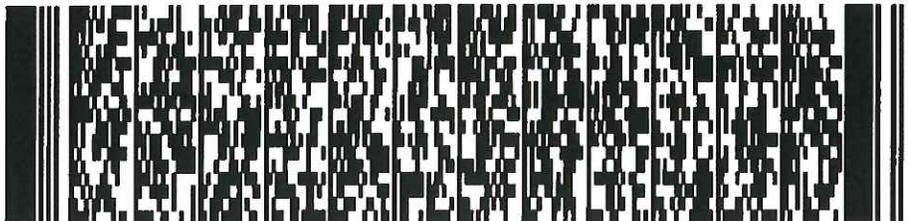
Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate CHENIERE NGL PIPELINE, LLC		2. Affiliate taxpayer number (if none, use FEI number) 32041344741		3. Affiliate NAICS code 486210	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>		6. Affiliate reporting begin date m m d d y y 010111	
7. Affiliate reporting end date m m d d y y 123111		8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00	
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00		Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/> Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>	
1. Legal name of affiliate CHENIERE MIDSTREAM SERVICES, LLC		2. Affiliate taxpayer number (if none, use FEI number) 32041344659		3. Affiliate NAICS code 325120	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>		6. Affiliate reporting begin date m m d d y y 010111	
7. Affiliate reporting end date m m d d y y 123111		8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00	
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00		Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/> Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>	
1. Legal name of affiliate MAREA ASSOCIATES, L.P.		2. Affiliate taxpayer number (if none, use FEI number) 32035617870		3. Affiliate NAICS code 551112	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>		6. Affiliate reporting begin date m m d d y y 010111	
7. Affiliate reporting end date m m d d y y 123111		8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00	
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00		Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/> Check box if this is an Entity other than a Corporation or Limited Liability Company <input checked="" type="checkbox"/>	

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Texas Comptroller Official Use Only



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Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

Reporting entity taxpayer number: 19543523864
Report year: 2012
Reporting entity taxpayer name: CHENIERE ENERGY, INC.

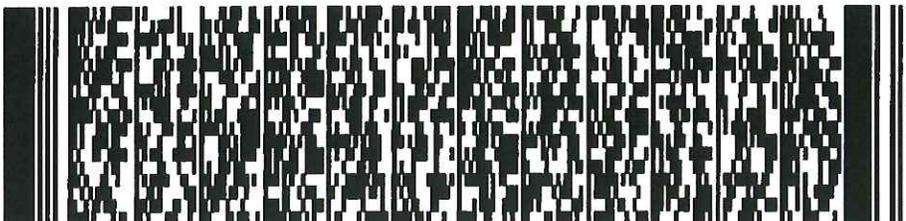
Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate SONORA PIPELINE, LLC		2. Affiliate taxpayer number (if none, use FEI number) 17605920440		3. Affiliate NAICS code 486210	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>		6. Affiliate reporting begin date mm dd yy 010111	
				7. Affiliate reporting end date mm dd yy 123111	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		
1. Legal name of affiliate CHENIERE SOUTHERN TRAIL GP, INC.		2. Affiliate taxpayer number (if none, use FEI number) 12620543178		3. Affiliate NAICS code 551112	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>		6. Affiliate reporting begin date mm dd yy 010111	
				7. Affiliate reporting end date mm dd yy 123111	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		
1. Legal name of affiliate CHENIERE ENERGY PARTNERS, L.P.		2. Affiliate taxpayer number (if none, use FEI number) 32035050734		3. Affiliate NAICS code 551112	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>		6. Affiliate reporting begin date mm dd yy 010111	
				7. Affiliate reporting end date mm dd yy 123111	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 38023 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input checked="" type="checkbox"/>		

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Texas Comptroller Official Use Only



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Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

Reporting entity taxpayer number: 19543523864
Report year: 2012
Reporting entity taxpayer name: CHENIERE ENERGY, INC.

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate SABINE PASS LNG, L.P.		2. Affiliate taxpayer number (if none, use FEI number) 12004660697		3. Affiliate NAICS code 325120	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010111		7. Affiliate reporting end date m m d d y y 123111	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00			9. Gross receipts everywhere (before eliminations) 528683220 .00		
10. Gross receipts in Texas (before eliminations) 0 .00			11. Cost of goods sold or compensation (before eliminations) 0 .00		
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input checked="" type="checkbox"/>		

1. Legal name of affiliate CREOLE TRAIL LNG, L.P.		2. Affiliate taxpayer number (if none, use FEI number) 12024527967		3. Affiliate NAICS code 325120	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010111		7. Affiliate reporting end date m m d d y y 123111	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00			9. Gross receipts everywhere (before eliminations) 0 .00		
10. Gross receipts in Texas (before eliminations) 0 .00			11. Cost of goods sold or compensation (before eliminations) 0 .00		
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input checked="" type="checkbox"/>		

1. Legal name of affiliate CHENIERE CORPUS CHRISTI PIPELINE, L.P.		2. Affiliate taxpayer number (if none, use FEI number) 32035185431		3. Affiliate NAICS code 486210	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010111		7. Affiliate reporting end date m m d d y y 123111	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00			9. Gross receipts everywhere (before eliminations) 0 .00		
10. Gross receipts in Texas (before eliminations) 0 .00			11. Cost of goods sold or compensation (before eliminations) 0 .00		
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input checked="" type="checkbox"/>		

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Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>	FM	<input type="checkbox"/>
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Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

Reporting entity taxpayer number 19543523864
 Report year 2012
 Reporting entity taxpayer name CHENIERE ENERGY, INC.

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

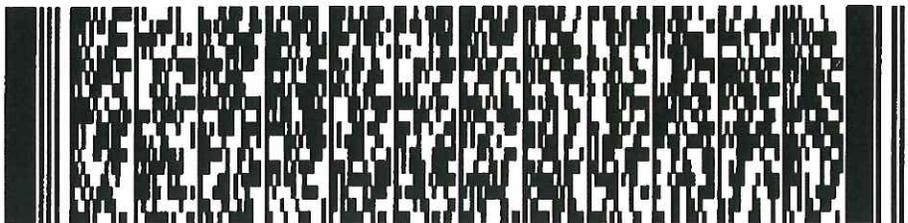
1. Legal name of affiliate CHENIERE CREOLE TRAIL PIPELINE, L.P.		2. Affiliate taxpayer number (if none, use FEI number) 32035093551		3. Affiliate NAICS code 486210	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>		6. Affiliate reporting begin date m m d d y y 010111	
				7. Affiliate reporting end date m m d d y y 123111	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 102697 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input checked="" type="checkbox"/>		

1. Legal name of affiliate SABINE PASS LNG-GP LLC		2. Affiliate taxpayer number (if none, use FEI number) 32014030889		3. Affiliate NAICS code 551112	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>		6. Affiliate reporting begin date m m d d y y 010111	
				7. Affiliate reporting end date m m d d y y 123111	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

1. Legal name of affiliate SABINE PASS LNG-LP, LLC		2. Affiliate taxpayer number (if none, use FEI number) 12023480317		3. Affiliate NAICS code 551112	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>		6. Affiliate reporting begin date m m d d y y 010111	
				7. Affiliate reporting end date m m d d y y 123111	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

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Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>	FM	<input type="checkbox"/>
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Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

Reporting entity taxpayer number 19543523864
 Report year 2012
 Reporting entity taxpayer name CHENIERE ENERGY, INC.

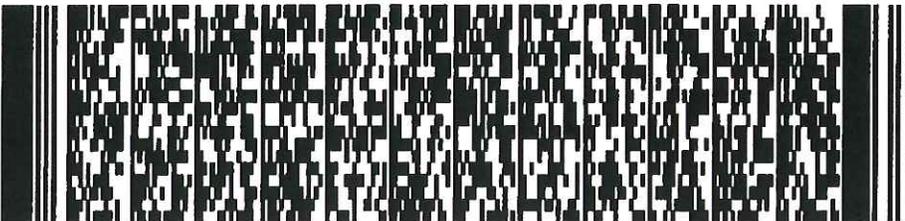
Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate CHENIERE ENERGY INVESTMENTS, LLC		2. Affiliate taxpayer number (if none, use FEI number) 12059131354		3. Affiliate NAICS code 551112	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>		6. Affiliate reporting begin date m m d d y y 010111	
				7. Affiliate reporting end date m m d d y y 123111	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 13559225 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		
1. Legal name of affiliate CORPUS CHRISTI LNG, LLC		2. Affiliate taxpayer number (if none, use FEI number) 32018101520		3. Affiliate NAICS code 325120	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>		6. Affiliate reporting begin date m m d d y y 010111	
				7. Affiliate reporting end date m m d d y y 123111	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 68699 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		
1. Legal name of affiliate CHENIERE MARKETING, LLC		2. Affiliate taxpayer number (if none, use FEI number) 32016421599		3. Affiliate NAICS code 424690	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>		6. Affiliate reporting begin date m m d d y y 010111	
				7. Affiliate reporting end date m m d d y y 123111	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 44388013 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

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Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

Reporting entity taxpayer number 19543523864
 Report year 2012
 Reporting entity taxpayer name CHENIERE ENERGY, INC.

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate FRONTERA PIPELINE, LLC		2. Affiliate taxpayer number (if none, use FEI number) 12621600134		3. Affiliate NAICS code 486210	
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4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010111	7. Affiliate reporting end date m m d d y y 123111
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8. Gross receipts subject to throwback in other states (before eliminations) 0 .00	9. Gross receipts everywhere (before eliminations) 0 .00
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10. Gross receipts in Texas (before eliminations) 0 .00	11. Cost of goods sold or compensation (before eliminations) 0 .00
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Check box if this is a Corporation or Limited Liability Company Check box if this is an Entity other than a Corporation or Limited Liability Company

1. Legal name of affiliate CHENIERE SOUTHERN TRAIL PIPELINE, L.P.		2. Affiliate taxpayer number (if none, use FEI number) 12620697404		3. Affiliate NAICS code 486210	
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4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input checked="" type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010111	7. Affiliate reporting end date m m d d y y 123111
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8. Gross receipts subject to throwback in other states (before eliminations) 0 .00	9. Gross receipts everywhere (before eliminations) 0 .00
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10. Gross receipts in Texas (before eliminations) 0 .00	11. Cost of goods sold or compensation (before eliminations) 0 .00
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Check box if this is a Corporation or Limited Liability Company Check box if this is an Entity other than a Corporation or Limited Liability Company

1. Legal name of affiliate MAREA GP, LLC		2. Affiliate taxpayer number (if none, use FEI number) 32033829469		3. Affiliate NAICS code 551112	
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4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010111	7. Affiliate reporting end date m m d d y y 123111
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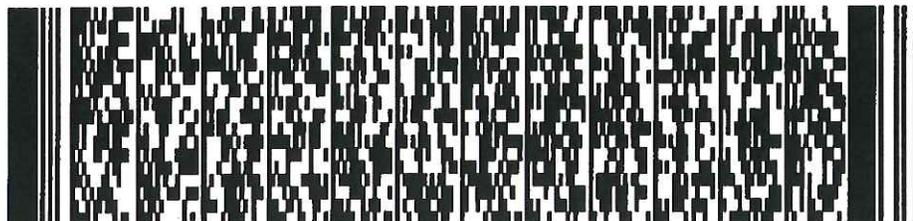
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00	9. Gross receipts everywhere (before eliminations) 0 .00
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10. Gross receipts in Texas (before eliminations) 0 .00	11. Cost of goods sold or compensation (before eliminations) 0 .00
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Check box if this is a Corporation or Limited Liability Company Check box if this is an Entity other than a Corporation or Limited Liability Company

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Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

Reporting entity taxpayer number

Report year

Reporting entity taxpayer name

19543523864

2012

CHENIERE ENERGY, INC.

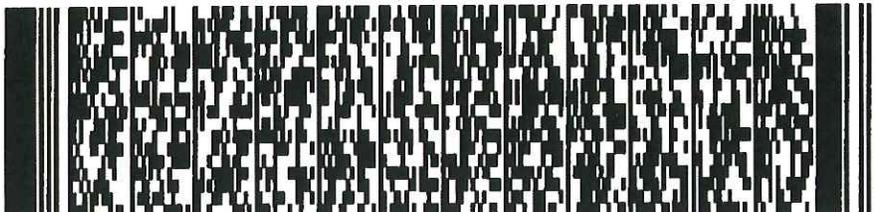
Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate CORPUS CHRISTI LIQUEFACTION, LLC		2. Affiliate taxpayer number (if none, use FEI number) 32048261799		3. Affiliate NAICS code 325120	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>		6. Affiliate reporting begin date m m d d y y 090811	
				7. Affiliate reporting end date m m d d y y 123111	
8. Gross receipts subject to throw back in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>			
1. Legal name of affiliate CORPUS CHRISTI NATURAL GAS LIQUIDS, LLC		2. Affiliate taxpayer number (if none, use FEI number) 32046832146		3. Affiliate NAICS code 325120	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>		6. Affiliate reporting begin date m m d d y y 090811	
				7. Affiliate reporting end date m m d d y y 123111	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>			
1. Legal name of affiliate CHENIERE FLNG, LP		2. Affiliate taxpayer number (if none, use FEI number) 32035477754		3. Affiliate NAICS code 551112	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>		5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>		6. Affiliate reporting begin date m m d d y y 010111	
				7. Affiliate reporting end date m m d d y y 123111	
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input type="checkbox"/>		Check box if this is an Entity other than a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			

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Texas Comptroller Official Use Only



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Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

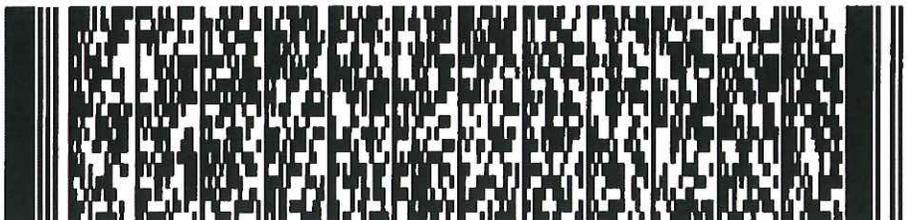
Reporting entity taxpayer number 19543523864
Report year 2012
Reporting entity taxpayer name CHENIERE ENERGY, INC.

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate CHENIERE ENERGY, INC.		2. Affiliate taxpayer number (if none, use FEI number) 19543523864		3. Affiliate NAICS code 551112	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010111	7. Affiliate reporting end date m m d d y y 123111		
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 393111 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		
1. Legal name of affiliate CHENIERE ENERGY OPERATING CO., INC.		2. Affiliate taxpayer number (if none, use FEI number) 11338762666		3. Affiliate NAICS code 213112	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010111	7. Affiliate reporting end date m m d d y y 123111		
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 2499187 .00			
10. Gross receipts in Texas (before eliminations) 2499187 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		
1. Legal name of affiliate CHENIERE SUPPLY & MARKETING, INC.		2. Affiliate taxpayer number (if none, use FEI number) 32016421607		3. Affiliate NAICS code 541613	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010111	7. Affiliate reporting end date m m d d y y 123111		
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 227566 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must electronically submit common owner information online at window.texas.gov/commonowner/. This information must be provided to satisfy franchise tax reporting requirements. An information report (Form 05-102 or Form 05-167) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.

Texas Comptroller Official Use Only



VE/DE FM



Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

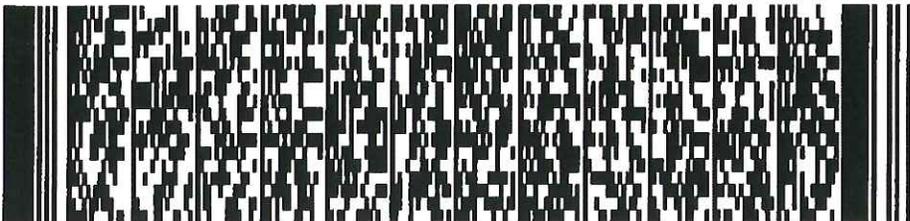
Reporting entity taxpayer number Report year Reporting entity taxpayer name
19543523864 2012 CHENIERE ENERGY, INC.

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

1. Legal name of affiliate CHENIERE LNG, INC.		2. Affiliate taxpayer number (if none, use FEI number) 32016451554		3. Affiliate NAICS code 551112	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010111	7. Affiliate reporting end date m m d d y y 123111		
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		
1. Legal name of affiliate SABINE PASS TUG SERVICES, LLC		2. Affiliate taxpayer number (if none, use FEI number) 32020279090		3. Affiliate NAICS code 488330	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010111	7. Affiliate reporting end date m m d d y y 123111		
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 8169077 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		
1. Legal name of affiliate CHENIERE PIPELINE COMPANY		2. Affiliate taxpayer number (if none, use FEI number) 32014512407		3. Affiliate NAICS code 551112	
4. Check box if entity is disregarded for franchise tax <input type="checkbox"/>	5. Check box if this affiliate does NOT have NEXUS in Texas <input type="checkbox"/>	6. Affiliate reporting begin date m m d d y y 010111	7. Affiliate reporting end date m m d d y y 123111		
8. Gross receipts subject to throwback in other states (before eliminations) 0 .00		9. Gross receipts everywhere (before eliminations) 0 .00			
10. Gross receipts in Texas (before eliminations) 0 .00		11. Cost of goods sold or compensation (before eliminations) 0 .00			
Check box if this is a Corporation or Limited Liability Company <input checked="" type="checkbox"/>			Check box if this is an Entity other than a Corporation or Limited Liability Company <input type="checkbox"/>		

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must electronically submit common owner information online at window.texas.gov/commonowner/. This information must be provided to satisfy franchise tax reporting requirements. An information report (Form 05-102 or Form 05-167) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.

Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>	FM	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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ATTACHMENT 4

The Corpus Christi Liquefaction Project ("Project") is being developed by Cheniere Energy Inc.'s ("Cheniere") wholly owned subsidiary Corpus Christi Liquefaction, LLC ("Corpus Christi Liquefaction"). The Project is comprised of a natural gas liquefaction facility for export and a LNG regasification facility for import (the "Corpus Christi Terminal") and an associated 23-mile pipeline (the "Corpus Christi Pipeline"). The Corpus Christi Pipeline is not part of this Application for Limitation on Appraised Value of Qualified Property. The Corpus Christi Terminal will be located on over 1,000 acres owned or controlled by Cheniere affiliates in San Patricio and Nueces Counties, Texas. The Corpus Christi Terminal is designed to liquefy for export up to 782 million MMBtu per year of LNG and to regasify for import up to approximately 146 million MMBtu per year of LNG. LNG will be imported or exported to the Corpus Christi Terminal across two docks, which are integral to the operation of the Project, via LNG carriers that will arrive from the Gulf of Mexico via marine transit of the Corpus Christi Ship Channel and the La Quinta Channel. The docks are not part of this Application for Limitation on Appraised Value of Qualified Property because they are located in Corpus Christi ISD; a separate Application for Limitation on Appraised Value of Qualified Property may be sought with Corpus Christi ISD. Construction of the Project is anticipated to commence following the execution of commercial contracts, the receipt of necessary government permits and approvals, and the closing of financial commitments sufficient to construct the Project. The total estimated capital investment of the Project in Gregory-Portland ISD is approximately \$9-10 billion.

The Project is being designed for three trains capable of producing in aggregate an average of 13.5 million tonnes per annum (mtpa). The Project is expected to be constructed in phases, with each LNG train commencing operations approximately six to nine months after the previous train. **A separate Application for Limitation of Appraised Value of Qualified Property is being filed for each train. This application is for Train 2 of the Project.**

The Corpus Christi Terminal includes, but is not limited to, the following major components described below. The Project will also include building, utilities and other facilities to support these major components.

LNG Liquefaction

The liquefaction facilities include, but are not limited to, three ConocoPhillips Optimized CascadeSM LNG trains (LNG Trains 1, 2 and 3). Each LNG train contains the following equipment:

- Facilities which remove carbon dioxide (CO₂), hydrogen sulfide (H₂S), and sulfur compounds from the feed gas;
- Facilities to remove water and mercury from the feed gas;
- Facilities to remove heavy hydrocarbons (such as benzene, toluene, ethylbenzene, and xylene (BTEX)) from the feed gas;
- Six aero-derivative GE LM2500 G4+ gas turbines driving multiple liquefaction refrigerant compressors;

- Waste heat recovery systems;
- Induced draft air coolers;
- Associated fire and gas and safety systems;
- Associated control systems and electrical infrastructure;
- Utility connections and distribution systems; and
- Piping, pipe racks, foundations and structures within the LNG train battery limits.

LNG Storage

LNG will be stored in three, full containment (steel inside concrete) storage tanks. The insulated LNG tanks will each be designed to store a nominal volume of 160,000 cubic meters (1,006,400 barrels) of LNG at a temperature of -270 °F.

LNG Vaporization

Two trains of ambient air vaporizers (“AAV”) and associated sendout pumps will be installed.

Marine Facilities and LNG Transfer Lines

Two marine berths will be constructed. Together they will provide the capability to load or unload approximately 200 to 300 ships per year. The two berths are designed to accommodate a broad range of present and future LNG carrier size and type classes. Insulated LNG transfer lines will interconnect the LNG liquefaction and storage facilities with the marine berths.

ATTACHMENT 4A

Corpus Christi Liquefaction, LLC is a subsidiary of Cheniere Energy, Inc. ("Cheniere") which is a Houston-based energy company primarily engaged in LNG-related businesses. In addition to Houston, TX, Cheniere has offices in Cameron Parish, Louisiana; Corpus Christi, Texas; London, U.K.; and Santiago, Chile. Cheniere owns and operates the Sabine Pass LNG import terminal ("Sabine Pass") in Cameron Parish, Louisiana through its partial ownership interest in and management agreements with Cheniere Energy Partners, L.P. Cheniere is currently constructing two LNG liquefaction trains and associated export facilities at Sabine Pass and anticipates commencing construction of two additional trains in mid-2013. Cheniere has completed commercialization of the fifth train at Sabine Pass and is currently seeking to commercialize the sixth train, with permitting underway for both the fifth and sixth trains. Cheniere controls property elsewhere in Cameron Parish that is suitable for development as an LNG export facility. As a leading global LNG player, Cheniere has the ability to invest in new LNG liquefaction facilities elsewhere in the U.S. and around the world. Major LNG industry developments are ongoing currently in Australia, British Columbia and East Africa that provide significantly shorter shipping distances to major Asian markets.

ATTACHMENT 5

The Project, for purposes of this application, is located in the following taxing jurisdictions:

- San Patricio County (100%)
- Gregory-Portland ISD (100%)
- San Patricio County Drainage District (100%)

ATTACHMENT 6

The Corpus Christi Liquefaction Project ("Project") is being developed by Cheniere Energy Inc.'s ("Cheniere") wholly owned subsidiary Corpus Christi Liquefaction, LLC ("Corpus Christi Liquefaction"). The Project is comprised of a natural gas liquefaction facility for export and a LNG regasification facility for import (the "Corpus Christi Terminal") and an associated 23-mile pipeline (the "Corpus Christi Pipeline"). The Corpus Christi Pipeline is not part of this Application for Limitation on Appraised Value of Qualified Property. The Corpus Christi Terminal will be located on over 1,000 acres owned or controlled by Cheniere affiliates in San Patricio and Nueces Counties, Texas. The Corpus Christi Terminal is designed to liquefy for export up to 782 million MMBtu per year of LNG and to regasify for import up to approximately 146 million MMBtu per year of LNG. LNG will be imported or exported to the Corpus Christi Terminal across two docks, which are integral to the operation of the Project, via LNG carriers that will arrive from the Gulf of Mexico via marine transit of the Corpus Christi Ship Channel and the La Quinta Channel. The docks are not part of this Application for Limitation on Appraised Value on Qualified Property because they are located in Corpus Christi ISD; a separate Application for Limitation on Appraised Value of Qualified Property may be sought with Corpus Christi ISD. Construction of the Project is anticipated to commence following the execution of commercial contracts, the receipt of necessary government permits and approvals, and the closing of financial commitments sufficient to construct the Project. The total estimated capital investment of the Project in Gregory-Portland ISD is approximately \$9-10 billion.

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compressors;

- Waste heat recovery systems;
- Induced draft air coolers;
- Associated fire and gas and safety systems;
- Associated control systems and electrical infrastructure;
- Utility connections and distribution systems; and
- Piping, pipe racks, foundations and structures within the LNG train battery limits.

LNG Storage

LNG will be stored in three, full containment (steel inside concrete) storage tanks. The insulated LNG tanks will each be designed to store a nominal volume of 160,000 cubic meters (1,006,400 barrels) of LNG at a temperature of -270 °F.

LNG Vaporization

Two trains of ambient air vaporizers (“AAV”) and associated sendout pumps will be installed.

Marine Facilities and LNG Transfer Lines

Two marine berths will be constructed. Together they will provide the capability to load or unload approximately 200 to 300 ships per year. The two berths are designed to accommodate a broad range of present and future LNG carrier size and type classes. Insulated LNG transfer lines will interconnect the LNG liquefaction and storage facilities with the marine berths.

ATTACHMENT 7

See attached maps

TX HWY 35
P.O.C.

REINVESTMENT ZONE

REMAINDER TRACT
OUT OF PARCEL 2A
375.9 ACRE TRACT

P.O.B.
N=17214778.87
E=1379635.54

Reinvestment Zone boundaries in bold

All improvements will be wholly within reinvestment zone. See improvement layout on following page.

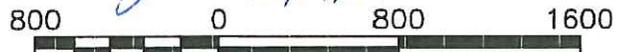
LINE TABLE		
LINE	LENGTH	DIRECTION
L1	2818.29'	N72°17'20"E
L2	308.21'	S75°52'21"E
L3	838.29'	S17°42'40"E
L4	246.92'	S72°17'20"W
L5	640.06'	S17°42'40"E
L6	314.67'	S67°58'34"W
L7	102.15'	S73°59'30"E
L8	3257.31'	S17°32'43"E
L9	767.00'	S01°10'31"E
L10	3569.03'	N77°30'59"W
L11	340.43'	N07°00'28"W
L12	1080.30'	N03°34'16"E
L13	1132.92'	N04°42'55"W
L14	1473.53'	N17°47'50"W

1610.0 ACRE TRACT
PARCEL 1A

337.4 ACRE TRACT



George Rubalcaba
10/9/2012



SCALE: 1" = 800'

LA QUINITA CHANNEL
P.O.C.C.A. EULKHEAD LINE

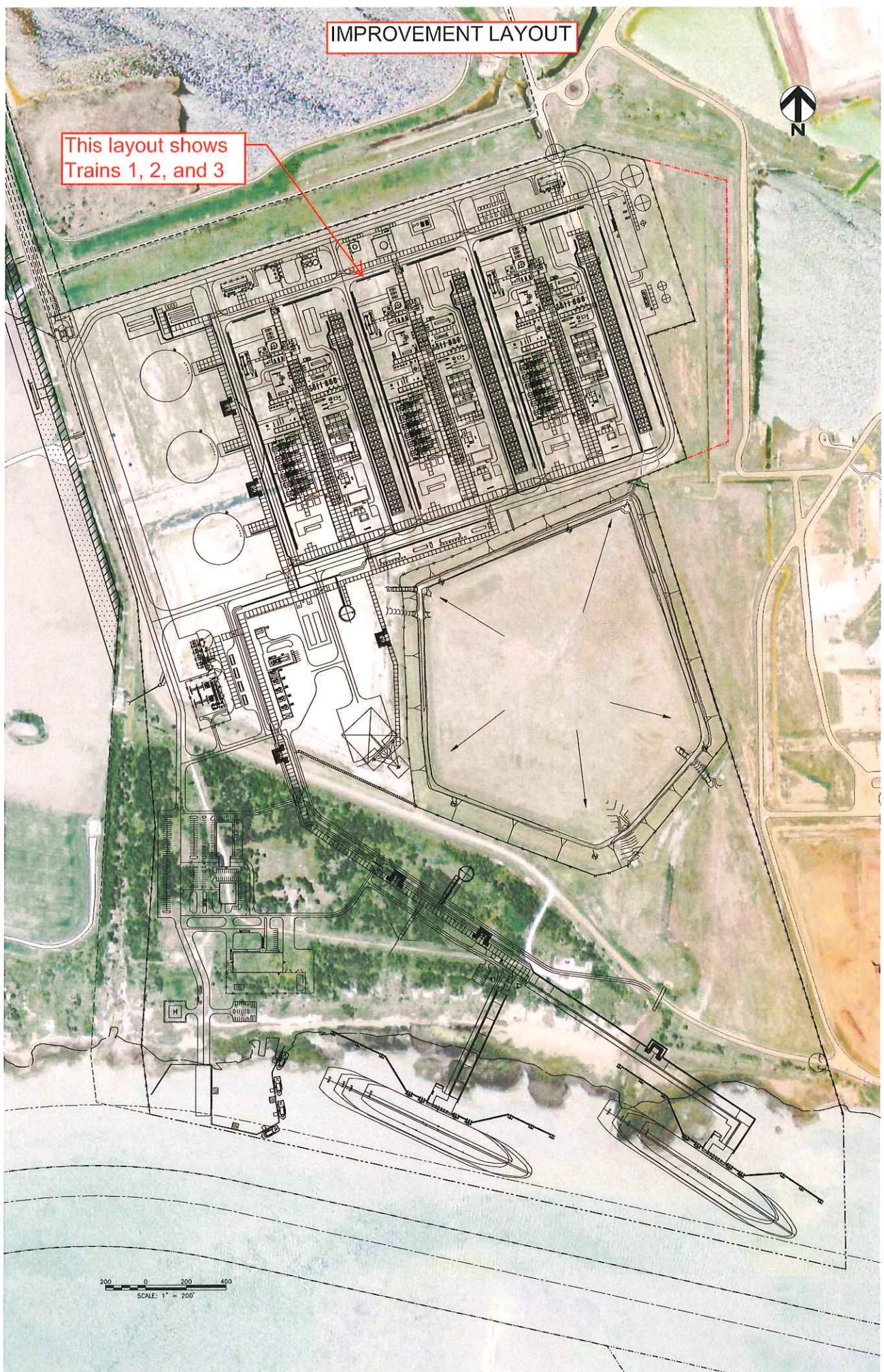
EXHIBIT B

	GOVIND DEVELOPMENT, LLC. TYPE FIRM NO. F-10101		
	CORPUS CHRISTI LIQUEFACTION, LLC 337.4 ACRE TRACT		
SAN PATRICIO COUNTY		TEXAS	
DR. RA CK. GR APP. GR	DATE: OCTOBER 2012	SCALE AS NOTED CLIENT APPROVAL	JOB NO. 12CH203
			DRAWING NO. 1

IMPROVEMENT LAYOUT

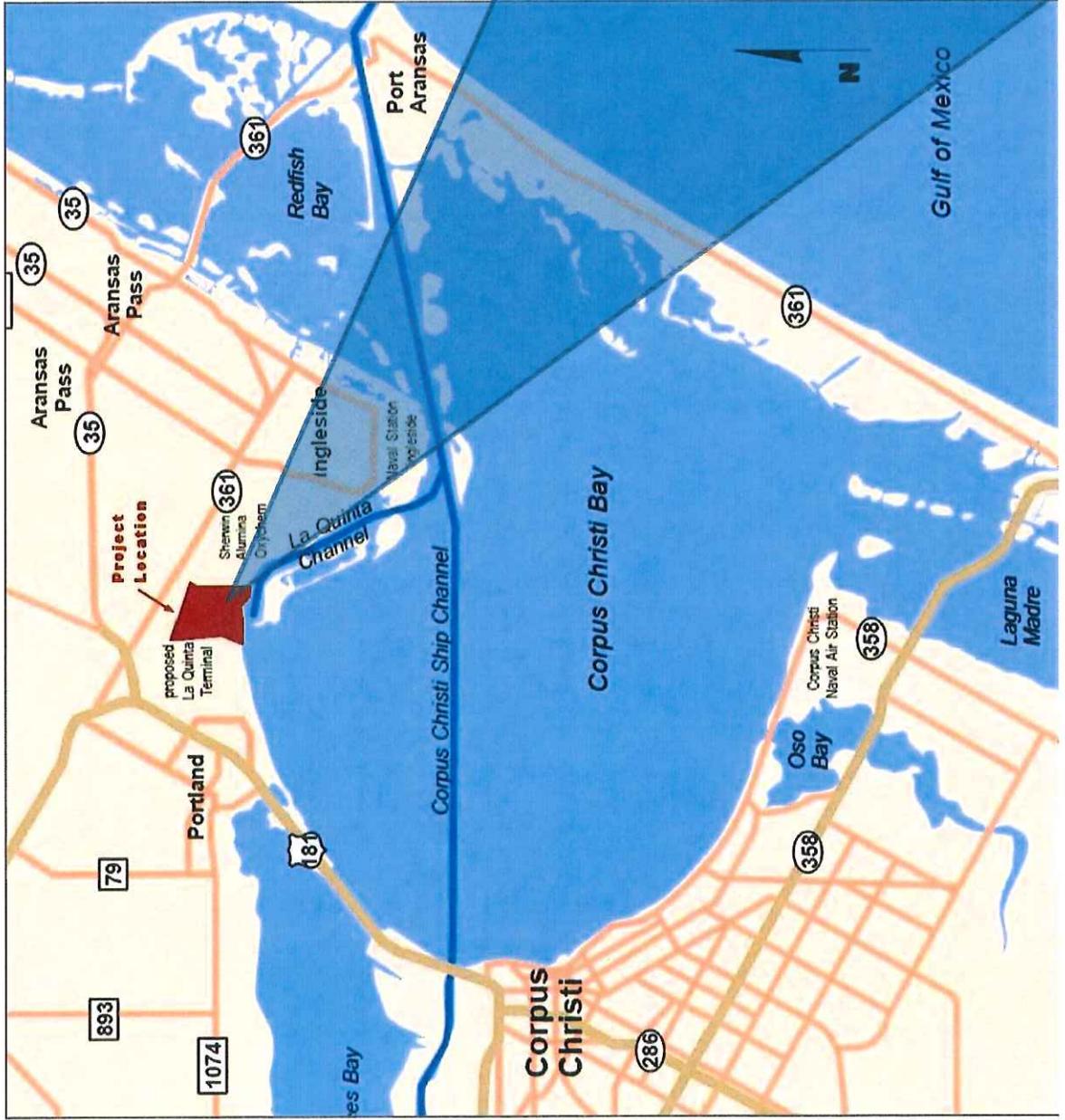


This layout shows
Trains 1, 2, and 3



200 0 200 400
SCALE: 1" = 200'

Vicinity Map



Project Area



Gregory-Portland ISD Map



Project Area

ATTACHMENT 8

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ATTACHMENT 9

See attached maps

REINVESTMENT ZONE

TX HWY 35
P.O.C.

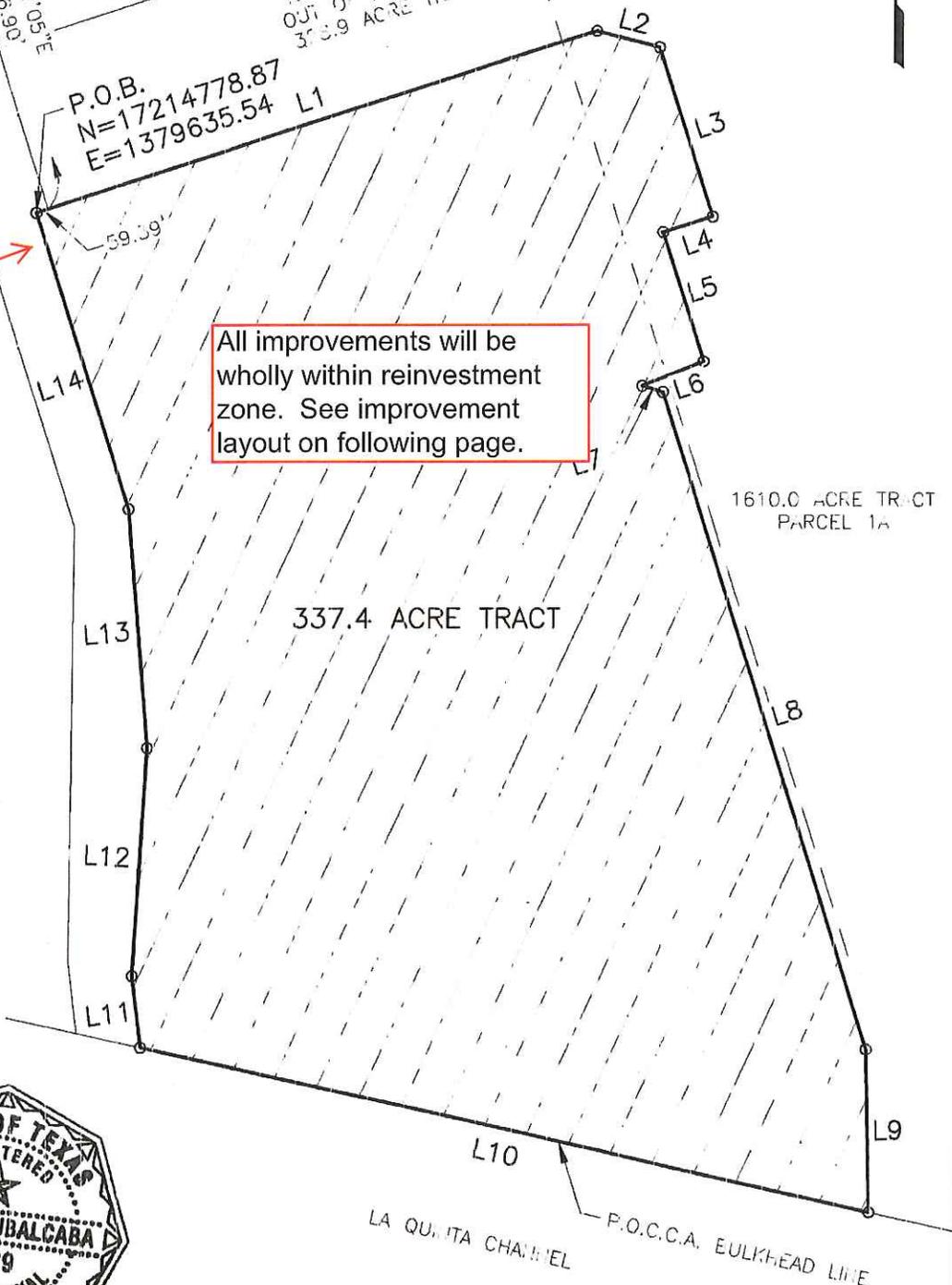
REMAINDER TRACT
OUT OF PARCEL 2A
373.9 ACRE TRACT

P.O.B.
N=17214778.87
E=1379635.54

Reinvestment Zone boundaries in bold

All improvements will be wholly within reinvestment zone. See improvement layout on following page.

LINE TABLE		
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L13	1132.92'	N04°42'55"W
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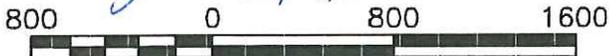
1610.0 ACRE TRACT
PARCEL 1A

337.4 ACRE TRACT



George Rubalcaba
10/9/2012

EXHIBIT B



SCALE: 1" = 800'

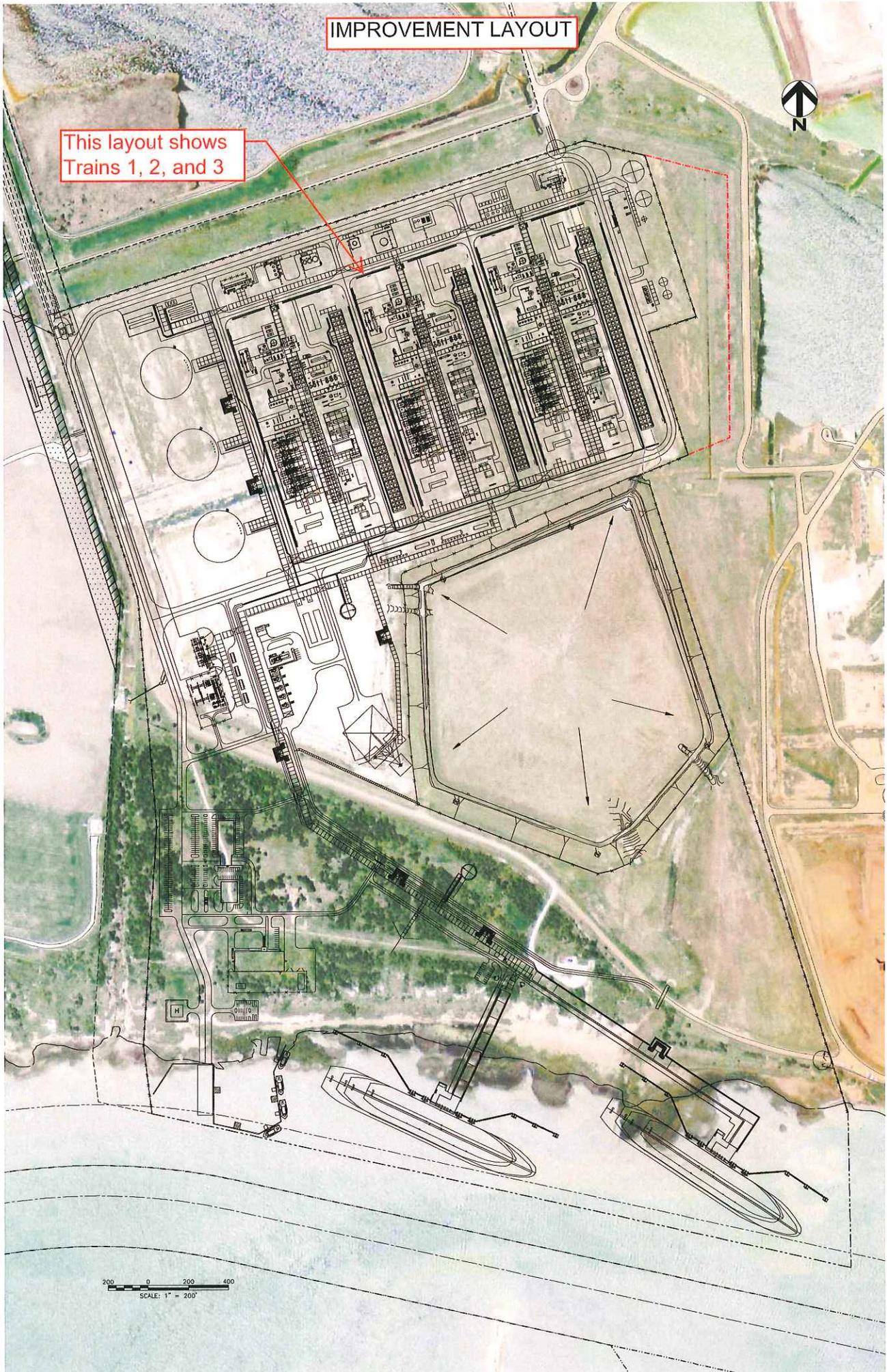
	GOVIND DEVELOPMENT, LLC. <small>TBPE FIRM NO. P-10101</small>			
	CORPUS CHRISTI LIQUEFACTION, LLC 337.4 ACRE TRACT			
Govind Development, LLC. Office: (361) 241-2777		SAN PATRICIO COUNTY		TEXAS
DR. RA CK. GR APP. GR	DATE: OCTOBER 2012	SCALE AS NOTED CLIENT APPROVAL	JOB NO. 12CH203	DRAWING NO. 1

IMPROVEMENT LAYOUT

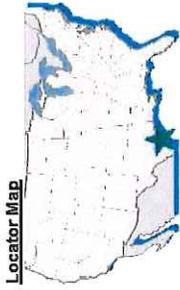
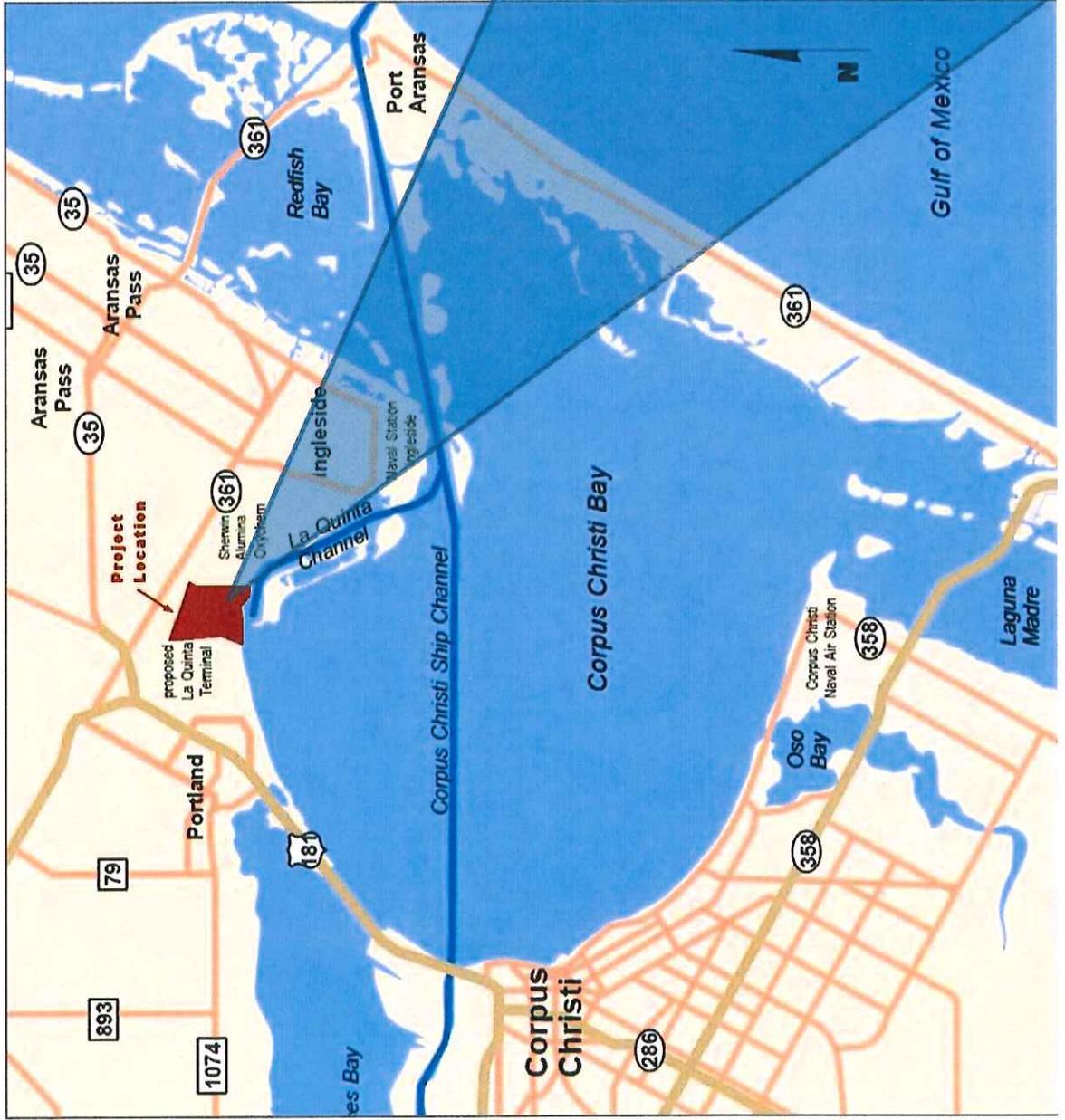
This layout shows
Trains 1, 2, and 3



200 0 200 400
SCALE: 1" = 200'



Vicinity Map



Project Area



Gregory-Portland ISD Map



Project Area

ATTACHMENT 10

The legal description of the land within Gregory-Portland ISD is attached.

October 9, 2012

12CH0203

EXHIBIT A
METES AND BOUNDS DESCRIPTION
OF A
337.4 ACRE TRACT

Being 337.4 acres of land, more or less, out of a 1610.0 acre "Tract 1, Parcel 1A", 328.9 acre "Tract 1, Parcel 2A", 31.82 acre "Tract 1, Parcel 5", and 58.07 acre "Tract 1, Parcel 6" as recorded in Document No. 490819, Real Property Records of San Patricio County, Texas, and Document No. 2001000017, Official Public Records of Nueces County, Texas, and also being out of the T. T. Williamson Surveys, Abstract Numbers 288, 289, and 290, and out of State Tracts 1 and 2, and this 337.4 acre tract being all of the 212.2 acre tract recorded in Document No. 2004020956, Official Public Records of Nueces County, Texas, and all the 125.2 acre tract referred to as "Reynolds/Alcoa Retained Tract #3" recorded in Document No. 2001000017, Official Public Records of Nueces County, Texas, and this 337.2 acre tract being more particularly described by metes and bonds as follows:

Commencing at a found concrete monument in the south right-of-way line of Texas State Highway No. 35 for the most northerly northeast corner of the aforementioned 328.9 acre tract, the same being the northwest corner of a 832.0 acre "Reynolds/Alcoa Retained Tract 1" recorded in Document No. 2001000017, Official Public Records of Nueces County, Texas;

Thence leaving said south right-of-way line and with the west line of said 832.0 acre tract, S 17 41-05 E, at 8736.90 feet pass a found 5/8-inch iron rod for the southwest corner of said 832.0 acre tract, in all 8936.90 feet to a found 5/8-inch iron rod;

Thence S 72-17-20 W, 59.39 feet, to a found 5/8-inch iron rod for the **POINT OF BEGINNING** and the northwest corner of this tract and said 212.2 acre tract, said corner having a NAD'83 State Plane Grid Coordinate of N 17214778.87', E 1379635.54', Texas South Zone in U.S. feet;

Thence N 72-17-20 E with the north boundary of this tract and said 212.2 acre tract, at 2644.75 feet pass the common east line of the aforementioned 328.9 acre tract and a west line of the aforementioned 1610.0 acre tract, in all 2818.29 feet to a found 5/8-inch iron rod for the northmost northeast corner of this tract and said 212.2 acre tract;

Thence with the east boundaries of this tract and said 212.2 acre tract as follows:

S 75-57-21 E, 308.21 feet;

S 17-42-40 E, 838.29 feet;

S72-17-20 W, 246.92 feet;

S 17-42-40 E, 640.06 feet, to a found 5/8-inch iron rod for a corner of this tract;

Thence S 67-58-34 W, at 188.26 feet pass the aforementioned common line between the 328.9 acre tract and the 1610.0 acre tract, in all 314.67 feet to a found 5/8-inch iron rod for an interior corner of this tract and the northmost northeast corner of said 125.2 acre tract;

Thence with the common east boundary of this tract and said 125.2 acre tract as follows:

S 73-59-30 E, 102.15 feet, to a found 5/8-inch iron rod;

S 17-32-43 E, at 2960.50 feet pass a found 5/8-inch iron rod being the southeast corner of said 125.2 acre tract, at 3129.328 feet pass the common south line of the aforementioned 328.9 acre tract and the north line of the aforementioned 58.07 acre tract, at 3192.41 feet pass a found 5/8-inch reference iron rod, at 3242.47 feet pass the common east line of said 58.07 acre tract and the west line of the aforementioned 31.82 acre tract, in all 3257.37 feet to a corner;

Thence S 01-10-31 E, 767.00 feet, to the southeast corner of this tract and said 212.20 acre tract, said corner being on the south line of said 31.82 acre tract and the Port of Corpus Christi Authority North Bulkhead Line;

Thence N 77-30-59 W with said bulkhead line and the south boundary of this tract and said 212.2 acre tract, at 190.69 feet pass the southwest corner of said 31.82 acre tract and the southeast corner of the aforementioned 58.07 acre tract, in all 3569.03 feet to the southwest corner of this tract and said 212.20 acre tract;

Thence leaving said bulkhead line N 07-00-28 W, 340.43 feet, to a corner being on the common north line of said 58.07 acre tract and the south line of the aforementioned 328.9 acre tract;

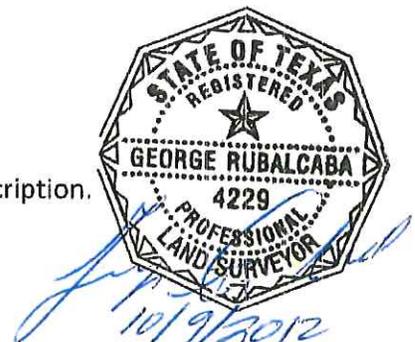
Thence N 03-34-16 E, at 149.58 feet pass a found 5/8-inch reference iron rod, in all 1080.30 feet, to a found 5/8-inch iron rod for a corner;

Thence N 04-42-55 W, 1132.92 feet, to a found 5/8-inch iron rod for a corner;

Thence N 17-47-50 W, 1473.53 feet, to the point of beginning and containing 337.4 acres of land, more or less.

Notes:

1. Bearings are State Plane Grid.
2. Drawing Exhibit B accompanies this metes and bounds description.



ATTACHMENT 11

Please see attached maps

REINVESTMENT ZONE

TX HWY 35
P.O.C.

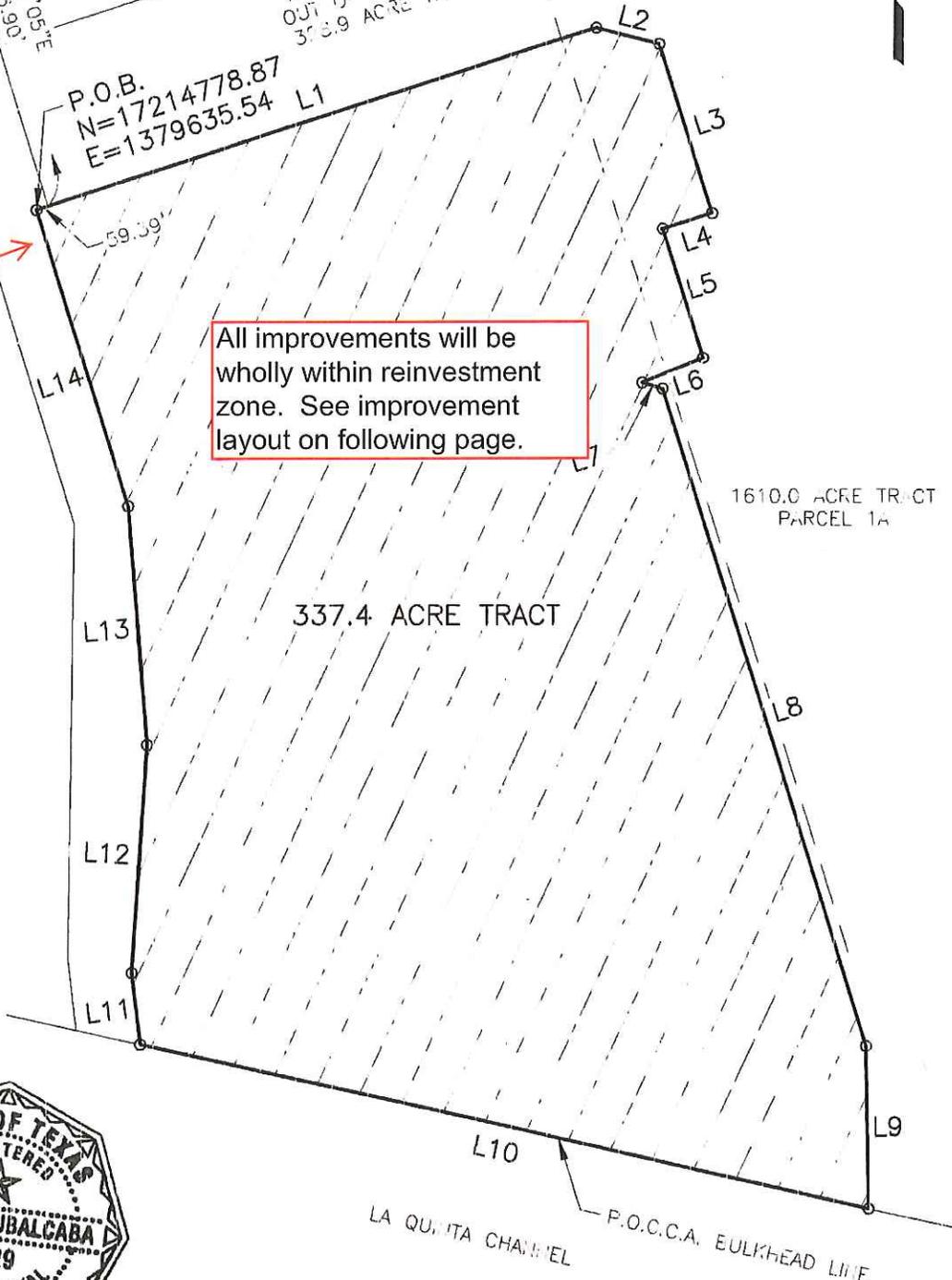
REMAINDER TRACT
OUT OF PARCEL 2A
378.9 ACRE TRACT

P.O.B.
N=17214778.87
E=1379635.54

Reinvestment Zone boundaries in bold

All improvements will be wholly within reinvestment zone. See improvement layout on following page.

LINE TABLE		
LINE	LENGTH	DIRECTION
L1	2818.29'	N72°17'20"E
L2	308.21'	S75°52'21"E
L3	838.29'	S17°42'40"E
L4	246.92'	S72°17'20"W
L5	640.06'	S17°42'40"E
L6	314.67'	S67°58'34"W
L7	102.15'	S73°59'30"E
L8	3257.31'	S17°32'43"E
L9	767.00'	S01°10'31"E
L10	3569.03'	N77°30'59"W
L11	340.43'	N07°00'28"W
L12	1080.30'	N03°34'16"E
L13	1132.92'	N04°42'55"W
L14	1473.53'	N17°47'50"W



George Rubalcaba
10/9/2012



SCALE: 1" = 800'

EXHIBIT B

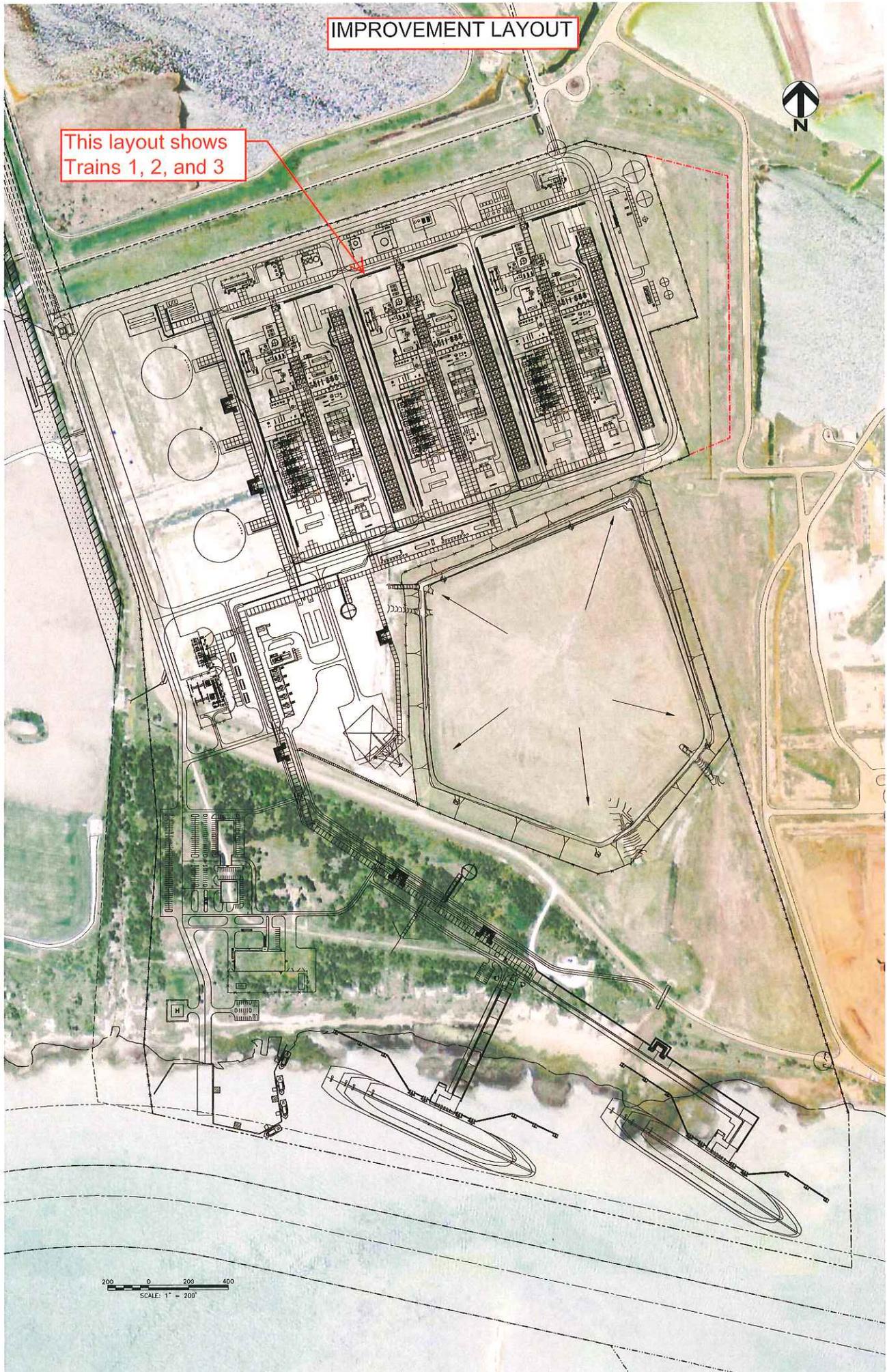
	GOVIND DEVELOPMENT, LLC. <small>TYPE FIRM NO. F-10101</small>			
	CORPUS CHRISTI LIQUEFACTION, LLC 337.4 ACRE TRACT			
SAN PATRICIO COUNTY		TEXAS		
DR. RA CK. GR APP. GR	DATE: OCTOBER 2012	SCALE AS NOTED CLIENT APPROVAL	JOB NO. 12CH203	DRAWING NO. 1

IMPROVEMENT LAYOUT

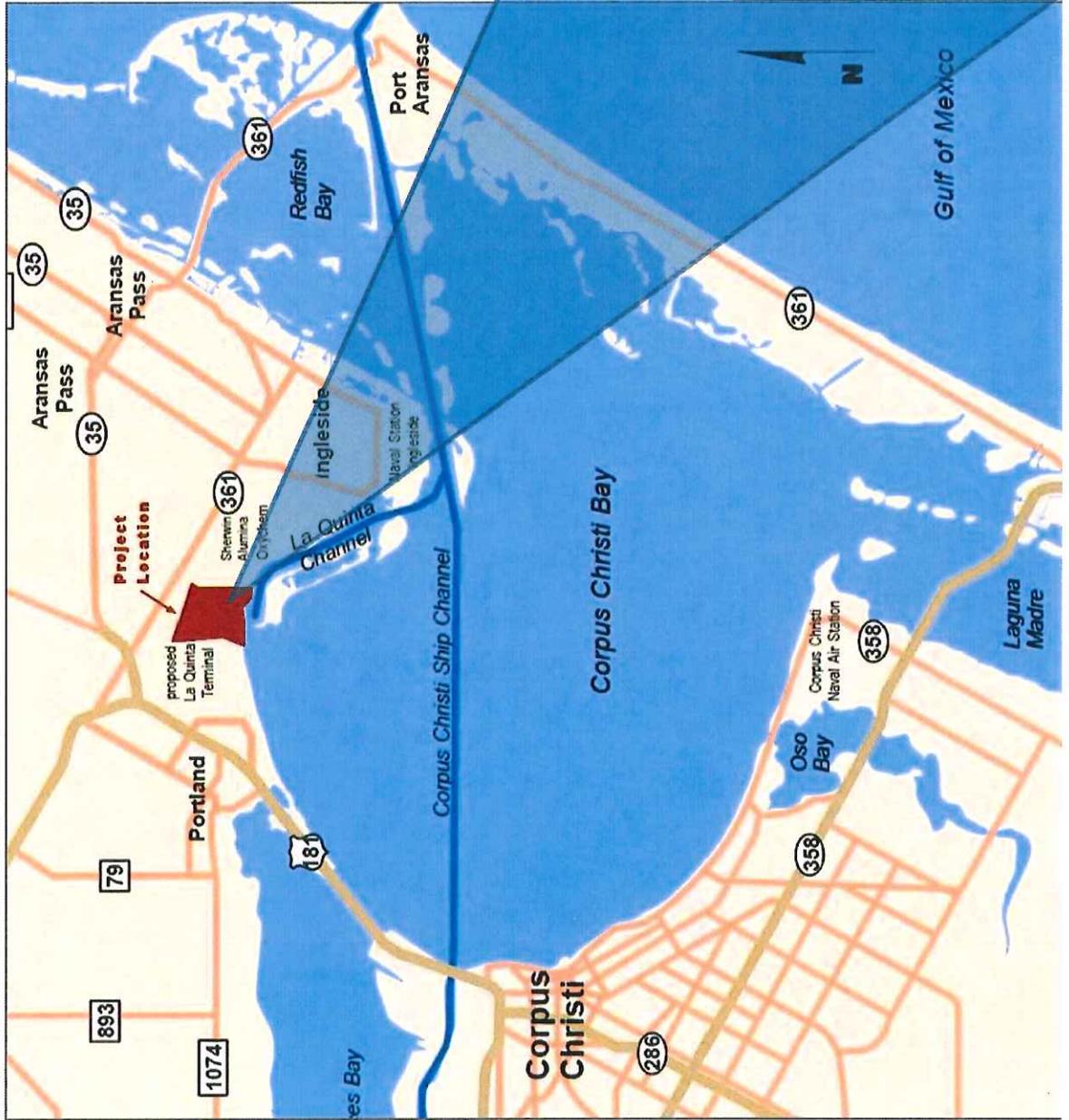
This layout shows
Trains 1, 2, and 3



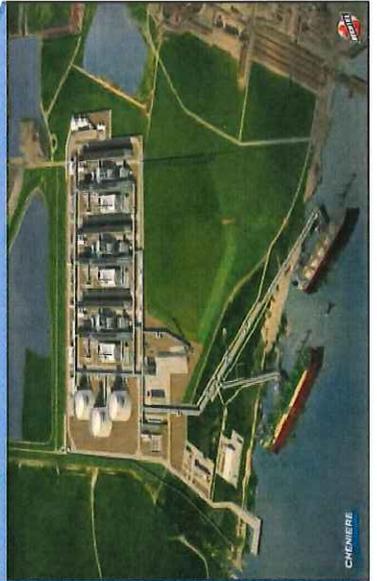
200 0 200 400
SCALE: 1" = 200'



Vicinity Map



Project Area



Gregory-Portland ISD Map



Project Area

ATTACHMENT 12

There are no existing improvements at the site as of January 1, 2013.

The most recent San Patricio Appraisal District property values are listed below. The reinvestment zone is located wholly or partially, in the San Patricio County Appraisal District parcels listed below.

SPCAD Parcel#	Description	Land Value	Improvement Value
74829	ABST 288 AND 289 TT WILLIAMSON OUT OF STATE TR 1 AND 2	\$3,204,235	\$0
113192	ABST 288 AND 290 TT WILLIAMSON	\$431,063	\$0
47964	1201.565 ACS OF 1580.129 ACS OF A 1990.35 TR OF LA QUINTA PASTURE ABST 139 269 290 291	\$11,414,867	\$0

ATTACHMENT 13

No waiver of the job creation requirement is requested.

ATTACHMENT 14

The calculation of the three possible wage requirements with TWC documentation is attached. Corpus Christi Liquefaction, LLC has chosen to use \$65,000 as the wage rate for permanent jobs. This amount exceeds 110% of the current regional wage rate of \$46,489 ($\$46,489 \times 110\% = \$51,138$).

**CORPUS CHRISTI LIQUEFACTION, LLC
ATTACHMENT TO CHAPTER 313 APPLICATION**

CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2012	\$ 829	\$ 43,108
SECOND	2012	\$ 790	\$ 41,080
THIRD	2012	\$ 824	\$ 42,848
FOURTH	2012	\$ 813	\$ 42,276
AVERAGE		\$ 809	\$ 42,328
		X 110%	110%
		\$ 890	\$ 46,561

CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2012	\$ 1,442	\$ 74,984
SECOND	2012	\$ 1,267	\$ 65,884
THIRD	2012	\$ 1,344	\$ 69,888
FOURTH	2012	\$ 1,394	\$ 72,488
AVERAGE		\$ 1,335	\$ 70,811
		X 110%	110%
		\$ 1,469	\$ 77,892

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
	2011	\$ 894	\$ 46,489
		X 110%	110%
		\$ 983	\$ 51,138

* 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
2012	1st Qtr	San Patricio County	Total All	00	0	10	Total, All Industries	\$829
2012	2nd Qtr	San Patricio County	Total All	00	0	10	Total, All Industries	\$790
2012	3rd Qtr	San Patricio County	Total All	00	0	10	Total, All Industries	\$824
2012	4th Qtr	San Patricio County	Total All	00	0	10	Total, All Industries	\$813

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
2012	1st Qtr	San Patricio County	Total All	31	2	31-33	Manufacturing	\$1,442
2012	2nd Qtr	San Patricio County	Total All	31	2	31-33	Manufacturing	\$1,267
2012	3rd Qtr	San Patricio County	Total All	31	2	31-33	Manufacturing	\$1,344
2012	4th Qtr	San Patricio County	Total All	31	2	31-33	Manufacturing	\$1,394

**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

$110\% \times \$46,489 =$
\$51,138

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

Corpus Christi Liquefaction, LLC provides its employees with benefits including but not limited to the following:

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

ATTACHMENT 16

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

ATTACHMENT 17

Please see attached Schedule A

Schedule A (Rev. January 2013): Investment

Form 50-296

Applicant Name
ISD Name
Corpus Christi Liquefaction, LLC (Train 2 Application)
Gregory-Portland ISD

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 (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 (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)	2013-2016	2013-2017	0	0			0	0	0	
	Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)	2013-2017	2013-2017	0	0			0	0	0	
	Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property)	2018-2019	2018	0	0			0	0	0	
	Complete tax years of qualifying time period	1	2020-2021	2019	\$ 860,000,000	\$ -	\$ 860,000,000	\$ -	\$ 860,000,000	\$ -	\$ 860,000,000
		2	2021-2022	2020	\$ 740,000,000	\$ -	\$ 740,000,000	\$ -	\$ 740,000,000	\$ -	\$ 740,000,000
		3	2022-2023	2021	\$ 490,000,000	\$ -	\$ 490,000,000	\$ -	\$ 490,000,000	\$ -	\$ 490,000,000
		4	2023-2024	2022	\$ 370,000,000	\$ -	\$ 370,000,000	\$ -	\$ 370,000,000	\$ -	\$ 370,000,000
		5	2024-2025	2023	0	0	0	0	0	0	0
		6	2025-2026	2024	0	0	0	0	0	0	0
		7	2026-2027	2025	0	0	0	0	0	0	0
		8	2027-2028	2026	0	0	0	0	0	0	0
		9	2028-2029	2027	0	0	0	0	0	0	0
		10	2029-2030	2028	0	0	0	0	0	0	0
		11	2030-2031	2029	0	0	0	0	0	0	0
		12	2031-2032	2030	0	0	0	0	0	0	0
13		2032-2033	2031	0	0	0	0	0	0	0	
14		2033-2034	2032	0	0	0	0	0	0	0	
15		2034-2035	2033	0	0	0	0	0	0	0	
Tax Credit Period (with 50% cap on credit)	Value Limitation Period										
	Credit Settle-Up Period										
Credit Settle-Up Period	Post-Settle-Up Period										
	Post-Settle-Up Period										

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.

Column B: [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. 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.

Daniel M. Behr
DATE 5/17/13

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

ATTACHMENT 18

Please see attached Schedule B

Schedule B (Rev. January 2013): Estimated Market And Taxable Value
Corpus Christi Liquefaction, LLC (Train 2 Application)
 Gregory-Portland ISD

Form 50-296

Applicant Name ISD Name	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"	Exempted Value	Final taxable value for ISS - after all reductions	Final taxable value for M&O--after all reductions	
	pre-year 1	2018-2019	2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	pre-year 2	2019-2020	2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Complete tax years of qualifying time period	1	2020-2021	2020	\$ -	\$ -	\$350,000,000	\$ -	\$ -	\$ 350,000,000	\$ 350,000,000
	2	2021-2022	2021	\$ -	\$ -	\$850,000,000	\$ -	\$ -	\$ 850,000,000	\$ 850,000,000
	3	2022-2023	2022	\$ -	\$ -	\$1,450,000,000	\$ -	\$ -	\$ 1,450,000,000	\$ 30,000,000
	4	2023-2024	2023	\$ -	\$ -	\$2,000,000,000	\$ -	\$ -	\$ 2,000,000,000	\$ 30,000,000
	5	2024-2025	2024	\$ -	\$ -	\$1,930,000,000	\$ -	\$ -	\$ 1,930,000,000	\$ 30,000,000
Tax Credit Period (with 50% cap on credit)	6	2025-2026	2025	\$ -	\$ -	\$1,860,000,000	\$ -	\$ -	\$ 1,860,000,000	\$ 30,000,000
	7	2026-2027	2026	\$ -	\$ -	\$1,800,000,000	\$ -	\$ -	\$ 1,800,000,000	\$ 30,000,000
	8	2027-2028	2027	\$ -	\$ -	\$1,740,000,000	\$ -	\$ -	\$ 1,740,000,000	\$ 30,000,000
	9	2028-2029	2028	\$ -	\$ -	\$1,680,000,000	\$ -	\$ -	\$ 1,680,000,000	\$ 30,000,000
	10	2029-2030	2029	\$ -	\$ -	\$1,620,000,000	\$ -	\$ -	\$ 1,620,000,000	\$ 30,000,000
Credit Settle-Up Period	11	2030-2031	2030	\$ -	\$ -	\$1,560,000,000	\$ -	\$ -	\$ 1,560,000,000	\$ 1,560,000,000
	12	2031-2032	2031	\$ -	\$ -	\$1,500,000,000	\$ -	\$ -	\$ 1,500,000,000	\$ 1,500,000,000
	13	2032-2033	2032	\$ -	\$ -	\$1,450,000,000	\$ -	\$ -	\$ 1,450,000,000	\$ 1,450,000,000
Post- Settle-Up Period	14	2033-2034	2033	\$ -	\$ -	\$1,400,000,000	\$ -	\$ -	\$ 1,400,000,000	\$ 1,400,000,000
	15	2034-2035	2034	\$ -	\$ -	\$1,350,000,000	\$ -	\$ -	\$ 1,350,000,000	\$ 1,350,000,000

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]
 SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

5/17/13
 DATE

ATTACHMENT 19

Please see attached Schedule C

Applicant Name
ISD Name

Corpus Christi Liquefaction, LLC (Train 2 Application)
Gregory-Portland ISD

Schedule C- Application: Employment Information

Form 50-296

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Construction		New Jobs		Qualifying Jobs	
				Column A: Number of Construction FTE's or man- hours (specify)	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.	Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs
	pre-year 1	2018-2019	2018	0	\$0	0	\$0	0	\$0
	pre-year 2	2019-2020	2019	1250 FTEs	\$59,280	0	\$0	0	\$0
Complete tax years of qualifying time period	1	2020-2021	2020	1000 FTEs	\$59,280	0	\$0	0	\$0
	2	2021-2022	2021	800 FTEs	\$59,280	0	\$0	0	\$0
	3	2022-2023	2022	500 FTEs	\$59,280	10	\$65,000	8	\$65,000
	4	2023-2024	2023			35	\$65,000	28	\$65,000
	5	2024-2025	2024			35	\$65,000	28	\$65,000
Tax Credit Period (with 50% cap on credit)	6	2025-2026	2025			35	\$65,000	28	\$65,000
	7	2026-2027	2026			35	\$65,000	28	\$65,000
	8	2027-2028	2027			35	\$65,000	28	\$65,000
	9	2028-2029	2028			35	\$65,000	28	\$65,000
	10	2029-2030	2029			35	\$65,000	28	\$65,000
Credit Settle-Up Period	11	2030-2031	2030			35	\$65,000	28	\$65,000
	12	2031-2032	2031			35	\$65,000	28	\$65,000
	13	2032-2033	2032			35	\$65,000	28	\$65,000
Post- Settle-Up Period	14	2033-2034	2033			35	\$65,000	28	\$65,000
	15	2034-2035	2034			35	\$65,000	28	\$65,000

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

5/17/13
DATE

ATTACHMENT 20

Please see attached Schedule D

Schedule D: (Rev. January 2013): Other Tax Information

	Year	School Year (YYYY-YYYY)	Tax/Calendar Year YYYY	Sales Tax Information			Franchise Tax	County	City	Hospital	Other (Drainage District)
				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					
		2018-2019	2018			0	n/a	n/a	n/a	n/a	
		2019-2020	2019	\$ 110,000,000	\$ 780,000,000	0	n/a	n/a	n/a	n/a	
	1	2020-2021	2020	\$ 90,000,000	\$ 670,000,000	0	n/a	n/a	n/a	100%	
	2	2021-2022	2021	\$ 60,000,000	\$ 440,000,000	0	n/a	n/a	n/a	100%	
	3	2022-2023	2022	\$ 50,000,000	\$ 330,000,000	0	n/a	n/a	n/a	100%	
	4	2023-2024	2023	20,000,000	20,000,000	0	n/a	n/a	n/a	100%	
	5	2024-2025	2024	20,000,000	20,000,000	0	n/a	n/a	n/a	100%	
	6	2025-2026	2025	20,000,000	20,000,000	0	n/a	n/a	n/a	100%	
	7	2026-2027	2026	20,000,000	20,000,000	0	n/a	n/a	n/a	100%	
	8	2027-2028	2027	20,000,000	20,000,000	0	n/a	n/a	n/a	100%	
	9	2028-2029	2028	20,000,000	20,000,000	0	n/a	n/a	n/a	100%	
	10	2029-2030	2029	20,000,000	20,000,000	0	n/a	n/a	n/a	100%	
	11	2030-2031	2030	20,000,000	20,000,000	0	n/a	n/a	n/a	n/a	
	12	2031-2032	2031	20,000,000	20,000,000	0	n/a	n/a	n/a	n/a	
	13	2032-2033	2032	20,000,000	20,000,000	0	n/a	n/a	n/a	n/a	
	14	2033-2034	2033	20,000,000	20,000,000	0	n/a	n/a	n/a	n/a	
	15	2034-2035	2034	20,000,000	20,000,000	0	n/a	n/a	n/a	n/a	
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)											
Tax Credit Period (with 50% cap on credit)	Complete tax years of qualifying time period										
Credit Settle-Up Period	Value Limitation Period										
Post-Settle-Up Period	Continue to Maintain Viable Presence										
Post-Settle-Up Period	Post-Settle-Up Period										

*For planning, construction and operation of the facility.

David Park

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

5/17/13
DATE

ATTACHMENT 21

A map of the proposed reinvestment zone is attached as is a vicinity map. The reinvestment zone will be created by the Board of Trustees of Gregory-Portland ISD on May 21, 2013.

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT

RESOLUTION CREATING CORPUS CHRISTI LIQUEFACTION LLC REINVESTMENT ZONE

WHEREAS, Section 312.0025 of the Texas Tax Code permits a school district to designate a reinvestment zone if that designation is reasonably likely to contribute to the expansion of primary employment in the reinvestment zone, or attract major investment in the reinvestment zone that would be a benefit to property in the reinvestment zone and to the school district and contribute to the economic development of the region of this state in which the school district is located; and,

WHEREAS, the Gregory-Portland Independent School District (the "District") desires to encourage the development of primary employment and to attract major investment in the District that would be a benefit to property in a reinvestment zone created by the District and to the school district and contribute to the economic development of the region in which the school district is located; and,

WHEREAS, a public hearing is required by Chapter 312 of the Texas Tax Code prior to approval of a reinvestment zone; and,

WHEREAS, the District published notice of a public hearing regarding the possible designation of the area described in the attached **Exhibit A** as a reinvestment zone for the purposes of Chapter 313 of the Texas Tax Code; and,

WHEREAS, the District wishes to create a reinvestment zone within the boundaries of the school district in Ellis County, Texas as shown on the map attached as **Exhibit B**; and,

WHEREAS, the District given written notice of the proposed action and the Public Hearing to all political subdivisions and taxing authorities having jurisdiction over the property proposed to be designated as the reinvestment zone, described in the attached **Exhibits A & B**; and,

WHEREAS, all interested members of the public were given an opportunity to make comments at the public hearing.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT:

SECTION 1. That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

SECTION 2. That the Board of Trustees of the Gregory-Portland Independent School District, after conducting such hearing and having heard such evidence and testimony, has made the

following findings and determinations based on the evidence and testimony presented to it:

- (a) That the public hearing on the adoption of *Corpus Christi Liquefaction LLC Reinvestment Zone* has been called, held and conducted, and that notices of such hearing have been published and mailed to the respective presiding officers of the governing bodies of all taxing units overlapping the territory inside the proposed reinvestment zone; and,
- (b) That the boundaries of *Corpus Christi Liquefaction LLC Reinvestment Zone* be and, by the adoption of this Resolution, are declared and certified to be, the area as described in the description attached hereto as “**Exhibit A**”; and,
- (c) That the map attached hereto as “**Exhibit B**” is declared to be and, by the adoption of this Resolution is certified to accurately depict and show the boundaries of *Corpus Christi Liquefaction LLC Reinvestment Zone* which is described in **Exhibit A**; and further certifies that the property described in **Exhibit A** is inside the boundaries shown on **Exhibit B**; and,
- (d) That creation of *Corpus Christi Liquefaction LLC Reinvestment Zone* with boundaries as described in **Exhibit A** and **Exhibit B** will result in benefits to the Gregory-Portland Independent School District and to land included in the zone, and that the improvements sought are feasible and practical; and,
- (e) That the *Corpus Christi Liquefaction LLC Reinvestment Zone* described in **Exhibit A** and **Exhibit B** meets the criteria set forth in Texas Tax Code §312.0025 for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, in that it is reasonably likely that the designation will contribute to the retention or expansion of primary employment, and/or will attract investment in the zone that will be a benefit to the property, and would contribute to economic development within the Gregory-Portland Independent School District.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, the Gregory-Portland Independent School District, hereby creates a reinvestment zone under the provisions of Tex. Tax Code § 312.0025, encompassing the area described by the descriptions in **Exhibit A** and **Exhibit B**, and such reinvestment zone is hereby designated and shall hereafter be referred to as *Corpus Christi Liquefaction LLC Reinvestment Zone*.

SECTION 4. That the existence of the *Corpus Christi Liquefaction LLC Reinvestment Zone* shall first take effect upon, May 21, 2013, the date of the adoption of this Resolution by the Board of Trustees and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of such adoption.

SECTION 5. That if any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

SECTION 6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject of the meeting of the Gregory-Portland Independent School District Board of Trustees, at which this Resolution was adopted, was posted at a place convenient and readily accessible at all times, as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended; and that a public hearing was held prior to the designation of such reinvestment zone, and that proper notice of the hearing was published in newspapers of general circulation in San Patricio County of the State of Texas, and furthermore, such notice was, in fact, delivered to the presiding officer of any effected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED AND ADOPTED on this 21st day of May, 2013.

**GREGORY-PORTLAND INDEPENDENT
SCHOOL DISTRICT**

By: _____

President
Board of Trustees

ATTEST: _____

Secretary
Board of Trustees

EXHIBIT A

**METES AND BOUNDS DESCRIPTION OF CORPUS CHRISTI LIQUEFACTION LLC REINVESTMENT
ZONE**

October 9, 2012

12CH0203

EXHIBIT A
METES AND BOUNDS DESCRIPTION
OF A
337.4 ACRE TRACT

Being 337.4 acres of land, more or less, out of a 1610.0 acre "Tract 1, Parcel 1A", 328.9 acre "Tract 1, Parcel 2A", 31.82 acre "Tract 1, Parcel 5", and 58.07 acre "Tract 1, Parcel 6" as recorded in Document No. 490819, Real Property Records of San Patricio County, Texas, and Document No. 2001000017, Official Public Records of Nueces County, Texas, and also being out of the T. T. Williamson Surveys, Abstract Numbers 288, 289, and 290, and out of State Tracts 1 and 2, and this 337.4 acre tract being all of the 212.2 acre tract recorded in Document No. 2004020956, Official Public Records of Nueces County, Texas, and all the 125.2 acre tract referred to as "Reynolds/Alcoa Retained Tract #3" recorded in Document No. 2001000017, Official Public Records of Nueces County, Texas, and this 337.2 acre tract being more particularly described by metes and bonds as follows:

Commencing at a found concrete monument in the south right-of-way line of Texas State Highway No. 35 for the most northerly northeast corner of the aforementioned 328.9 acre tract, the same being the northwest corner of a 832.0 acre "Reynolds/Alcoa Retained Tract 1" recorded in Document No. 2001000017, Official Public Records of Nueces County, Texas;

Thence leaving said south right-of-way line and with the west line of said 832.0 acre tract, S 17 41-05 E, at 8736.90 feet pass a found 5/8-inch iron rod for the southwest corner of said 832.0 acre tract, in all 8936.90 feet to a found 5/8-inch iron rod;

Thence S 72-17-20 W, 59.39 feet, to a found 5/8-inch iron rod for the **POINT OF BEGINNING** and the northwest corner of this tract and said 212.2 acre tract, said corner having a NAD'83 State Plane Grid Coordinate of N 17214778.87', E 1379635.54', Texas South Zone in U.S. feet;

Thence N 72-17-20 E with the north boundary of this tract and said 212.2 acre tract, at 2644.75 feet pass the common east line of the aforementioned 328.9 acre tract and a west line of the aforementioned 1610.0 acre tract, in all 2818.29 feet to a found 5/8-inch iron rod for the northmost northeast corner of this tract and said 212.2 acre tract;

Thence with the east boundaries of this tract and said 212.2 acre tract as follows:

S 75-57-21 E, 308.21 feet;

S 17-42-40 E, 838.29 feet;

S72-17-20 W, 246.92 feet;

S 17-42-40 E, 640.06 feet, to a found 5/8-inch iron rod for a corner of this tract;

Thence S 67-58-34 W, at 188.26 feet pass the aforementioned common line between the 328.9 acre tract and the 1610.0 acre tract, in all 314.67 feet to a found 5/8-inch iron rod for an interior corner of this tract and the northmost northeast corner of said 125.2 acre tract;

Thence with the common east boundary of this tract and said 125.2 acre tract as follows:

S 73-59-30 E, 102.15 feet, to a found 5/8-inch iron rod;

S 17-32-43 E, at 2960.50 feet pass a found 5/8-inch iron rod being the southeast corner of said 125.2 acre tract, at 3129.328 feet pass the common south line of the aforementioned 328.9 acre tract and the north line of the aforementioned 58.07 acre tract, at 3192.41 feet pass a found 5/8-inch reference iron rod, at 3242.47 feet pass the common east line of said 58.07 acre tract and the west line of the aforementioned 31.82 acre tract, in all 3257.37 feet to a corner;

Thence S 01-10-31 E, 767.00 feet, to the southeast corner of this tract and said 212.20 acre tract, said corner being on the south line of said 31.82 acre tract and the Port of Corpus Christi Authority North Bulkhead Line;

Thence N 77-30-59 W with said bulkhead line and the south boundary of this tract and said 212.2 acre tract, at 190.69 feet pass the southwest corner of said 31.82 acre tract and the southeast corner of the aforementioned 58.07 acre tract, in all 3569.03 feet to the southwest corner of this tract and said 212.20 acre tract;

Thence leaving said bulkhead line N 07-00-28 W, 340.43 feet, to a corner being on the common north line of said 58.07 acre tract and the south line of the aforementioned 328.9 acre tract;

Thence N 03-34-16 E, at 149.58 feet pass a found 5/8-inch reference iron rod, in all 1080.30 feet, to a found 5/8-inch iron rod for a corner;

Thence N 04-42-55 W, 1132.92 feet, to a found 5/8-inch iron rod for a corner;

Thence N 17-47-50 W, 1473.53 feet, to the point of beginning and containing 337.4 acres of land, more or less.

Notes:

1. Bearings are State Plane Grid.
2. Drawing Exhibit B accompanies this metes and bounds description.

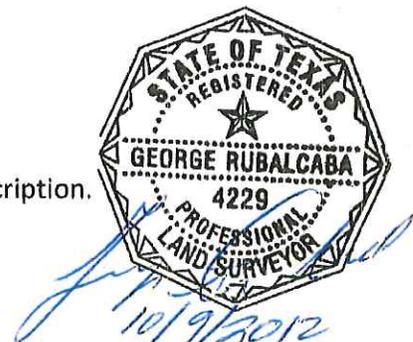


EXHIBIT B

SURVEY MAPS OF CORPUS CHRISTI LIQUEFACTION LLC REINVESTMENT ZONE

TX HWY 35
P.O.C.

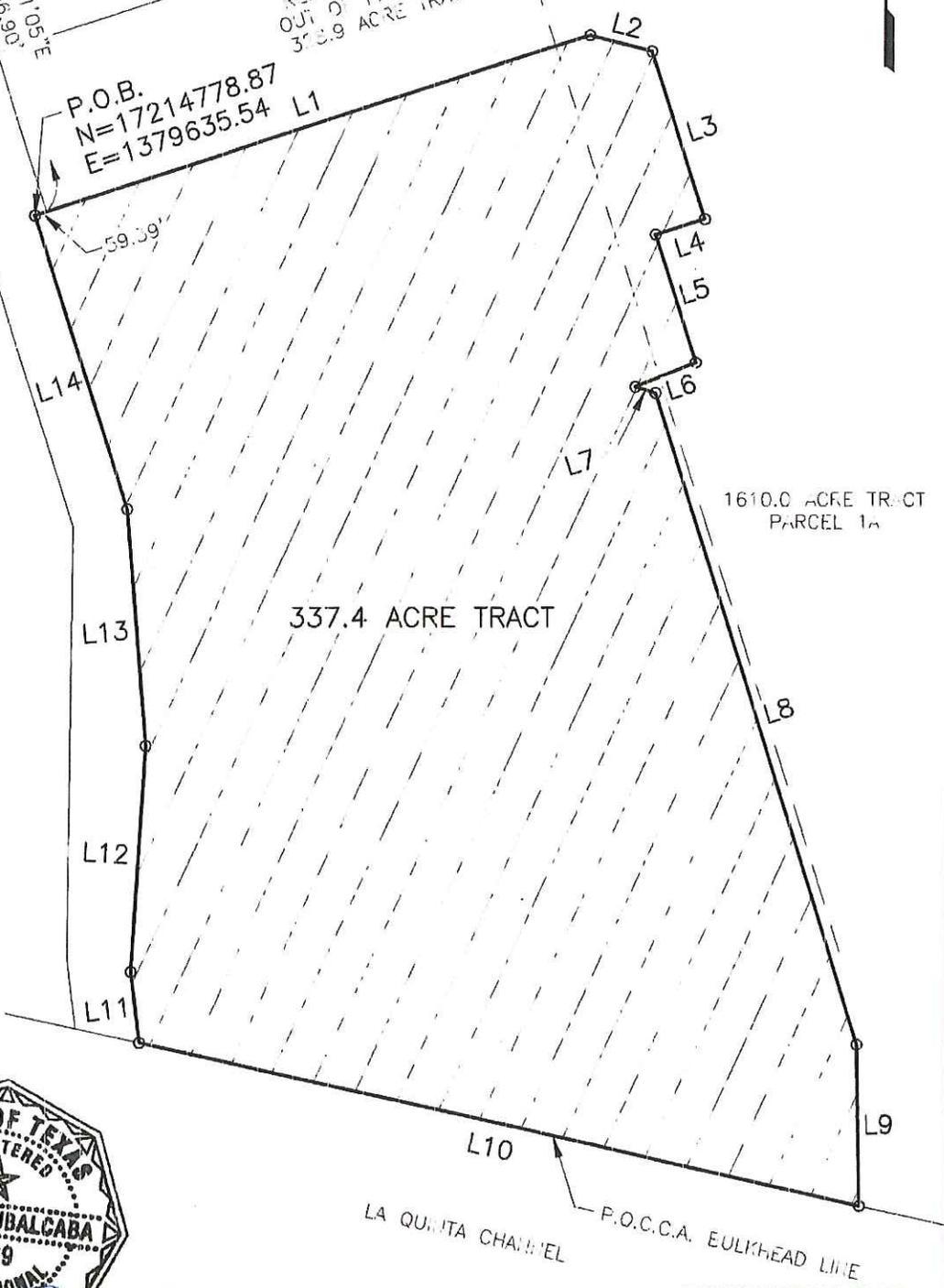
9.50 ACRES
ACC. 55 TRACT

REMAINDER TRACT
OUT OF PARCEL 2A
303.9 ACRE TRACT

P.O.B.
N=17214778.87
E=1379635.54 L1



LINE TABLE		
LINE	LENGTH	DIRECTION
L1	2818.29'	N72°17'20"E
L2	308.21'	S75°52'21"E
L3	838.29'	S17°42'40"E
L4	246.92'	S72°17'20"W
L5	640.06'	S17°42'40"E
L6	314.67'	S67°58'34"W
L7	102.15'	S73°59'30"E
L8	3257.31'	S17°32'43"E
L9	767.00'	S01°10'31"E
L10	3569.03'	N77°30'59"W
L11	340.43'	N07°00'28"W
L12	1080.30'	N03°34'16"E
L13	1132.92'	N04°42'55"W
L14	1473.53'	N17°47'50"W



George Rubalcaba
10/9/2012



SCALE: 1" = 800'

EXHIBIT B

	GOVIND DEVELOPMENT, LLC. <small>TBPE FIRM NO. F-10101</small>		
	CORPUS CHRISTI LIQUEFACTION, LLC 337.4 ACRE TRACT		
Govind Development, LLC. Office: (361) 241-2777		SAN PATRICIO COUNTY TEXAS	
DR. RA CK. GR APP. GR	DATE: OCTOBER 2012	SCALE AS NOTED CLIENT APPROVAL	JOB NO. 12CH203
			DRAWING NO. 1

F:\Projects\UNDEFINED CLIENTS\12CH203 Land Survey\DWG\337.4 ACRE TRACT.dwg Oct 09, 2012 - 4:16pm rml/a

REINVESTMENT ZONE

TX HWY 35
P.O.C.

REMAINDER TRACT
OUT OF PARCEL 2A
378.9 ACRE TRACT

P.O.B.
N=17214778.87
E=1379635.54

Reinvestment Zone boundaries in bold

All improvements will be wholly within reinvestment zone. See improvement layout on following page.

LINE TABLE		
LINE	LENGTH	DIRECTION
L1	2818.29'	N72°17'20"E
L2	308.21'	S75°52'21"E
L3	838.29'	S17°42'40"E
L4	246.92'	S72°17'20"W
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L13	1132.92'	N04°42'55"W
L14	1473.53'	N17°47'50"W

1610.0 ACRE TRACT
PARCEL 1A

337.4 ACRE TRACT

LA QUINTA CHARIT'EL
P.O.C.C.A. EULKHEAD LINE

EXHIBIT B



George Rubalcaba
10/9/2012



SCALE: 1" = 800'

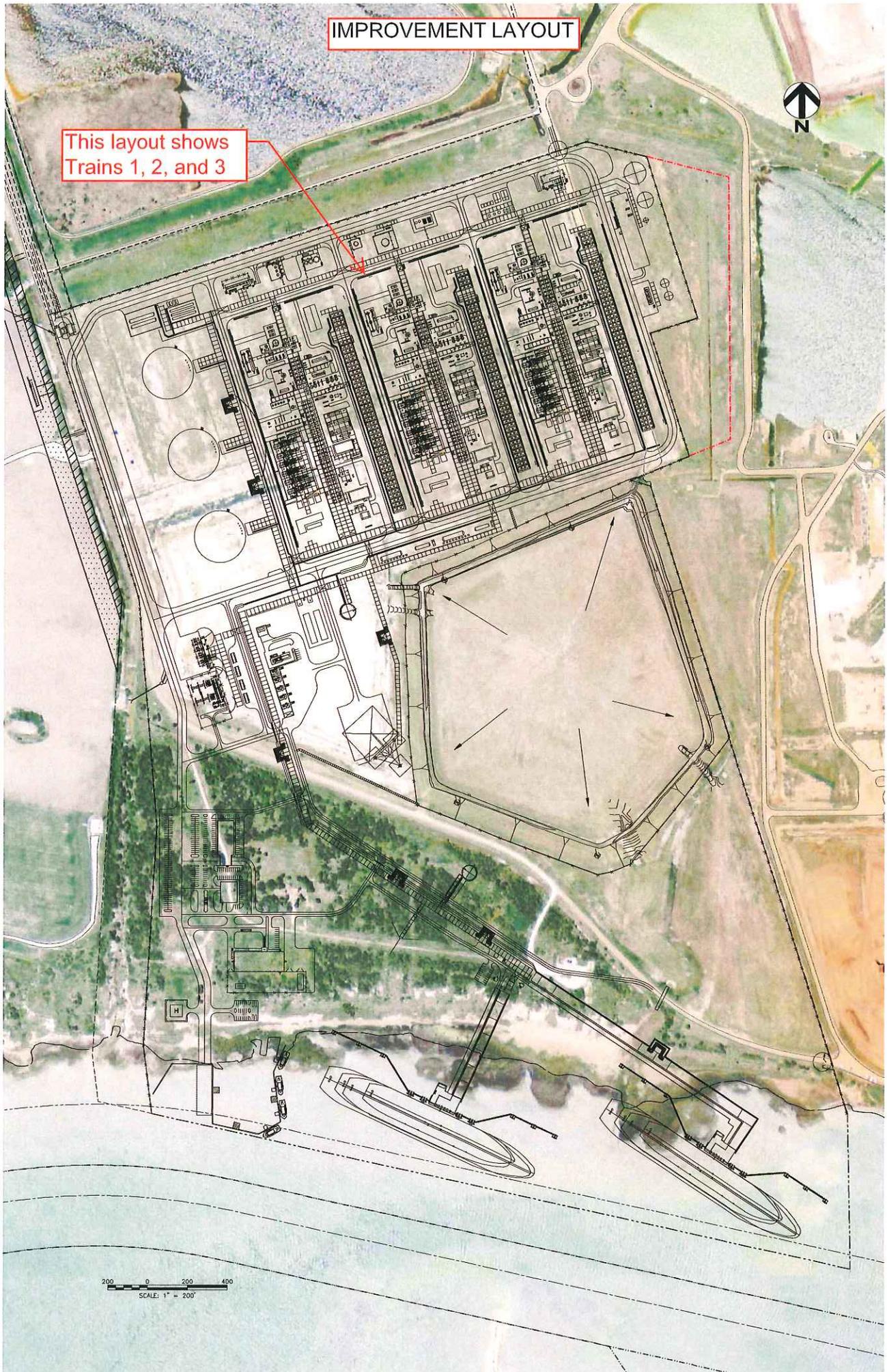
	GOVIND DEVELOPMENT, LLC. <small>TBPE FIRM NO. P-10101</small>		
	CORPUS CHRISTI LIQUEFACTION, LLC 337.4 ACRE TRACT		
SAN PATRICIO COUNTY		TEXAS	
DR. RA CK. GR APP. GR	DATE: OCTOBER 2012	SCALE AS NOTED CLIENT APPROVAL	JOB NO. 12CH203
			DRAWING NO. 1

IMPROVEMENT LAYOUT

This layout shows
Trains 1, 2, and 3



200 0 200 400
SCALE: 1" = 200'

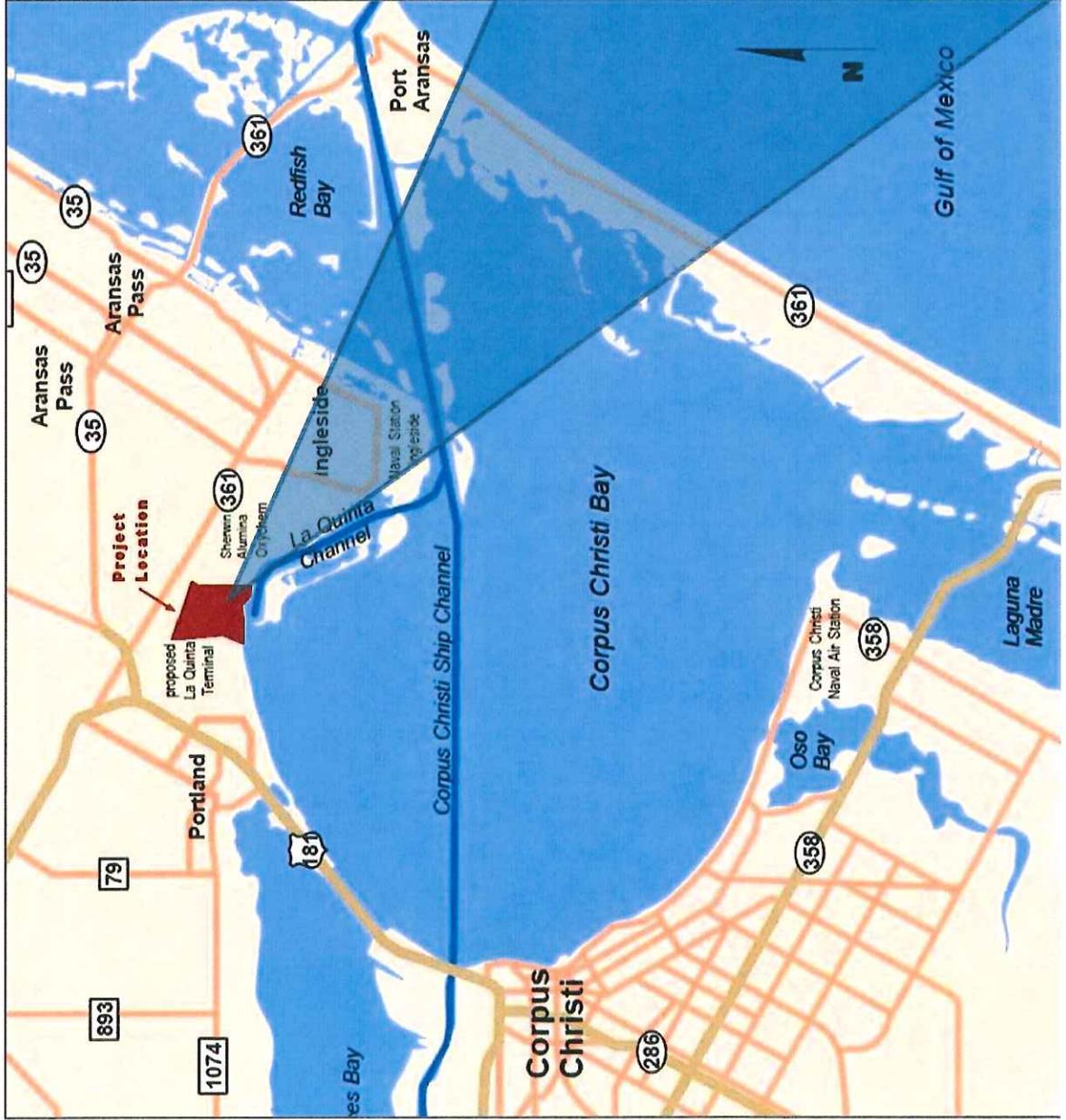


Gregory-Portland ISD Map



Project Area

Vicinity Map



Project Area



ATTACHMENT 22

The resolution of the Board of Trustees of Gregory-Portland ISD creating the reinvestment zone on May 21, 2013 will be supplemented at a later date.

ATTACHMENT 23

The legal description of the proposed reinvestment zone is attached.

October 9, 2012

12CH0203

EXHIBIT A
METES AND BOUNDS DESCRIPTION
OF A
337.4 ACRE TRACT

Being 337.4 acres of land, more or less, out of a 1610.0 acre "Tract 1, Parcel 1A", 328.9 acre "Tract 1, Parcel 2A", 31.82 acre "Tract 1, Parcel 5", and 58.07 acre "Tract 1, Parcel 6" as recorded in Document No. 490819, Real Property Records of San Patricio County, Texas, and Document No. 2001000017, Official Public Records of Nueces County, Texas, and also being out of the T. T. Williamson Surveys, Abstract Numbers 288, 289, and 290, and out of State Tracts 1 and 2, and this 337.4 acre tract being all of the 212.2 acre tract recorded in Document No. 2004020956, Official Public Records of Nueces County, Texas, and all the 125.2 acre tract referred to as "Reynolds/Alcoa Retained Tract #3" recorded in Document No. 2001000017, Official Public Records of Nueces County, Texas, and this 337.2 acre tract being more particularly described by metes and bonds as follows:

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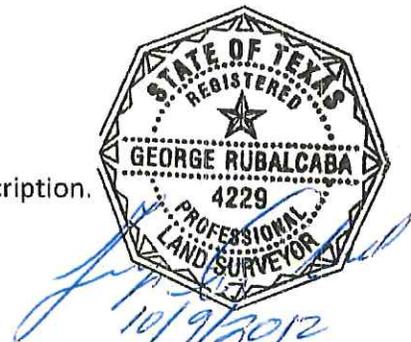
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Notes:

1. Bearings are State Plane Grid.
2. Drawing Exhibit B accompanies this metes and bounds description.



ATTACHMENT 24

Guidelines and criteria to create the reinvestment zone are not required for the Board of Trustees of Gregory-Portland ISD.



Attachment B

Certificate of Account Status



Franchise Tax Account Status

As of: 10/21/2013 02:00:20 PM

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

CORPUS CHRISTI LIQUEFACTION, LLC	
Texas Taxpayer Number	32048261799
Mailing Address	700 MILAM ST STE 800 HOUSTON, TX 77002-2835
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	06/18/2012
Texas SOS File Number	0801612887
Registered Agent Name	CORPORATION SERVICE COMPANY D/B/A CSC-LAWYERS INCO
Registered Office Street Address	211 E. 7TH STREET SUITE 620 AUSTIN, TX 78701



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



October 18, 2013

Dr. Paul Clore
Superintendent
Gregory-Portland ISD
608 College St.
Portland, Texas 78374

Dear Superintendent Clore:

On August 26, 2013, the Comptroller received the completed application (Application # 297) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted in May 2013 to the Gregory-Portland Independent School District (the school district) by Corpus Christi Liquefaction, LLC (the applicant). 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.

The school district is currently classified as a rural school district in Category I 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 (\$2.09 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.

The applicant is an active franchise taxpayer in good standing, as required by Section 313.024(a), and is proposing the construction of a manufacturing facility in San Patricio County, an eligible property use under Section 313.024(b). The Comptroller has determined that the property, as described in 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 the applicant, the Comptroller's recommendation is that this 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 to only approve an application if the school district finds that the information in the application is true and

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

correct, finds that the applicant is eligible for a limitation and determines that granting the application is in the best interest of the school district and this state. As stated above, the Comptroller's recommendation is prepared 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 August 26, 2013, 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 submitted by the school district and reviewed by the Comptroller. The recommendation may not be used by the school district 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 ten (10) days prior to the meeting scheduled by the school 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 must confirm that it received and reviewed the draft agreement and affirm the recommendation made in this letter;
- 3) The school district must approve and execute a limitation agreement that has been reviewed by the Comptroller within a year from the date of this letter; and
- 4) The school district must provide a copy of the signed limitation agreement to the Comptroller within seven (7) days after execution, as required by Section 313.025.

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	Corpus Christi Liquefaction, LLC
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Gregory-Portland ISD
2011-12 Enrollment in School District	4,433
County	San Patricio
Total Investment in District	\$2,090,000,000
Qualified Investment	\$2,090,000,000
Limitation Amount	\$30,000,000
Number of total jobs committed to by applicant	35
Number of qualifying jobs committed to by applicant	28
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$1,250
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$1,011
Minimum Annual Wage committed to by applicant for qualified jobs	\$65,000
Investment per Qualifying Job	\$74,642,857
Estimated 15 year M&O levy without any limit or credit:	\$263,718,000
Estimated gross 15 year M&O tax benefit	\$175,266,000
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):	\$152,549,828
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$13,338,000
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$111,168,172
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	57.8%
Percentage of tax benefit due to the limitation	92.4%
Percentage of tax benefit due to the credit	7.6%

This presents the Comptroller's economic impact evaluation of Corpus Christi Liquefaction, LLC (the project) applying to Gregory-Portland 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 35 new jobs when fully operational. 28 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 Coastal Bend Council of Governments Region, where San Patricio County is located was \$47,786 in 2012. The annual average manufacturing wage for 2012 for San Patricio County is \$73,684. That same year, the county annual average wage for all industries was \$47,788. In addition to a salary of \$65,000, each qualifying position will receive benefits such as medical coverage, (company pays more than 80% of employee only health insurance premiums), dental plan, group life insurance, paid holidays, paid vacation, and 401(k) retirement savings plan. The project's total investment is \$2.09 billion, resulting in a relative level of investment per qualifying job of \$74.6 million.

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

According to Corpus Christi Liquefaction, LLC's application, "Corpus Christi Liquefaction, LLC is a subsidiary of Cheniere Energy, Inc. ("Cheniere") which is a Houston based energy company primarily engaged in LNG related businesses. In addition to Houston, TX, Cheniere has offices in Cameron Parish, Louisiana; Corpus Christi, Texas; London, U.K.; and Santiago, Chile. Cheniere owns and operates the Sabine Pass LNG import terminal ("Sabine Pass") in Cameron Parish, Louisiana through its partial ownership interest in and management agreements with Cheniere Energy Partners, L.P. Cheniere is currently constructing two LNG liquefaction trains and associated export facilities at Sabine Pass and anticipates commencing construction of two additional trains in mid 2013. Cheniere has completed commercialization of the fifth train at Sabine Pass and is currently seeking to commercialize the sixth train, with permitting underway for both the fifth and sixth trains. Cheniere controls property elsewhere in Cameron Parish that is suitable for development as an LNG export facility. As a leading global LNG player, Cheniere has the ability to invest in new LNG Liquefaction facilities elsewhere in the U.S. and around the world. Major LNG industry developments are ongoing currently in Australia, British Columbia and East Africa that provide significantly shorter shipping distances to major Asian markets."

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

During the past two years, 7 projects in the Coastal Bend 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 Corpus Christi Liquefaction, LLC 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 Corpus Christi Liquefaction, LLC'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 16 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 Corpus Christi Liquefaction, LLC

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	1250	1219	2469	\$74,100,000	\$97,900,000	\$172,000,000
2020	1000	1,027	2027	\$59,280,000	\$97,720,000	\$157,000,000
2021	800	823	1623	\$47,424,000	\$90,576,000	\$138,000,000
2022	510	519	1029	\$30,290,000	\$69,710,000	\$100,000,000
2023	35	172	207	\$2,275,000	\$36,725,000	\$39,000,000
2024	35	168	203	\$2,275,000	\$32,725,000	\$35,000,000
2025	35	182	217	\$2,275,000	\$30,725,000	\$33,000,000
2026	35	203	238	\$2,275,000	\$30,725,000	\$33,000,000
2027	35	233	268	\$2,275,000	\$32,725,000	\$35,000,000
2028	35	262	297	\$2,275,000	\$34,725,000	\$37,000,000
2029	35	289	324	\$2,275,000	\$38,725,000	\$41,000,000
2030	35	260	295	\$2,275,000	\$36,725,000	\$39,000,000
2031	35	229	264	\$2,275,000	\$33,725,000	\$36,000,000
2032	35	221	256	\$2,275,000	\$33,725,000	\$36,000,000
2033	35	219	254	\$2,275,000	\$34,725,000	\$37,000,000
2034	35	225	260	\$2,275,000	\$36,725,000	\$39,000,000

Source: CPA, REMI, Corpus Christi Liquefaction, LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.74 billion in 2011. Gregory-Portland ISD's ad valorem tax base in 2011 was \$1.12 billion. The statewide average wealth per WADA was estimated at \$347,943 for fiscal 2011-2012. During that same year, Gregory-Portland ISD's estimated wealth per WADA was \$229,824. 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, San Patricio County, and San Patricio County Drainage District, with all property tax incentives sought being granted using estimated market value from Corpus Christi Liquefaction, LLC's application. Corpus Christi Liquefaction, LLC has applied for a value limitation under Chapter 313, Tax Code, as well as a tax rebate with the county and a tax abatement with the drainage district. Table 3 illustrates the estimated tax impact of the Corpus Christi Liquefaction, LLC 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	Gregory-Portland CISD I&S Levy	Gregory-Portland CISD M&O Levy	Gregory-Portland CISD M&O and I&S Tax Levies (Before Credit Credited)	Gregory-Portland CISD M&O and I&S Tax Levies (After Credit Credited)	San Patricio County Tax Levy	San Patricio County Drainage District Tax Levy	Estimated Total Property Taxes
			0.1800	0.1800	1.1700			0.5500	0.0669	
2020	\$350,000,000	\$350,000,000		\$630,000	\$4,095,000	\$4,725,000	\$4,725,000	\$96,250	\$0	\$4,821,250
2021	\$850,000,000	\$850,000,000		\$1,530,000	\$9,945,000	\$11,475,000	\$11,475,000	\$233,750	\$0	\$11,708,750
2022	\$1,450,000,000	\$30,000,000		\$2,610,000	\$351,000	\$2,961,000	\$2,961,000	\$398,750	\$0	\$3,359,750
2023	\$2,000,000,000	\$30,000,000		\$3,600,000	\$351,000	\$3,951,000	\$3,075,500	\$550,000	\$0	\$3,625,500
2024	\$1,930,000,000	\$30,000,000		\$3,474,000	\$351,000	\$3,825,000	\$2,974,000	\$530,750	\$0	\$3,504,750
2025	\$1,860,000,000	\$30,000,000		\$3,348,000	\$351,000	\$3,699,000	\$2,853,900	\$511,500	\$186,665	\$3,552,065
2026	\$1,800,000,000	\$30,000,000		\$3,240,000	\$351,000	\$3,591,000	\$2,767,500	\$990,000	\$361,287	\$4,118,787
2027	\$1,740,000,000	\$30,000,000		\$3,132,000	\$351,000	\$3,483,000	\$2,668,050	\$1,435,500	\$523,866	\$4,627,416
2028	\$1,680,000,000	\$30,000,000		\$3,024,000	\$351,000	\$3,375,000	\$2,577,900	\$1,848,000	\$674,402	\$5,100,302
2029	\$1,620,000,000	\$30,000,000		\$2,916,000	\$351,000	\$3,267,000	\$2,484,000	\$2,227,500	\$812,896	\$5,524,396
2030	\$1,560,000,000	\$1,560,000,000		\$2,808,000	\$18,252,000	\$21,060,000	\$13,512,150	\$2,574,000	\$1,043,718	\$17,129,868
2031	\$1,500,000,000	\$1,500,000,000		\$2,700,000	\$17,550,000	\$20,250,000	\$20,250,000	\$2,887,500	\$1,003,575	\$24,141,075
2032	\$1,450,000,000	\$1,450,000,000		\$2,610,000	\$16,965,000	\$19,575,000	\$19,575,000	\$3,190,000	\$970,123	\$23,735,123
2033	\$1,400,000,000	\$1,400,000,000		\$2,520,000	\$16,380,000	\$18,900,000	\$18,900,000	\$3,465,000	\$936,670	\$23,301,670
2034	\$1,350,000,000	\$1,350,000,000		\$2,430,000	\$15,795,000	\$18,225,000	\$18,225,000	\$3,712,500	\$903,218	\$22,840,718
						Total	\$129,024,000	\$24,651,000	\$7,416,419	\$161,091,419

Assumes School Value Limitation, a Tax Rebate from the County, and a Tax Abatement from the Drainage District.

Source: CPA, Corpus Christi Liquefaction, LLC

¹Tax Rate per \$100 Valuation

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Gregory-Portland CISD I&S Levy	Gregory-Portland CISD M&O Levy	Gregory-Portland CISD M&O and I&S Tax Levies	San Patricio County Tax Levy	San Patricio County Drainage District Tax Levy	Estimated Total Property Taxes	
			0.1800	0.1800	1.1700		0.5500	0.0669		
2020	\$350,000,000	\$350,000,000		\$630,000	\$4,095,000	\$4,725,000	\$1,925,000	\$234,168	\$6,884,168	
2021	\$850,000,000	\$850,000,000		\$1,530,000	\$9,945,000	\$11,475,000	\$4,675,000	\$568,693	\$16,718,693	
2022	\$1,450,000,000	\$1,450,000,000		\$2,610,000	\$16,965,000	\$19,575,000	\$7,975,000	\$970,123	\$28,520,123	
2023	\$2,000,000,000	\$2,000,000,000		\$3,600,000	\$23,400,000	\$27,000,000	\$11,000,000	\$1,338,100	\$39,338,100	
2024	\$1,930,000,000	\$1,930,000,000		\$3,474,000	\$22,581,000	\$26,055,000	\$10,615,000	\$1,291,267	\$37,961,267	
2025	\$1,860,000,000	\$1,860,000,000		\$3,348,000	\$21,762,000	\$25,110,000	\$10,230,000	\$1,244,433	\$36,584,433	
2026	\$1,800,000,000	\$1,800,000,000		\$3,240,000	\$21,060,000	\$24,300,000	\$9,900,000	\$1,204,290	\$35,404,290	
2027	\$1,740,000,000	\$1,740,000,000		\$3,132,000	\$20,358,000	\$23,490,000	\$9,570,000	\$1,164,147	\$34,224,147	
2028	\$1,680,000,000	\$1,680,000,000		\$3,024,000	\$19,656,000	\$22,680,000	\$9,240,000	\$1,124,004	\$33,044,004	
2029	\$1,620,000,000	\$1,620,000,000		\$2,916,000	\$18,954,000	\$21,870,000	\$8,910,000	\$1,083,861	\$31,863,861	
2030	\$1,560,000,000	\$1,560,000,000		\$2,808,000	\$18,252,000	\$21,060,000	\$8,580,000	\$1,043,718	\$30,683,718	
2031	\$1,500,000,000	\$1,500,000,000		\$2,700,000	\$17,550,000	\$20,250,000	\$8,250,000	\$1,003,575	\$29,503,575	
2032	\$1,450,000,000	\$1,450,000,000		\$2,610,000	\$16,965,000	\$19,575,000	\$7,975,000	\$970,123	\$28,520,123	
2033	\$1,400,000,000	\$1,400,000,000		\$2,520,000	\$16,380,000	\$18,900,000	\$7,700,000	\$936,670	\$27,536,670	
2034	\$1,350,000,000	\$1,350,000,000		\$2,430,000	\$15,795,000	\$18,225,000	\$7,425,000	\$903,218	\$26,553,218	
						Total	\$304,290,000	\$123,970,000	\$15,080,387	\$443,340,387

Source: CPA, Corpus Christi Liquefaction, LLC

¹Tax Rate per \$100 Valuation

Attachment 1 includes schedules A, B, C, and D provided by the applicant in the application. Schedule A shows proposed investment. Schedule B is the projected market value of the qualified property. Schedule C contains employment information, and Schedule D contains tax expenditures and other tax abatement information.

Attachment 2, provided by the district and reviewed by the Texas Education Agency, contains information relating to the financial impact of the proposed project on the finances of the district as well as the tax benefit of the value limitation. "Table 5" in this attachment shows the estimated 15 year M&O tax levy without the value limitation agreement would be \$263,718,000. The estimated gross 15 year M&O tax benefit, or levy loss, is \$175,266,000.

Attachment 3 is an economic overview of San Patricio County.

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.



TEXAS EDUCATION AGENCY

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

Michael Williams
Commissioner

October 11, 2013

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 Corpus Christi Liquefaction LLC Train 2 on the number and size of school facilities in Gregory Portland Independent School District (GPISD). Based on the analysis prepared by Moak, Casey and Associates for the school district and a conversation with the GPISD superintendent, Walter Clore, the TEA has found that the operations of Corpus Christi Liquefaction LLC Train 2 would not have a significant impact on the number or size of school facilities in GPISD. However, as many as 1,250 FTEs are anticipated during the construction phase of this project, so provisions related to extraordinary expenses that may be incurred by GPISD should be included in the agreement.

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".

Al McKenzie, Manager
Foundation School Program Support

AM/rk



TEXAS EDUCATION AGENCY

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Michael Williams
Commissioner

October 11, 2013

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 Corpus Christi Liquefaction LLC Train 2 for the Gregory Portland Independent School District (GPGISD). 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 their assumptions regarding the potential revenue gain are valid, and their estimates of the impact of the Corpus Christi Liquefaction LLC Train 2 on GPISD 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", is written over a horizontal line.

Al McKenzie, Manager
Foundation School Program Support

AM/rk

San Patricio County

Population

- Total county population in 2010 for San Patricio County: 66,476 , down 1.4 percent from 2009. State population increased 1.8 percent in the same time period.
- San Patricio County was the state's 50th largest county in population in 2010 and the 246 th fastest growing county from 2009 to 2010.
- San Patricio County's population in 2009 was 42.4 percent Anglo (below the state average of 46.7 percent), 1.9 percent African-American (below the state average of 11.3 percent) and 53.6 percent Hispanic (above the state average of 36.9 percent).
- 2009 population of the largest cities and places in San Patricio County:

Portland:	16,450	Ingleside:	8,992
Aransas Pass:	8,754	Sinton:	5,303
Mathis:	5,246	Taft:	3,303
Odem:	2,495	Gregory:	2,177
Ingleside on the Bay:	681	Lake City:	512

Economy and Income

Employment

- September 2011 total employment in San Patricio County: 28,928 , up 2.7 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 San Patricio County unemployment rate: 9.3 percent, down from 9.9 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:

(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

- San Patricio County's ranking in per capita personal income in 2009: 121st with an average per capita income of \$33,068, 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 San Patricio County averaged \$87.49 million annually from 2007 to 2010. County total agricultural values in 2010 were up 1001.5 percent from 2009. Major agriculture related commodities in San Patricio County during 2010 included:
 - Other Crop
 - Hay
 - Cotton
 - Other Beef
 - Fishing
- 2011 oil and gas production in San Patricio County: 279,704.0 barrels of oil and 7.0 million Mcf of gas. In September 2011, there were 149 producing oil wells and 203 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 San Patricio County during the fourth quarter 2010: \$118.56 million, up 15.6 percent from the same quarter in 2009
- Taxable sales during the fourth quarter 2010 in the city of:

Portland:	\$39.92 million, up 19.4 percent from the same quarter in 2009.
Ingleside:	\$6.06 million, down 4.7 percent from the same quarter in 2009.
Aransas Pass:	\$31.93 million, up 2.7 percent from the same quarter in 2009.
Sinton:	\$7.65 million, up 1.1 percent from the same quarter in 2009.
Mathis:	\$7.90 million, up 36.6 percent from the same quarter in 2009.
Taft:	\$2.16 million, up 6.2 percent from the same quarter in 2009.
Odem:	\$2.12 million, up 12.2 percent from the same quarter in 2009.
Gregory:	\$1.27 million, up 11.7 percent from the same quarter in 2009.
Ingleside on the Bay:	\$183,119.00, up 44.7 percent from the same quarter in 2009.

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

- Taxable sales in San Patricio County through the fourth quarter of 2010: \$430.99 million, down 0.6 percent from the same period in 2009.

■ Taxable sales through the fourth quarter of 2010 in the city of:

Portland:	\$132.69 million, up 4.8 percent from the same period in 2009.
Ingleside:	\$24.69 million, down 7.6 percent from the same period in 2009.
Aransas Pass:	\$124.82 million, down 2.9 percent from the same period in 2009.
Sinton:	\$30.92 million, up 5.9 percent from the same period in 2009.
Mathis:	\$28.32 million, up 19.3 percent from the same period in 2009.
Taft:	\$8.86 million, up 1.0 percent from the same period in 2009.
Odem:	\$8.12 million, down 1.5 percent from the same period in 2009.
Gregory:	\$4.51 million, up 5.3 percent from the same period in 2009.
Ingleside on the Bay:	\$743,516.00, up 19.8 percent from the same period in 2009.

Annual (2010)

- Taxable sales in San Patricio County during 2010: \$430.99 million, down 0.6 percent from 2009.
- San Patricio County sent an estimated \$26.94 million (or 0.16 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.

■ Taxable sales during 2010 in the city of:

Portland:	\$132.69 million, up 4.8 percent from 2009.
Ingleside:	\$24.69 million, down 7.6 percent from 2009.
Aransas Pass:	\$124.82 million, down 2.9 percent from 2009.
Sinton:	\$30.92 million, up 5.9 percent from 2009.
Mathis:	\$28.32 million, up 19.3 percent from 2009.
Taft:	\$8.86 million, up 1.0 percent from 2009.
Odem:	\$8.12 million, down 1.5 percent from 2009.
Gregory:	\$4.51 million, up 5.3 percent from 2009.
Ingleside on the Bay:	\$743,516.00, up 19.8 percent from 2009.

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 San Patricio County based on the sales activity month of August 2011: \$803,385.69, up 11.0 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:

Portland:	\$332,100.64, down 2.0 percent from August 2010.
Ingleside:	\$93,660.72, up 30.0 percent from August 2010.
Aransas Pass:	\$146,691.43, up 10.2 percent from August 2010.
Sinton:	\$83,841.11, up 26.5 percent from August 2010.
Mathis:	\$81,051.48, up 35.3 percent from August 2010.
Taft:	\$31,985.58, up 15.0 percent from August 2010.
Odem:	\$21,105.20, up 19.6 percent from August 2010.
Gregory:	\$12,307.24, up 64.8 percent from August 2010.
Ingleside on the Bay:	\$642.29, down 6.5 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 San Patricio County based on sales activity months from September 2010 through August 2011: \$8.35 million, up 9.3 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:

Portland:	\$3.35 million, up 10.9 percent from fiscal 2010.
Ingleside:	\$1.01 million, down 0.2 percent from fiscal 2010.
Aransas Pass:	\$1.69 million, up 8.8 percent from fiscal 2010.
Sinton:	\$845,990.38, up 5.3 percent from fiscal 2010.
Mathis:	\$794,400.33, up 12.4 percent from fiscal 2010.
Taft:	\$277,461.20, up 5.9 percent from fiscal 2010.
Odem:	\$248,728.18, up 30.2 percent from fiscal 2010.
Gregory:	\$117,253.68, up 38.5 percent from fiscal 2010.

Ingleside on the Bay: \$13,280.83, up 122.1 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 San Patricio County based on sales activity months through August 2011: \$5.57 million, up 10.3 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:
 - Portland:** \$2.17 million, up 9.1 percent from the same period in 2010.
 - Ingleside:** \$694,331.12, up 5.7 percent from the same period in 2010.
 - Aransas Pass:** \$1.15 million, up 11.8 percent from the same period in 2010.
 - Sinton:** \$563,427.14, up 7.6 percent from the same period in 2010.
 - Mathis:** \$544,407.61, up 12.9 percent from the same period in 2010.
 - Taft:** \$181,508.07, up 1.2 percent from the same period in 2010.
 - Odem:** \$173,061.85, up 35.0 percent from the same period in 2010.
 - Gregory:** \$78,367.01, up 47.0 percent from the same period in 2010.
 - Ingleside on the Bay:** \$9,704.91, up 127.2 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 San Patricio County based on sales activity in the 12 months ending in August 2011: \$8.35 million, up 9.3 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:
 - Portland:** \$3.35 million, up 10.9 percent from the previous 12-month period.
 - Ingleside:** \$1.01 million, down 0.2 percent from the previous 12-month period.
 - Aransas Pass:** \$1.69 million, up 8.8 percent from the previous 12-month period.
 - Sinton:** \$845,990.38, up 5.3 percent from the previous 12-month period.
 - Mathis:** \$794,400.33, up 12.4 percent from the previous 12-month period.
 - Taft:** \$277,461.20, up 5.9 percent from the previous 12-month period.
 - Odem:** \$248,728.18, up 30.2 percent from the previous 12-month period.
 - Gregory:** \$117,253.68, up 38.5 percent from the previous 12-month period.
 - Ingleside on the Bay:** \$13,280.83, up 122.1 percent from the previous 12-month period.

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

- Payment to the cities from January 2011 through October 2011:
 - Portland:** \$2.80 million, up 10.0 percent from the same period in 2010.
 - Ingleside:** \$848,542.25, up 3.5 percent from the same period in 2010.
 - Aransas Pass:** \$1.43 million, up 10.8 percent from the same period in 2010.
 - Sinton:** \$716,509.71, up 7.9 percent from the same period in 2010.
 - Mathis:** \$669,630.71, up 13.2 percent from the same period in 2010.
 - Taft:** \$228,053.50, up 4.4 percent from the same period in 2010.
 - Odem:** \$210,417.51, up 31.5 percent from the same period in 2010.
 - Gregory:** \$96,586.67, up 42.3 percent from the same period in 2010.
 - Ingleside on the Bay:** \$11,583.88, up 150.4 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 San Patricio County based on sales activity months in 2010: \$7.83 million, up 1.2 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:
 - Portland:** \$3.17 million, up 4.6 percent from 2009.
 - Ingleside:** \$968,613.57, down 13.0 percent from 2009.
 - Aransas Pass:** \$1.57 million, up 0.4 percent from 2009.
 - Sinton:** \$806,279.08, up 1.5 percent from 2009.
 - Mathis:** \$732,091.45, up 7.8 percent from 2009.
 - Taft:** \$275,339.14, up 9.0 percent from 2009.
 - Odem:** \$203,873.79, up 3.0 percent from 2009.
 - Gregory:** \$92,187.93, up 1.7 percent from 2009.

Ingleside on the Bay: \$7,847.30, down 39.8 percent from 2009.

Property Tax

- As of January 2009, property values in San Patricio County: \$4.51 billion, up 0.2 percent from January 2008 values. The property tax base per person in San Patricio County is \$66,150, below the statewide average of \$85,809. About 3.8 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- San Patricio County's ranking in state expenditures by county in fiscal year 2010: 57th. State expenditures in the county for FY2010: \$222.49 million, down 0.1 percent from FY2009.
- In San Patricio County, 10 state agencies provide a total of 168 jobs and \$1.69 million in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):
 - Department of Family and Protective Services
 - Department of Transportation
 - Department of Aging and Disability Services
 - Parks & Wildlife Department
 - Health & Human Services Commission

Higher Education

- Community colleges in San Patricio County fall 2010 enrollment:
 - None.
- San Patricio County is in the service area of the following:
 - Del Mar College with a fall 2010 enrollment of 12,236. Counties in the service area include:
 - Aransas County
 - Kenedy County
 - Kleberg County
 - Nueces County
 - San Patricio County
- Institutions of higher education in San Patricio County fall 2010 enrollment:
 - None.

School Districts

- San Patricio County had 7 school districts with 34 schools and 14,338 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.)
 - Aransas Pass ISD had 1,879 students in the 2009-10 school year. The average teacher salary was \$44,821. The percentage of students meeting the 2010 TAKS passing standard for all tests was 63 percent.
 - Gregory-Portland ISD had 4,193 students in the 2009-10 school year. The average teacher salary was \$45,281. The percentage of students meeting the 2010 TAKS passing standard for all tests was 83 percent.
 - Ingleside ISD had 2,150 students in the 2009-10 school year. The average teacher salary was \$46,053. The percentage of students meeting the 2010 TAKS passing standard for all tests was 72 percent.
 - Mathis ISD had 1,736 students in the 2009-10 school year. The average teacher salary was \$43,744. The percentage of students meeting the 2010 TAKS passing standard for all tests was 60 percent.
 - Odem-Edroy ISD had 1,129 students in the 2009-10 school year. The average teacher salary was \$45,781. The percentage of students meeting the 2010 TAKS passing standard for all tests was 75 percent.
 - Sinton ISD had 2,108 students in the 2009-10 school year. The average teacher salary was \$44,070. The percentage of students meeting the 2010 TAKS passing standard for all tests was 70 percent.
 - Taft ISD had 1,143 students in the 2009-10 school year. The average teacher salary was \$42,880. The percentage of students meeting the 2010 TAKS passing standard for all tests was 55 percent.

Attachment E

Summary of Financial Impact

**SUMMARY OF FINANCIAL IMPACT OF THE PROPOSED CORPUS
CHRISTI LIQUEFACTION, LLC TRAIN 2 (APP #297) PROJECT
ON THE FINANCES OF THE GREGORY-PORTLAND INDEPENDENT
SCHOOL DISTRICT UNDER A REQUESTED CHAPTER 313
PROPERTY VALUE LIMITATION**

July 9, 2013

Final Report

PREPARED BY



Estimated Impact of the Proposed Corpus Christi Liquefaction, LLC Train 2 (App #297) Project on the Finances of the Gregory Portland Independent School District under a Requested Chapter 313 Property Value Limitation

Introduction

Corpus Christi Liquefaction, LLC (CC Liquefaction) has requested that the Gregory-Portland Independent School District (G-PISD) 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 G-PISD on May 21, 2013, CC Liquefaction proposes to invest \$2.1 billion to construct a new natural gas liquefaction project in G-PISD, for what is known as the Train 2 project. This is the second application filed by CC Liquefaction with G-PISD and would represent an expansion of its Train1 and Infrastructure project.

The CC Liquefaction Train 2 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, G-PISD may offer a minimum value limitation of \$30 million. The provisions of Chapter 313 call for the project to be fully taxable in the 2020-21 and 2021-22 school years, reflecting the requested extension of the start of the two-year qualifying time period for the Train 2 project. For the purpose of this analysis, it is assumed that the qualifying time period will be the 2020-21 and 2021-22 school years. Beginning in the 2022-23 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 would be assessed for debt service taxes on voter-approved bond issues throughout the limitation period, with G-PISD currently levying a \$0.18 per \$100 I&S tax rate. The full taxable value of the investment is expected to reach \$2 billion in the 2023-24 school year. While depreciation is expected to reduce the taxable value of the project over the course of the value limitation agreement, the addition of this project alone would be sufficient to reduce the District's I&S tax rate to \$0.07 per \$100 in the peak value year, based on G-PISD's current debt service schedule.

In the case of the CC Liquefaction Train 2 project, the agreement will 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. Under current law, G-PISD would experience a \$16.9 million revenue loss as a result of the implementation of the value limitation in the 2022-23 school year. For the 2023-24 school year, the revenue loss is estimated to be \$5.8 million, with no out-year losses expected.

Under the assumptions outlined below, the potential tax benefits under a Chapter 313 agreement could reach an estimated \$152.5 million over the course of the agreement. This amount is net of any anticipated revenue losses for the School 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 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 periods (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 of the agreement as a result of the one-year lag in state-assigned 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 M&O 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, although a significant increase in value during the limitation years could result in an additional hold-harmless loss in specific years.

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 during the First Called Session in 2011 made \$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 students in weighted average daily attendance (WADA) count and resulted in an estimated 781 school districts still receiving ASATR to maintain their target revenue funding levels, while an estimated 243 districts operated directly on the state formulas. For the 2012-13 school year, the 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, with 689 districts operating on formula and 335 districts still receiving ASATR funding.

Senate Bill 1 and House Bill 1025 as passed by the 83rd Legislature made significant increases to the basic allotment and other formula changes by appropriation. The ASATR reduction percentage is increased slightly to 92.63 percent, while the basic allotment is increased by \$325 and \$365, respectively, for the 2013-14 and 2014-15 school years. A slight increase in the guaranteed yield for the six cents above compressed—known as the Austin yield—is also included. With the basic allotment increase, it is estimated that approximately 300 school districts will still receive ASATR in the 2013-14 school year and 273 districts in the 2014-15 school year.

Current state policy calls for ASATR funding to be eliminated by the 2017-18 school year. Given the proposed delay in the start of the qualifying time period and the value limitation, the estimates below do not assume that G-PISD would receive offsetting ASATR state aid when the value limitation takes effect.

One concern in projecting into the future is that the underlying state statutes in the Education Code were not changed in order to provide these funding increases. All of the major formula changes were made by appropriation, which gives them only a two-year lifespan unless renewed in the 2015 legislative session. Despite this uncertainty, it is assumed that these changes will remain in effect for the forecast period for the purpose of these estimates, assuming a continued legislative commitment to these funding levels in future years.

A 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 CC Liquefaction 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.

Based on District estimates, the general approach used here is to project a one percent annual increase in enrollment (as measured by students in average daily attendance or ADA) and a two percent annual increase in underlying base property values growth in order to estimate the effects of the value limitation under the school finance system. The SB 1 and HB 1025 basic allotment increases are reflected in the underlying models. With regard to ASATR funding the 92.63 percent reduction enacted for the 2013-14 school year is maintained 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 remains in effect, so the estimates presented below do not assume any offsetting ASATR funding when the limitation takes effect, barring future legislative changes that would restore a variant of ASATR or make similar adjustments.

Two previously-approved Chapter 313 limitations approved by the G-PISD Board of Trustees are incorporated into the base estimates—those awarded to the Papalote Creek II wind project and the TPCO pipe factory. The projected taxable values of the CC Liquefaction Train 2 project are later factored into the base model to portray the scenario that assumes the project is constructed in the absence of a value limitation agreement. The impact of the limitation value for the proposed CC Liquefaction project is isolated separately and the focus of this analysis.

Student enrollment counts are projected to increase one percent annually, from the 4,192 students in ADA for the 2012-13 school year, in analyzing the effects of the CC Liquefaction Train 2 project on the finances of G-PISD. The District's local tax base reached \$1.19 billion for the 2012 tax year and is projected at two percent annually for the forecast period, as noted above. An M&O tax rate of \$1.17 per \$100 is used throughout this analysis.

Under the assumptions outlined in Table 1, G-PISD would become a Tier I recapture district in the 2023-24 school year if the project is constructed in the absence of a value limitation agreement. With the agreement in place, under the assumptions outlined here, recapture for Tier I would not become a factor at the \$504,000 per WADA level assumed here until the 2031-32 school year. Tier II recapture at the \$319,500 per WADA level for the last 11 cents of M&O tax effort remains at relatively minor amounts under the value limitation scenario.

It needs to be emphasized that this analysis focuses on the CC Liquefaction Train 2 project only. Although four Chapter 313 applications were recently submitted to G-PISD for the Board's consideration, each project must be evaluated separately in order to isolate the impact of the value limitation for each applicant's project.

School Finance Impact

School finance models were prepared for G-PISD under the assumptions outlined above through the 2034-35 school year. Beyond the 2014-15 school year, no attempt was made to forecast the 88th percentile or Austin yield that influences 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 both the baseline and limitation 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 CC Liquefaction Train 2 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 CC Liquefaction Train 2 value but imposes the proposed property value limitation effective in the third year, which in this case is the 2022-23 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.

It should be noted that the revenue-loss methodology used here is the same approach that has been used to calculate hold-harmless losses for school districts since the first property value limitations were approved in 2002. Comparing the limitation model with one assuming that the project is fully taxed has been the accepted approach for more than a decade, with very few exceptions.

Under these assumptions, G-PISD would experience a revenue loss of \$16.9 million as a result of the implementation of the value limitation in the 2022-23 school year. The revenue reduction results largely from the more than \$16.6 million reduction in M&O tax collections and no state aid offset as a result of the one-year lag in value associated with the state M&O property value study. Once the state property value study recognizes the value limitation, a \$5.8 million revenue loss is expected for the 2023-24 school year, which assumes a \$550 million increase in project value. No revenue losses are anticipated for the out-year under current law.

Table 4 includes a great deal of data highlighting the differences between the baseline and value limitation models. For example, the two columns related to recapture indicate that G-PISD taxpayers would pay \$66 million less in recapture under a value limitation agreement, compared

with the project being built in the absence of an agreement. Additional state aid offsets \$94 million of the reduction in M&O taxes.

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. Two value determinations are made for school districts granting Chapter 313 agreements, consistent with local practice. A consolidated single state property value had been provided previously.

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 in the first two years under the agreement. A \$1.17 per \$100 of taxable value M&O rate is assumed in 2012-13 and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total \$161.9 million over the life of the agreement. In addition, CC Liquefaction Train 2 would be eligible for a tax credit for M&O taxes paid on value in excess of the value limitation in each of the first 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 \$13.3 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 G-PISD revenue losses are expected to total approximately \$22.7 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 reach \$152.5 million over the life of the agreement.

Facilities Funding Impact

The CC Liquefaction Train 2 project remains fully taxable for debt services taxes, with G-PISD currently levying a \$0.18 per \$100 I&S rate. With the substantial increase in taxable value with the addition of the Train 2 project to G-PISD's tax base, the I&S tax rate could decrease to as low as \$0.07 per \$100 in the project's peak value year, assuming the District's current debt service schedule.

The CC Liquefaction Train 2 project is not expected to have a significant impact on school facilities once the plant begins operation, with 35 permanent jobs expected. During the construction phase, however, up to 1,250 FTEs are expected to be working on the project, which could have a significant impact on the operations and facilities of G-PISD. While housing availability and family-location decisions will obviously affect enrollment, provisions to offset extraordinary education-related expenses that might be faced by G-PISD during the construction phase are needed as part of the agreement.

Conclusion

The proposed CC Liquefaction Train 2 project significantly enhances the tax base of G-PISD. 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 \$152.5 million. (This amount is net of any anticipated revenue losses for the District.) The additional taxable value also enhances the tax base of G-PISD in meeting its future debt service obligations, with a substantial I&S tax benefit expected.

Table 1 – Base District Information with Corpus Christi Liquefaction, LLC Project Value and Limitation Values—Train 2

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	2019-20	4,548.98	5,743.43	\$1.1700	\$0.1700	\$1,396,984,210	\$1,396,984,210	\$1,267,204,753	\$1,267,204,753	\$220,635	\$220,635
1	2020-21	4,594.47	5,795.55	\$1.1700	\$0.1180	\$1,838,747,158	\$1,838,747,158	\$1,291,748,848	\$1,291,748,848	\$222,886	\$222,886
2	2021-22	4,640.42	5,847.06	\$1.1700	\$0.0970	\$2,364,737,171	\$2,364,737,171	\$1,731,407,089	\$1,731,407,089	\$296,116	\$296,116
3	2022-23	4,686.82	5,899.03	\$1.1700	\$0.0800	\$3,533,311,263	\$2,113,311,263	\$2,255,250,301	\$2,255,250,301	\$382,309	\$382,309
4	2023-24	4,733.69	5,951.44	\$1.1700	\$0.0700	\$4,089,017,979	\$2,119,017,979	\$3,421,634,655	\$2,001,634,655	\$574,925	\$336,328
5	2024-25	4,781.03	6,004.32	\$1.1700	\$0.0700	\$4,026,184,982	\$2,126,184,982	\$3,975,107,840	\$2,005,107,840	\$662,041	\$333,944
6	2025-26	4,828.84	6,057.66	\$1.1700	\$0.0720	\$3,964,788,310	\$2,134,788,310	\$3,909,996,640	\$2,009,996,640	\$645,463	\$331,811
7	2026-27	4,877.12	6,111.46	\$1.1700	\$0.0720	\$3,914,805,689	\$2,144,805,689	\$3,846,276,201	\$2,016,276,201	\$629,354	\$329,917
8	2027-28	4,925.90	6,165.74	\$1.1700	\$0.0735	\$3,866,188,029	\$2,156,188,029	\$3,793,923,337	\$2,023,923,337	\$615,323	\$328,253
9	2028-29	4,975.16	6,220.49	\$1.1700	\$0.0740	\$3,818,919,449	\$2,168,919,449	\$3,742,888,030	\$2,032,888,030	\$601,703	\$326,805
10	2029-30	5,024.91	6,275.72	\$1.1700	\$0.0750	\$3,772,985,370	\$2,182,985,370	\$3,693,153,451	\$2,043,153,451	\$588,483	\$325,565
11	2030-31	5,075.16	6,330.26	\$1.1700	\$0.0770	\$3,728,372,481	\$3,728,372,481	\$3,644,704,052	\$2,054,704,052	\$575,759	\$324,585
12	2031-32	5,125.91	6,386.44	\$1.1700	\$0.0820	\$3,685,068,701	\$3,685,068,701	\$3,597,525,536	\$3,597,525,536	\$563,307	\$563,307
13	2032-33	5,177.17	6,443.12	\$1.1700	\$0.0850	\$3,653,063,154	\$3,653,063,154	\$3,551,604,817	\$3,551,604,817	\$551,224	\$551,224
14	2033-34	5,177.17	6,443.12	\$1.1700	\$0.0850	\$3,653,063,154	\$3,653,063,154	\$3,551,604,817	\$3,551,604,817	\$551,224	\$551,224
15	2034-35	5,177.17	6,443.12	\$1.1700	\$0.0850	\$3,653,063,154	\$3,653,063,154	\$3,551,604,817	\$3,551,604,817	\$551,224	\$551,224

*Basic Allotment: \$5,040; AISD Yield: \$61.86; Equalized Wealth: \$504,000 per WADA

Table 2 – “Baseline Revenue Model”--Project Value Added with No Value Limitation—Train 2

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	2019-20	\$13,597,007	\$17,747,648	\$0	\$0	\$0	\$2,310,696	\$2,167,548	\$0	\$35,822,899
1	2020-21	\$17,942,924	\$17,776,735	\$0	\$0	\$0	\$3,049,248	\$2,800,666	\$0	\$41,569,573
2	2021-22	\$23,101,163	\$13,651,369	\$0	\$0	\$0	\$3,925,846	\$1,743,226	\$0	\$42,421,604
3	2022-23	\$34,839,568	\$8,686,492	\$0	\$0	\$0	\$5,920,689	\$1,330,738	-\$597,829	\$50,179,658
4	2023-24	\$40,394,176	\$1,607,825	\$0	\$0	-\$4,734,030	\$6,864,647	\$214,036	-\$1,874,425	\$42,472,228
5	2024-25	\$39,757,327	\$1,623,903	\$0	\$0	-\$9,016,256	\$6,756,420	\$0	-\$2,148,534	\$36,972,862
6	2025-26	\$39,133,278	\$1,640,143	\$0	\$0	-\$8,147,831	\$6,650,368	\$0	-\$2,064,146	\$37,211,812
7	2026-27	\$38,624,062	\$1,656,543	\$0	\$0	-\$7,308,454	\$6,563,831	\$0	-\$1,986,174	\$37,549,809
8	2027-28	\$38,127,192	\$1,673,109	\$0	\$0	-\$6,553,014	\$6,479,392	\$38,576	-\$1,914,525	\$37,850,732
9	2028-29	\$37,643,960	\$1,689,840	\$0	\$0	-\$5,806,907	\$6,397,271	\$90,074	-\$1,844,047	\$38,170,192
10	2029-30	\$37,173,336	\$1,706,739	\$0	\$0	-\$5,069,794	\$6,317,293	\$141,049	-\$1,774,678	\$38,493,944
11	2030-31	\$36,408,842	\$1,723,807	\$0	\$0	-\$4,310,897	\$6,187,373	\$189,474	-\$1,692,554	\$38,506,046
12	2031-32	\$35,973,099	\$1,741,044	\$0	\$0	-\$3,597,989	\$6,113,322	\$239,057	-\$1,626,206	\$38,842,327
13	2032-33	\$35,649,093	\$1,758,455	\$0	\$0	-\$2,901,417	\$6,058,260	\$288,977	-\$1,565,269	\$39,288,100
14	2033-34	\$35,649,093	\$1,758,455	\$0	\$0	-\$2,901,417	\$6,058,260	\$288,977	-\$1,565,269	\$39,288,100
15	2034-35	\$35,649,093	\$1,758,455	\$0	\$0	-\$2,901,417	\$6,058,260	\$288,977	-\$1,565,269	\$39,288,100

Table 3-- “Value Limitation Revenue Model”--Project Value Added with Value Limit—Train 2

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	2019-20	\$13,597,007	\$17,747,611	\$0	\$0	\$0	\$2,310,696	\$2,167,543	\$0	\$35,822,857
1	2020-21	\$17,942,924	\$17,776,698	\$0	\$0	\$0	\$3,049,248	\$2,800,659	\$0	\$41,569,529
2	2021-22	\$23,101,163	\$13,651,332	\$0	\$0	\$0	\$3,925,846	\$1,743,220	\$0	\$42,421,561
3	2022-23	\$20,638,858	\$8,686,455	\$0	\$0	\$0	\$3,507,399	\$788,323	-\$354,154	\$33,266,881
4	2023-24	\$20,693,191	\$11,498,957	\$0	\$0	\$0	\$3,516,632	\$1,068,195	-\$108,142	\$36,668,833
5	2024-25	\$20,756,377	\$11,742,860	\$0	\$0	\$0	\$3,527,370	\$1,087,992	-\$93,773	\$37,020,827
6	2025-26	\$20,832,363	\$11,975,052	\$0	\$0	\$0	\$3,540,283	\$1,107,032	-\$80,732	\$37,373,999
7	2026-27	\$20,923,177	\$12,195,796	\$0	\$0	\$0	\$3,555,716	\$1,125,446	-\$69,005	\$37,731,130
8	2027-28	\$21,026,337	\$12,405,348	\$0	\$0	\$0	\$3,573,247	\$1,143,122	-\$58,564	\$38,089,491
9	2028-29	\$21,143,135	\$12,604,230	\$0	\$0	\$0	\$3,593,096	\$1,160,186	-\$49,366	\$38,451,281
10	2029-30	\$21,272,541	\$12,792,630	\$0	\$0	\$0	\$3,615,088	\$1,176,596	-\$41,393	\$38,815,461
11	2030-31	\$36,408,842	\$12,964,630	\$0	\$0	\$0	\$6,187,373	\$2,026,471	-\$59,575	\$57,527,741
12	2031-32	\$35,973,099	\$1,741,044	\$0	\$0	-\$3,598,023	\$6,113,322	\$239,054	-\$1,626,209	\$38,842,288
13	2032-33	\$35,649,093	\$1,758,455	\$0	\$0	-\$2,901,451	\$6,058,260	\$288,975	-\$1,565,271	\$39,288,061
14	2033-34	\$35,649,093	\$1,758,455	\$0	\$0	-\$2,901,451	\$6,058,260	\$288,975	-\$1,565,271	\$39,288,061
15	2034-35	\$35,649,093	\$1,758,455	\$0	\$0	-\$2,901,451	\$6,058,260	\$288,975	-\$1,565,271	\$39,288,061

Table 4 – Value Limit less Project Value with No Limit—Train 2

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	2019-20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	2020-21	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	2021-22	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	2022-23	-\$14,200,710	\$0	\$0	\$0	\$0	-\$2,413,290	-\$542,415	\$243,674	-\$16,912,777
4	2023-24	-\$19,700,985	\$9,891,132	\$0	\$0	\$4,734,030	-\$3,348,015	\$854,160	\$1,766,284	-\$5,803,394
5	2024-25	-\$19,000,950	\$10,118,957	\$0	\$0	\$9,016,256	-\$3,229,050	\$1,087,992	\$2,054,760	\$47,965
6	2025-26	-\$18,300,915	\$10,334,909	\$0	\$0	\$8,147,831	-\$3,110,085	\$1,107,032	\$1,983,415	\$162,187
7	2026-27	-\$17,700,885	\$10,539,252	\$0	\$0	\$7,308,454	-\$3,008,115	\$1,125,446	\$1,917,170	\$181,321
8	2027-28	-\$17,100,855	\$10,732,239	\$0	\$0	\$6,553,014	-\$2,906,145	\$1,104,546	\$1,855,960	\$238,759
9	2028-29	-\$16,500,825	\$10,914,389	\$0	\$0	\$5,806,907	-\$2,804,175	\$1,070,112	\$1,794,681	\$281,089
10	2029-30	-\$15,900,795	\$11,085,891	\$0	\$0	\$5,069,794	-\$2,702,205	\$1,035,547	\$1,733,285	\$321,517
11	2030-31	\$0	\$11,240,823	\$0	\$0	\$4,310,897	\$0	\$1,836,997	\$1,632,979	\$19,021,696
12	2031-32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	2032-33	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	2033-34	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	2034-35	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Table 5 - Estimated Financial impact of the Corpus Christi Liquefaction, LLC Project Property Value Limitation Request Submitted to G-PISD at \$1.17 M&O Tax Rate—Train 2

School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	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
2019-20	\$0	\$0	\$0	\$1.170	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2020-21	\$350,000,000	\$350,000,000	\$0	\$1.170	\$4,095,000	\$4,095,000	\$0	\$0	\$0	\$0	\$0
2021-22	\$850,000,000	\$850,000,000	\$0	\$1.170	\$9,945,000	\$9,945,000	\$0	\$0	\$0	\$0	\$0
2022-23	\$1,450,000,000	\$30,000,000	\$1,420,000,000	\$1.170	\$16,965,000	\$351,000	\$16,614,000	\$0	\$16,614,000	-\$16,912,777	-\$298,777
2023-24	\$2,000,000,000	\$30,000,000	\$1,970,000,000	\$1.170	\$23,400,000	\$351,000	\$23,049,000	\$875,500	\$23,924,500	-\$5,803,394	\$18,121,106
2024-25	\$1,930,000,000	\$30,000,000	\$1,900,000,000	\$1.170	\$22,581,000	\$351,000	\$22,230,000	\$851,000	\$23,081,000	\$0	\$23,081,000
2025-26	\$1,860,000,000	\$30,000,000	\$1,830,000,000	\$1.170	\$21,762,000	\$351,000	\$21,411,000	\$845,100	\$22,256,100	\$0	\$22,256,100
2026-27	\$1,800,000,000	\$30,000,000	\$1,770,000,000	\$1.170	\$21,060,000	\$351,000	\$20,709,000	\$823,500	\$21,532,500	\$0	\$21,532,500
2027-28	\$1,740,000,000	\$30,000,000	\$1,710,000,000	\$1.170	\$20,358,000	\$351,000	\$20,007,000	\$814,950	\$20,821,950	\$0	\$20,821,950
2028-29	\$1,680,000,000	\$30,000,000	\$1,650,000,000	\$1.170	\$19,656,000	\$351,000	\$19,305,000	\$797,100	\$20,102,100	\$0	\$20,102,100
2029-30	\$1,620,000,000	\$30,000,000	\$1,590,000,000	\$1.170	\$18,954,000	\$351,000	\$18,603,000	\$783,000	\$19,386,000	\$0	\$19,386,000
2030-31	\$1,560,000,000	\$1,560,000,000	\$0	\$1.170	\$18,252,000	\$18,252,000	\$0	\$7,547,850	\$7,547,850	\$0	\$7,547,850
2031-32	\$1,500,000,000	\$1,500,000,000	\$0	\$1.170	\$17,550,000	\$17,550,000	\$0	\$0	\$0	\$0	\$0
2032-33	\$1,450,000,000	\$1,450,000,000	\$0	\$1.170	\$16,965,000	\$16,965,000	\$0	\$0	\$0	\$0	\$0
2033-34	\$1,400,000,000	\$1,400,000,000	\$0	\$1.170	\$16,380,000	\$16,380,000	\$0	\$0	\$0	\$0	\$0
2034-35	\$1,350,000,000	\$1,350,000,000	\$0	\$1.170	\$15,795,000	\$15,795,000	\$0	\$0	\$0	\$0	\$0
Totals					\$263,718,000	\$101,790,000	\$161,928,000	\$13,338,000	\$175,266,000	-\$22,716,172	\$152,549,828
Tax Credit for Value Over Limit in First 2 Years							Year 1	Year 2	Max Credits		
							\$3,744,000	\$9,594,000	\$13,338,000		
							Credits Earned		\$13,338,000		
							Credits Paid		<u>\$13,338,000</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. For the purposes of these estimates, expiration of ASATR on the current timetable is assumed, so no ASATR offset is assumed in these estimates. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.



Attachment F

Taxable Value of Property



Window on State Government

Susan Combs Texas Comptroller of Public Accounts

2012 ISD Summary Worksheet

205/San Patricio

205-902/Gregory-Portland CISD

Category	Local Tax Roll Value	2012 WTD Mean Ratio	2012 PTAD Value Estimate	2012 Value Assigned
A. Single-Family Residences	723,187,641	N/A	723,187,641	723,187,641
B. Multi-Family Residences	37,729,281	N/A	37,729,281	37,729,281
C. Vacant Lots	19,789,484	N/A	19,789,484	19,789,484
D. Rural Real(Taxable)	56,815,151	N/A	56,815,151	56,815,151
F1. Commercial Real	90,940,341	N/A	90,940,341	90,940,341
F2. Industrial Real	240,283,131	N/A	240,283,131	240,283,131
G. Oil, Gas, Minerals	27,668,310	N/A	27,668,310	27,668,310
J. Utilities	36,224,806	N/A	36,224,806	36,224,806
L1. Commercial Personal	35,219,129	N/A	35,219,129	35,219,129
L2. Industrial Personal	21,802,480	N/A	21,802,480	21,802,480
M. Other Personal	1,166,691	N/A	1,166,691	1,166,691
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0

S. Special Inventory	2,387,454	N/A	2,387,454	2,387,454
Subtotal	1,293,213,899		1,293,213,899	1,293,213,899
Less Total Deductions	183,238,618		183,238,618	183,238,618
Total Taxable Value	1,109,975,281		1,109,975,281	1,109,975,281 T2

Category D Detail	Local Tax Roll	Ratio	PTAD Value
Market Value Non-Qualified Acres And Farm/Ranch Imp	41,447,769	N/A	41,447,769
Prod Value Qualified Acres	15,367,382	N/A	15,367,382
Taxable Value	56,815,151		56,815,151

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T6 will be the same as T7 through T12.

Value Taxable For M&O Purposes

T1	T2	T3	T4	T5	T6
1,149,933,566	1,109,975,281	1,149,933,566	1,109,975,281	1,109,975,281	1,109,975,281

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
39,958,285	0

T1 = School district taxable value for M&O purposes before the loss to the additional \$10,000 homestead

exemption

T2 = School district taxable value for M&O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

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
1,209,325,116	1,169,366,831	1,209,325,116	1,169,366,831	1,169,366,831	1,169,366,831

T7 = School district taxable value for I&S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I&S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50% of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50% of the loss to the local optional percentage homestead exemption

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



Attachment G

Participation Agreement

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

by and between

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT

and

CORPUS CHRISTI LIQUEFACTION, LLC
(Texas Taxpayer ID # 32048261799)

Comptroller Application Number 297

Dated

February 18, 2014

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

STATE OF TEXAS §

COUNTY OF SAN PATRICIO §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this "Agreement," is executed and delivered by and between the **GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as the "District," a lawfully created independent school district within the State of Texas operating under and subject to the Texas Education Code, and **CORPUS CHRISTI LIQUEFACTION, LLC**, a Delaware limited liability company (*Texas Taxpayer ID # 32048261799*), hereinafter referred to as the "Applicant." The Applicant and the District are each hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties." Certain capitalized and other terms used in this Agreement shall have the meanings ascribed to them in Section 1.3.

RECITALS

WHEREAS, on May 20, 2013, the Superintendent of Schools of the Gregory-Portland Independent School District (the "Superintendent"), acting as agent of the Board of Trustees of the District (the "Board of Trustees"), received from the Applicant an Application for Appraised Value Limitation on Qualified Property (the "Application"), pursuant to Chapter 313 of the Texas Tax Code; and,

WHEREAS, on May 21, 2013, the Board of Trustees authorized the Superintendent to accept, on behalf of the District, the Application from Corpus Christi Liquefaction, LLC; and,

WHEREAS, on May 30, 2013, the Superintendent acknowledged receipt of the Application and the requisite application fee, pursuant to Texas Tax Code §313.025(a)(1) and Local District Policy CCG (Local) and determined the Application to be complete; and,

WHEREAS, the Application was delivered to the office of the Texas Comptroller of Public Accounts (the "Comptroller") for review pursuant to Texas Tax Code §313.025(d); and,

WHEREAS, during the pendency of the review, new wage information became available, and on August 2, 2013, the Applicant updated its Application to incorporate said changes; and,

WHEREAS, the Comptroller, via letter, has established August 26, 2013 as the completed Application date; and,

WHEREAS, pursuant to 34 Texas Administrative Code §9.1054, the Application was delivered for review to the San Patricio County Appraisal District established in San Patricio County, Texas (the "Appraisal District"), pursuant to Texas Tax Code §6.01; and,

WHEREAS, the Comptroller, pursuant to Texas Tax Code §313.025(d), reviewed the Application, and on October 18, 2013, via letter, recommended that the Application be approved; and,

WHEREAS, on December 17, 2013, the Board of Trustees approved the extension of the period for the District's review of the Application until June 30, 2014; and,

WHEREAS, the Comptroller conducted an economic impact evaluation pursuant to Texas Tax Code §313.026, which was presented to the Board of Trustees at the February 18, 2014 public hearing held in connection with the Board of Trustees' consideration of the Application; and,

WHEREAS, the Board of Trustees carefully reviewed the economic impact evaluation and carefully considered the Comptroller's positive recommendation for the project; and,

WHEREAS, on February 18, 2014, 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 18, 2014, 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; (iv) each criterion referenced in Texas Tax Code §313.025(e) has been met; and,

WHEREAS, District qualifies as a rural school district under the provisions of Texas Tax Code §313.051(a)(2); and,

WHEREAS, on February 18, 2014, 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, §313.052, as such Tax Limitation Amount was computed as of the date of this Agreement; and,

WHEREAS, the District received written notification, pursuant to 34 Texas Administrative Code §9.1055(e)(2)(A), that the Comptroller reviewed this Agreement and reaffirmed the recommendation previously made on October 18, 2013 that the Application be approved; and,

WHEREAS, on February 18, 2014, the Board of Trustees approved the form of this Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the President and Secretary of the Board of Trustees to execute and deliver such Agreement to the Applicant;

NOW, THEREFORE, for and in consideration of the stated 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

After a deferral period granted by the Board of Trustees pursuant to the provisions of Tex. Tax Code § 313.027(h), 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, or greater, between the Commencement Date, as defined in Section 1.3 below, 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: 2022, 2023, 2024, 2025, 2026, 2027, 2028 and 2029. 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, 2022, the appraisal date for the third full Tax Year following the Commencement Date.

The period beginning with the Commencement Date and ending on December 31, 2021, is referred to herein as the "Qualifying Time Period," as that term is defined in Texas Tax Code §313.021(4). 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, 2029. Except as otherwise provided herein, this Agreement will terminate in full on the Final Termination Date, as defined in Section 1.3 below. 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 is 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 Appraised Value Determination	School Year	Tax Year	Summary Description of Provisions
Partial Deferral Year Beginning on the Approval Date (2/18/2014)	January 1, 2014	2014-15	2014	Deferral Period
Deferral Year	January 1, 2015	2015-16	2015	Deferral Period
Deferral Year	January 1, 2016	2016-17	2016	Deferral Period
Deferral Year	January 1, 2017	2017-18	2017	Deferral Period
Deferral Year	January 1, 2018	2018-19	2018	Deferral Period
Partial Deferral Year	January 1, 2019	2019-20	2019	Deferral Period (Partial Year)

Full Tax Year of Agreement	Date of Appraised Value Determination	School Year	Tax Year	Summary Description of Provisions
(January 1, 2019)				
Partial Year Beginning on the Commencement Date (01/02/19)	January 2, 2019	2019-20	2019	Start of Qualifying Time Period beginning with Commencement Date (01/02/19). No limitation on value. First year for computation of Annual Limit.
1	January 1, 2020	2020-21	2020	Qualifying Time Period. No limitation on value. Possible Tax Credit in future years.
2	January 1, 2021	2021-22	2021	Qualifying Time Period. No limitation on value. Possible Tax Credit in future years.
3	January 1, 2022	2022-23	2022	\$ 30 million property value limitation.
4	January 1, 2023	2023-24	2023	\$ 30 million property value limitation. Possible Tax Credit due to Applicant.
5	January 1, 2024	2024-25	2024	\$ 30 million property value limitation. Possible Tax Credit due to Applicant.
6	January 1, 2025	2025-26	2025	\$ 30 million property value limitation. Possible Tax Credit due to Applicant.
7	January 1, 2026	2026-27	2026	\$30 million property value limitation. Possible Tax Credit due to Applicant.
8	January 1, 2027	2027-28	2027	\$ 30 million property value limitation. Possible Tax Credit due to Applicant.
9	January 1, 2028	2028-29	2028	\$30 million property value limitation. Possible Tax Credit due to Applicant.

Full Tax Year of Agreement	Date of Appraised Value Determination	School Year	Tax Year	Summary Description of Provisions
10	January 1, 2029	2029-30	2029	\$30 million property value limitation. Possible Tax Credit due to Applicant.
11	January 1, 2030	2030-31	2030	No tax limitation. Possible Tax Credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
12	January 1, 2031	2031-32	2031	No tax limitation. Possible Tax Credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
13	January 1, 2032	2032-33	2032	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, as it existed on the Completed Application Date, unless otherwise specified herein.

“*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 percent (50%) 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.

“*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 calculated for each year by multiplying the District's average daily attendance for the year immediately preceding the school year for which the calculation is being made, as determined pursuant to Texas Education Code §42.005 times \$100, or any larger amount in Texas Tax Code §313.027(i), if such limit amount is increased for any future year of this Agreement. The Annual Limit shall first be computed for tax year 2019, which, by virtue of the deferral of the date on which the Qualifying Time Period for the project is to commence under this Agreement, is the Tax Year that includes the date of January 2, 2019, on which the Qualifying Time Period commences under this Agreement.

"Applicant" means Corpus Christi Liquefaction, LLC, *Texas Taxpayer Id #32048261799*, the company listed in the Preamble of this Agreement who, on May 20, 2013, filed with the District the Application, together with the August 2, 2013 supplemental Application materials. The term "Applicant" shall also include the Applicant's 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 Act (Chapter 313 of the Texas Tax Code); the provisions of Chapter 403; Subchapter M, of the Texas Government Code applicable to the District; the Constitution and general laws of the State applicable to the independent school districts of the State; 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 or all of the above. The term also includes any amendments or successor statutes that may be adopted in the future which impact or alter the calculation of the Applicant's ad valorem tax obligation to the District, either with or without the limitation of property values made pursuant to this Agreement.

"Application" means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C, of the Texas Tax Code) filed with the District by the Applicant on May 20 and August 2, 2013, which has been certified by the Comptroller to constitute a complete final Application as of the date of August 26, 2013. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant to the District or the Comptroller 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 San Patricio County Appraisal District.

"Board of Trustees" means the Board of Trustees of the Gregory-Portland Independent School District.

"Commencement Date" means January 2, 2019, the date upon which the Qualifying Time Period begins. By agreement of the Parties pursuant to Texas Tax Code §313.027(h), the Commencement Date has been deferred to this date.

"Completed Application Date" means August 26, 2013, the date upon which the Comptroller determined to be the date of its receipt of a completed Application for Appraised Value Limitation on Qualified Property (Texas Tax Code, Chapter 313, Subchapter B or C), Comptroller Form 50-296, from the Applicant.

"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 Title 34 Texas Administrative Code, Chapter 9, Subchapter D, together with any court or administrative decisions interpreting same, to the extent such rules or decisions interpret the Act, unless otherwise specified herein.

"County" means San Patricio County, Texas.

"Cumulative Unadjusted Tax Benefit" means for each Tax Year of this Agreement, the Unadjusted Tax Benefit for the applicable Tax Year added to the Unadjusted Tax Benefit from all previous Tax Years of this Agreement.

"District" or "School District" means the Gregory-Portland 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, 2032. However, any payment obligations of any Party arising under this Agreement prior to the Final Termination Date will survive until paid by the Party owing same.

"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 Applicant's performance of its obligations under this Agreement.

"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 the Applicant's Qualified Investment and 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 maintenance of at least the number of New Jobs required by Chapter 313 of the Texas Tax Code from the time they are created until the Final Termination Date; and (iii) the maintenance of at least the number of Qualifying Jobs set forth in the Application from the time they are created until the Final Termination Date.

"Maintenance and Operations Revenue" or "M&O Revenue" means (i) those revenues that 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

Agreement for Limitation on Appraised Value

Between Gregory-Portland Independent School District and Corpus Christi Liquefaction, LLC

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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.

"Material Breach" shall have the meaning assigned to such term by Section 7.6.

"Net Aggregate Limit" means, for any Tax Year of this Agreement, the cumulative total of the Annual Limit amount for such Tax Year and all previous years of the Agreement, less all amounts previously paid by the Applicant to or on behalf of the District under Article IV, below.

"Net Tax Benefit" means, (i) the amount of maintenance and operations *ad valorem* taxes that the Applicant would have paid to the District for all Tax Years if this Agreement had not been entered into by the Parties, (ii) adding to the amount determined under clause (i) all Tax Credits received by the Applicant under Chapter 313, 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 Comptroller's Rule §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.

"New M&O Revenue" shall have the meaning assigned to such term by Section 3.2.

"Original M&O Revenue" shall have the meaning assigned to such term by Section 3.2.

"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 the Applicant will create in connection with the project that is the subject of its Application, which meet the requirements of Texas Tax Code §§313.021(3) and 313.051(b).

"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 the period that begins on the Commencement Date of January 2, 2019 and ends on December 31, 2021.

"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 the Application, the evaluation or consideration of the Application, or this Agreement or implementation of this Agreement for Limitation of Appraised Value pursuant to Chapter 313 of the Texas Tax Code. The term includes, but is not limited to, the Application and any amendments or supplements, any economic impact evaluation made in connection with the Application, this 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 by Comptroller's Rule, and any application requesting school tax credits under Texas Tax Code, §313.103.

"Supplemental Payment" shall have the meaning assigned to such term in Section 4.2.

"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 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: 2022, 2023, 2024, 2025, 2026, 2027, 2028 and 2029, the Appraised Value of the Applicant's Qualified Property 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 Property; or
- (b) Thirty Million Dollars (\$30,000,000.00).

The Tax Limitation Amount set forth in the immediately preceding Subsection (b) 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.

"Unadjusted Tax Benefit" means for each year of this Agreement the total of all gross tax savings calculated for each year of the Agreement by multiplying the Applicant's Taxable Value for debt service taxes for each applicable Tax Year, minus the Tax Limitation Amount defined in Section 2.6, below, as Thirty Million Dollars (\$30,000,000.00), multiplied by the District's Maintenance & Operations tax rate for the applicable Tax Year.

ARTICLE II

PROPERTY DESCRIPTION

Section 2.1. LOCATION WITHIN A QUALIFIED REINVESTMENT ZONE

The Applicant's Qualified Property and the Applicant's Qualified Investment will be located within an area designated as a reinvestment zone under Chapter 312 of the Texas Tax Code. The legal description of the reinvestment zone 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 land upon which the Applicant's Qualified Property will be located is described in the legal description that is attached to this Agreement as **EXHIBIT 2** and is incorporated herein by reference for all purposes (the "Land"). The Parties expressly agree that the boundaries of the Land may not be materially changed from the 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" shall be that portion of the property, described in **EXHIBIT 3** which is placed in service under the terms of the Application, during the Qualifying Time Period.

"Applicant's 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 the Completed Application Date; 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 Applicant's 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 and/or Applicant's Qualified Property for purposes of this Agreement.

Property owned by the Applicant which is not described on **EXHIBIT 3** may not be considered to be Applicant's Qualified Property unless the Applicant:

- (a) submits to the District and the Comptroller a written request to add such property to this Agreement, which request shall include a specific description of the additional property to which the Applicant requests that the Tax Limitation Amount 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 that is 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 Applicant's Qualified Property located on the land described in **EXHIBIT 2**, or 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) 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 the Agreement.

Section 2.5. QUALIFYING USE

The Applicant's Qualified Investment/Property 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: 2022, 2023, 2024, 2025, 2026, 2027, 2028 and 2029, the Appraised Value of the Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

- (a) The Market Value of the Applicant's Qualified Investment; or
- (b) Thirty Million Dollars (\$30,000,000.00).

The Tax Limitation Amount set forth in the immediately preceding Subsection(b) 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.

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; or for any new uncompensated operating cost incurred as a result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement. Such compensation 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

The calculation of the amount to be paid by the Applicant to compensate the District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year during the term of this Agreement (the "Revenue Protection Amount") shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

- (a) The Revenue Protection 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 actually adopted 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) In making the calculations required by this Section 3.2:
- i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.
 - ii. For purposes of this calculation, 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 results in a negative number, the negative number will be considered to be zero.
 - iv. All calculations made for years three (3) through ten (10) of this Agreement under Section 3.2, Subsection (a)(ii) of this Agreement will reflect the Tax Limitation Amount for such year.
 - v. All calculations made under this Section 3.2 shall be made by a methodology which isolates the full M & O Revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements, or on account of any other factors not contained in 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) All non-reimbursed increases in District costs paid to the Appraisal District certified by the District's external auditor to have been caused by increased appraised values arising solely from the project described in the Application.

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 under this Agreement shall be initially based upon the valuations that are placed upon all taxable property in the District, including Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal District in its annual certified tax roll submitted to the District 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 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 selected 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 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 no year shall the Applicant be responsible for the payment of total expenses under this Section and Section 3.6, above, in excess of Ten Thousand Dollars (\$10,000.00).

Section 3.8. RESOLUTION OF DISPUTES

Should the Applicant disagree with the certification prepared and/or delivered pursuant to Section 3.6, 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 the certification containing the calculations to the

District's Board of Trustees. 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 the certification containing the calculations.

Section 3.9. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT

If, at the time the Third Party selected under Section 3.4 makes its calculations under this Agreement, the Applicant has appealed any matter relating to the valuations placed by the 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 initially placed upon the Qualified Property by the Appraisal District.

If as a 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 the new Taxable Value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations for the applicable year or years using the new Taxable Value. In the event the new calculations result in a change in any amount paid or payable by the Applicant under this Agreement, the Party from whom the adjustment is payable shall remit such amounts to the 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, the Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, or to other governmental entities including the Appraisal District, 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. Both the District and the Applicant anticipate and intend that the provisions of Section 3.2 through 3.6 above will fulfill the requirements of this Section 3.10.

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 such limitations as are 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, in which case all references to statutory limits in this Agreement will be automatically adjusted to reflect the new, higher limits, but only if, and to the extent that such increases are authorized by law.

Section 4.2. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO NET AGGREGATE LIMIT

In any year during the term of this Agreement, the District shall be entitled to receive a payment in an amount equal to the lesser of:

- (a) the Applicant's Stipulated Supplemental Payment Amount, defined as Forty Percent (40%) of the Applicant's Net Tax Benefit, as the term is defined in Section 1.3, above; or,
- (b) the Net Aggregate Limit, as the term is defined in Section 1.3, above.

Each such payment shall be referred to herein as a "Supplemental Payment."

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 2022), 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 for such Tax Year;

Multiplied by,

The number 0.4;

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 NET AGGREGATE LIMIT

For each year of this Agreement, beginning with year three (Tax Year 2022) and continuing thereafter through year thirteen (Tax Year 2032), 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 Net 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 Net Aggregate Limit for that year, the difference between the Stipulated Supplemental Payment amount and the Net Aggregate Limit, shall be carried forward from year-to-year into subsequent years of this Agreement, and to the extent not limited by the Net 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 2032), because such payment would exceed the Net 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 Net Aggregate Limit; (iii) the effect, if any, of the Net 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 Net 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, with respect to future payments only, by action of the District's Board of Trustees at any time, and such rescission will become effective after delivery of notice of such action to the Applicant in conformance with the provisions of Section 8.1.

Any designation of a successor beneficiary under this Section shall not alter the Net Aggregate Limit or the Supplemental Payments described in Section 4.4, above.

ARTICLE V

ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

Section 5.1. ANNUAL LIMITATION CALCULATION

Notwithstanding anything contained in this Agreement to the contrary:

- (a) For the third Tax Year of this Agreement, amounts due under Article III and Article IV for the current Tax Year shall not exceed an amount equal to Thirty-Five Percent (35%) of Applicant's Cumulative Unadjusted Tax Benefit under this Agreement from the Commencement Date through the third Tax Year.

- (b) Beginning with the fourth Tax Year and for each subsequent year of this Agreement through the Final Termination Date, any amounts due and owing by Applicant to the District pursuant to Article III and Article IV of this Agreement which, by virtue of the payment limitation set forth in this Section 5.1, were not paid in prior years, shall be carried forward and added to the amounts due pursuant to Article III and Article IV for the current Tax Year. In no event shall the amounts paid by the Applicant, calculated under Article III and Article IV for the current Tax Year and including unpaid amounts carried forward from prior years, be in excess of (i) an amount equal to Twenty-Eight Percent (28%) of Applicant's Cumulative Unadjusted Tax Benefit under this Agreement from the Commencement Date through the current Tax Year, less (ii) all amounts paid by Applicant for all previous Tax Years under Article III and Article IV of this Agreement.

The amounts described in Subsections (a) and (b) of this Section shall be included in all calculations made pursuant to Section 3.4.

Section 5.2. OPTION TO CANCEL AGREEMENT DURING QUALIFYING TIME PERIOD

In the event the Applicant determines that it will not commence or complete construction of the Applicant's Qualified Investment, the Applicant shall have the option, during the Qualifying Time Period, to terminate this Agreement by notifying the District in writing of its exercise of such option. Any termination of this Agreement under the immediately preceding sentence shall be effective immediately prior to the beginning of the Tax Year immediately following the Tax Year during which such notification is delivered to the District. Upon any termination of this Agreement under this Section 5.2, 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. Applicant's option to cancel under this Section shall expire at the end of the Qualifying Time Period.

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 timely filing of a completed Tax Credit application under Texas Tax Code § 313.103 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 Texas Tax Code § 313.104 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 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 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. The 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 defined in Section 1.3, provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure; and,
- (c) it will meet minimum eligibility requirements under Texas Tax Code, Chapter 313 throughout the value limitation and tax-credit settle-up periods.

Section 7.4. CONSEQUENCES OF EARLY TERMINATION OR MATERIAL BREACH BY APPLICANT

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 commits a Material Breach, after the notice and cure period provided by Section 7.8, and any dispute resolution conducted pursuant to Section 7.9, 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 penalty and interest, as calculated in accordance with Section 7.5, on that recaptured ad valorem tax revenue. Applicant shall satisfy this recapture obligation by making a payment of liquidated damages, as prescribed by Comptroller's Rule § 9.1054(h)(11)(A), equal to the sum of the amounts derived by applying the calculations below to each Tax Year with respect to which a Tax Limitation Amount applies:

The Taxable Value of Applicant's Qualified Property for such Tax Year;

Minus

The Taxable Value of Applicant's Qualified Property for such Tax Year after giving effect to this Agreement;

Multiplied by

The District's maintenance and operations tax rate for such Tax Year;

Minus

Any amounts paid to the District under Article III or Article IV with respect to such Tax Year;

Plus

Penalties and interest on the amount derived under the preceding calculations for such Tax Year, calculated in accordance with Section 7.5.

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 PENALTY AND INTEREST

For purposes of Section 7.4, the District shall calculate penalty or interest for a Tax Year in accordance with the methodology set forth in Chapter 33 of the Texas Tax Code, as if the amount calculated for such Tax Year had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code §33.01(a), or its successor statute. 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.

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 made inaccurate material representations of fact in submission of its Application, in violation of 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 make any payment required by this Agreement, or by the State or its agencies where such payment is authorized or required by the Act or by rules adopted thereunder.
- (e) Applicant fails to create and maintain at least the number of New Jobs it committed to create and maintain on Schedule C, Column C of its Application.

- (f) Applicant fails to create and maintain at least the number of Qualifying Jobs it committed to create and maintain on Schedule C, Column E of its Application.
- (g) 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.
- (h) 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, 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 consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 are not barred by this provision.
- (i) Applicant fails to comply in any material respect with any other term of this Agreement, or the Applicant fails to meet its obligations under the applicable Comptroller's Rules, and under the Act, including but not limited to the filing of all required reports related to this Agreement.

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 with respect to which a Tax Limitation Amount applies, the Applicant may cure a Material Breach of this Agreement described in Section 7.6(e), 7.6(f), or 7.6(g), above, without the termination of the remaining term of this Agreement. In order to cure its non-compliance with one of the aforementioned Sections for the particular Tax Year of non-compliance only, the Applicant must 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), or by Comptroller's Rule § 9.1054(h)(11). Such payment shall be calculated by applying the calculations set forth in Section 7.4 with respect to such Tax Year.

Section 7.8. DETERMINATION OF MATERIAL BREACH AND TERMINATION OF AGREEMENT

Prior to making a determination under Section 7.6 that the Applicant has committed a Material Breach of this Agreement as defined in Section 7.6, above, the District shall provide the Applicant with a written notice of the facts that 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 Material 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 Material Breach has occurred and, if so, whether such Material 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 Material 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, and the amount of any penalty and/or interest under Section 7.5 that are owed to the District.

After making its determination regarding any alleged Material 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 and Notice of Contract Termination 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 San Patricio County, Texas. The Parties agree to sign a document that provides that 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. The ninety (90) day period prescribed above for disputing a Determination of Breach and

Notice of Contract Termination shall toll, and shall not be considered for any purpose as continuing to run, during the mediation.

In the event that any mediation is not successful in resolving the dispute, 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.

If payments become due under this Agreement and are not received before the expiration of ninety (90) days (taking into account any tolling of such period), and Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 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 to the attorneys representing the District pursuant to Texas Tax Code § 6.30, and a lien shall attach to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Texas Tax Code §33.07 to secure payment of such fees.

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 amounts calculated under Sections 7.4 and 7.5 above. 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, 2019. Applicant must, therefore comply with the following additional requirements in conformance with the provisions of 34 Tex. Admin. Code § 9.1054(h)(13). Not earlier than July 7, 2018, nor later than October 4, 2018, 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, 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 in any data or projection submitted as a part of the Application, then Applicant shall within the 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, 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, 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. Paul Clore, Superintendent
GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
608 College Street
Portland, Texas 78374
Fax: (361) 777-1093
E-mail: pclore@g-pisd.org

or at such other address or to such other facsimile and/or electronic mail 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:

Daniel Belhumeur
Vice President and General Tax Counsel
CORPUS CHRISTI LIQUEFACTION, LLC
700 Milam Street, Suite 800
Houston, Texas 77002
Fax: (713) 375-6583
E-mail: daniel.belhumeur@cheniere.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 the 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, 2020.

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 and/or Applicant's Qualified Property, 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 or replacement property. Any amendment of this Agreement adding additional or replacement Qualified Property pursuant to this Section 8.3 shall, (i) require that all property added by amendment be eligible property as defined by Texas Tax Code, §313.024; (ii) clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and (iii) 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. The District understands that the schedule of anticipated investment set forth in the Application may be impacted by the Applicant's entrance into acceptable commercial arrangements, receipt of regulatory authorization from the Federal Energy Regulatory Commission to construct and operate the liquefaction assets, securing of pipeline transportation of natural gas to the Corpus Christi liquefaction project, and obtaining adequate financing to construct the facility. As such, the District agrees to expeditiously consider any amendments of this Agreement or the Application requested by Applicant. The Parties intend that following any such amendments to the Agreement or Application, the Agreement and the Application will continue to be governed by the Act as it existed on the Completed Application Date, in the absence of any statutory change to the contrary.

Section 8.4. ASSIGNMENT

Unless otherwise prohibited by law, 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, or collaterally assign this Agreement or any portion of this Agreement to any party or entity providing financing to the Applicant or its Affiliate, 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 Texas Tax Code, Chapter 313 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 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 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 San Patricio 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 a mutually 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, (i) 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; and (ii) in the event of a dispute between the Parties in connection with this Agreement, the prevailing Party in the resolution of any such dispute, shall be entitled to full recovery of necessary and reasonable attorneys' fees costs and expenses incurred in connection therewith, including costs of court, from the non-prevailing Party.

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 material representations, information, and facts contained in the Application 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 makes a written determination that the Application was either incomplete or inaccurate as to any material representation, information, or fact, then subject to the procedures required by Sections 7.8 and 7.9, the Agreement shall be invalid and void except for the enforcement of the provisions required by Comptroller's Rule §9.1053(f)(2)(K).

Section 8.14. PUBLICATION OF DOCUMENTS

The Parties acknowledge that the District is required to publish all Substantive Documents including 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.

Section 8.15. DEVELOPMENT OF DISTRICT TECHNICAL TRAINING PROGRAMS

The Parties to this Agreement understand that, in conformance with the requirements of Tex. Educ. Code § 28.002(g-1), the District may offer courses or other activities, including an apprenticeship or training program offering hours needed for its

students to obtain an industry-recognized credential or certificate in one or more areas of education related to the petrochemical industry. In the event that one or more of such training programs are in areas related to operations to be undertaken by the Applicant with respect to operations being conducted or proposed to be conducted on the Applicant's Qualified Property, Applicant will meet and confer with the District for purposes of considering the joint development of an appropriate curriculum. The Parties further understand and agree that where courses are developed in areas germane to workforce training appropriate to Applicant's Qualifying Jobs, that the District will, pursuant to Tex. Educ. Code § 28.002(g-1), seek to partner with the Applicant to implement such courses or other activities as will allow students to enter one or more of the following:

- a. a career or technology training program in Gregory-Portland ISD;
- b. an institution of higher education without remediation;
- c. a job-shadowing program;
- d. an apprenticeship training program;
- e. an internship required as part of accreditation toward an industry-recognized credential or certificate for course credit, and/or,
- f. employment with Applicant.

As a part of the course development process described above, Applicant agrees to consider supporting the above-described technical training programs by:

- i. conferring with the District for the purpose of identifying opportunities for employees of the Applicant to participate in technical training programs operated by the District for the benefit of its students and programs sponsored by the District;
- ii. disseminating technical information at conferences with the Applicant's employees for the purpose of enhancing the development of curriculum and program specifications to focus the District's training programs upon relevant job skills;
- iii. providing a reasonable opportunity for groups of students of the District to undertake internships with the Applicant; providing appropriate opportunities for students of the District to participate in job-shadowing activities with Applicant's Qualified Employees; and conducting Applicant-sponsored tours and/or training opportunities for students of the District at the Applicant's

facilities located in the District at times mutually convenient to the Applicant and the District and consistent with the Applicant's safety, security and operational policies, procedures and standards;

- iv. considering graduates of the District's technical training programs and/or graduates of programs sponsored by the District for available Qualified Jobs and New Jobs created by Applicant pursuant to this Agreement; and
- v. considering the provision of any additional support to the District as is consistent with Tex. Educ. Code § 28.002(g-1).

The Parties hereto understand and agree that this Section 8.15 shall not be construed to mandate any donation or Supplemental Payment by the Applicant to the District. Any financial support or value provided by Applicant to the District which in the future may be offered by Applicant, if any, shall be considered by the parties to be a voluntary payment under Section 7.6(h) above, in Applicant's sole discretion, and shall not be in consideration for or in recognition of this Agreement. No term or condition of this Agreement shall be impacted by either the financial or other valuable support from, or the absence of financial or other valuable support from, Applicant as contemplated in this Section.

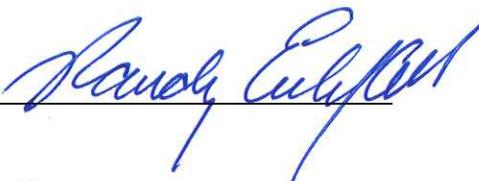
IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 18th day of February, 2014.

CORPUS CHRISTI LIQUEFACTION, LLC

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT

By: 

Management Representative

By: 

RANDY EULENFELD
President
Board of Trustees

ATTEST:



BECKY MACHA
Secretary
Board of Trustees

EXHIBIT 1

DESCRIPTION OF QUALIFIED REINVESTMENT ZONE

The **CORPUS CHRISTI LIQUEFACTION LLC REINVESTMENT ZONE #2** was originally created on November 19, 2013 by action of the Board of Trustees of the Gregory-Portland Independent School District. As a result, all the following real property within San Patricio County, Texas is located within the boundaries of the **CORPUS CHRISTI LIQUEFACTION LLC REINVESTMENT ZONE #2**. Maps of the **CORPUS CHRISTI LIQUEFACTION LLC REINVESTMENT ZONE #2** showing both the entire reinvestment zone and the area located in the Corpus Christi Independent School District excluded from the reinvestment zone are attached to this **EXHIBIT 1**.

October 9, 2012

12CH0203

EXHIBIT A
METES AND BOUNDS DESCRIPTION
OF A
337.4 ACRE TRACT

Being 337.4 acres of land, more or less, out of a 1610.0 acre "Tract 1, Parcel 1A", 328.9 acre "Tract 1, Parcel 2A", 31.82 acre "Tract 1, Parcel 5", and 58.07 acre "Tract 1, Parcel 6" as recorded in Document No. 490819, Real Property Records of San Patricio County, Texas, and Document No. 2001000017, Official Public Records of Nueces County, Texas, and also being out of the T. T. Williamson Surveys, Abstract Numbers 288, 289, and 290, and out of State Tracts 1 and 2, and this 337.4 acre tract being all of the 212.2 acre tract recorded in Document No. 2004020956, Official Public Records of Nueces County, Texas, and all the 125.2 acre tract referred to as "Reynolds/Alcoa Retained Tract #3" recorded in Document No. 2001000017, Official Public Records of Nueces County, Texas, and this 337.2 acre tract being more particularly described by metes and bounds as follows:

Commencing at a found concrete monument in the south right-of-way line of Texas State Highway No. 35 for the most northerly northeast corner of the aforementioned 328.9 acre tract, the same being the northwest corner of a 832.0 acre "Reynolds/Alcoa Retained Tract 1" recorded in Document No. 2001000017, Official Public Records of Nueces County, Texas;

Thence leaving said south right-of-way line and with the west line of said 832.0 acre tract, S 17 41-05 E, at 8736.90 feet pass a found 5/8-inch iron rod for the southwest corner of said 832.0 acre tract, in all 8936.90 feet to a found 5/8-inch iron rod;

Thence S 72-17-20 W, 59.39 feet, to a found 5/8-inch iron rod for the POINT OF BEGINNING and the northwest corner of this tract and said 212.2 acre tract, said corner having a NAD'83 State Plane Grid Coordinate of N 17214778.87', E 1379635.54', Texas South Zone in U.S. feet;

Thence N 72-17-20 E with the north boundary of this tract and said 212.2 acre tract, at 2644.75 feet pass the common east line of the aforementioned 328.9 acre tract and a west line of the aforementioned 1610.0 acre tract, in all 2818.29 feet to a found 5/8-inch iron rod for the northmost northeast corner of this tract and said 212.2 acre tract;

Thence with the east boundaries of this tract and said 212.2 acre tract as follows:

S 75-57-21 E, 308.21 feet;

S 17-42-40 E, 838.29 feet;

S72-17-20 W, 246.92 feet;

S 17-42-40 E, 640.06 feet, to a found 5/8-inch iron rod for a corner of this tract;

Thence S 67-58-34 W, at 188.26 feet pass the aforementioned common line between the 328.9 acre tract and the 1610.0 acre tract, in all 314.67 feet to a found 5/8-inch iron rod for an interior corner of this tract and the northmost northeast corner of said 125.2 acre tract;

Thence with the common east boundary of this tract and said 125.2 acre tract as follows:

S 73-59-30 E, 102.15 feet, to a found 5/8-inch iron rod;

S 17-32-43 E, at 2960.50 feet pass a found 5/8-inch iron rod being the southeast corner of said 125.2 acre tract, at 3129.328 feet pass the common south line of the aforementioned 328.9 acre tract and the north line of the aforementioned 58.07 acre tract, at 3192.41 feet pass a found 5/8-inch reference iron rod, at 3242.47 feet pass the common east line of said 58.07 acre tract and the west line of the aforementioned 31.82 acre tract, in all 3257.37 feet to a corner;

Thence S 01-10-31 E, 767.00 feet, to the southeast corner of this tract and said 212.20 acre tract, said corner being on the south line of said 31.82 acre tract and the Port of Corpus Christi Authority North Bulkhead Line;

Thence N 77-30-59 W with said bulkhead line and the south boundary of this tract and said 212.2 acre tract, at 190.69 feet pass the southwest corner of said 31.82 acre tract and the southeast corner of the aforementioned 58.07 acre tract, in all 3569.03 feet to the southwest corner of this tract and said 212.20 acre tract;

Thence leaving said bulkhead line N 07-00-28 W, 340.43 feet, to a corner being on the common north line of said 58.07 acre tract and the south line of the aforementioned 328.9 acre tract;

Thence N 03-34-16 E, at 149.58 feet pass a found 5/8-inch reference iron rod, in all 1080.30 feet, to a found 5/8-inch iron rod for a corner;

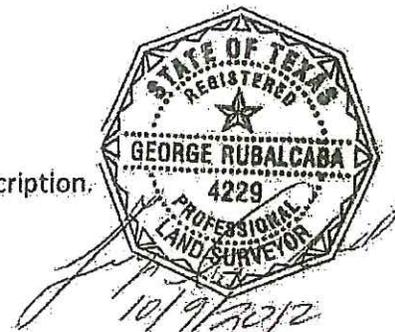
Thence N 04-42-55 W, 1132.92 feet; to a found 5/8-inch iron rod for a corner;

Thence N 17-47-50 W, 1473.53 feet, to the point of beginning and containing 337.4 acres of land, more or less.

Notes:

1. Bearings are State Plane Grid.
2. Drawing Exhibit B accompanies this metes and bounds description.

Save and except the following tract



**METES AND BOUNDS DESCRIPTION
OF A
52.25 ACRE TRACT**

Being 52.25 acres of land, out of a 212.20 acre tract of land as described in Document No. 490819, Official Public Records of San Patricio County, Texas, also being out of a 328.9 acre tract, referred to as "Tract 1, Parcel 2A", described in Document No. 2001000017, Official Public Records of Nueces County, Texas, and a 832.0 acre tract referred to as "Reynolds/Alcoa Retained Tract 1" in Document No. 2001000017, Official Public Records of Nueces County, Texas, and being more particularly described by metes and bounds as follows:

Commencing at a found 5/8 inch iron rod, being the southeast corner of a 125.2 acre tract referred to as "Reynolds/Alcoa Retained Tract 3" in Document No. 2001000017, Official Public Records of Nueces County, Texas, said corner having a State Plane Grid Coordinate of N 17,211,109.14', E, 1,383,532.78', NAD' 83, Texas South Zone, and said corner also being an inside corner of said 212.20 acre tract as shown in MEI Govind drawing no. 0309-501-C04 and drawing no. 0309-501-C05;

Thence along the northeasterly boundary of said 212.20 acre tract, S 17-32-44 E, 250.80 feet, to the Point of Beginning and northeast corner of this herein described tract, said corner having a State Plane Grid Coordinate of N 17,210,870.02', E, 1,383,608.38', NAD' 83, Texas South Zone, and being on the Mean Higher High Water Line of Corpus Christi Bay;

Thence S 17-32-44 E, 46.08 feet, to an interior corner of this herein described tract, same being an interior corner of said 212.20 acre tract;

Thence S 01-10-32 E, 767.00 feet, to a point on the on the south line of a 31.82 acre tract, referred to as "Tract 1, Parcel 5" as recorded in Document No. 2001000017, Official Public Records of Nueces County, Texas, said point being the Port of Corpus Christi Authority North Bulkhead Line, also being the southeast corner of said 212.20 acre tract, same being the southeast corner of this herein described tract;

Thence along the south boundary of this herein described tract, the south boundary of said 212.20 acre tract, the North Bulkhead Line, N 77-30-59 W, 3569.00 feet, to the southwest corner of this herein described tract, same being the southwest corner of said 212.20 acre tract;

Thence leaving said North Bulkhead Line, N 07-00-29 W, 244.22 feet, to an interior corner of this herein described tract, said corner being on the west boundary line of said 212.20 acre tract, and also being on said Mean Higher High Water Line (MHHW);

Thence along said Mean Higher High Water Line as follows:

N 87-07-14 E, 13.56 feet;
S 32-02-58 E, 21.05 feet;
N 68-07-08 E, 19.87 feet;
S 61-24-17 E, 14.94 feet;
N 45-48-36 E, 13.55 feet;
N 25-00-56 W, 72.49 feet;

Thence S 85-43-21 W, 42.23 feet, to an interior corner of this herein described tract, said corner being on the west boundary line of said 212.20 acre tract;

Thence along the west boundary of said 212.20 acre tract, N 07-00-29 W, 30.33 feet, to the northwest corner of this herein described tract, and being on said Mean Higher High Water Line;

Thence with said Mean Higher High Water Line (MHHW) as follows:

N 84-40-25 E, 16.36 feet;
S 84-44-31 E, 50.13 feet;
S 03-16-16 E, 36.14 feet;
S 72-16-10 E, 17.07 feet;
N 53-23-13 E, 27.28 feet;
S 87-50-01 E, 30.47 feet;
N 82-21-56 E, 49.49 feet;
N 87-19-40 E, 40.23 feet;
S 62-13-54 E, 24.71 feet;
S 31-48-19 E, 30.33 feet;

N 37-21-50 W, 9.14 feet;
 N 48-34-53 E, 60.83 feet;
 N 88-04-21 E, 61.52 feet;
 S 62-33-10 E, 49.74 feet;
 S 85-11-41 E, 51.68 feet;
 N 79-36-23 E, 36.81 feet;
 N 65-12-45 E, 35.50 feet;
 S 79-22-43 E, 56.99 feet;
 S 56-38-50 E, 58.76 feet;
 S 48-44-43 E, 111.54 feet;
 S 52-35-41 E, 46.53 feet;
 S 85-06-59 E, 40.01 feet;
 S 60-20-57 E, 12.72 feet;
 S 35-27-18 E, 37.43 feet;
 S 60-04-28 E, 39.02 feet;
 S 84-37-50 E, 20.21 feet;
 N 59-26-24 E, 36.04 feet;
 N 45-55-06 E, 27.10 feet;
 N 66-55-49 E, 27.43 feet;
 S 74-12-19 W, 47.14 feet;
 N 86-06-05 W, 28.83 feet;

Thence N 74-45-18 W, 16.89 feet, along said Mean Higher High Water Line, to the Point of Beginning and containing 52.25 acres of land, more or less.



Notes:

- 1) Bearings are State Plane Grid, Texas South Zone, NAD' 83.
- 2) MHHW Line based on TCOON Gauge "Ingleside"

TX HWY 35
P.O.C.

REINVESTMENT ZONE



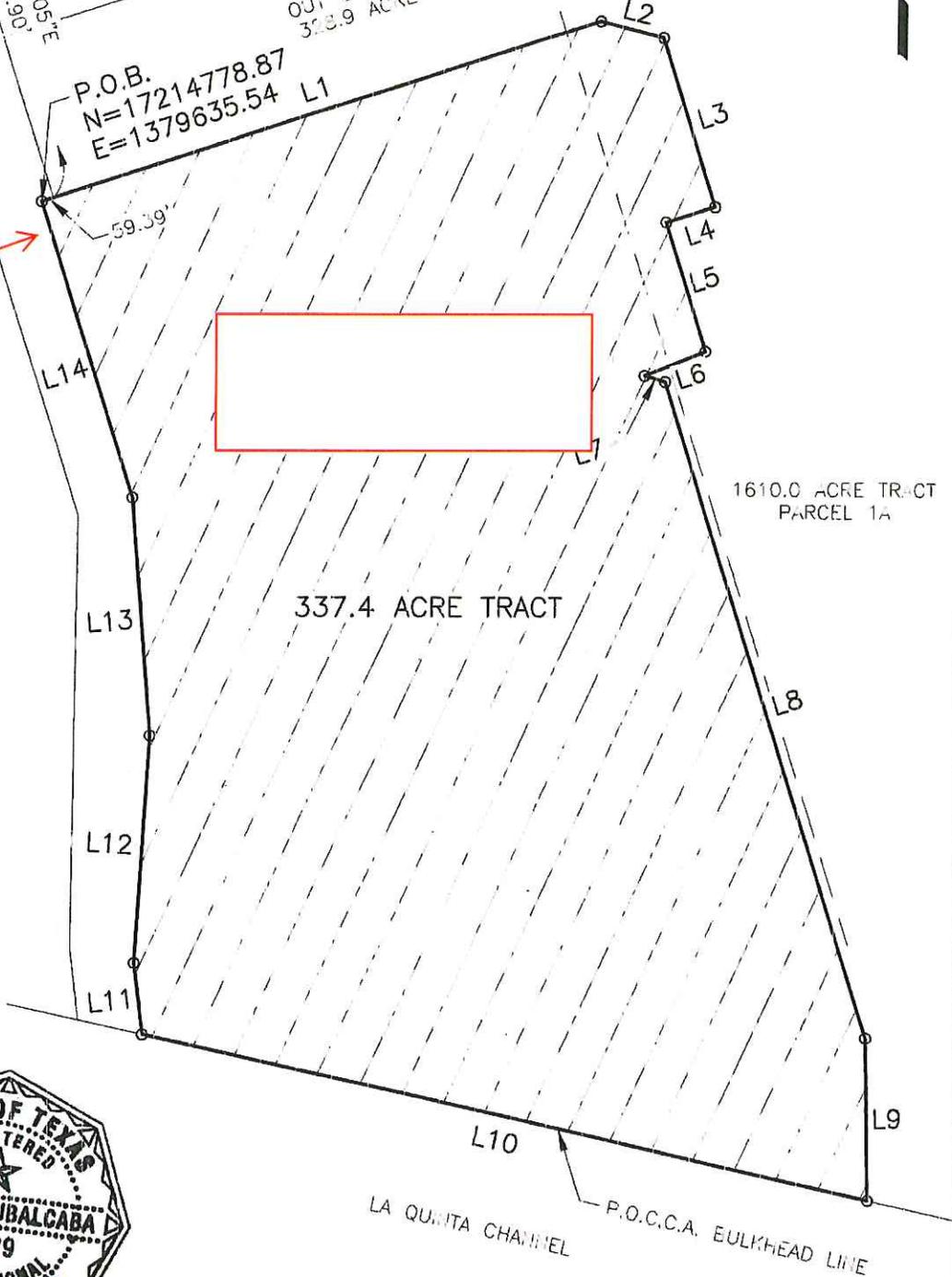
9.59 ACRES TRACT
517.1105"E
8336.90'

REMAINDER TRACT
OUT OF PARCEL 2A
328.9 ACRE TRACT

P.O.B.
N=17214778.87
E=1379635.54

Reinvestment Zone boundaries in bold

LINE TABLE		
LINE	LENGTH	DIRECTION
L1	2818.29'	N72°17'20"E
L2	308.21'	S75°52'21"E
L3	838.29'	S17°42'40"E
L4	246.92'	S72°17'20"W
L5	640.06'	S17°42'40"E
L6	314.67'	S67°58'34"W
L7	102.15'	S73°59'30"E
L8	3257.31'	S17°32'43"E
L9	767.00'	S01°10'31"E
L10	3569.03'	N77°30'59"W
L11	340.43'	N07°00'28"W
L12	1080.30'	N03°34'16"E
L13	1132.92'	N04°42'55"W
L14	1473.53'	N17°47'50"W



George Rubalcaba
10/9/2012



SCALE: 1" = 800'

EXHIBIT B

	GOVIND DEVELOPMENT, LLC. <small>TBPE FIRM NO. F-10101</small>		
	CORPUS CHRISTI LIQUEFACTION, LLC 337.4 ACRE TRACT		
SAN PATRICIO COUNTY		TEXAS	
<small>DR. RA</small> <small>CK. GR</small> <small>APP. CR</small>	<small>DATE:</small> OCTOBER 2012	<small>SCALE AS NOTED</small> CLIENT APPROVAL	<small>JOB NO.</small> 12CH203 <small>DRAWING NO.</small> 1

EXHIBIT 2

LOCATION OF QUALIFIED INVESTMENT/QUALIFIED PROPERTY

All of Applicant's Qualified Property located within the boundaries of both the Gregory-Portland Independent School District and the **CORPUS CHRISTI LIQUEFACTION LLC REINVESTMENT ZONE #2** will be included in and subject to this Agreement. Specifically, all of Applicant's Qualified Property located in the following sections of land is included, to wit:

October 9, 2012

12CH0203

EXHIBIT A
METES AND BOUNDS DESCRIPTION
OF A
337.4 ACRE TRACT

Being 337.4 acres of land, more or less, out of a 1610.0 acre "Tract 1, Parcel 1A", 328.9 acre "Tract 1, Parcel 2A", 31.82 acre "Tract 1, Parcel 5", and 58.07 acre "Tract 1, Parcel 6" as recorded in Document No. 490819, Real Property Records of San Patricio County, Texas, and Document No. 2001000017, Official Public Records of Nueces County, Texas, and also being out of the T. T. Williamson Surveys, Abstract Numbers 288, 289, and 290, and out of State Tracts 1 and 2, and this 337.4 acre tract being all of the 212.2 acre tract recorded in Document No. 2004020956, Official Public Records of Nueces County, Texas, and all the 125.2 acre tract referred to as "Reynolds/Alcoa Retained Tract #3" recorded in Document No. 2001000017, Official Public Records of Nueces County, Texas, and this 337.2 acre tract being more particularly described by metes and bounds as follows:

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Thence leaving said south right-of-way line and with the west line of said 832.0 acre tract, S 17° 41'-05" E, at 8736.90 feet pass a found 5/8-inch iron rod for the southwest corner of said 832.0 acre tract, in all 8936.90 feet to a found 5/8-inch iron rod;

Thence S 72°-17'-20" W, 59.39 feet, to a found 5/8-inch iron rod for the POINT OF BEGINNING and the northwest corner of this tract and said 212.2 acre tract, said corner having a NAD'83 State Plane Grid Coordinate of N 17214778.87', E 1379635.54', Texas South Zone in U.S. feet;

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Thence with the east boundaries of this tract and said 212.2 acre tract as follows:
S 75°-57'-21" E, 308.21 feet;
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S 73-59-30 E, 102.15 feet, to a found 5/8-inch iron rod;

S 17-32-43 E, at 2960.50 feet pass a found 5/8-inch iron rod being the southeast corner of said 125.2 acre tract, at 3129.328 feet pass the common south line of the aforementioned 328.9 acre tract and the north line of the aforementioned 58.07 acre tract, at 3192.41 feet pass a found 5/8-inch reference iron rod, at 3242.47 feet pass the common east line of said 58.07 acre tract and the west line of the aforementioned 31.82 acre tract, in all 3257.37 feet to a corner;

Thence S 01-10-31 E, 767.00 feet, to the southeast corner of this tract and said 212.20 acre tract, said corner being on the south line of said 31.82 acre tract and the Port of Corpus Christi Authority North Bulkhead Line;

Thence N 77-30-59 W with said bulkhead line and the south boundary of this tract and said 212.2 acre tract, at 190.69 feet pass the southwest corner of said 31.82 acre tract and the southeast corner of the aforementioned 58.07 acre tract, in all 3569.03 feet to the southwest corner of this tract and said 212.20 acre tract;

Thence leaving said bulkhead line N 07-00-28 W, 340.43 feet, to a corner being on the common north line of said 58.07 acre tract and the south line of the aforementioned 328.9 acre tract;

Thence N 03-34-16 E, at 149.58 feet pass a found 5/8-inch reference iron rod, in all 1080.30 feet, to a found 5/8-inch iron rod for a corner;

Thence N 04-42-55 W, 1132.92 feet, to a found 5/8-inch iron rod for a corner;

Thence N 17-47-50 W, 1473.53 feet, to the point of beginning and containing 337.4 acres of land, more or less.

Notes:

1. Bearings are State Plane Grid.
2. Drawing Exhibit B accompanies this metes and bounds description.

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Thence along the northeasterly boundary of said 212.20 acre tract, S 17-32-44 E, 250.80 feet, to the Point of Beginning and northeast corner of this herein described tract, said corner having a State Plane Grid Coordinate of N 17,210,870.02', E, 1,383,608.38', NAD' 83, Texas South Zone, and being on the Mean Higher High Water Line of Corpus Christi Bay;

Thence S 17-32-44 E, 46.08 feet, to an interior corner of this herein described tract, same being an interior corner of said 212.20 acre tract;

Thence S 01-10-32 E, 767.00 feet, to a point on the on the south line of a 31.82 acre tract, referred to as "Tract 1, Parcel 5" as recorded in Document No. 2001000017, Official Public Records of Nueces County, Texas, said point being the Port of Corpus Christi Authority North Bulkhead Line, also being the southeast corner of said 212.20 acre tract, same being the southeast corner of this herein described tract;

Thence along the south boundary of this herein described tract, the south boundary of said 212.20 acre tract, the North Bulkhead Line, N 77-30-59 W, 3569.00 feet, to the southwest corner of this herein described tract, same being the southwest corner of said 212.20 acre tract;

Thence leaving said North Bulkhead Line, N 07-00-29 W, 244.22 feet, to an interior corner of this herein described tract, said corner being on the west boundary line of said 212.20 acre tract, and also being on said Mean Higher High Water Line (MHHW);

Thence along said Mean Higher High Water Line as follows:

N 87-07-14 E, 13.56 feet;
S 32-02-58 E, 21.05 feet;
N 68-07-08 E, 19.87 feet;
S 61-24-17 E, 14.94 feet;
N 45-48-36 E, 13.55 feet;
N 25-00-56 W, 72.49 feet;

Thence S 85-43-21 W, 42.23 feet, to an interior corner of this herein described tract, said corner being on the west boundary line of said 212.20 acre tract;

Thence along the west boundary of said 212.20 acre tract, N 07-00-29 W, 30.33 feet, to the northwest corner of this herein described tract, and being on said Mean Higher High Water Line;

Thence with said Mean Higher High Water Line (MHHW) as follows:

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N 82-21-56 E, 49.49 feet;
N 87-19-40 E, 40.23 feet;
S 62-13-54 E, 24.71 feet;
S 31-48-19 E, 30.33 feet;

N 37-21-50 W, 9.14 feet;
 N 48-34-53 E, 60.83 feet;
 N 88-04-21 E, 61.52 feet;
 S 62-33-10 E, 49.74 feet;
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 S 79-22-43 E, 56.99 feet;
 S 56-38-50 E, 58.76 feet;
 S 48-44-43 E, 111.54 feet;
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 S 60-20-57 E, 12.72 feet;
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 N 86-06-05 W, 28.83 feet;

Thence N 74-45-18 W, 16.89 feet, along said Mean Higher High Water Line, to the Point of Beginning and containing 52.25 acres of land, more or less.



Notes:

- 1) Bearings are State Plane Grid, Texas South Zone, NAD' 83.
- 2) MHHW Line based on TCOON Gauge "Ingleside"

EXHIBIT 3

DESCRIPTION OF THE APPLICANT'S QUALIFIED INVESTMENT/QUALIFIED PROPERTY

Corpus Christi Liquefaction, LLC plans to construct a natural gas liquefaction facility for export and LNG regasification facility for import in San Patricio County. The facility is being constructed in three phases, or "trains," with each train commencing operations approximately six to nine months after the previous train. A separate application for limitation of appraised value has been filed, and a separate agreement for limitation of appraised value will be executed, for each train. The Application, and this Agreement, covers the second train of the facility. Applicant's Qualified Property shall include all property of the second train, including the portion of the Land upon which the second train sits. The location of Applicant's Qualified Property is set forth in the section of the attached map marked "Train 2." Applicant's Qualified Property shall include such portions of the following major components (along with supporting buildings, utilities, and other facilities) as are located in such map section:

LNG Liquefaction

- Facilities which remove carbon dioxide (CO₂), hydrogen sulfide (H₂S), and sulfur compounds from the feed gas;
- Facilities to remove water and mercury from the feed gas;
- Facilities to remove heavy hydrocarbons (such as benzene, toluene, ethylbenzene, and xylene (BTEX) from the feed gas
- Six aero derivative GE LM2500 G4+ gas turbines driving multiple liquefaction refrigerant compressors;
- Waste heat recovery systems;
- Induced draft air coolers;
- Associated fire and gas and safety systems;
- Associated control systems and electrical infrastructure;
- Utility connections and distribution systems; and
- Piping, pipe racks, foundations and structures within the LNG train battery limits.

LNG Storage

LNG will be stored in three, full containment (steel inside concrete) storage tanks. The insulated LNG tanks will each be designed to store a nominal volume of 160,000 cubic meters (1,006,400 barrels) of LNG at a temperature of negative 260 degrees Fahrenheit.

LNG Vaporization

Two trains of ambient air vaporizers (“AAV”) and associated sendout pumps will be installed.

Marine Facilities and LNG Transfer Lines

Two marine berths will be constructed. Together they will provide the capability to load or unload approximately 200 to 300 ships per year. The two berths are designed to accommodate a broad range of present and future LNG carrier size and type classes. Insulated LNG transfer lines will interconnect the LNG liquefaction and storage facilities with the marine berths.

TX HWY 35
P.O.C.

317.1105'E
3356.90'
9.59 ACRES
ACCESS POINT

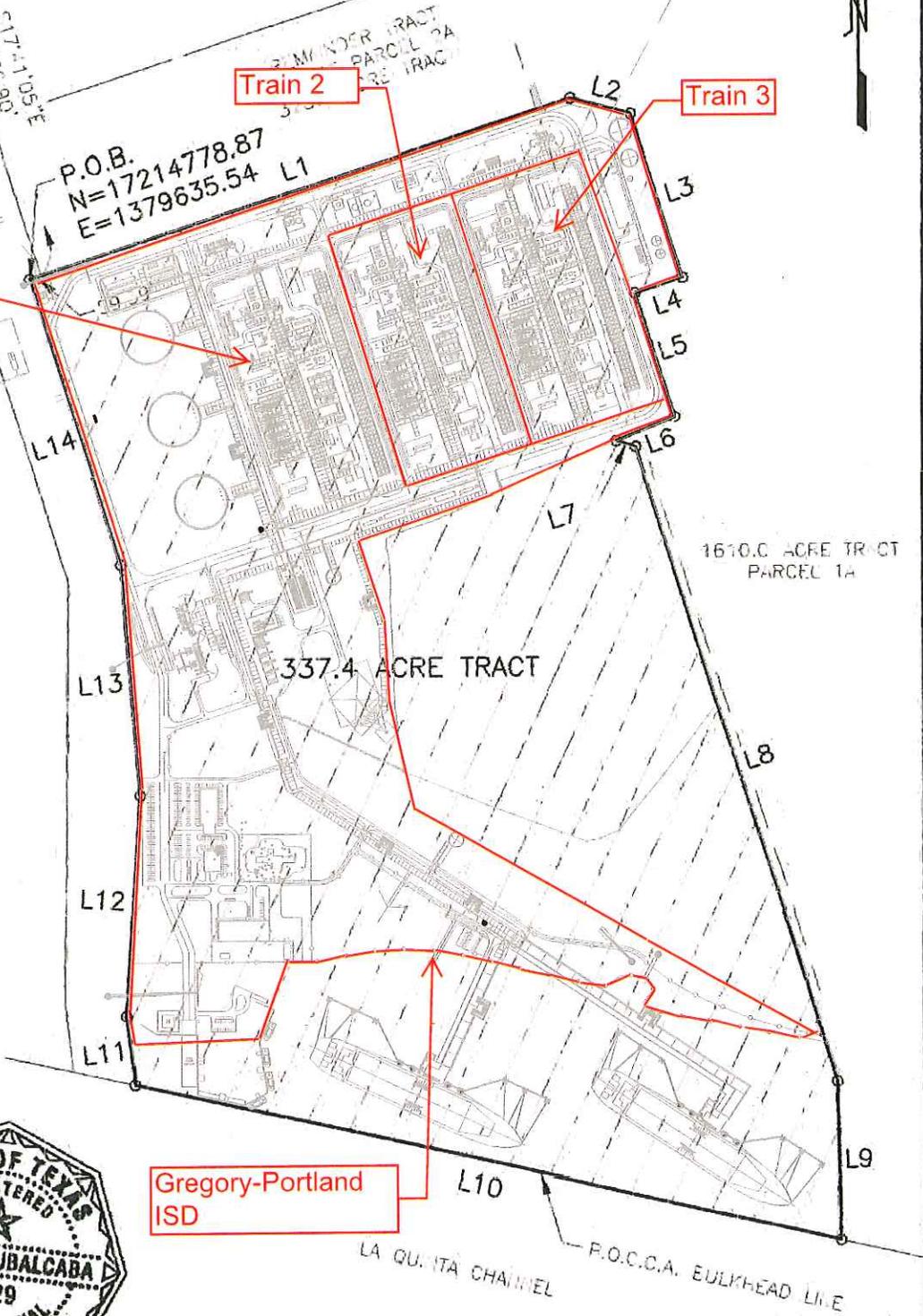
P.O.B.
N=17214778.87
E=1379635.54
L1

Train 2

Train 3

Train 1 & Infrastructure

LINE TABLE		
LINE	LENGTH	DIRECTION
L1	2818.29'	N72°17'20"E
L2	308.21'	S75°52'21"E
L3	838.29'	S17°42'40"E
L4	246.92'	S72°17'20"W
L5	640.06'	S17°42'40"E
L6	314.67'	S67°58'34"W
L7	102.15'	S73°59'30"E
L8	3257.31'	S17°32'43"E
L9	767.00'	S01°10'31"E
L10	3569.03'	N77°30'59"W
L11	340.43'	N07°00'28"W
L12	1080.30'	N03°34'16"E
L13	1132.92'	N04°42'55"W
L14	1473.53'	N17°47'50"W



Gregory-Portland
ISD



George Rubalcaba
10/9/2012

800 0 800 1600
SCALE: 1" = 800'

EXHIBIT B

 Govind Development, LLC Office: (361) 241-2777	GOVIND DEVELOPMENT, LLC. TBPE FIRM NO. P-10101			
	CORPUS CHRISTI LIQUEFACTION, LLC 337.4 ACRE TRACT			
SAN PATRICIO COUNTY TEXAS				
DR. RA	DATE:	SCALE: AS NOTED	JOB NO.	DRAWING NO.
CK. GR	OCTOBER 2012	CLIENT APPROVAL	12CH203	1
APP. GR				