FINDINGS OF THE SABINE PASS INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE TEXAS ECONOMIC DEVELOPMENT ACT ON THE APPLICATION SUBMITTED BY GOLDEN PASS PRODUCTS LLC (#378)

November 3, 2014

FINDINGS

OF THE

SABINE PASS INDEPENDENT

SCHOOL DISTRICT BOARD OF TRUSTEES

UNDER THE

TEXAS ECONOMIC DEVELOPMENT ACT

ON THE APPLICATION SUBMITTED BY

GOLDEN PASS PRODUCTS LLC (#378)

NOVEMBER 3, 2014

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STATE OF TEXAS §

COUNTY OF JEFFERSON §

On the 3rd day of November, 2014, a public meeting of the Board of Trustees of the Sabine Pass 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 Golden Pass Products LLC (Golden Pass #378) 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 Sabine Pass Independent School District makes the following findings with respect to the application of Golden Pass, and the economic impact of that application:

On November 20, 2013, the Superintendent of Schools of the Sabine Pass Independent School District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts received an Application from Golden Pass 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, Golden Pass (Texas Taxpayer Id. 32052468710), 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**.

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 Sabine Pass 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 March 4, 2014. 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 Sabine Pass 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 Sabine Pass 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 Golden Pass , over the specific language to be included in the Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District. The proposed Agreement is attached to these findings as **Attachment G**.

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

Board Finding Number 1.

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

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

> The Texas Economic Development Plan focuses on attracting and developing industries using technology. It also identifies opportunities for existing Texas industries. The plan centers on promoting economic prosperity throughout Texas and the skilled workers that the Golden Pass Products 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 Sabine Pass, Texas is in need of long-term improvement, based on the state's analysis of Jefferson County data.**

Based on information provided by the Comptroller's Office that focused on the county level, Jefferson County is the 20th largest county in the state in terms of population. Population growth in Jefferson County is up slightly, based on these data. The population of Jefferson County increased by 0.2 percent between 2009 and 2010, well below the 1.8 percent increase experienced across the state population during the same period.

September 2011 employment for Jefferson County was up 0.6 from September 2010, below the state's 0.9 percent increase in total employment during the same period. The unemployment rate in Jefferson County was 11.9 percent in September 2011, higher than the state average of 8.5 percent.

Jefferson County continues to have a slightly lower per capita personal income than the state as a whole. In terms of per capita income, Jefferson County's $37,139 in 2009 ranked 59th among the 254 counties in Texas, while the Texas average was $38,609 for the same period.

The local economy in Jefferson County will benefit from economic activity like that associated with the Golden Pass 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 $72,000 per year. The review of the application by the State Comptroller's Office indicated that this amount—based on Texas Workforce Commission data—complies with the requirement that qualifying jobs must pay 110 percent of the regional average manufacturing wage. Golden Pass indicates that total employment will be approximately 20 new jobs, 16 of which all will be qualifying jobs.**

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

> After construction, the project will create 20 new jobs when fully operational. 16 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 South East Texas Regional Planning Region, where Jefferson County is located was $61,118 in 2012. The annual average manufacturing wage for 2012-2013 for Jefferson County is $91,364. That same year, the county annual average wage for all industries was $49,712. In addition to a salary of $72,000, each qualifying position will receive benefits: At least 80% of employees of the Project will be employed in qualifying jobs pursuant to Texas Tax Code 313.024(d). Qualifying jobs will meet the definition of Texas Tax Code Section 313.051(b). Employees will be offered a group health benefit plan for which the operator of the Project will pay at least 80% of the premiums or other charges assessed for employee-only coverage under the plan or as necessary to be in compliance with the Affordable Care Act. In addition,

each qualifying employee will receive a competitive 401(k) Retirement Savings Plan, vacation time, sick leave, and skills training.

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 $157 million on the basis of the goal of 16 new qualifying positions for the entire Golden Pass project.

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

The project's total investment is $2.515 billion, resulting in a relative level of investment per qualifying job of $157 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 Golden Pass Products 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 17 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 Golden Pass Products LLC

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2018	200	171	371	$8,000,000	$14,000,000	$22,000,000
2019	800	690	1490	$32,000,000	$61,000,000	$93,000,000
2020	1100	955	2055	$44,000,000	$95,000,000	$139,000,000
2021	800	714	1514	$32,000,000	$83,000,000	$115,000,000
2022	20	181	201	$1,344,600	$33,655,400	$35,000,000
2023	20	169	189	$1,344,600	$29,655,400	$31,000,000
2024	20	166	186	$1,344,600	$27,655,400	$29,000,000
2025	20	179	199	$1,344,600	$26,655,400	$28,000,000
2026	20	195	215	$1,344,600	$27,655,400	$29,000,000
2027	20	214	234	$1,344,600	$28,655,400	$30,000,000
2028	20	232	252	$1,344,600	$29,655,400	$31,000,000
2029	20	244	264	$1,344,600	$31,655,400	$33,000,000
2030	20	224	244	$1,344,600	$30,655,400	$32,000,000
2031	20	169	189	$1,344,600	$26,655,400	$28,000,000
2032	20	162	182	$1,344,600	$24,655,400	$26,000,000
2033	20	146	166	$1,344,600	$24,655,400	$26,000,000
2034	20	144	164	$1,344,600	$24,655,400	$26,000,000

Source: CPA, REMI, Golden Pass Products LLC

The statewide average ad valorem tax base for school districts in Texas was $1.65 billion in 2012-2013. Sabine Pass ISD's ad valorem tax base in 2012-2013 was $664 million. The statewide average wealth per WADA was estimated at $343,155 for fiscal 2012-2013. During that same year, Sabine Pass ISD's estimated wealth per WADA was $1.14 million. 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, Jefferson County, Sabine-Neches Navigation District, and Port of Sabine Pass, with all property tax incentives sought being granted using estimated market value from Golden Pass Products LLC's application. Golden Pass Products LLC has applied for both a value limitation under Chapter 313, Tax Code and tax abatements with the

county, navigation district, and port authority. Table 3 illustrates the estimated tax impact of Golden Pass Products LLC project on the region if all taxes are assessed.

Table 2 Estimated Direct Ad Valorem Taxes with all property tax incentives sought											
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Sabine Pass ISD I&S Levy	Sabine Pass ISD M&O Levy	Sabine Pass ISD M&O and I&S Tax Levies (Before Credit Credited)	Sabine Pass ISD M&O and I&S Tax Levies (After Credit Credited)	Jefferson County Tax Levy	Sabine-Neches Navigation District Tax Levy	Port of Sabine Pass Tax Levy	Estimated Total Property Taxes
			Tax Rate[1]	0.1000	1.0400			0.3650	0.0279	0.1899	
2020	$864,975,000	$864,975,000		$864,975	$8,995,740	$9,860,715	$9,860,715	$0	$0	$0	$9,860,715
2021	$1,120,050,000	$1,120,050,000		$1,120,050	$11,648,520	$12,768,570	$12,768,570	$0	$0	$0	$12,768,570
2022	$2,295,504,000	$30,000,000		$2,295,504	$312,000	$2,607,504	$2,607,504	$0	$0	$0	$2,607,504
2023	$2,203,683,840	$30,000,000		$2,203,684	$312,000	$2,515,684	$872,197	$0	$0	$0	$872,197
2024	$2,115,536,486	$30,000,000		$2,115,536	$312,000	$2,427,536	$843,549	$0	$0	$0	$843,549
2025	$2,030,915,027	$30,000,000		$2,030,915	$312,000	$2,342,915	$816,047	$0	$0	$0	$816,047
2026	$1,949,678,426	$30,000,000		$1,949,678	$312,000	$2,261,678	$789,645	$0	$0	$0	$789,645
2027	$1,871,691,289	$30,000,000		$1,871,691	$312,000	$2,183,691	$764,300	$0	$0	$0	$764,300
2028	$1,796,823,637	$30,000,000		$1,796,824	$312,000	$2,108,824	$739,968	$0	$0	$0	$739,968
2029	$1,724,950,691	$30,000,000		$1,724,951	$312,000	$2,036,951	$716,609	$6,296,070	$480,744	$3,276,147	$10,769,570
2030	$1,655,952,664	$1,655,952,664		$1,655,953	$17,221,908	$18,877,860	$9,192,564	$6,044,227	$461,514	$3,145,101	$18,843,406
2031	$1,589,714,558	$1,589,714,558		$1,589,715	$16,533,031	$18,122,746	$18,122,746	$5,802,458	$443,053	$3,019,297	$27,387,555
2032	$1,526,125,975	$1,526,125,975		$1,526,126	$15,871,710	$17,397,836	$17,397,836	$5,570,360	$425,331	$2,898,525	$26,292,053
2033	$1,465,080,936	$1,465,080,936		$1,465,081	$15,236,842	$16,701,923	$16,701,923	$5,347,545	$408,318	$2,782,584	$25,240,370
2034	$1,406,477,699	$1,406,477,699		$1,406,478	$14,627,368	$16,033,846	$16,033,846	$5,133,644	$391,985	$2,671,281	$24,230,756
						Total	$108,228,019	$34,194,304	$2,610,946	$17,792,936	$162,826,205
Assumes School Value Limitation and Tax Abatements with the County, Navigation District, and Port Authority.											

Source: CPA, Golden Pass Products LLC

[1]Tax Rate per $100 Valuation

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives											
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Sabine Pass ISD I&S Levy	Sabine Pass ISD M&O Levy		Sabine Pass ISD M&O and I&S Tax Levies	Jefferson County Tax Levy	Sabine-Neches Navigation District Tax Levy	Port of Sabine Pass Tax Levy	Estimated Total Property Taxes
			Tax Rate[1]	0.1000	1.0400			0.3650	0.0279	0.1899	
2020	$864,975,000	$864,975,000		$864,975	$8,995,740		$9,860,715	$3,157,159	$241,069	$1,642,821	$14,901,763
2021	$1,120,050,000	$1,120,050,000		$1,120,050	$11,648,520		$12,768,570	$4,088,183	$312,158	$2,127,277	$19,296,188
2022	$2,295,504,000	$2,295,504,000		$2,295,504	$23,873,242		$26,168,746	$8,378,590	$639,757	$4,359,782	$39,546,874
2023	$2,203,683,840	$2,203,683,840		$2,203,684	$22,918,312		$25,121,996	$8,043,446	$614,167	$4,185,391	$37,964,999
2024	$2,115,536,486	$2,115,536,486		$2,115,536	$22,001,579		$24,117,116	$7,721,708	$589,600	$4,017,975	$36,446,399
2025	$2,030,915,027	$2,030,915,027		$2,030,915	$21,121,516		$23,152,431	$7,412,840	$566,016	$3,857,256	$34,988,543
2026	$1,949,678,426	$1,949,678,426		$1,949,678	$20,276,656		$22,226,334	$7,116,326	$543,375	$3,702,966	$33,589,001
2027	$1,871,691,289	$1,871,691,289		$1,871,691	$19,465,589		$21,337,281	$6,831,673	$521,640	$3,554,847	$32,245,441
2028	$1,796,823,637	$1,796,823,637		$1,796,824	$18,686,966		$20,483,789	$6,558,406	$500,775	$3,412,653	$30,955,624
2029	$1,724,950,691	$1,724,950,691		$1,724,951	$17,939,487		$19,664,438	$6,296,070	$480,744	$3,276,147	$29,717,399
2030	$1,655,952,664	$1,655,952,664		$1,655,953	$17,221,908		$18,877,860	$6,044,227	$461,514	$3,145,101	$28,528,703
2031	$1,589,714,558	$1,589,714,558		$1,589,715	$16,533,031		$18,122,746	$5,802,458	$443,053	$3,019,297	$27,387,555
2032	$1,526,125,975	$1,526,125,975		$1,526,126	$15,871,710		$17,397,836	$5,570,360	$425,331	$2,898,525	$26,292,053
2033	$1,465,080,936	$1,465,080,936		$1,465,081	$15,236,842		$16,701,923	$5,347,545	$408,318	$2,782,584	$25,240,370
2034	$1,406,477,699	$1,406,477,699		$1,406,478	$14,627,368		$16,033,846	$5,133,644	$391,985	$2,671,281	$24,230,756
						Total	$292,035,627	$93,502,635	$7,139,503	$48,653,904	$441,331,668

Source: CPA, Golden Pass Products LLC

[1]Tax 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.**

In support of this finding, the analysis prepared by Moak, Casey & Associates projects that the project would initially add $2.3 billion to the tax base for debt service purposes at the peak investment level for the 2022-23 school year. The Golden Pass project remains fully taxable for debt services taxes, with Sabine Pass ISD recently adopting a $0.135 per $100 I&S rate. While the value of the Golden Pass project is expected to depreciate over the life of the agreement and beyond, full access to the additional value will add significantly to the District's I&S tax base.

Board Finding Number 7.

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

The summary of financial impact prepared by Moak, Casey & Associates, Inc., indicates that there will be little to no impact on school facilities created by the new manufacturing project. This finding is confirmed by the TEA evaluation of this project's impact on the number and size of school facilities in Sabine Pass 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 Golden Pass Products LLC's application, "Golden Pass Products LLC was formed by affiliates of Qatar Petroleum International (QP) and ExxonMobil. ExxonMobil has an extensive global position in LNG with interests in liquefaction capacity of approximately 65 million tonnes per year

through their ventures in Qatar and Indonesia. In 2009, ExxonMobil and Qatar Petroleum started up three 7.8 million-tonnes-per-year LNG trains in Qatar, the largest in service anywhere in the world. ExxonMobil and QP have also added LNG regasification capacity with the opening of the South Hook Terminal in Wales and the Adriatic LNG Terminal offshore Italy, increasing access to attractive European markets. In addition to the Asia Pacific, ExxonMobil and joint venture partners have sanctioned the Gorgon Jansz and PNG LNG projects and additional LNG projects are being pursued in Australia and West Africa. The extensive global experience of its two partners provides Golden Pass Products the technology, marketing and financial strength to construct a world-class liquefaction and export facility anywhere in the United States and around the world."

Board Finding Number 9.

During the past two years, 11 projects in the South East Texas Regional Planning 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 Golden Pass. Based upon the consultants' review, the Board has determined that the information provided by the Applicant is true and correct.

Board Finding Number 11.

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

According to the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2013 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year, Attachment F, the total 2013 industrial value for Sabine Pass ISD is $1.1 billion. Sabine Pass ISD is categorized as Subchapter C, which applies only to a school district that has territory in a strategic investment area, as defined under Subchapter O, Chapter 171, Tax Code or in a county: (1) that has a population of less

than 50,000 and (2) in which, from 1990 to 2000, according to the federal decennial census, the population: (A) remained the same; (B) decreased; or (C) increased, but at a rate of not more than three percent per annum. Sabine Pass ISD is classified as a "rural" district due to its population characteristics. Given that the value of industrial property in Sabine Pass ISD is more than $200 million, it is classified as a Category I district which can offer a minimum value limitation of $30 million.

Board Finding Number 12.

> **The Applicant (Taxpayer Id. 32052468710) 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 in the first 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 in place for the duration of the Agreement.

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 herby authorized to be executed and delivered by and on behalf of the Sabine Pass Independent School District. It is further ORDERED that these findings and the

Board Findings of the Sabine Pass Independent School District

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 Sabine Pass Independent School District.

Dated the 3rd day of November 2014.

SABINE PASS INDEPENDENT SCHOOL DISTRICT

By: _____
LANE PLAUCHE, President, Board of Trustees

ATTEST:

By: Phyllis Almond
PHYLLIS ALMOND, Secretary, Board of Trustees

MOAK, CASEY & ASSOCIATES
SCHOOL FINANCE & ACCOUNTABILITY EXPERTS

LYNN M. MOAK, PARTNER DANIEL T. CASEY, PARTNER

November 3, 2014

President and Members
Board of Trustees
Sabine Pass Independent School District
5641 S. Gulfway Dr.
Sabine Pass, Texas 77655

Re: Recommendations and Findings of the firm Concerning Application of Golden Pass Products LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Sabine Pass Independent School District, with respect to the pending Application of Golden Pass Products 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 Golden Pass Products LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

Daniel T. Casey

www.moakcasey.com

Phone 512-485-7878 400 W. 15th Street★Suite 1410★Austin, TX 78701-1648 Fax 512-485-7888

O'HANLON, MCCOLLOM & DEMERATH

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CERTIFIED, LABOR AND EMPLOYMENT
TEXAS BOARD OF LEGAL SPECIALIZATION

JUSTIN DEMERATH

November 3, 2014

President and Members
Of the Board of Trustees
Sabine Pass Independent School District
5641 S. Gulfway Dr.
Sabine Pass, Texas 77655

Re: Recommendations and Findings of the Firm Concerning Application of Golden Pass Products LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, first qualifying year 2018

Dear President and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Sabine Pass Independent School District, with respect to the pending Application of Golden Pass Products LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, to be effected by an agreement with a first qualifying time year of 2018. 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 Golden Pass Products 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 Golden Pass Products LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

Kevin O'Hanlon
For the Firm

Attachment A

Application

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

Form 50-296
(Revised July 2013)

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 website. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller 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 website to find out more about the program at www.texasahead.org/tax_programs/chapter313/. 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 November 20, 2013
First Name Kristi Rochelle	Last Name Heid	
Title Superintendent		
School District Name Sabine Pass ISD		
Street Address 5641 S Gulfway Dr		
Mailing Address P.O. Box 1148		
City Sabine Pass	State TX	ZIP 77655-1148
Phone Number (409) 971-2321	Fax Number (409) 971-2120	
Mobile Number *(optional)*	Email Address spisd@sabinepass.net	

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

Will consultant be primary contact? ..... ☑ Yes ☐ No

SCHOOL DISTRICT INFORMATION – CERTIFICATION OF APPLICATION *(CONTINUED)*

Authorized School District Consultant *(If Applicable)*

First Name	Last Name	
Daniel T.	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)*	Email 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
Kristi Reid	11-20-13

Has the district determined this application complete? ..... ☑ Yes ☐ No

If yes, date determined complete. 11-21-13

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

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

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

APPLICANT INFORMATION – CERTIFICATION OF APPLICATION

Authorized Business Representative *(Applicant)*

First Name	Last Name	
Wanda	Grba	
Title: Vice President Business Services		
Organization: Golden Pass LNG		
Street Address: 3752 South Gulfway Drive		
Mailing Address: P.O. Box 302		
City: Sabine Pass	State: TX	ZIP: 77655
Phone Number: 409-971-4207	Fax Number: 409-971-4275	
Mobile Number *(optional)*	Business Email Address: wanda.j.grba@gpterminal.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	Last Name	
Annette	Wade	
Title: Process & Controls Advisor		
Organization: Golden Pass LNG		
Street Address: 333 Clay Street, Suite 800		
Mailing Address: 333 Clay Street, Suite 800		
City: Houston	State: TX	ZIP: 77002
Phone Number: 713-860-6337	Fax Number: 713-860-6344	
Mobile Number *(optional)*	Email Address: annette.wade@gpterminal.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 Wes	Last Name Jackson	
Title Partner		
Firm Name Cummings Westlake LLC		
Street Address 12837 Louetta Rd, Suite 201		
Mailing Address 12837 Louetta Rd, Suite 201		
City Cypress	State TX	ZIP 77429
Phone Number 713-266-4456	Fax Number 713-266-2333	
Business Email Address wjackson@cwlp.net		

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

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

Signature *(Authorized Business Representative (Applicant))* Wanda Hrba	Date 11-18-13

GIVEN under my hand and seal of office this 18th day of November, 2013

Lauren W. Harrison

Notary Public, State of Texas

LAUREN W. HARRISON
Notary Public
STATE OF TEXAS
My Comm. Exp. Aug. 17, 2015

(Notary Seal)

My commission expires 8/17/2015

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

FEES AND PAYMENTS

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

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

Please answer only either A OR B:

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

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

BUSINESS APPLICANT INFORMATION

Legal Name Under Which Application is Made
Golden Pass Products LLC

Texas Taxpayer I.D. Number of Entity Subject to Tax Code, Chapter 171 *(11 digits)*
32052468710

NAICS Code
325120

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

If yes, please list name of school district and year of agreement.
However, affiliate Golden Pass LNG LLC has an agreement with Sabine Pass ISD, effective 1/1/2007

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.)*

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.)

ELIGIBILTY UNDER TAX CODE CHAPTER 313.024

Are you an entity to which Tax Code, Chapter 171 applies? ☑ Yes ☐ No

The property will be used as an integral part, or as a necessary auxiliary part, in one of the following activities:

(1) manufacturing ☑ Yes ☐ No

(2) research and development ☐ Yes ☑ No

(3) a clean coal project, as defined by Section 5.001, Water Code ☐ Yes ☑ No

(4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code ☐ Yes ☑ No

(5) renewable energy electric generation ☐ Yes ☑ No

(6) electric power generation using integrated gasification combined cycle technology ☐ Yes ☑ No

(7) nuclear electric power generation ☐ Yes ☑ No

(8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) ☐ Yes ☑ No

Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☑ No

Will any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☑ No

Will any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☑ No

Are you including property that is owned by a person other than the applicant? ☐ Yes ☑ No

Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? ☐ Yes ☑ No

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 2018 Begin Hiring New Employees 2021

Construction Complete Q3 2021 Fully Operational Q3 2021

Purchase Machinery & Equipment Q1 2019-Q2 2021

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)? ☑ Yes ☐ No

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

When do you anticipate the new buildings or improvements will be placed in service? Q3 2021

ECONOMIC INCENTIVES

Identify state programs the project will apply for:

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

Golden Pass Products, LLC is planning to seek incentive agreements with Jefferson County, Sabine-Neches Navigation District, and Sabine Pass Port Authority. Golden Pass Products, LLC also anticipates entering into a Industrial District agreement with the City of Port Arthur. At the time this application is submitted to Sabine Pass ISD, no agreements have been finalized.

THE PROPERTY

Identify county or counties in which the proposed project will be located: Jefferson

Central Appraisal District (CAD) that will be responsible for appraising the property: Jefferson

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: Jefferson(100%) *(Name and percent of project)*

City: n/a *(Name and percent of project)*

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

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

Other *(describe)*: Sabine-Neches Navigation District (100%) *(Name and percent of project)*

Other *(describe)*: Port of Sabine Pass (100%) *(Name and percent of project)*

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

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

INVESTMENT

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as rural, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at **www.texasahead.org/tax_programs/chapter313/**.

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? $2,515,000,000

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? ..... April 15, 2014

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? $2,515,000,000

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? .... March 15, 2014

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. (See Attachment 12) *(Market Value)* 2013 *(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 on the qualified property

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 20

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? 16

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 *www.texasahead.org/tax_programs/chapter313/)*

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 website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(7).

110% of the county average weekly wage for all jobs (all industries) in the county is $1,051

110% of the county average weekly wage for manufacturing jobs in the county is $1,932

110% of the county average weekly wage for manufacturing jobs in the region is $1,293

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? ..... $ 67,230

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? $72,000

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? 30%

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: Investment (Revised January 2010)

PROPERTY INVESTMENT AMOUNTS

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

		Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: Tangible Personal Property The amount of new investment (original cost) placed in service during this year	Column B: Building or Permanent Nonremovable Component of Building (annual amount only)	Column C: Sum of A and B Qualifying Investment (during the 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)								
	Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)								
	Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property)								
	Complete tax years of qualifying time period	1							
		2							
	Value Limitation Period	3							
Tax Credit Period (with 50% cap on credit)		4							
		5							
		6							
		7							
		8							
		9							
		10							
Credit Settle-Up Period	Continue to Maintain Viable Presence	11							
		12							
		13							
Post- Settle-Up Period		14							
Post- Settle-up Period		15							

SEE ATTACHMENT 17

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

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

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

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

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

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

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

Schedule B: Estimated Market and Taxable Value (Revised January 2010)

Applicant Name _____ ISD Name _____

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

SEE ATTACHMENT 18

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

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

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE _____ DATE _____

Schedule C: Application: Employment Information

Applicant Name _____ **ISD Name** _____

					Construction		New Jobs		Qualifying Jobs	
		Year	**School Year** (YYYY-YYYY)	**Tax Year** (Fill in actual tax year) YYYY	**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								
	Complete tax years of qualifying time period	1								
		2								
	Value Limitation Period	3								
Tax Credit Period (with 50% cap on credit)		4								
		5								
		6								
		7								
		8								
		9								
		10								
Credit Settle-Up period	Continue to Maintain Viable Presence	11								
		12								
		13								
Post- Settle-Up Period		14								
Post- Settle-Up Period		15								

SEE ATTACHMENT 19

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

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

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE _____ **DATE** _____

Schedule D: Other Tax Information (Revised January 2010)

Applicant Name

ISD Name

					Sales Tax Information		Franchise Tax	Other Property Tax Abatements Sought			
					Sales Taxable Expenditures		Franchise Tax	County	City	Hospital	Other
		Year	School Year (YYYY)	Tax/Calendar Year (YYYY)	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	Fill in percentage exemption requested or granted in each year of the agreement	Fill in percentage exemption requested or granted in each year of the agreement	Fill in percentage exemption requested or granted in each year of the agreement	Fill in percentage exemption requested or granted in each year of the agreement
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)											
	Complete tax years of qualifying time period	1									
		2									
	Value Limitation Period	3									
Tax Credit Period (with 50% cap on credit)		4									
		5									
		6									
		7									
		8									
		9									
		10									
Credit Settle-Up period	Continue to Maintain Viable Presence	11									
		12									
		13									
Post- Settle-Up Period		14									
Post- Settle-Up Period		15									

SEE ATTACHMENT 20

* For planning, construction and operation of the facility.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

ATTACHMENT 1

See executed application attached.

ATTACHMENT 2

Proof of Payment of Application Fee

A copy of the electronic funds transfer for payment of the $50,000 application fee to Sabine Pass Independent School District is attached.

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

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

ATTACHMENT 3

See attached documentation of combined group membership

Golden Pass Products

November 18, 2013

Kristi Rochelle
Superintendent
Sabine Pass ISD
5641 S. Gulfway Dr.
Sabine Pass, TX 77655-1148

Dear Ms. Rochelle,

Golden Pass Products LLC is a limited liability corporation first organized with the State of Delaware and registered with the Texas Secretary of State on November 13, 2013. As of the date of this letter, the first applicable filing period for Golden Pass Products LLC was reported on November 15, 2013 as a member of a combined group as defined by Texas Tax Code 171.0001(7). The reporting entity taxpayer name is QTL U.S. Holdings Corporation, Inc., tax payer identification number 14505643255. Golden Pass Products, LLC was included in the combined franchise tax report using a Texas taxpayer number of 32051510983.

Registration with the Texas Secretary of State, file number 0801882136, triggered a new Texas taxpayer number with the State Comptroller's office, 32052468710. Golden Pass Products LLC will conform future filings to this number, 32052468710, for consistency.

The most recent Texas Franchise Tax Affiliate Schedule is attached.

Sincerely,

Wanda Grba

Wanda Grba
Treasurer and Vice President, Business Services

Three Allen Center • 333 Clay Street • Suite 802 • Houston, TX 77002 • Tel: 713-860-6361 • Fax: 713-860-6344

TX2013
Ver. 4.0 05-158-A (Rev.9-11/6)

Texas Franchise Tax Report - Page 1

Tcode 13250 Annual

Taxpayer number	Report year	Due date	Privilege period covered by this report
14505643255	2013	11/15/2013	01/01/2013 — 12/31/2013

Taxpayer Name: QTL U.S. HOLDINGS CORPORATION, INC.

Secretary of State file number or Comptroller file number: 0032275680

Mailing address: P.O. BOX 3212

City: DOHA | State: | Country: QATAR | ZIP Code: | Plus 4: | Check box if the address has changed ☐

Check box if this is a combined report ☒ | Check box if Total Revenue is adjusted for Tiered Partnership Election, see instructions ☐

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 ☐

** If not twelve months, see instructions for annualized revenue

Accounting year begin date** (m m d d y y)	Accounting year end date (m m d d y y)	SIC code	NAICS code
010112	123112		551112

REVENUE *(Whole dollars only)*

1. Gross receipts or sales	1.	92631339.00
2. Dividends	2.	0.00
3. Interest	3.	11879.00
4. Rents *(can be negative amount)*	4.	0.00
5. Royalties	5.	0.00
6. Gains/losses *(can be negative amount)*	6.	-13942361.00
7. Other income *(can be negative amount)*	7.	-130953307.00
8. Total gross revenue *(Add items 1 thru 7)*	8.	-52252450.00
9. Exclusions from gross revenue *(see instructions)*	9.	-130950308.00
10. TOTAL REVENUE *(Item 8 minus item 9 if less than zero, enter 0)*	10.	78697858.00

COST OF GOODS SOLD *(Whole dollars only)*

11. Cost of goods sold	11.	0.00
12. Indirect or administrative overhead costs *(Limited to 4%)*	12.	0.00
13. Other *(see instructions)*	13.	0.00
14. TOTAL COST OF GOODS SOLD *(Add items 11 thru 13)*	14.	0.00

COMPENSATION *(Whole dollars only)*

15. Wages and cash compensation	15.	0.00
16. Employee benefits	16.	0.00
17. Other *(see instructions)*	17.	0.00
18. TOTAL COMPENSATION *(Add items 15 thru 17)*	18.	0.00

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PM Date	

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TX2013
Ver. 4.0

05-158-B
(Rev.9-11/6)

■ Tcode 13251 Annual

Texas Franchise Tax Report - Page 2

■ Taxpayer number	■ Report year	Due date	Taxpayer name
14505643255	2013	11/15/2013	QTL U.S. HOLDINGS CORPORATION, INC.

MARGIN *(Whole dollars only)*

19. Revenue *(Item 10 X 70%)*	19.	55088501.00
20. Revenue *(Item 10 minus Item 14 COGS)*	20.	78697858.00
21. Revenue *(Item 10 minus Item 18 Compensation)*	21.	78697858.00
22. MARGIN *(Enter the lowest amount from Item 19, 20 or 21)*	22.	55088501.00

APPORTIONMENT FACTOR

23. Gross receipts in Texas *(Whole dollars only)*	23.	0.00
24. Gross receipts everywhere *(Whole dollars only)*	24.	78697858.00
25. APPORTIONMENT FACTOR *(Divide Item 23 by Item 24, round to 4 decimal places)*	25.	0.0000

TAXABLE MARGIN *(Whole dollars only)*

26. Apportioned margin *(Multiply Item 22 by Item 25)*	26.	0.00
27. Allowable deductions *(see instructions)*	27.	0.00
28. TAXABLE MARGIN *(Item 26 minus Item 27)*	28.	0.00

TAX DUE

29. Tax rate *(see instructions for determining the appropriate tax rate)* X X X	29.	0.0100
30. Tax due *(Multiply Item 28 by the tax rate in Item 29) (Dollars and cents)*	30.	0.00

TAX ADJUSTMENTS *(Dollars and cents) (Do not include prior payments)*

31. Tax credits *(Item 23 from Form 05-160)*	31.	0.00
32. Tax due before discount *(Item 30 minus Item 31)*	32.	0.00
33. Discount *(see instructions, applicable to report years 2008 and 2009)*	33.	0.00

TOTAL TAX DUE *(Dollars and cents)*

34. TOTAL TAX DUE *(Item 32 minus Item 33)*	34.	0.00

Do not include payment if Item 34 is less than $1,000 or if annualized total revenue is less than the no tax due threshold (see instructions). If the entity makes a tiered partnership election, ANY amount in Item 34 is due. Complete Form 05-170 if making a payment.

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

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

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PM Date	

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05-166
(Rev.9-11/4)

■ Tcode 13253 Annual

Texas Franchise Tax Affiliate Schedule

■ Reporting entity taxpayer number	■ Report year	Reporting entity taxpayer name
14505643255	2013	QTL U.S. HOLDINGS CORPORATION, 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	■ 2. Affiliate taxpayer number *(if none, use FEI number)*	■ 3. Affiliate NAICS code
QTL U.S. HOLDINGS CORPORATION, INC.	14505643255	551112

4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have **NEXUS** in Texas	■ 6. Affiliate reporting begin date *m m d d y y*	■ 7. Affiliate reporting end date *m m d d y y*
■ ☐	■ ☒	010112	123112

■ 8. Gross receipts subject to throwback in other states *(before eliminations)*	■ 9. Gross receipts everywhere *(before eliminations)*
0.00	836369.00

■ 10. Gross receipts in Texas *(before eliminations)*	■ 11. Cost of goods sold or compensation *(before eliminations)*
0.00	0.00

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	■ 2. Affiliate taxpayer number *(if none, use FEI number)*	■ 3. Affiliate NAICS code
GOLDEN PASS PIPELINE, LLC	32026320096	486210

4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have **NEXUS** in Texas	■ 6. Affiliate reporting begin date *m m d d y y*	■ 7. Affiliate reporting end date *m m d d y y*
■ ☐	■ ☐	010112	123112

■ 8. Gross receipts subject to throwback in other states *(before eliminations)*	■ 9. Gross receipts everywhere *(before eliminations)*
0.00	88825674.00

■ 10. Gross receipts in Texas *(before eliminations)*	■ 11. Cost of goods sold or compensation *(before eliminations)*
0.00	0.00

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	■ 2. Affiliate taxpayer number *(if none, use FEI number)*	■ 3. Affiliate NAICS code
GOLDEN PASS LNG TERMINAL, LLC	32020458017	424710

4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have **NEXUS** in Texas	■ 6. Affiliate reporting begin date *m m d d y y*	■ 7. Affiliate reporting end date *m m d d y y*
■ ☐	■ ☐	010112	123112

■ 8. Gross receipts subject to throwback in other states *(before eliminations)*	■ 9. Gross receipts everywhere *(before eliminations)*
0.00	-10132412.00

■ 10. Gross receipts in Texas *(before eliminations)*	■ 11. Cost of goods sold or compensation *(before eliminations)*
0.00	0.00

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 ☐

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.

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(Rev.9-11/4)

■ Tcode 13253 Annual

Texas Franchise Tax Affiliate Schedule

■ Reporting entity taxpayer number	■ Report year	Reporting entity taxpayer name
14505643255	2013	QTL U.S. HOLDINGS CORPORATION, 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	■ 2. Affiliate taxpayer number *(if none, use FEI number)*	■ 3. Affiliate NAICS code
QTL U.S. TERMINAL, LLC		488999

4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have **NEXUS** in Texas	■ 6. Affiliate reporting begin date *m m d d y y*	■ 7. Affiliate reporting end date *m m d d y y*
■ [X]	■ [X]	010112	123112

■ 8. Gross receipts subject to throwback in other states *(before eliminations)*	■ 9. Gross receipts everywhere *(before eliminations)*
0.00	0.00

■ 10. Gross receipts in Texas *(before eliminations)*	■ 11. Cost of goods sold or compensation *(before eliminations)*
0.00	0.00

Check box if this is a Corporation or Limited Liability Company [X] Check box if this is an Entity other than a Corporation or Limited Liability Company [ ]

1. Legal name of affiliate	■ 2. Affiliate taxpayer number *(if none, use FEI number)*	■ 3. Affiliate NAICS code
U.S. SERVICECO SINGLE MEMBER LLC		551112

4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have **NEXUS** in Texas	■ 6. Affiliate reporting begin date *m m d d y y*	■ 7. Affiliate reporting end date *m m d d y y*
■ [X]	■ [X]	010112	123112

■ 8. Gross receipts subject to throwback in other states *(before eliminations)*	■ 9. Gross receipts everywhere *(before eliminations)*
0.00	0.00

■ 10. Gross receipts in Texas *(before eliminations)*	■ 11. Cost of goods sold or compensation *(before eliminations)*
0.00	0.00

Check box if this is a Corporation or Limited Liability Company [X] Check box if this is an Entity other than a Corporation or Limited Liability Company [ ]

1. Legal name of affiliate	■ 2. Affiliate taxpayer number *(if none, use FEI number)*	■ 3. Affiliate NAICS code
GOLDEN PASS LNG MARINE SERVICES, LLC	32042298284	488330

4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have **NEXUS** in Texas	■ 6. Affiliate reporting begin date *m m d d y y*	■ 7. Affiliate reporting end date *m m d d y y*
■ [X]	■ [ ]	010112	123112

■ 8. Gross receipts subject to throwback in other states *(before eliminations)*	■ 9. Gross receipts everywhere *(before eliminations)*
0.00	0.00

■ 10. Gross receipts in Texas *(before eliminations)*	■ 11. Cost of goods sold or compensation *(before eliminations)*
0.00	0.00

Check box if this is a Corporation or Limited Liability Company [X] Check box if this is an Entity other than a Corporation or Limited Liability Company [ ]

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.

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05-166
(Rev.9-11/4)
Tcode 13253 Annual

Texas Franchise Tax Affiliate Schedule

Reporting entity taxpayer number	Report year	Reporting entity taxpayer name
14505643255	2013	QTL U.S. HOLDINGS CORPORATION, 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	2. Affiliate taxpayer number *(if none, use FEI number)*	3. Affiliate NAICS code
GOLDEN PASS PRODUCTS LLC	32051510983	551112

4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have **NEXUS** in Texas	6. Affiliate reporting begin date (m m d d y y)	7. Affiliate reporting end date (m m d d y y)
☐	☐	071212	123112

8. Gross receipts subject to throwback in other states *(before eliminations)*	9. Gross receipts everywhere *(before eliminations)*
0.00	0.00

10. Gross receipts in Texas *(before eliminations)*	11. Cost of goods sold or compensation *(before eliminations)*
0.00	0.00

Check box if this is a Corporation or Limited Liability Company [X] Check box if this is an Entity other than a Corporation or Limited Liability Company [ ]

1. Legal name of affiliate	2. Affiliate taxpayer number *(if none, use FEI number)*	3. Affiliate NAICS code

4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have **NEXUS** in Texas	6. Affiliate reporting begin date (m m d d y y)	7. Affiliate reporting end date (m m d d y y)
☐	☐		

8. Gross receipts subject to throwback in other states *(before eliminations)*	9. Gross receipts everywhere *(before eliminations)*
0.00	0.00

10. Gross receipts in Texas *(before eliminations)*	11. Cost of goods sold or compensation *(before eliminations)*
0.00	0.00

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	2. Affiliate taxpayer number *(if none, use FEI number)*	3. Affiliate NAICS code

4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have **NEXUS** in Texas	6. Affiliate reporting begin date (m m d d y y)	7. Affiliate reporting end date (m m d d y y)
☐	☐		

8. Gross receipts subject to throwback in other states *(before eliminations)*	9. Gross receipts everywhere *(before eliminations)*
0.00	0.00

10. Gross receipts in Texas *(before eliminations)*	11. Cost of goods sold or compensation *(before eliminations)*
0.00	0.00

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 [ ]

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.

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1039

Franchise Tax Account Status

As of: 11/16/2013 11:07:10 AM

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

GOLDEN PASS PRODUCTS LLC	
Texas Taxpayer Number	32052468710
Mailing Address	211 E 7TH ST STE 602 AUSTIN, TX 78701-3334
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	11/13/2013
Texas SOS File Number	0801882136
Registered Agent Name	CORPORATION SERVICES COMPANY
Registered Office Street Address	211 E 7TH STREET SUITE 602 AUSTIN, TX 78701

ATTACHMENT 4

Detailed Description of the Project

Golden Pass Products (GPP) and Golden Pass Pipeline LLC (collectively, "Golden Pass") propose to own, site, construct, and operate a liquefied natural gas ("LNG") export project ("GPX Project"). The GPX Project consists of:

(1) The Export Terminal, which will be constructed adjacent to the Golden Pass LNG Terminal LLC ("GPLNG") import terminal site, located onshore at the Sabine-Neches Waterway in Jefferson County, Texas; and

(2) Additions to the existing Golden Pass Pipeline LLC system ("GPPL") by construction of approximately a total of eight to ten miles of new 30- to 36-inch pipeline in two non-contiguous loops and up to four new compressor stations with all necessary integration interconnections for bi-directional service. *Golden Pass Pipeline System is specifically excluded and not part of this Application for Limitation on Appraised Value of Qualified Property.*

The GPX Project will be located on over 1,100 acres owned or controlled by GPP affiliates in Jefferson County, Texas. The GPX Project will allow Golden Pass to receive natural gas from domestic sources, convert natural gas to LNG, store, and export that LNG. The GPX Project will be constructed and operated contiguous to and integrated with the GPLNG terminal and GPPL. This will enable Golden Pass to maximize use of the existing GPLNG terminal and GPPL facilities, to provide for bi-directional service and thus allow for exportation and importation of natural gas. The total estimated capital investment of the Project for all thee liquefaction trains in Sabine Pass ISD is approximately $8.5-10 billion.

GPP will construct three liquefaction trains with a nominal total production capacity of 15.6 million metric tons per annum (MTPA) of LNG for export (each having a nominal throughput of 5.2 million MTPA). The Project is expected to be constructed in phases, with each LNG train commencing operations approximately six to twelve 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 the third train of the Project and all newly installed and constructed supporting infrastructure improvements including, but not limited to, land improvements, tanks, intraplant piping, plant control equipment, pollution control equipment, buildings and associated equipment to support these major components.

The GPP Export Terminal includes, but is not limited to, the following major components described below.

LNG Liquefaction Export Terminal

The Project will entail construction of new liquefaction facilities, together with the integration to certain existing LNG import terminal facilities. *All preexisting facilities, equipment, and buildings, are excluded from this application*.

Specific new facilities include:

a) Inlet gas treating systems utilizing amine for carbon dioxide, hydrogen sulfide removal followed by molecular sieve dehydration. Water and heavy hydrocarbons will be removed by dehydration units, scrubbers and separators.

b) Liquefaction capability Train #3 will have a nominal throughput capacity of 5.2 MTPA. This process train will include the following components:

i. Propane pre-cooling, mixed refrigerant LNG process (also known as the C3MR process) utilizing two gas-fired turbines;

ii. Coil wound main cryogenic heat exchangers for liquefaction and sub-cooling.

c) Associated utilities, equipment and air coolers.

d) Interconnections to existing import facilities and controls.

e) The addition of LNG storage tank pumps to accommodate loading operations.

ATTACHMENT 4A

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

Golden Pass Products LLC was formed by affiliates of Qatar Petroleum International (QP) and ExxonMobil. ExxonMobil has an extensive global position in LNG with interests in liquefaction capacity of approximately 65 million tonnes per year through their ventures in Qatar and Indonesia. In 2009, ExxonMobil and Qatar Petroleum started up three 7.8 million-tonnes-per-year LNG trains in Qatar, the largest in service anywhere in the world. ExxonMobil and QP have also added LNG regasification capacity with the opening of the South Hook Terminal in Wales and the Adriatic LNG Terminal offshore Italy, increasing access to attractive European markets.

In addition to the Asia Pacific, ExxonMobil and joint venture partners have sanctioned the Gorgon Jansz and PNG LNG projects and additional LNG projects are being pursued in Australia and West Africa. The extensive global experience of its two partners provides Golden Pass Products the technology, marketing and financial strength to construct a world-class liquefaction and export facility anywhere in the United States and around the world.

ATTACHMENT 5

List of taxing jurisdictions where the project is located

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

- Jefferson County (100%)
- Sabine Pass ISD (100%)
- Sabine-Neches Navigation District (100%)
- Port of Sabine Pass (100%)

ATTACHMENT 6

Detailed Description of the Project

Golden Pass Products (GPP) and Golden Pass Pipeline LLC (collectively, "Golden Pass") propose to own, site, construct, and operate a liquefied natural gas ("LNG") export project ("GPX Project"). The GPX Project consists of:

(1) The Export Terminal, which will be constructed adjacent to the Golden Pass LNG Terminal LLC ("GPLNG") import terminal site, located onshore at the Sabine-Neches Waterway in Jefferson County, Texas; and

(2) Additions to the existing Golden Pass Pipeline LLC system ("GPPL") by construction of approximately a total of eight to ten miles of new 30- to 36-inch pipeline in two non-contiguous loops and up to four new compressor stations with all necessary integration interconnections for bi-directional service. *Golden Pass Pipeline System is specifically excluded and not part of this Application for Limitation on Appraised Value of Qualified Property.*

The GPX Project will be located on over 1,100 acres owned or controlled by GPP affiliates in Jefferson County, Texas. The GPX Project will allow Golden Pass to receive natural gas from domestic sources, convert natural gas to LNG, store, and export that LNG. The GPX Project will be constructed and operated contiguous to and integrated with the GPLNG terminal and GPPL. This will enable Golden Pass to maximize use of the existing GPLNG terminal and GPPL facilities, to provide for bi-directional service and thus allow for exportation and importation of natural gas. The total estimated capital investment of the Project for all thee liquefaction trains in Sabine Pass ISD is approximately $8.5-10 billion.

GPP will construct three liquefaction trains with a nominal total production capacity of 15.6 million metric tons per annum (MTPA) of LNG for export (each having a nominal throughput of 5.2 million MTPA). The Project is expected to be constructed in phases, with each LNG train commencing operations approximately six to twelve 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 the third train of the Project and all newly installed and constructed supporting infrastructure improvements including, but not limited to, land improvements, tanks, intraplant piping, plant control equipment, pollution control equipment, buildings and associated equipment to support these major components.

The GPP Export Terminal includes, but is not limited to, the following major components described below.

LNG Liquefaction Export Terminal

The Project will entail construction of new liquefaction facilities, together with the integration to certain existing LNG import terminal facilities. *All preexisting facilities, equipment, and buildings, are excluded from this application*.

Specific new facilities include:

a) Inlet gas treating systems utilizing amine for carbon dioxide, hydrogen sulfide removal followed by molecular sieve dehydration. Water and heavy hydrocarbons will be removed by dehydration units, scrubbers and separators.

b) Liquefaction capability Train #3 will have a nominal throughput capacity of 5.2 MTPA. This process train will include the following components:

i. Propane pre-cooling, mixed refrigerant LNG process (also known as the C3MR process) utilizing two gas-fired turbines;

ii. Coil wound main cryogenic heat exchangers for liquefaction and sub-cooling.

c) Associated utilities, equipment and air coolers.

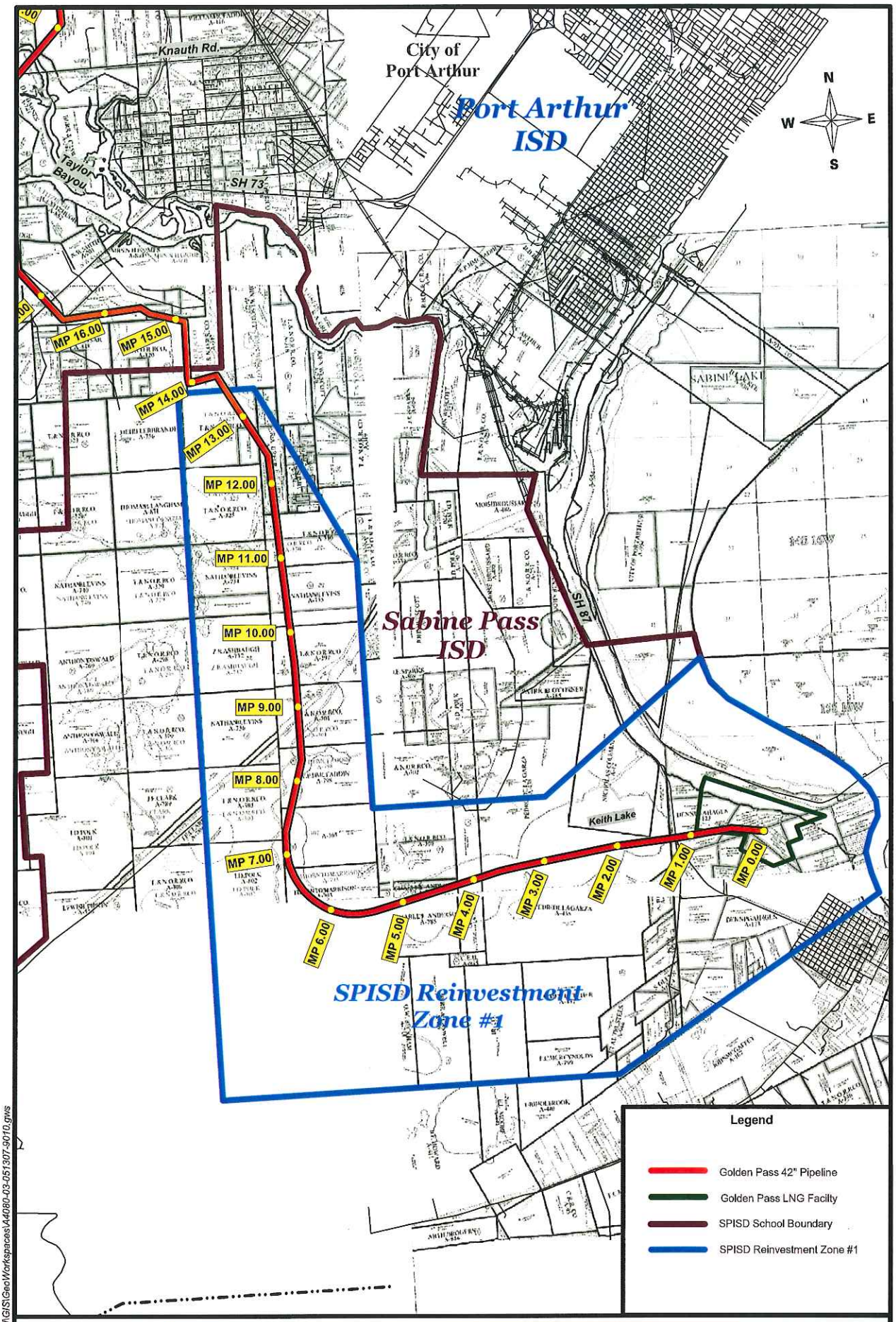
d) Interconnections to existing import facilities and controls.

e) The addition of LNG storage tank pumps to accommodate loading operations.

ATTACHMENT 7

Attached are the following maps:

- Map of proposed reinvestment zone showing the location of qualified investment and qualified property
- Map of Sabine Pass ISD showing location of the Project
- Vicinity map showing boundary of Sabine Pass ISD and location of the Project



PROPOSED REINVESTMENT ZONE

SABINE PASS ISD MAP

11/28/2006

A4080-03-051307-9017-REVA

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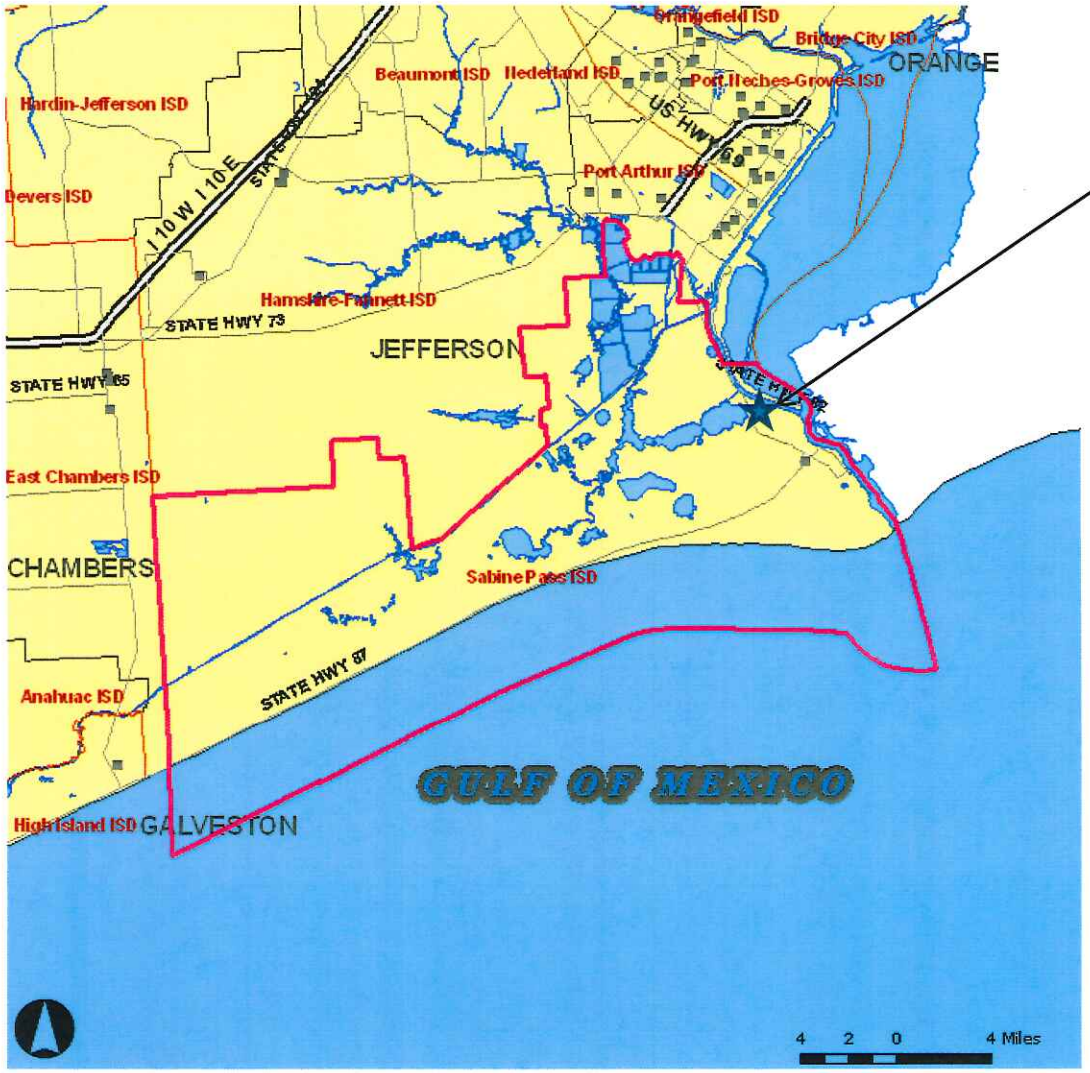
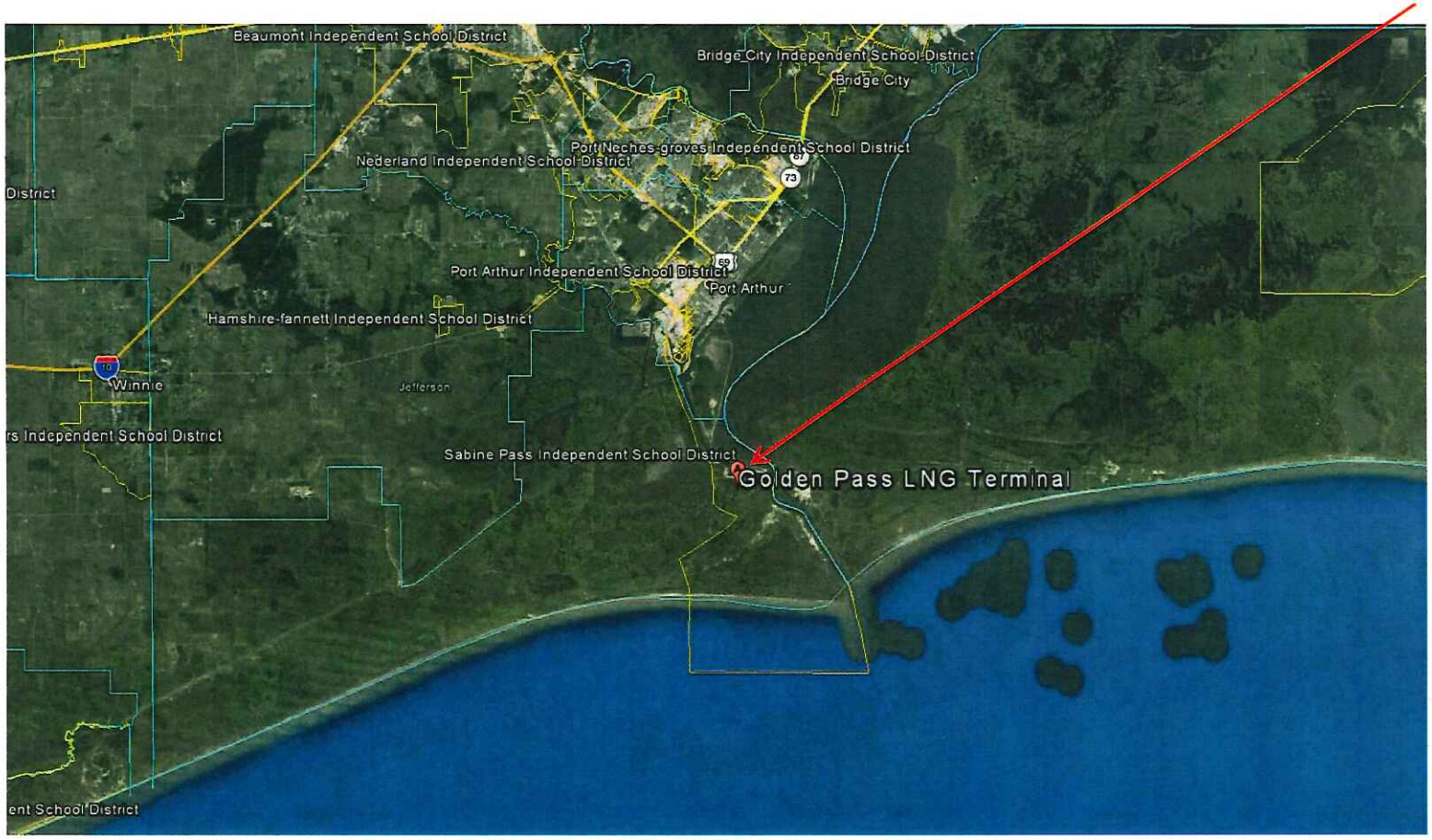
Sabine Pass ISD Map



Project Site

Golden Pass Products, LLC Vicinity Map 1

Project Site



VICINITY MAP 2

Golden Pass Products

GOLDEN PASS LNG TERMINAL EXPORT PROJECT

LEGEND
- TX Roads
- Foreign Pipeline ROW
- FlareArea
- Proposed Plots
- Golden Pass Pipeline

0 500 1,000 1,500 2,000 FEET

GOLDEN PASS LNG TERMINAL EXPORT PROJECT

Figure 1.1-2 - Preliminary Plot Plan

COUNTY:	JEFFERSON	DRAWN BY:	JK
STATE:	TEXAS	CHECKED BY:	MA

REV. NO.:	REVISION	DATE
0	TEMPLATE ISSUED FOR REVIEW.	2013-06-25

PRELIMINARY

DATE: 2013-06-25 PROJECTION: NAD83 | ST PLN 4204

Aerial Source: Source: Esri, DigitalGlobe, GeoEye, i-cubed, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

Golden Pass Products

DWG: GPP-02-R3-1A-ANSI-A-1-1-2 SHEET: 1

ATTACHMENT 8

Detailed Description of the Project

Golden Pass Products (GPP) and Golden Pass Pipeline LLC (collectively, "Golden Pass") propose to own, site, construct, and operate a liquefied natural gas ("LNG") export project ("GPX Project"). The GPX Project consists of:

(1) The Export Terminal, which will be constructed adjacent to the Golden Pass LNG Terminal LLC ("GPLNG") import terminal site, located onshore at the Sabine-Neches Waterway in Jefferson County, Texas; and

(2) Additions to the existing Golden Pass Pipeline LLC system ("GPPL") by construction of approximately a total of eight to ten miles of new 30- to 36-inch pipeline in two non-contiguous loops and up to four new compressor stations with all necessary integration interconnections for bi-directional service. *Golden Pass Pipeline System is specifically excluded and not part of this Application for Limitation on Appraised Value of Qualified Property.*

The GPX Project will be located on over 1,100 acres owned or controlled by GPP affiliates in Jefferson County, Texas. The GPX Project will allow Golden Pass to receive natural gas from domestic sources, convert natural gas to LNG, store, and export that LNG. The GPX Project will be constructed and operated contiguous to and integrated with the GPLNG terminal and GPPL. This will enable Golden Pass to maximize use of the existing GPLNG terminal and GPPL facilities, to provide for bi-directional service and thus allow for exportation and importation of natural gas. The total estimated capital investment of the Project for all thee liquefaction trains in Sabine Pass ISD is approximately $8.5-10 billion.

GPP will construct three liquefaction trains with a nominal total production capacity of 15.6 million metric tons per annum (MTPA) of LNG for export (each having a nominal throughput of 5.2 million MTPA). The Project is expected to be constructed in phases, with each LNG train commencing operations approximately six to twelve 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 the third train of the Project and all newly installed and constructed supporting infrastructure improvements including, but not limited to, land improvements, tanks, intraplant piping, plant control equipment, pollution control equipment, buildings and associated equipment to support these major components.

The GPP Export Terminal includes, but is not limited to, the following major components described below.

LNG Liquefaction Export Terminal

The Project will entail construction of new liquefaction facilities, together with the integration to certain existing LNG import terminal facilities. *All preexisting facilities, equipment, and buildings, are excluded from this application*.

Specific new facilities include:

a) Inlet gas treating systems utilizing amine for carbon dioxide, hydrogen sulfide removal followed by molecular sieve dehydration. Water and heavy hydrocarbons will be removed by dehydration units, scrubbers and separators.

b) Liquefaction capability Train #3 will have a nominal throughput capacity of 5.2 MTPA. This process train will include the following components:

i. Propane pre-cooling, mixed refrigerant LNG process (also known as the C3MR process) utilizing two gas-fired turbines;

ii. Coil wound main cryogenic heat exchangers for liquefaction and sub-cooling.

c) Associated utilities, equipment and air coolers.

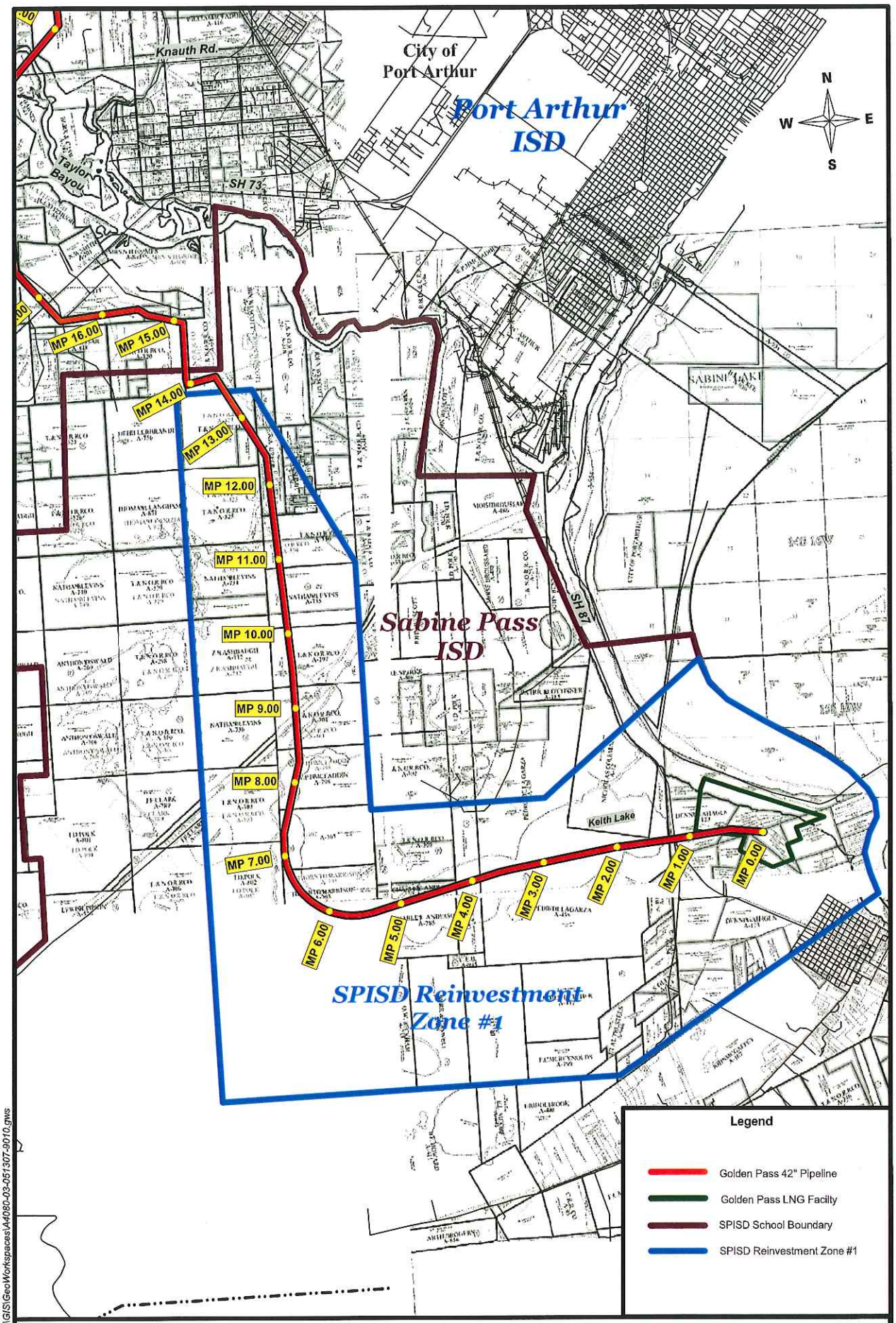
d) Interconnections to existing import facilities and controls.

e) The addition of LNG storage tank pumps to accommodate loading operations.

ATTACHMENT 9

Attached are the following maps:

- Map of proposed reinvestment zone showing the location of qualified investment and qualified property
- Map of Sabine Pass ISD showing location of the Project
- Vicinity map showing boundary of Sabine Pass ISD and location of the Project



PROPOSED REINVESTMENT ZONE

SABINE PASS ISD MAP

11/28/2006

A4080-03-051307-9017-REVA

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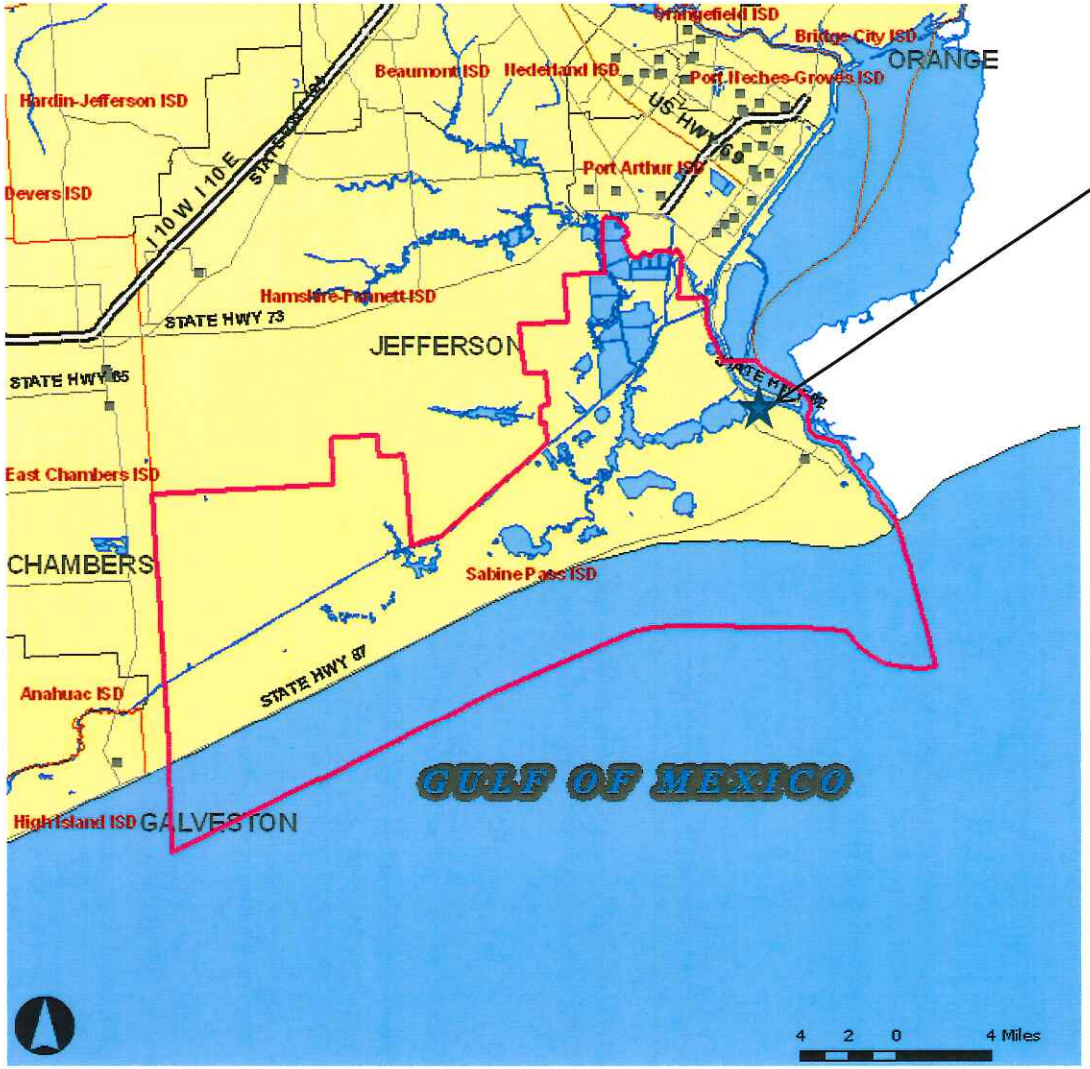
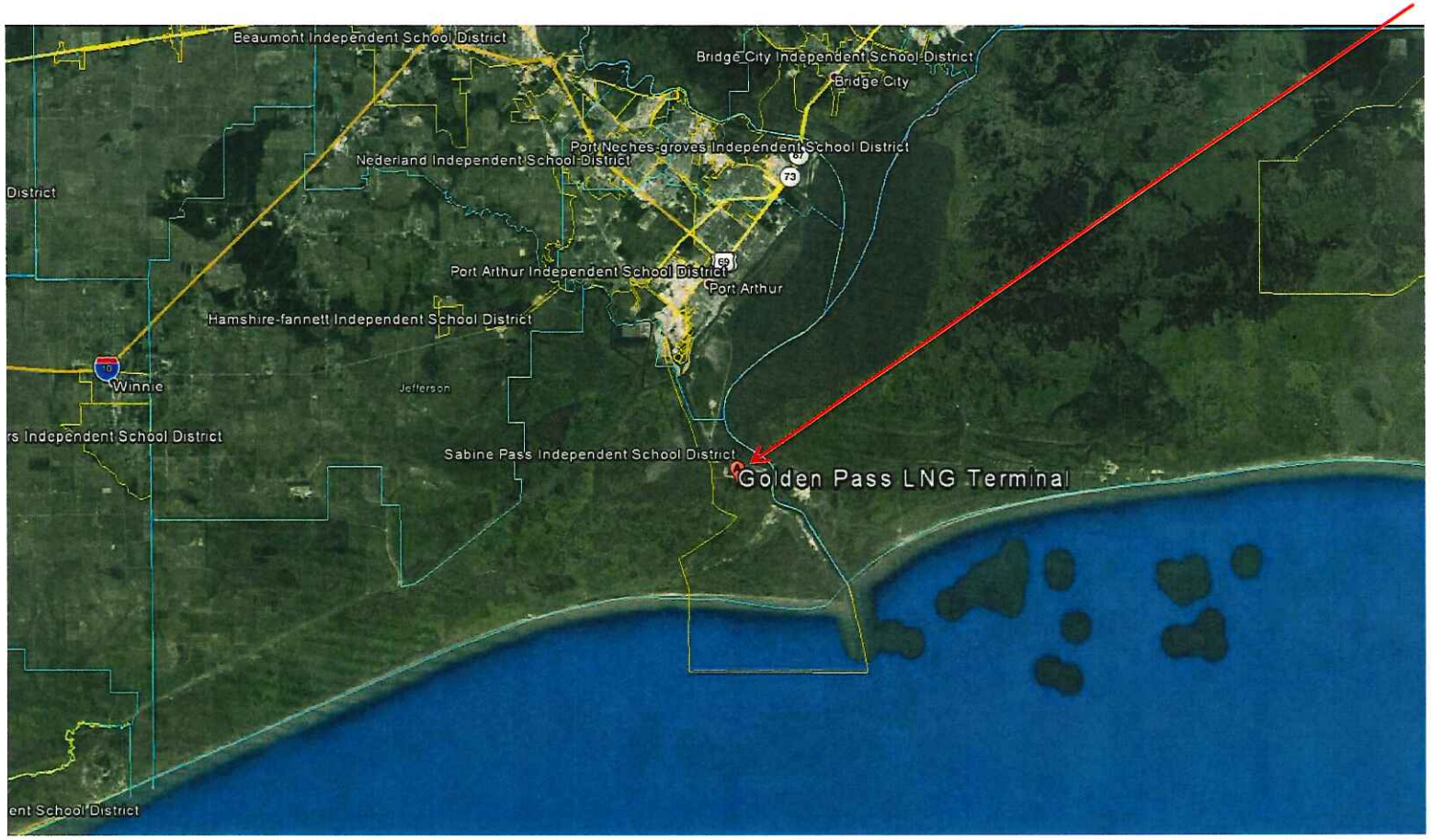
Sabine Pass ISD Map



Project Site

Golden Pass Products, LLC Vicinity Map 1

Project Site



VICINITY MAP 2

Golden Pass Products

GOLDEN PASS LNG TERMINAL EXPORT PROJECT

LEGEND
- TX Roads
- Foreign Pipeline ROW
- FlareArea
- Proposed Plots
- Golden Pass Pipeline

0 500 1,000 1,500 2,000 FEET

GOLDEN PASS LNG TERMINAL EXPORT PROJECT

Figure 1.1-2 - Preliminary Plot Plan

COUNTY:	JEFFERSON	DRAWN BY:	JK
STATE:	TEXAS	CHECKED BY:	MA

REV. NO.:	REVISION	DATE
0	TEMPLATE ISSUED FOR REVIEW.	2013-06-25

PRELIMINARY

DATE: 2013-06-25 PROJECTION: NAD83 | ST PLN 4204

Aerial Source: Source: Esri, DigitalGlobe, GeoEye, i-cubed, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

Golden Pass Products

DWG: GPP-02-03-1A-ANSI-A-1-1-2 SHEET: 1

ATTACHMENT 10

A description of the land is attached.

TRACT ONE
250.8 ACRES OF LAND OUT OF DIVISIONS B, C, AND 4 THROUGH 8,
DENNIS GAHAGAN LEAGUE, ABSTRACT NO. 123
JEFFERSON COUNTY, TEXAS

A tract of land containing 250.8 acres of land, out of and part of Divisions B, C, and 4 through 8 of the Dennis Gahagan League, Abstract No. 123; said Divisions being according to the partition of said Dennis Gahagan League as shown on a map or plat recorded in Vol. T, Page 181, Deed Records, Jefferson County, Texas; said tract being more fully described by metes and bounds as follows, to wit:

BEGINNING at a common corner of Division B and Division 8 on the South line of Division A; said corner being marked by a concrete monument with a brass disc set by Houston Oil Company in March 1939 and identified as G-71;

THENCE North 70 deg., 03 min., 15 sec., East on the common line of said Division A and Division 8, a distance of 758.40' passing a Houston Oil Company concrete monument found and identified as G-72 and being the Southeast corner of a (Called 233.72) acre tract described in and excepted from a deed dated September 23, 1941 from John T Stewart III to J. E. Broussard, et al., recorded in Vol. 502, Page 218, Deed Records, Jefferson County, Texas; continuing on the common line of said Divisions A and 8 for a total distance of 902.78' to a point on the Southwesterly bank line of the Sabine-Neches Ship Channel.

THENCE the following calls along the Southwesterly bank line of said Sabine-Neches Ship Channel:

South 80 deg., 08 min., 36 sec., East, a distance of 8.75';

South 69 deg., 46 min., 38 sec., East, a distance of 53.61';

South 66 deg., 36 min., 16 sec., East, a distance of 116.39';

South 59 deg., 21 min., 42 sec., East, a distance of 161.57';

South 33 deg., 16 min., 56 sec., East, a distance of 36.38';

South 20 deg., 05 min., 44 sec., East, a distance of 76.96';

South 36 deg., 45 min., 48 sec., East, a distance of 116.43';

South 53 deg., 44 min., 12 sec., East, a distance of 119.49';

South 61 deg., 26 min., 19 sec., East, a distance of 140.76';

South 53 deg., 07 min., 50 sec., East, a distance of 108.58';

South 68 deg., 40 min., 05 sec., East, a distance of 124.52';

South 66 deg., 56 min., 46 sec., East, a distance of 112.79';

South 66 deg., 11 min., 20 sec., East, a distance of 131.66';

South 61 deg., 37 min., 12 sec., East, a distance of 125.53';

South 58 deg., 06min., 58 sec., East, a distance of 108.80';

South 45 deg., 07 min., 50 sec., East, a distance of 114.41';

South 37 deg., 01 min., 06 sec., East, a distance of 90.98';

South 34 deg., 43 min., 21 sec., East, a distance of 100.83';

South 36 deg., 03 min., 14 sec., East, a distance of 125.84';

South 38 deg., 59 min., 28 sec., East, a distance of 125.83';

South 46 deg., 57 min., 06 sec., East, a distance of 123.24';

South 32 deg., 48 min., 45 sec., East, a distance of 122.44';

South 34 deg., 21 min., 19 sec., East, a distance of 169.00';

South 28 deg., 35 min., 09 sec., East, a distance of 122.95';

South 31 deg., 10 min., 18 sec., East, a distance of 121.57';

South 36 deg., 17 min., 53 sec., East, a distance of 214.87';

South 34 deg., 54 min., 31 sec., East, a distance of 139.18';

South 60 deg., 06 min., 16 sec., East, a distance of 181.84';

South 59 deg., 17 min., 07 sec., East, a distance of 208.59';

South 61 deg., 04 min., 18 sec., East, a distance of 134.58';

South 82 deg., 02 min., 32 sec., East, a distance of 118.51';

North 87 deg., 58 min., 26 sec., East, a distance of 100.03';

South 68 deg., 51 min., 47 sec., East, a distance of 116.90';

South 25 deg., 02 min., 27 sec., East, a distance of 122.91';

South 44 deg., 23 min., 39 sec., West, a distance of 94.29';

South 30 deg., 01 min., 17 sec., West, a distance of 107.92';

North 73 deg., 00 min., 41 sec., West, a distance of 31.87';

South 16 deg., 55 min., 01 sec., West, a distance of 135.57';

South 07 deg., 43 min., 08 sec., East, a distance of 174.49';

South 02 deg., 15 min., 32 sec., West, a distance of 136.27';

South 03 deg., 11 min., 47 sec., East, a distance of 41.03' to a point being on the common line of Division 3 and said Division 4; said point being the Southeast corner of the herein described tract:

THENCE South 70 deg., 00 min., 47 sec., West, on the common line of said Division 3 and 4, a distance of 25.50' passing a 1/2" steel rod set, capped, and marked "SOUTEX" for reference point; continuing on the common line of said Divisions 3 and 4 for a total distance of 2526.77' to a concrete monument with brass disc set by Houston Oil Company in March 1939 and identified as G-68; said concrete monument being a common corner of said Division 3 and 4 on the Easterly line of said Division C; also being the Southeast corner of a (Called 14.9835) acre tract conveyed to Howell Cobb, Trustee, recorded in Vol. 2116, Page 103, Deed Records, Jefferson County, Texas;

THENCE South 70 deg., 00 min., 47 sec West, (Called South 70 deg., 00 min., 31 sec., West), on the South line of the (Called 14.9835) acre tract, a distance of 1000.00' (Called 1000.058) to a 1" steel pipe found for the Southwest corner of the (Called 14.9835) acre tract and the Southwest corner of the herein described tract;

THENCE North 19 deg., 57 min., 51 sec., West (Called North 19 deg., 57 min., 26 sec., West), a distance of (Called 652.654') passing the common line of said Divisions B and C; continuing for a total distance of 1079.25 to a 1" steel pipe found for an angle point in the West line of the herein described Tract;

THENCE North 19 deg., 59 min., 37 sec., West a distance of 1958.28' to a 1" steel pipe found for corner;

THENCE North 69 deg., 59 min., 21 sec., East a distance of 1000.08' to a 2" steel pipe found on the common line of said Divisions B and 7;

THENCE North 19 deg., 57 min., 49 sec., West, on the common line of said Division B and said Division 7 and 8, a distance of 879.94' to the POINT OF BEGINNING and containing 250.8 acres of land.

Note: All bearing and distances are based upon State Plane Coordinate Grid System NAD 83, Texas South Central Zone, Scale Factor = 0.999891228.

This description is based on the Land Title Survey made by Anthony M. Leger, Registered Professional Land Surveyor No. 5481, on February 10, 2004.

ExxonMobil (J.V. Property)
LS-03-1316

TRACT ONE
476.2 ACRES OF LAND PART OF DIVISIONS A & B, DENNIS GAHAGAN LEAGUE, ABSTRACT NO. 123
JEFFERSON COUNTY, TEXAS

A tract of land containing 476.2 acres of land, out of and a part of Divisions A and B of the Dennis Gahagan League, Abstract No. 123; said Divisions being according to the partition of said Dennis Gahagan League as shown on a map or plat recorded in Vol. T, Page 181, Deed Records, Jefferson County, Texas; said tract being more fully described by metes and bounds as follows, to wit:

BEGINNING at a common corner of Division B and Division 8 on the South line of Division A; said corner being marked by a concrete monument with a brass disc set by Houston Oil Company in March 1939 and identified as G-71;

THENCE South 19 deg., 57 min., 49 sec., East, on the common line of Division B and Division 8, a distance of 879.94' to a 2" steel pipe found for corner;

THENCE South 69 deg., 59 min., 21 sec., West, on the North line of Tract 2 described in Special Warranty Deed dated September 22, 1978, from Katherine Belle B. Doyle, et al., to Howell Cobb, Trustee, recorded in Vol. 2116, Page 85, Deed Records, Jefferson County, Texas, a distance of 1000.08' to a 1" steel pipe found for the Northwest corner of said Tract 2;

THENCE South 19 deg., 59 min., 37 sec., East, on the West line of said Tract 2, a distance of 1134.83' to a ½" steel rod set, capped and marked "SOUTEX" for corner;

THENCE South 70 deg., 00 min., 23 sec., West, on the North line of a tract of land set aside to Emma V. Joesting in Decree, recorded in Vol. 368, Page 608, Deed Records, Jefferson County, Texas and a portion of a tract of land set aside to Daisy M. Roche in Decree, recorded in Vol. 368, Page 608, Deed Records, Jefferson County, Texas, a distance of 1534.37' to a ½" steel rod set, capped and marked "SOUTEX" for corner;

THENCE North 63 deg., 04 min., 53 sec., West, a distance of 2576.83' to a ½" steel rod set, capped and marked "SOUTEX" for corner on the common line of said Division B and Division 12;

THENCE North 21 deg., 01 min., 38 sec., East, on the common line of Division B and Division 12, a distance of 1126.94' to a Houston Oil Company concrete monument identified as G-61 found for corner; said concrete monument being the common corner of Division B and Division 12 and being on the South line of Division A;

THENCE North 84 deg., 00 min., 00 sec., West, a distance of 3589.69' to a ½" steel rod set, capped and marked "SOUTEX" for corner;

THENCE North 08 deg., 00 min., 00 sec., East a distance of 2620.42' passing a ½" steel rod set, capped and marked "SOUTEX" for reference point; continuing for a total distance of 2720.42' to a point for corner on the Southerly bank line of the Sabine Neches Ship Channel;

THENCE on the Southerly bank line of said Sabine Neches Ship Channel:

South 77 deg., 06 min., 43 sec., East, a distance of 495.18';

South 49 deg., 29 min., 15 sec., East, a distance of 39.44';

South 65 deg., 56 min., 40 sec., East, a distance of 226.93';

South 72 deg., 30 min., 23 sec., East, a distance of 260.46';

South 85 deg., 01 min., 34 sec., East, a distance of 141.74';

South 76 deg., 52 min., 07 sec., East, a distance of 133.20';

South 76 deg., 57 min., 11 sec., East, a distance of 32.22';

South 41 deg., 18 min., 28 sec., East, a distance of 50.07';

South 58 deg., 19 min., 42 sec., East, a distance of 97.16';

South 72 deg., 24 min., 52 sec., East, a distance of 130.08';

South 82 deg., 38 min., 40 sec., East, a distance of 207.23';

South 70 deg., 46 min., 13 sec., East, a distance of 84.67';

South 76 deg., 38 min., 38 sec., East, a distance of 100.77';

South 78 deg., 48 min., 29 sec., East, a distance of 91.24';

South 61 deg., 24min., 48 sec., East, a distance of 54.00';

South 53 deg., 44 min., 45 sec., East, a distance of 121.95';

South 56 deg., 49 min., 34 sec., East, a distance of 110.17';

South 65 deg., 27 min., 43 sec., East, a distance of 93.36';

South 74 deg., 38 min., 51 sec., East, a distance of 110.03';

South 83 deg., 33 min., 57 sec., East, a distance of 99.12';

North 71 deg., 33 min., 24 sec., East, a distance of 40.68';

South 78 deg., 03 min., 12 sec., East, a distance of 55.12';

South 85 deg., 49 min., 28 sec., East, a distance of 94.09';

South 66 deg., 36 min., 20 sec., East, a distance of 86.18';

South 73 deg., 17 min., 50 sec., East, a distance of 89.98';

South 67 deg., 03 min., 41 sec., East, a distance of 137.01';

South 60 deg., 11 min., 31 sec., East, a distance of 102.81';

South 63 deg., 04 min., 18 sec., East, a distance of 80.70';

South 64 deg., 42 min., 43 sec., East, a distance of 56.25';

South 68 deg., 49 min., 52 sec., East, a distance of 99.75';

South 76 deg., 33 min., 12 sec., East, a distance of 143.39';

North 87 deg., 13 min., 53 sec., East, a distance of 64.35';

North 54 deg., 29 min., 39 sec., East, a distance of 34.86';

South 48 deg., 23 min., 43 sec., East, a distance of 29.53';

South 67 deg., 00 min., 38 sec., East, a distance of 50.58';

South 30 deg., 24 min., 47 sec., East, a distance of 34.51';

South 44 deg., 26 min., 32 sec., East, a distance of 47.89';

South 59 deg., 48 min., 57 sec., East, a distance of 68.29';

South 71 deg., 27 min., 32 sec., East, a distance of 97.11';

South 69 deg., 58 min., 28 sec., East, a distance of 160.85';

South 80 deg., 55 min., 54 sec., East, a distance of 181.89';

South 85 deg., 58 min., 01 sec., East, a distance of 155.60';

South 86 deg., 30 min., 39 sec., East, a distance of 111.34';

North 80 deg., 51 min., 51 sec., East, a distance of 78.98';

North 78 deg., 52 min., 20 sec., East, a distance of 83.22';

South 89 deg., 32 min., 33 sec., East, a distance of 28.45';

South 77 deg., 58 min., 44 sec., East, a distance of 63.60';

South 79 deg., 18 min., 00 sec., East, a distance of 57.27';

South 86 deg., 35 min., 49 sec., East, a distance of 103.04';

South 85 deg., 13 min., 46 sec., East, a distance of 396.88';

North 88 deg., 27 min., 41 sec., East, a distance of 92.18';

North 80 deg., 00 min., 00 sec., East, a distance of 92.02';

South 76 deg., 37 min., 16 sec., East, a distance of 61.52';

South 70 deg., 01 min., 34 sec., East, a distance of 57.84';

South 74 deg., 34 min., 06 sec., East, a distance of 67.61';

South 60 deg., 07 min., 14 sec., East, a distance of 120.11';

South 64 deg., 33 min., 16 sec., East, a distance of 92.75';

South 69 deg., 00 min., 45 sec., East, a distance of 154.14';

South 67 deg., 31 min., 13 sec., East, a distance of 159.69';

South 68 deg., 40 min., 49 sec., East, a distance of 101.47';

South 73 deg., 10 min., 32 sec., East, a distance of 159.80';

South 80 deg., 20 min., 38 sec., East, a distance of 96.13';

North 79 deg., 53 min., 35 sec., East, a distance of 88.33';

North 85 deg., 36 min., 37 sec., East, a distance of 26.51';

South 79 deg., 35 min., 19 sec., East, a distance of 112.09';

South 73 deg., 37min., 41 sec., East, a distance of 154.19';

South 71 deg., 04 min., 01 sec., East, a distance of 99.88';

South 44 deg., 36 min., 50 sec., East, a distance of 152.63';

South 49 deg., 47 min., 34 sec., East, a distance of 98.16';

South 67 deg., 10 min., 09 sec., East, a distance of 128.72';

South 53 deg., 21 min., 08 sec., East, a distance of 107.67';

South 67 deg., 40 min., 47 sec., East, a distance of 194.33';

South 83 deg., 05 min., 37 sec., East, a distance of 60.77';

South 80 deg., 08 min., 37 sec., East, a distance of 153.00' to a point for corner being the intersection of the Southerly bank line of the Sabine Neches Ship Channel and the common line of Division A and Division 8;

THENCE South 70 deg., 03 min., 15 sec., West, on the common line of said Division A and Division 8, a distance of 144.38' passing a Houston Oil Company concrete monument found and identified as G-72; continuing on the common line of Division A and Division 8 for a total distance of 902.78' to the POINT OF BEGINNING and containing 476.2 acres of land.

Note: All bearings and distances based upon State Plane Coordinate Grid System NAD 83, Texas South Central Zone, Scale Factor = 0.999891228.

Note: All of the divisions referred to above are according to the partition of the Dennis Gahagan League, Abstract No. 123, Jefferson County, Texas, as shown on a map or plat recorded in Vol. T, Page 181, Deed Records, Jefferson County, Texas;

This description is based on the Land Title Survey made by Anthony M. Leger, Registered Professional Land Surveyor No. 5481, on November 15, 2003.

Golden Pass LNG Terminal LP
LS-03-1192A

TRACT TWO
174.6 ACRES OF LAND (SUBMERGED) PART OF DIVISION A, DENNIS GAHAGAN LEAGUE, ABSTRACT NO. 123, JEFFERSON COUNTY, TEXAS

A tract of land containing 174.6 acres of land, being submerged land out of and a part of Division A of the Dennis Gahagan League, Abstract No. 123; said division being according to the partition of the Dennis Gahagan League as shown on a map or plat recorded in Vol. T, Page 181, Deed Records, Jefferson County, Texas; said tract being more fully described by metes and bounds as follows, to wit:

COMMENCING at the common corner of Division B and Division 8, on the South line of Division A; said corner being marked by a concrete monument with a brass disc set by Houston Oil Company in March 1939 and identified as G-71;

THENCE North 70 deg., 03 min., 15 sec, East, on the common line of Division A and Division 8, a distance of 758.40' to a Houston Oil Company concrete monument found and identified as G-72; continuing for a total distance of 902.78' to a point on the Southerly bank line of the Sabine Neches Ship Channel; said point being the POINT OF BEGINNING of the herein described tract;

THENCE on the Southerly bank line of the Sabine Neches Ship Channel:

North 80 deg., 08 min., 37 sec., West, a distance of 153.00';

North 83 deg., 05 min., 37 sec., West, a distance of 60.77';

North 67 deg., 40 min., 47 sec., West, a distance of 194.33';

North 53 deg., 21 min., 08 sec., West, a distance of 107.67';

North 67 deg., 10 min., 09 sec., West, a distance of 128.72';

North 49 deg., 47 min., 34 sec., West, a distance of 98.16';

North 44 deg., 36 min., 50 sec., West, a distance of 152.63';

North 71 deg., 04 min., 01 sec., West, a distance of 99.88';

North 73 deg., 37 min., 41 sec., West, a distance of 154.19';

North 79 deg., 35 min., 19 sec., West, a distance of 112.09';

South 85 deg., 36 min., 37 sec., West, a distance of 26.51';

South 79 deg., 53 min., 35 sec., West, a distance of 88.33';

North 80 deg., 20 min., 38 sec., West, a distance of 96.13';

North 73 deg., 10 min., 32 sec., West, a distance of 159.80';

North 68 deg., 40 min., 49 sec., West, a distance of 101.47';

North 67 deg., 31 min., 13 sec., West, a distance of 159.69';

North 69 deg., 00 min., 45 sec., West, a distance of 154.14';

North 64 deg., 33 min., 16 sec., West, a distance of 92.75';

North 60 deg., 07 min., 14 sec., West, a distance of 120.11';

North 74 deg., 34 min., 06 sec., West, a distance of 67.61';

North 70 deg., 01 min., 34 sec., West, a distance of 57.84';

North 76 deg., 37 min., 16 sec., West, a distance of 61.52';

South 80 deg., 00 min., 00 sec., West, a distance of 92.02';

South 88 deg., 27 min., 41 sec., West, a distance of 92.18';

North 85 deg., 13 min., 46 sec., West, a distance of 396.88';

North 86 deg., 35 min., 49 sec., West, a distance of 103.04';

North 79 deg., 18 min., 00 sec., West, a distance of 57.27';

North 77 deg., 58 min., 44 sec., West, a distance of 63.60';

North 89 deg., 32 min., 33 sec., West, a distance of 28.45';

South 78 deg., 52 min., 20 sec., West, a distance of 83.22';

South 80 deg., 51 min., 51 sec., West, a distance of 78.98';

North 86 deg., 30 min., 39 sec., West, a distance of 111.34';

North 85 deg., 58 min., 01 sec., West, a distance of 155.60';

North 80 deg., 55 min., 54 sec., West, a distance of 181.89';

North 69 deg., 58 min., 28 sec., West, a distance of 160.85';

North 71 deg., 27 min., 32 sec., West, a distance of 97.11';

North 59 deg., 48 min., 57 sec., West, a distance of 68.29';

North 44 deg., 26 min., 32 sec., West, a distance of 47.89';

North 30 deg., 24 min., 47 sec., West, a distance of 34.51';

North 67 deg., 00 min., 38 sec., West, a distance of 50.58';

North 48 deg., 23 min., 43 sec., West, a distance of 29.53';

South 54 deg., 29 min., 39 sec., West, a distance of 34.86';

South 87 deg., 13 min., 53 sec., West, a distance of 64.35';

North 76 deg., 33 min., 12 sec., West, a distance of 143.39';

North 68 deg., 49 min., 52 sec., West, a distance of 99.75';

North 64 deg., 42 min., 43 sec., West, a distance of 56.25';

North 63 deg., 04 min., 18 sec., West, a distance of 80.70';

North 60 deg., 11 min., 31 sec., West, a distance of 102.81';

North 67 deg., 03 min., 41 sec., West, a distance of 137.01';

North 73 deg., 17 min., 50 sec., West, a distance of 89.98';

North 66 deg., 36 min., 20 sec., West, a distance of 86.18';

North 85 deg., 49 min., 28 sec., West, a distance of 94.09';

North 78 deg., 03 min., 12 sec., West, a distance of 55.12';

South 71 deg., 33 min., 24 sec., West, a distance of 40.68';

North 83 deg., 33 min., 57 sec., West, a distance of 99.12';

North 74 deg., 38 min., 51 sec., West, a distance of 110.03';

North 65 deg., 27 min., 43 sec., West, a distance of 93.36';

North 56 deg., 49 min., 34 sec., West, a distance of 110.17';

North 53 deg., 44min., 45 sec., West, a distance of 121.95';

North 61 deg., 24 min., 48 sec., West, a distance of 54.00';

North 78 deg., 48 min., 29 sec., West, a distance of 91.24';

North 76 deg., 38 min., 38 sec., West, a distance of 100.77';

North 70 deg., 46 min., 13 sec., West, a distance of 84.67';

North 82 deg., 38 min., 40 sec., West, a distance of 207.23';

North 72 deg., 24 min., 52 sec., West, a distance of 130.08';

North 58 deg., 19 min., 42 sec., West, a distance of 97.16';

North 41 deg., 18 min., 28 sec., West, a distance of 50.07';

North 76 deg., 57 min., 11 sec., West, a distance of 32.22';

North 76 deg., 52 min., 07 sec., West, a distance of 133.20';

North 85 deg., 01 min., 34 sec., West, a distance of 141.74';

North 72 deg., 30 min., 23 sec., West, a distance of 260.46';

North 65 deg., 56 min., 40 sec., West, a distance of 226.93';

North 49 deg., 29 min., 15 sec., West, a distance of 39.44';

North 77 deg., 06 min., 43 sec., West, a distance of 495.18';

THENCE North 08 deg., 00 min., 00 sec., East, a distance of 227.80' to a point on the North line of the called 233.72 acre tract;

THENCE North 18 deg., 29 min., 21 sec., East, a distance of 843.99' to a point on the called centerline of the Sabine Neches Ship Channel;

THENCE South 71 deg., 30 min., 39 sec., East, on the called centerline of the Sabine Neches Ship Channel, a distance of 8734.07' to a point being the Point of Curvature of a curve to the right;

THENCE on the called centerline of the Sabine Neches Ship Channel on the arc of a curve to the right having a radius of 3819.41', a chord bearing of South 70 deg., 13 min., 06 sec., East, a chord distance of 189.12'to a point for the intersection of the called

centerline of the Sabine Neches Ship Channel and the common line of Division A and Division 8 (or the Northeasterly projection thereof);

THENCE South 70 deg., 03 min., 15 sec., West, on the common line of Division A and Division 8 (or the Northeasterly projection thereof), a distance of 1206.46' to the POINT OF BEGINNING and containing 174.6 acres of land, being submerged land.

Note: All bearings and distances based upon State Plane Coordinate Grid System NAD 83, Texas South Central Zone, Scale Factor = 0.999891228.

Note: All of the divisions referred to above are according to the partition of the Dennis Gahagan League, Abstract No. 123 Jefferson County, Texas, as shown on a map or plat recorded in Vol. T, Page 181, Deed Records, Jefferson County, Texas;

This description is based on the Land Title Survey made by Anthony M. Leger, Registered Professional Land Surveyor No. 5481, on November 15, 2003

Golden Pass LNG Terminal LP
LS-03-1192

TRACT ONE
178.2 ACRES OF LAND
PART OF DIVISION A, DENNIS GAHAGAN LEAGUE, ABSTRACT NO. 123, JEFFERSON COUNTY, TEXAS

A tract of land containing 178.2 acres of land out of and part of Divisions A, Dennis Gahagan League, Abstract No. 123; said Division being according to the partition of the Dennis Gahagan League as shown on a map or plat recorded in Vol. T, Page 181, Deed Records, Jefferson County, Texas; said tract being more fully described by metes and bounds as follows, to wit:

COMMENCING at a common corner of Division B and Division 8 on the South line of Division A; said corner being marked by a concrete monument with a brass disc set by Houston Oil Company in March 1939 and identified as G-71;

THENCE North 70 deg., 03 min., 15 sec., East, on the common line of said Divisions A and 8, a distance of 758.40' to a Houston Oil Company concrete monument found and identified as G-72;

THENCE North 71 deg., 30 min., 39 sec., West, a distance of 7865.00' to a point;

THENCE South 08 deg., 00 min., 00 sec., West, a distance of 273.44' to a point for corner of the POINT OF BEGINNING on the Southerly bank line of the Sabine Neches Ship Channel; said point for corner being the Northeast corner of the herein described tract;

THENCE South 08 deg., 00 min., 00 sec., West, a distance of 54.35' passing a ½" steel rod, capped and marker "SOUTEX", found for reference point; continuing for a total distance of 2674.77' to a ½" steel rod found, capped and marked "SOUTEX", found for corner;

THENCE South 84 deg., 00 min., 00 sec., East, a distance of 2981.70' to a point for corner for the Southeast corner of the herein described tract; from which a Houston Oil Company concrete monument found and identified as G-61 bears South 84 deg., 00 min., 00 sec., East, a distance of 607.90';

THENCE West, a distance of 4724.56' to a ½" steel rod set, capped and marked "SOUTEX" on the Easterly right of way line of a dedicated road named State Highway 87; said 1/2" steel rod being the Southwest corner of the herein described tract;

THENCE on the Easterly right of way line of said State Highway 87, on the arc of a curve to the right having a radius of 2804.79', on arc length of 572.45', a chord bearing of North 10 deg., 04 min., 08 sec., West, a chord distance of 571.46' to a ½" steel rod set, capped, and marked "SOUTEX" for corner;

THENCE North 04 deg., 13 min., 19 sec., West, continuing on the Easterly right of way line of said State Highway 87, a distance of 2612.47' to a ½" steel rod set, capped, and marked 'SOUTEX" for corner;

THENCE continuing on the Easterly right of way line of said State Highway 87, on the arc of a curve to the left having a radius of 2924.79', an arc length of 739.27', a chord bearing of North 11 deg., 25 min., 52 sec., West, a chord distance of 737.30' to a ½" steel rod set, capped and marked 'SOUTEX" for the Northwest corner of the herein described tract;

THENCE South 59 deg., 40 min., 00 sec., East, a distance of 1403.91' to a 1" steel pipe found for corner;

THENCE North 27 deg., 39 min., 24 sec., East, a distance of 543.75' passing a ½" steel rod set, capped, and marked "SOUTEX" for reference point; continuing for a total distance of 638.86' to a point for corner on the Southerly bank line of said Sabine Neches Ship Channel;

THENCE on the Southerly bank line of said Sabine Neches Ship Channel:

South 40 deg., 29 min., 12 sec., East, a distance of 150.04' to a point for corner;

South 50 deg., 38 min., 39 sec., East, a distance of 122.83' to a point for corner;

South 56 deg., 37 min., 20 sec., East, a distance of 332.84' to a point for corner;

South 35 deg., 23 min., 13 sec., East, a distance of 142.19' to a point for corner;

South 50 deg., 13 min., 11 sec., East, a distance of 237.49' to a point for corner;

South 66 deg., 09 min., 57 sec., East, a distance of 356.69' to the POINT OF BEGINNING and containing 178.2 acres of land.

Note: All bearings and distances are based upon State Plane Coordinate Grid System, NAD 83, Texas South Central Zone, Scale Factor = 0.999891228

Note: All of the Divisions referred to above are according to the partition of the Dennis Gahagan League, Abstract No. 123, Jefferson County, Texas, as shown on a map or plot recorded in Volume T, Page 181, Deed Records, Jefferson County, Texas.

This description is bases on the Land Title Survey made by Anthony M. Leger, Registered Professional Land Surveyor No. 5481, on October 12, 2005

Golden Pass LNG Terminal LP
LS-05-1004

TRACT TWO
25.76 ACRES OF LAND (SUBMERGED)
PART OF DIVISION A, DENNIS GAHAGAN LEAGUE, ABSTRACT NO. 123,
JEFFERSON COUNTY, TEXAS

A tract of land 25.76 acres of land, being submerged land out of and part of Divisions A, Dennis Gahagan League, Abstract No. 123; said Division being according to the partition of the Dennis Gahagan League as shown on a map or plat recorded in Vol. T, Page 181, Deed Records, Jefferson County, Texas; said tract being more fully described by metes and bounds as follows, to wit:

COMMENCING at a common corner of Division B and Division 8 on the South line of Division A; said corner being marked by a concrete monument with a brass disc set by Houston Oil Company in March 1939 and identified as G-71;

THENCE North 70 deg., 03 min., 15 sec., East, on the common line of said Divisions A and 8, a distance of 758.40' to a Houston Oil Company concrete monument found and identified as G-72;

THENCE North 71 deg., 30 min., 39 sec., West, a distance of 7865.00' to a point for corner for the POINT OF BEGINNING and being an angle point on the Easterly line of the herein described tract;

THENCE South 08 deg., 00 min., 00 sec., West, a distance of 273.44' to a point for corner on the Southerly bank line of the Sabine Neches Ship Channel; said point for corner being the Southeast corner of the herein described tract;

THENCE on the Southerly bank line of said Sabine Neches Ship Channel:

North 66 deg., 09 min., 57 sec., West, a distance of 356.69' to a point of corner;

North 50 deg., 13 min., 11 sec., West, a distance of 237.49' to a point for corner;

North 35 deg., 23 min., 13 sec., West, a distance of 142.19' to a point for corner;

North 56 deg., 37 min., 20 sec., West, a distance of 332.84' to a point for corner;

North 50 deg., 38 min., 39 sec., West, a distance of 122.83' to a point for corner;

North 40 deg., 29 min., 12 sec., West, a distance of 150.04' to a point for corner for the Southwest corner of the herein described tract;

THENCE North 27 deg., 39 min., 24 sec., East, a distance of 762.62' to a point for corner on the called centerline of said Sabine Neches Ship Channel; said point for corner being the Northwest corner of the herein described tract;

THENCE on the called centerline of said Sabine Neches Ship Channel, on the arc of a curve to the left having a radius of 9573.41' on arc length of 944.77', a chord bearing of South 68 deg., 28 min., 54 sec., East, a chord distance of 944.38' to a point for corner;

THENCE South 71 deg., 30 min., 39 sec., East, continuing on the centerline of said Sabine Neches Ship Channel, a distance of 141.95' to a point for corner for the Northeast corner of the herein described tract;

THENCE South 18 deg., 29 min., 21 sec., West, a distance of 843.99' to the POINT OF BEGINNING and containing 25.76 acres of land, being submerged land.

Note: All bearings and distances are based upon State Plane Coordinate Grid System, NAD 83, Texas South Central Zone, Scale Factor = 0.999891228.

Note: All of the Divisions referred to above are according to the partition of the Dennis Gahagan League, Abstract No. 123, Jefferson County, Texas, as shown on a map or plot recorded in Volume T, Page 181, Deed Records, Jefferson County, Texas.

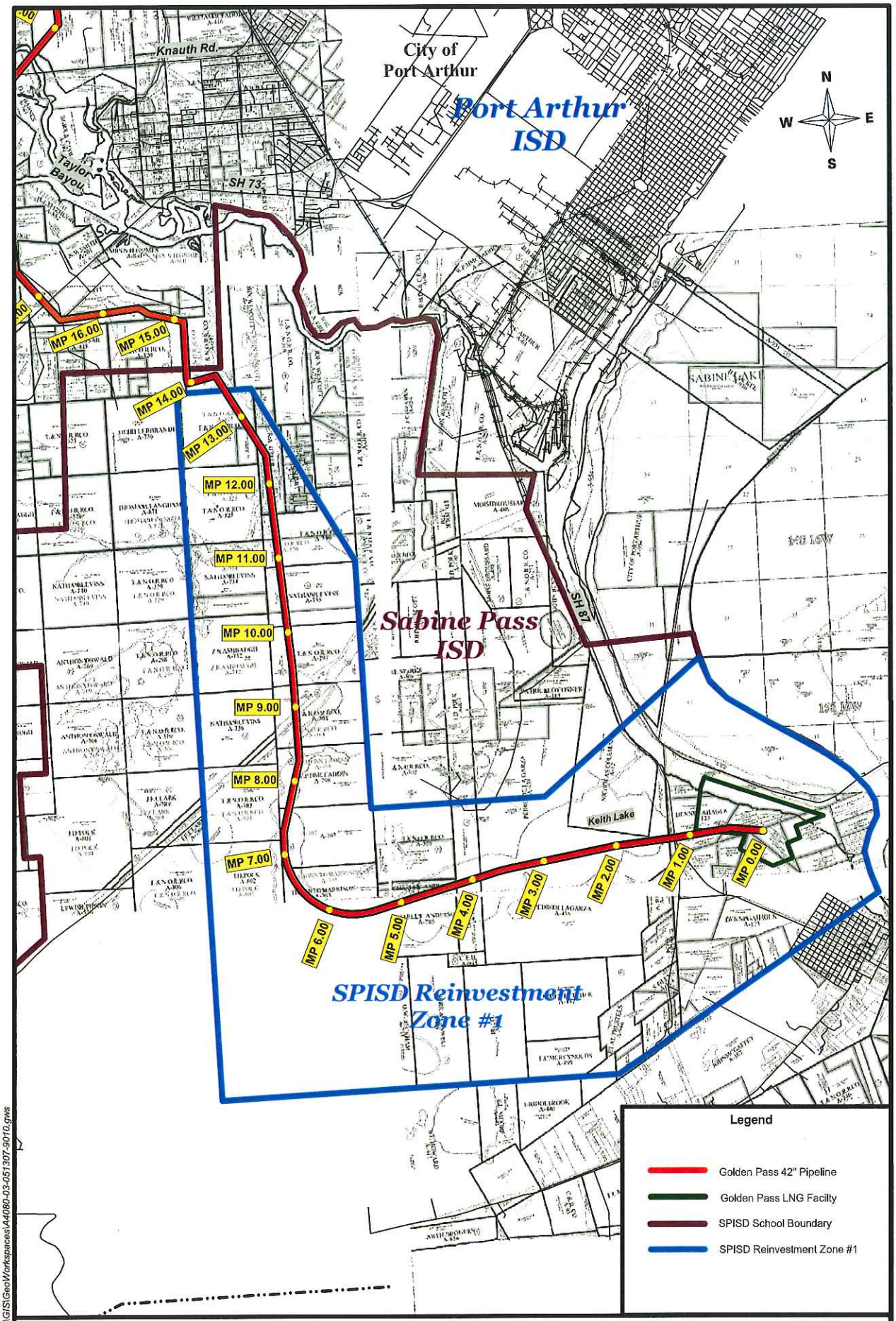
This description is bases on the Land Title Survey made by Anthony M. Leger, Registered Professional Land Surveyor No. 5481, on October 12, 2005

Golden Pass LNG Terminal LP
LS-05-1004A

ATTACHMENT 11

Attached are the following maps:

- Map of proposed reinvestment zone showing the location of qualified investment and qualified property
- Map of Sabine Pass ISD showing location of the Project
- Vicinity map showing boundary of Sabine Pass ISD and location of the Project



R:\A4080-03\PRJ\GIS\Geo\Workspaces\A4080-03-051307-9010.gws

PROPOSED REINVESTMENT ZONE

SABINE PASS ISD MAP

11/28/2006

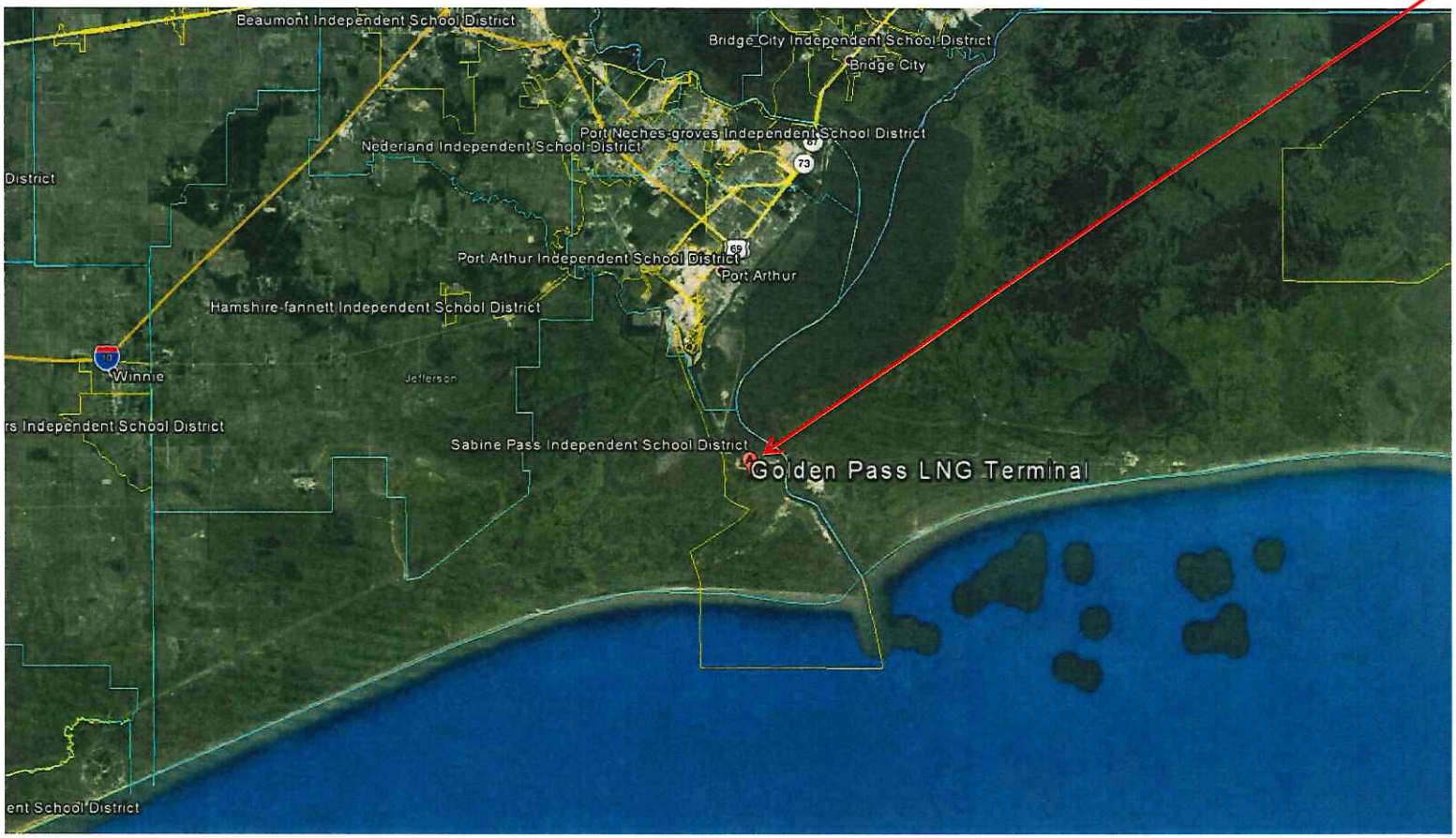
A4080-03-051307-9017-REVA

Sabine Pass ISD Map

Project Site

Golden Pass Products, LLC Vicinity Map 1

Project Site



VICINITY MAP 2

Golden Pass Products

GOLDEN PASS LNG TERMINAL EXPORT PROJECT

LEGEND
- TX Roads
- Foreign Pipeline ROW
- FlareArea
- Proposed Plots
- Golden Pass Pipeline

0 500 1,000 1,500 2,000 FEET

GOLDEN PASS LNG TERMINAL EXPORT PROJECT

Figure 1.1-2 - Preliminary Plot Plan

COUNTY:	JEFFERSON	DRAWN BY:	JK
STATE:	TEXAS	CHECKED BY:	MA

REV. NO.:	REVISION	DATE
0	TEMPLATE ISSUED FOR REVIEW.	2013-06-25

PRELIMINARY

DATE:	2013-06-25	PROJECTION:	NAD83 | ST PLN 4204

Aerial Source: Source: Esri, DigitalGlobe, GeoEye, i-cubed, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

Golden Pass Products

DWG:	CPP-62-03-1A-ANSI-A-1-1-2	SHEET:	1

ATTACHMENT 12

Description of all existing (if any) improvements

The existing assets on-site consist of a 2.0 Billion Cubic Foot per Day (BCF) LNG import vaporization facility, terminal and pipeline. These assets are owned and assessed in the name of Golden Pass LNG Terminal, LLC (GPLNG) and Golden Pass Pipeline LLC (GPPL), respectively. Their project details are as follows for:

GPLNG

- LNG unloading slip, and an LNG ship and support vessel maneuvering area that is capable of receiving up to 200 LNG ships per year;
- Ship unloading facilities consisting of two berths, and associated facilitates;
- A total of five full-containment LNG storage tanks each with a working capacity of 155,000 cubic meters.
- A total of ten shell-and-tube heat transfer fluid LNG heaters to vaporize the LNG.
- Associated support facilities, including administrative buildings, warehouses and maintenance areas, electric power systems, assess roads and other facilities related to the LNG terminal.

GPPL

- Mainline – 69 miles of 42 inch diameter pipeline extending from GPLNG import terminal in Sabine Pass ISD, Jefferson County, TX through Orange and Newton Counties, Texas, and Calcasieu Parish, Louisiana to an interconnection with Transcontinental Gas Pipe Line Corporation interstate pipeline near Starks, Louisiana:
- Loop Line – A 42.8 miles of 36 inch diameter pipeline installed adjacent to the Mainline and extends from the LNG import terminal in Jefferson County to an interconnection with the existing intrastate American Electric Power Texoma Pipeline in Orange County, Texas;
- Beaumont Lateral – 1.8 miles of 24 inch diameter pipeline extending from the Mainline in Beaumont, Jefferson County, Texas to interconnection with others;
- Meter stations and interconnection facilities to interconnect with up to 10 intrastate and interstate pipelines; and
- Associated pipeline facilities, including pig launchers and receivers, and block valves.

The most recent Jefferson County Appraisal District property values are listed below.

Parcel ID	Geographic ID	Description	Land Value	Improvement Value
266313	530730-000-000040-00000-7	GPPLNG: Improvement - TCEQ		$45,538,200
266606	530730-000-000045-00000-6	GPPLNG: Improvement - TCEQ		$19,196,700
148075	530730-000-000010-00000-0	GPPLNG: Import Terminal		$555,613,100
148076	530730-000-000050-00000	GPPLNG: Personal		$8,520,900
137008	300123-000-005000-00000-2	GPPLNG: LAND	$15,050 *	
137215	300123-000-123200-00000-5	GPPLNG: LAND	$4,304,140	
137216	300123-000-123300-00000-3	GPPLNG: LAND	$10,700 *	
137217	300123-000-123400-00000-1	GPPLNG: LAND	$180	
137218	300123-000-123500-00000-8	GPPLNG: LAND	$100	
248486	531130-000-000030-00000	GPPL: Pipeline		$16,033,610

*Indicates Agricultural Valuation

ATTACHMENT 13

No waiver of the job creation requirement is requested.

ATTACHMENT 14

Calculation of three possible wage requirements with TWC documentation

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

The calculation of the three possible wage requirements with TWC documentation is attached. Golden Pass Products LLC has chosen to use $72,000 as the wage rate for permanent jobs. This amount exceeds 110% of the current regional wage rate of $61,118 ($61,118 x 110% = $67,230).

GOLDEN PASS PRODUCTS, LLC

SABINE PASS ISD - JEFFERSON COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES

QUARTER	YEAR	AVG WEEKLY WAGES*		ANNUALIZED	
THIRD	2012	$	911	$	47,372
FOURTH	2012	$	1,010	$	52,520
FIRST	2013	$	978	$	50,856
SECOND	2013	$	923	$	47,996
	AVERAGE	$	956	$	49,686
	X		110%		110%
		$	1,051	$	54,655

SABINE PASS ISD - JEFFERSON COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS

QUARTER	YEAR	AVG WEEKLY WAGES*		ANNUALIZED	
THIRD	2012	$	1,583	$	82,316
FOURTH	2012	$	1,785	$	92,820
FIRST	2013	$	1,999	$	103,948
SECOND	2013	$	1,659	$	86,268
	AVERAGE	$	1,757	$	91,338
	X		110%		110%
		$	1,932	$	100,472

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE**

COG	YEAR	AVG WEEKLY WAGES*		ANNUALIZED	
South East Texas	2012	$	1,175	$	61,118
	X		110%		110%
		$	1,293	$	67,230

** SEE ATTACHED TWC DOCUMENTATION*

ATTACHMENT 14

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	3rd Qtr	Jefferson County	Total All	00	0	10	Total, All Industries	$911
2012	4th Qtr	Jefferson County	Total All	00	0	10	Total, All Industries	$1,010
2013	1st Qtr	Jefferson County	Total All	00	0	10	Total, All Industries	$978
2013	2nd Qtr	Jefferson County	Total All	00	0	10	Total, All Industries	$923

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	3rd Qtr	Jefferson County	Total All	31	2	31-33	Manufacturing	$1,583
2012	4th Qtr	Jefferson County	Total All	31	2	31-33	Manufacturing	$1,785
2013	1st Qtr	Jefferson County	Total All	31	2	31-33	Manufacturing	$1,999
2013	2nd Qtr	Jefferson County	Total All	31	2	31-33	Manufacturing	$1,659

2012 Manufacturing Wages by Council of Government Region
Wages for All Occupations

COG	Wages Hourly	Wages Annual
Texas	**$23.56**	**$48,996**
1. Panhandle Regional Planning Commission	$20.12	$41,850
2. South Plains Association of Governments	$16.18	$33,662
3. NORTEX Regional Planning Commission	$17.83	$37,076
4. North Central Texas Council of Governments	$24.68	$51,333
5. Ark-Tex Council of Governments	$16.84	$35,032
6. East Texas Council of Governments	$19.61	$40,797
7. West Central Texas Council of Governments	$18.24	$37,941
8. Rio Grande Council of Governments	$16.17	$33,631
9. Permian Basin Regional Planning Commission	$21.93	$45,624
10. Concho Valley Council of Governments	$16.33	$33,956
11. Heart of Texas Council of Governments	$19.07	$39,670
12. Capital Area Council of Governments	$26.03	$54,146
13. Brazos Valley Council of Governments	$16.55	$34,424
14. Deep East Texas Council of Governments	$16.20	$33,698
15. South East Texas Regional Planning Commission	$29.38	$61,118
16. Houston-Galveston Area Council	$26.59	$55,317
17. Golden Crescent Regional Planning Commission	$21.03	$43,742
18. Alamo Area Council of Governments	$18.40	$38,280
19. South Texas Development Council	$13.54	$28,170
20. Coastal Bend Council of Governments	$22.97	$47,786
21. Lower Rio Grande Valley Development Council	$16.33	$33,961
22. Texoma Council of Governments	$22.57	$46,949
23. Central Texas Council of Governments	$17.16	$35,689
24. Middle Rio Grande Development Council	$18.93	$39,380

110% x $61,118 = $67,230

Source: Texas Occupational Employment and Wages
Data published: July 2013
Data published annually, next update will be July 31, 2014

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

Description of Benefits

At least 80% of employees of the Project will be employed in qualifying jobs pursuant to Texas Tax Code 313.024(d). Qualifying jobs will meet the definition of Texas Tax Code Section 313.051(b). Employees will be offered a group health benefit plan for which the operator of the Project will pay at least 80% of the premiums or other charges assessed for employee-only coverage under the plan or as necessary to be in compliance with the Affordable Care Act. In addition, each qualifying employee will receive a competitive 401(k) Retirement Savings Plan, vacation time, sick leave, and skills training.

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

Applicant Name Golden Pass Products LLC (Train 3 Application)

ISD Name Sabine Pass ISD

Form 50-296

PROPERTY INVESTMENT AMOUNTS

(Estimated investment in each year. Do not put cumulative totals.)

		Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: Tangible Personal Property The amount of new investment (original cost) placed in service during this year	Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B Qualifying Investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment)		2018-2019	2018	0	0		0	0
	Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)		2018-2019	2018	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	$ 792,000,000	$ -	$ 792,000,000	$ -	$ 792,000,000
			2019-2020	2019	$ 1,029,000,000	$ -	$ 1,029,000,000	$ -	$ 1,029,000,000
	Complete tax years of qualifying time period	1	2020-2021	2020	$ 537,000,000	$ -	$ 537,000,000	$ -	$ 537,000,000
		2	2021-2022	2021	$ 159,000,000	$ -	$ 159,000,000	$ -	$ 159,000,000
Tax Credit Period (with 50% cap on credit)	Value Limitation Period	3	2022-2023	2022	0	0		0	0
		4	2023-2024	2023	0	0		0	0
		5	2024-2025	2024	0	0		0	0
		6	2025-2026	2025	0	0		0	0
		7	2026-2027	2026	0	0		0	0
		8	2027-2028	2027	0	0		0	0
		9	2028-2029	2028	0	0		0	0
		10	2029-2030	2029	0	0		0	0
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2030-2031	2030	0	0		0	0
		12	2031-2032	2031	0	0		0	0
		13	2032-2033	2032	0	0		0	0
Post- Settle-Up Period		14	2033-2034	2033	0	0		0	0
Post- Settle-Up Period		15	2034-2035	2034	0	0		0	0

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

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

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

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

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

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

Wanda Urbe

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

11-18-13

DATE

ATTACHMENT 18

Please see attached Schedule B

Schedule B (Rev. January 2013): Estimated Market And Taxable Value

Applicant Name Golden Pass Products LLC (Train 3 Application)

ISD Name Sabine Pass ISD

Form 50-296

					Qualified Property			Reductions from Market Value	Estimated Taxable Value	
		Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"	Exempted Value	Final taxable value for I&S - after all reductions	Final taxable value for M&O--after all reductions
		pre- year 1	2018-2019	2018	$ -	$ -	$ -	$ -	$ -	$ -
		pre- year 2	2019-2020	2019	$ -	$ -	$ 198,000,000	$ 9,900,000	$ 188,100,000	$ 188,100,000
	Complete tax years of qualifying time period	1	2020-2021	2020	$ -	$ -	$ 910,500,000	$ 45,525,000	$ 864,975,000	$ 864,975,000
		2	2021-2022	2021	$ -	$ -	$ 1,179,000,000	$ 58,950,000	$ 1,120,050,000	$ 1,120,050,000
	Value Limitation Period	3	2022-2023	2022	$ -	$ -	$ 2,416,320,000	$ 120,816,000	$ 2,295,504,000	$ 30,000,000
Tax Credit Period (with 50% cap on credit)		4	2023-2024	2023	$ -	$ -	$ 2,319,667,200	$ 115,983,360	$ 2,203,683,840	$ 30,000,000
		5	2024-2025	2024	$ -	$ -	$ 2,226,880,512	$ 111,344,026	$ 2,115,536,486	$ 30,000,000
		6	2025-2026	2025	$ -	$ -	$ 2,137,805,292	$ 106,890,265	$ 2,030,915,027	$ 30,000,000
		7	2026-2027	2026	$ -	$ -	$ 2,052,293,080	$ 102,614,654	$ 1,949,678,426	$ 30,000,000
		8	2027-2028	2027	$ -	$ -	$ 1,970,201,357	$ 98,510,068	$ 1,871,691,289	$ 30,000,000
		9	2028-2029	2028	$ -	$ -	$ 1,891,393,302	$ 94,569,665	$ 1,796,823,637	$ 30,000,000
		10	2029-2030	2029	$ -	$ -	$ 1,815,737,570	$ 90,786,879	$ 1,724,950,692	$ 30,000,000
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2030-2031	2030	$ -	$ -	$ 1,743,108,067	$ 87,155,403	$ 1,655,952,664	$ 1,655,952,664
		12	2031-2032	2031	$ -	$ -	$ 1,673,383,745	$ 83,669,187	$ 1,589,714,558	$ 1,589,714,558
		13	2032-2033	2032	$ -	$ -	$ 1,606,448,395	$ 80,322,420	$ 1,526,125,975	$ 1,526,125,975
Post- Settle-Up Period		14	2033-2034	2033	$ -	$ -	$ 1,542,190,459	$ 77,109,523	$ 1,465,080,936	$ 1,465,080,936
Post- Settle-Up Period		15	2034-2035	2034	$ -	$ -	$ 1,480,502,841	$ 74,025,142	$ 1,406,477,699	$ 1,406,477,699

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.

Wanda Hubka

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

11-18-13

DATE

ATTACHMENT 19

Please see attached Schedule C

Schedule C- Application: Employment Information

Applicant Name Golden Pass Products LLC (Train 3 Application)
ISD Name Sabine Pass ISD

Form 50-296

					Construction		New Jobs		Qualifying Jobs	
		Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	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	200 FTEs	$40,000	0	$0	0	$0
		pre- year 2	2019-2020	2019	800 FTEs	$40,000	0	$0	0	$0
	Complete tax years of qualifying time period	1	2020-2021	2020	1100 FTEs	$40,000	0	$0	0	$0
		2	2021-2022	2021	800 FTEs	$40,000	0	$0	0	$0
	Value Limitation Period	3	2022-2023	2022			20	$67,230	16	$72,000
Tax Credit Period (with 50% cap on credit)		4	2023-2024	2023			20	$67,230	16	$72,000
		5	2024-2025	2024			20	$67,230	16	$72,000
		6	2025-2026	2025			20	$67,230	16	$72,000
		7	2026-2027	2026			20	$67,230	16	$72,000
		8	2027-2028	2027			20	$67,230	16	$72,000
		9	2028-2029	2028			20	$67,230	16	$72,000
		10	2029-2030	2029			20	$67,230	16	$72,000
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2030-2031	2030			20	$67,230	16	$72,000
		12	2031-2032	2031			20	$67,230	16	$72,000
		13	2032-2033	2032			20	$67,230	16	$72,000
Post- Settle-Up Period		14	2033-2034	2033			20	$67,230	16	$72,000
Post- Settle-Up Period		15	2034-2035	2034			20	$67,230	16	$72,000

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.

Wanda [signature]
SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

11-18-13
DATE

ATTACHMENT 20

Please see attached Schedule D

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

Applicant Name Golden Pass Products LLC (Train 3 Application) **ISD Name** Sabine Pass ISD **Form 50-296**

					Sales Tax Information		Franchise Tax	Other Property Tax Abatements Sought			
					Sales Taxable Expenditures		Franchise Tax	County	City	Hospital	Other (Nav & Port)
		Year	School Year (YYYY-YYYY)	Tax/ Calendar Year YYYY	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement
			2018-2019	2018	$ 99,000,000	$ 693,000,000	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)			2019-2020	2019	$ 128,625,000	$ 900,375,000	0	100%	n/a	n/a	100%
	Complete tax years of qualifying time period	1	2020-2021	2020	$ 67,125,000	$ 469,875,000	0	100%	n/a	n/a	100%
		2	2021-2022	2021	$ 19,875,000	$ 139,125,000	0	100%	n/a	n/a	100%
	Value Limitation Period	3	2022-2023	2022	$ 4,719,375	$ 33,035,625	$ 2,000,000	100%	n/a	n/a	100%
Tax Credit Period (with 50% cap on credit)		4	2023-2024	2023	$ 4,719,375	$ 33,035,625	$ 2,000,000	100%	n/a	n/a	100%
		5	2024-2025	2024	$ 4,719,375	$ 33,035,625	$ 2,000,000	100%	n/a	n/a	100%
		6	2025-2026	2025	$ 4,719,375	$ 33,035,625	$ 2,000,000	100%	n/a	n/a	100%
		7	2026-2027	2026	$ 4,719,375	$ 33,035,625	$ 2,000,000	100%	n/a	n/a	100%
		8	2027-2028	2027	$ 4,719,375	$ 33,035,625	$ 2,000,000	100%	n/a	n/a	100%
		9	2028-2029	2028	$ 4,719,375	$ 33,035,625	$ 2,000,000	100%	n/a	n/a	100%
		10	2029-2030	2029	$ 4,719,375	$ 33,035,625	$ 2,000,000	0%	n/a	n/a	0%
Credit Settle-Up Period	Continue to Maintain Viable Presence	11	2030-2031	2030	$ 4,719,375	$ 33,035,625	$ 2,000,000	0%	n/a	n/a	0%
		12	2031-2032	2031	$ 4,719,375	$ 33,035,625	$ 2,000,000	0%	n/a	n/a	0%
		13	2032-2033	2032	$ 4,719,375	$ 33,035,625	$ 2,000,000	0%	n/a	n/a	0%
Post- Settle-Up Period		14	2033-2034	2033	$ 4,719,375	$ 33,035,625	$ 2,000,000	0%	n/a	n/a	0%
Post- Settle-Up Period		15	2034-2035	2034	$ 4,719,375	$ 33,035,625	$ 2,000,000	0%	n/a	n/a	0%

*For planning, construction and operation of the facility.

Wanda Hylan

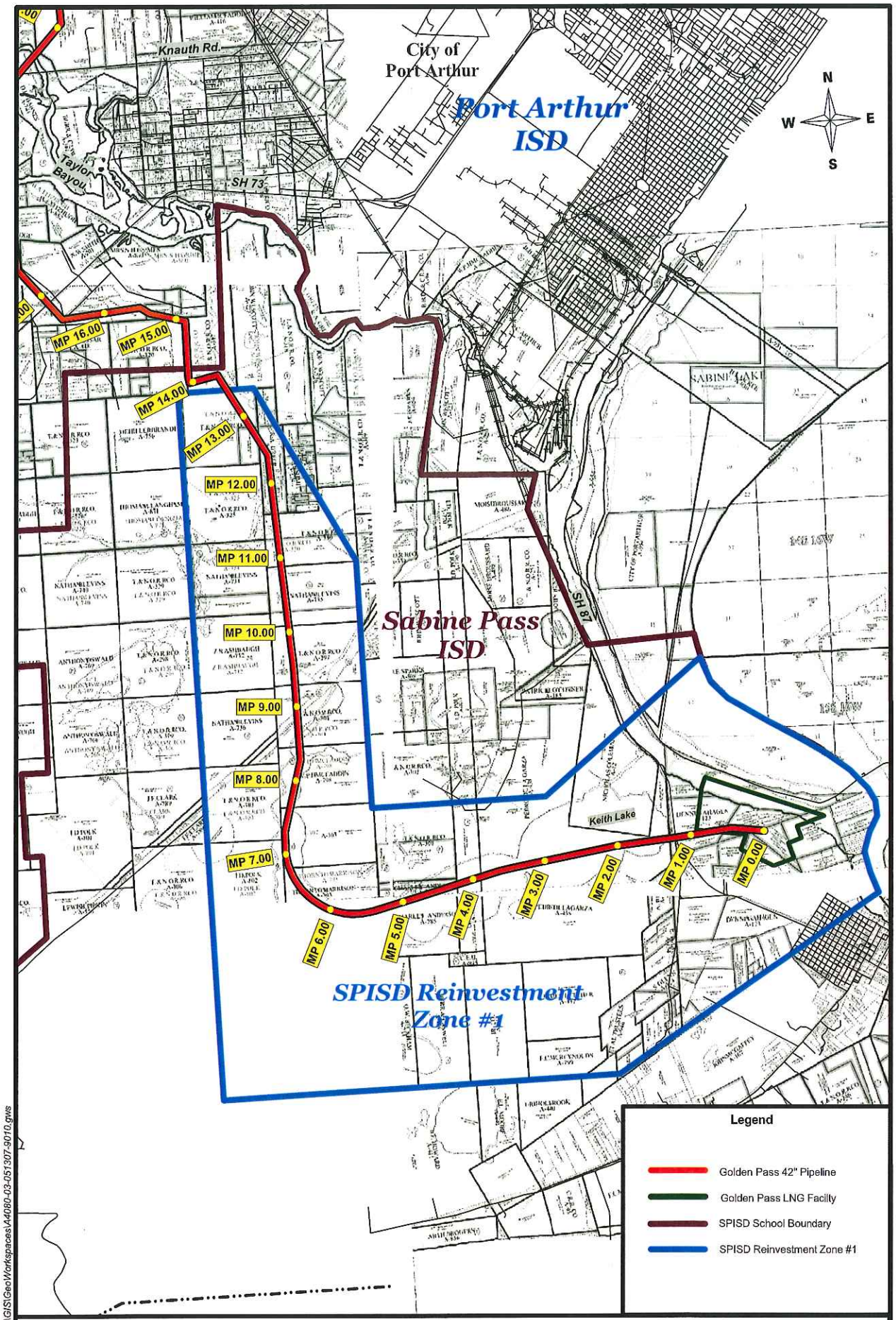
SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

11-18-13

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 for Sabine Pass ISD at a later date.



PROPOSED REINVESTMENT ZONE

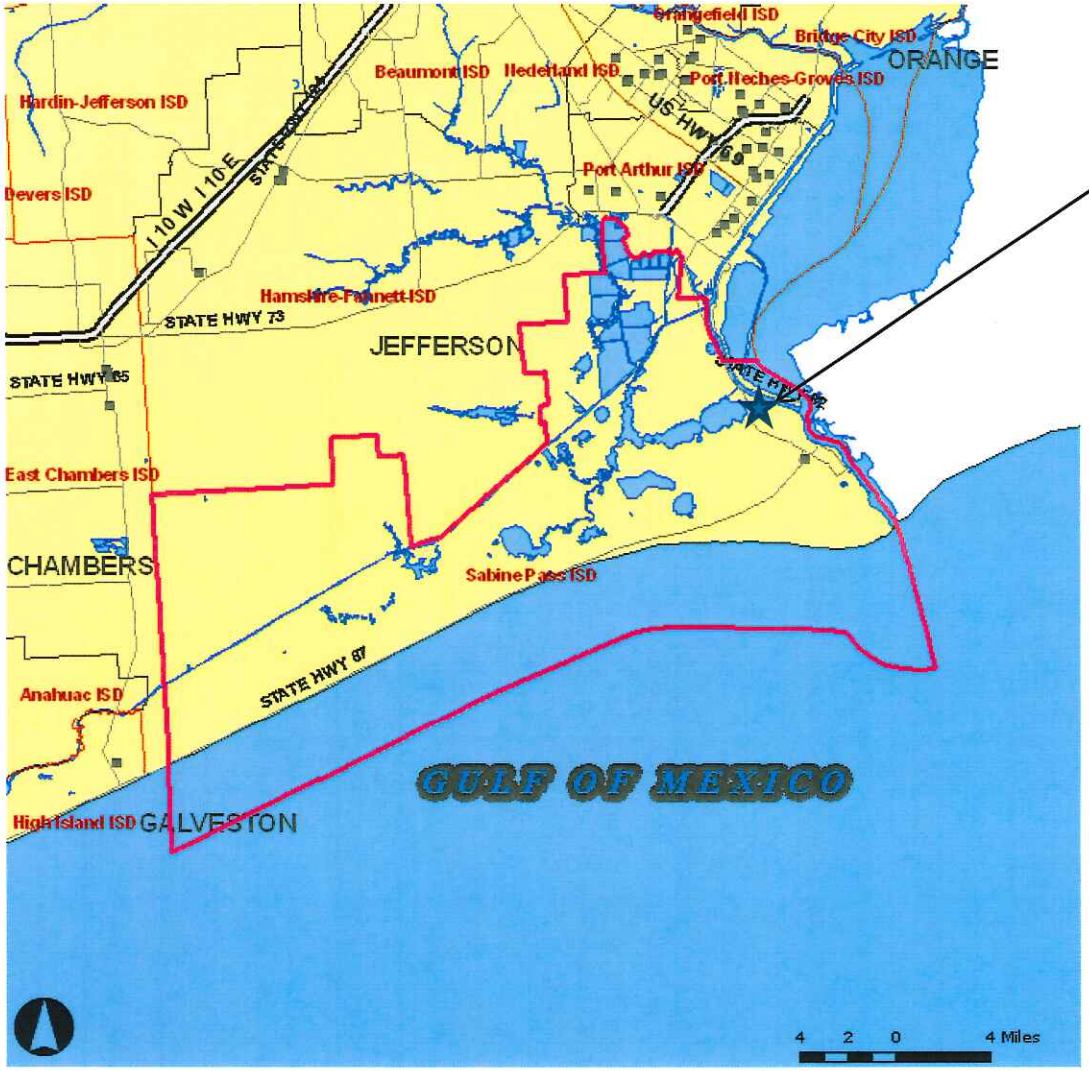
SABINE PASS ISD MAP

11/28/2006

A4080-03-051307-9017-REVA

R:\A4080-03\PRJ\GIS\GeoWorkspaces\A4080-03-051307-9010.gws

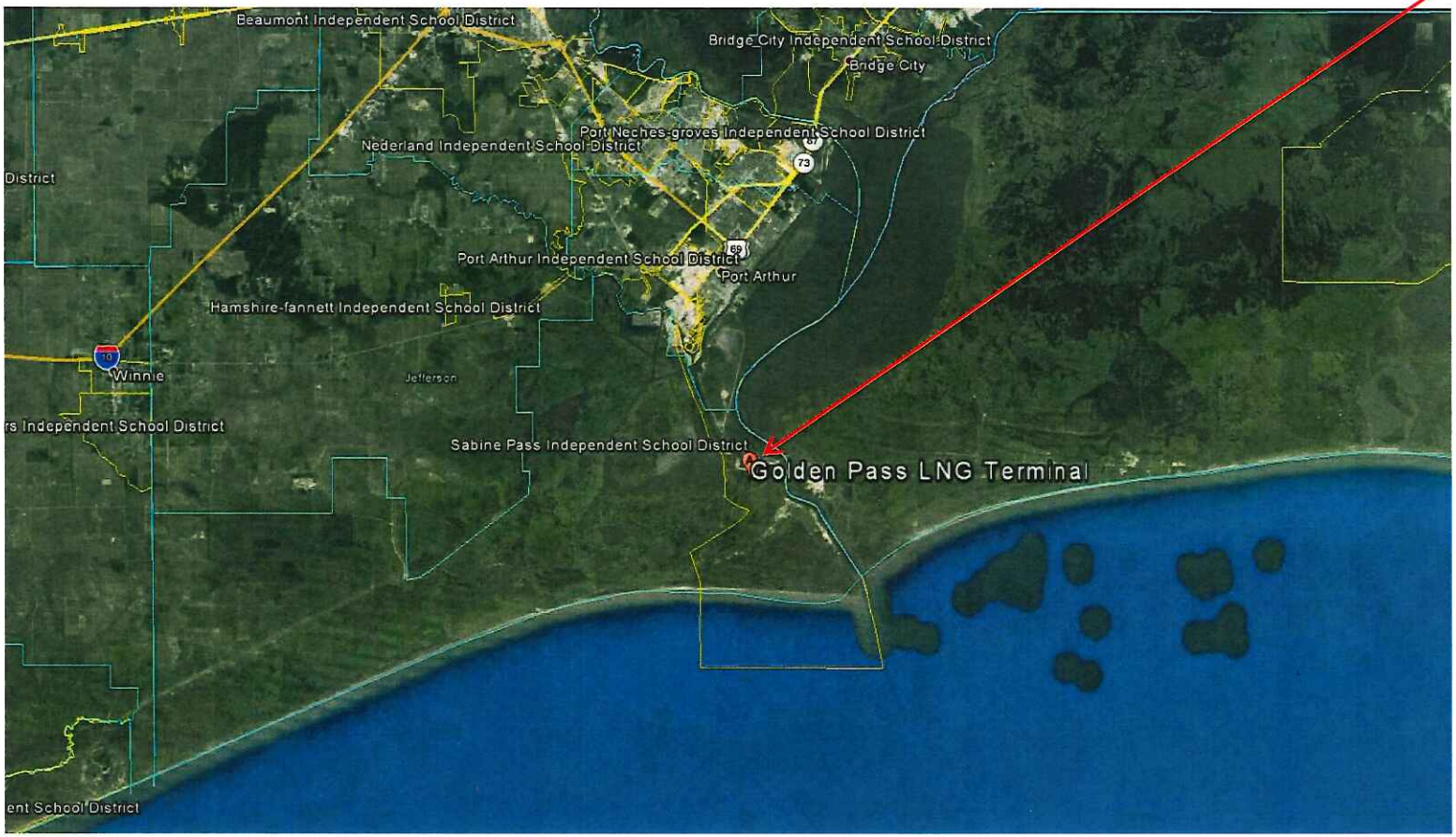
Sabine Pass ISD Map



Project Site

Golden Pass Products, LLC Vicinity Map 1

Project Site



VICINITY MAP 2

Golden Pass Products

GOLDEN PASS LNG TERMINAL EXPORT PROJECT

LEGEND

- TX Roads
- Foreign Pipeline ROW
- FlareArea
- Proposed Plots
- Golden Pass Pipeline

FEET: 0 500 1,000 1,500 2,000

GOLDEN PASS LNG TERMINAL EXPORT PROJECT

Figure 1.1-2 - Preliminary Plot Plan

COUNTY:	JEFFERSON	DRAWN BY:	JK
STATE:	TEXAS	CHECKED BY:	MA

REV. NO.:	REVISION	DATE
0	TEMPLATE ISSUED FOR REVIEW.	2013-06-25

PRELIMINARY

DATE: 2013-06-25 | PROJECTION: NAD83 | ST PLN 4204

Aerial Source: Source: Esri, DigitalGlobe, GeoEye, i-cubed, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

Golden Pass Products

DWG: CPP-62-03-1A-ANSI-A-1-1-2 | SHEET: 1

ATTACHMENT 22

The Board of Trustees for Sabine Pass ISD is expected to create the reinvestment zone on or before March 15, 2014. The order or resolution establishing the reinvestment zone will be furnished at a later date.

ATTACHMENT 23

The legal description of the proposed reinvestment zone is attached.

EXHIBIT 1

LEGAL DESCRIPTION OF REINVESTMENT ZONE

Beginning at the Northwest corner of T&NO Survey #291, Abstract # 324 on the boundary line of the Sabine Pass Independent School District;

THENCE, East to the Northeast corner of T&NO Survey #291, Abstract #324;

THENCE, Southeasterly to the Northeast corner of T&NO Survey #303, Abstract #330;

THENCE, Southerly to the Northeast corner of T&NO Survey #332, Abstract #793;

THENCE, in a Northeasterly direction to a point where the common boundary line between the N. Coleman and the John Bennett Surveys extended easterly crosses the boundary line between Texas and Louisiana in Sabine Lake along the Sabine River.

THENCE, in a Southeasterly direction along to the center of Sabine Lake and Sabine Pass, boundary line between Texas and Louisiana and continuing towards the Gulf of Mexico to a point where the Northern boundary of John McGaffey, Abstract 167 intersects the boundary line between Texas and Louisiana.

THENCE, Southwesterly to the Southeast corner of T&NO Survey #336, Abstract #776;

THENCE, Westerly to the Southwest corner of T&NO Survey #336, Abstract #776;

THENCE, North to the Northwest corner of T&NO Survey 291, Abstract #324, the place of beginning;

ATTACHMENT 24

If applicable the Guidelines and Criteria will be provided at a later date.

Attachment B

Certificate of Account Status

Franchise Tax Account Status

As of: 03/12/2014 02:13:32 PM

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

GOLDEN PASS PRODUCTS LLC	
Texas Taxpayer Number	32052468710
Mailing Address	333 CLAY ST STE 810 ATTN: ACCOUNTS PAYABLE HOUSTON, TX 77002-4000
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	11/13/2013
Texas SOS File Number	0801882136
Registered Agent Name	CORPORATION SERVICES COMPANY
Registered Office Street Address	211 E 7TH STREET SUITE 602 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

March 4, 2014

Kristi Rochelle Heid
Superintendent
Sabine Pass Independent School District
P. O. Box 1148
Sabine Pass, Texas 77655

Dear Superintendent Heid:

On Dec. 10, 2013, the Comptroller received the completed application (Application # 378) for a limitation on appraised value under the provisions of Tax Code Chapter 313[1]. This application was originally submitted in November 2013 to the Sabine Pass Independent School District (the school district) by Golden Pass Products 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 1 according to the provisions of Chapter 313. Therefore, the applicant properly applied under the provisions of Subchapter C, applicable to rural school districts. The amount of proposed qualified investment ($2.515 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 Jefferson 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 Dec. 10, 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 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 limitation agreement must contain provisions that require:
    a. the applicant to provide sufficient information to the Central Appraisal District (CAD) to distinguish between and separately appraise qualified property (as defined by 313.021(2)) from any property that is not qualified;
    b. the school district to confirm with the CAD that the applicant has provided such information; and
    c. that the Comptroller is provided with the CAD approved information no later than the first annual reporting period following the execution of the agreement;
3) The Comptroller must confirm that it received and reviewed the draft agreement and affirm the recommendation made in this letter;
4) 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
5) 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	Golden Pass Products LLC
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Sabine Pass ISD
2011-12 Enrollment in School District	346
County	Jefferson
Total Investment in District	$2,515,000,000
Qualified Investment	$2,515,000,000
Limitation Amount	$30,000,000
Number of total jobs committed to by applicant	20
Number of qualifying jobs committed to by applicant	16
Average Weekly Wage of Qualifying Jobs committed to by applicant	$1,385
Minimum Weekly Wage Required Tax Code, 313.051(b)	$1,293
Minimum Annual Wage committed to by applicant for qualified jobs	$72,000
Investment per Qualifying Job	$157,187,500
Estimated 15 year M&O levy without any limit or credit:	$266,418,466
Estimated gross 15 year M&O tax benefit	$183,807,607
Estimated 15 year M&O tax benefit (*after* deductions for estimated school district revenue protection--but not including any deduction for supplemental payments or extraordinary educational expenses):	$172,649,576
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	$20,020,260
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	$93,768,890
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	64.8%
Percentage of tax benefit due to the limitation	89.1%
Percentage of tax benefit due to the credit	10.9%

This presents the Comptroller's economic impact evaluation of Golden Pass Products LLC (the project) applying to Sabine Pass 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 20 new jobs when fully operational. 16 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 South East Texas Regional Planning Region, where Jefferson County is located was $61,118 in 2012. The annual average manufacturing wage for 2012-2013 for Jefferson County is $91,364. That same year, the county annual average wage for all industries was $49,712. In addition to a salary of $72,000, each qualifying position will receive benefits: At least 80% of employees of the Project will be employed in qualifying jobs pursuant to Texas Tax Code 313.024(d). Qualifying jobs will meet the definition of Texas Tax Code Section 313.051(b). Employees will be offered a group health benefit plan for which the operator of the Project will pay at least 80% of the premiums or other charges assessed for employee-only coverage under the plan or as necessary to be in compliance with the Affordable Care Act. In addition, each qualifying employee will receive a competitive 401(k) Retirement Savings Plan, vacation time, sick leave, and skills training. The project's total investment is $2.515 billion, resulting in a relative level of investment per qualifying job of $157 million.

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

According to Golden Pass Products LLC's application, "Golden Pass Products LLC was formed by affiliates of Qatar Petroleum International (QP) and ExxonMobil. ExxonMobil has an extensive global position in LNG with interests in liquefaction capacity of approximately 65 million tonnes per year through their ventures in Qatar and Indonesia. In 2009, ExxonMobil and Qatar Petroleum started up three 7.8 million-tonnes-per-year LNG trains in Qatar, the largest in service anywhere in the world. ExxonMobil and QP have also added LNG regasification capacity with the opening of the South Hook Terminal in Wales and the Adriatic LNG Terminal offshore Italy, increasing access to attractive European markets. In addition to the Asia Pacific, ExxonMobil and joint venture partners have sanctioned the Gorgon Jansz and PNG LNG projects and additional LNG projects are being pursued in Australia and West Africa. The extensive global experience of its two partners provides Golden Pass Products the technology, marketing and financial strength to construct a world-class liquefaction and export facility anywhere in the United States and around the world."

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

During the past two years, 11 projects in the South East Texas Regional Planning 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 Golden Pass Products 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 Golden Pass Products 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 17 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 Golden Pass Products LLC

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2018	200	171	371	$8,000,000	$14,000,000	$22,000,000
2019	800	690	1490	$32,000,000	$61,000,000	$93,000,000
2020	1100	955	2055	$44,000,000	$95,000,000	$139,000,000
2021	800	714	1514	$32,000,000	$83,000,000	$115,000,000
2022	20	181	201	$1,344,600	$33,655,400	$35,000,000
2023	20	169	189	$1,344,600	$29,655,400	$31,000,000
2024	20	166	186	$1,344,600	$27,655,400	$29,000,000
2025	20	179	199	$1,344,600	$26,655,400	$28,000,000
2026	20	195	215	$1,344,600	$27,655,400	$29,000,000
2027	20	214	234	$1,344,600	$28,655,400	$30,000,000
2028	20	232	252	$1,344,600	$29,655,400	$31,000,000
2029	20	244	264	$1,344,600	$31,655,400	$33,000,000
2030	20	224	244	$1,344,600	$30,655,400	$32,000,000
2031	20	169	189	$1,344,600	$26,655,400	$28,000,000
2032	20	162	182	$1,344,600	$24,655,400	$26,000,000
2033	20	146	166	$1,344,600	$24,655,400	$26,000,000
2034	20	144	164	$1,344,600	$24,655,400	$26,000,000

Source: CPA, REMI, Golden Pass Products LLC

The statewide average ad valorem tax base for school districts in Texas was $1.65 billion in 2012-2013. Sabine Pass ISD's ad valorem tax base in 2012-2013 was $664 million. The statewide average wealth per WADA was estimated at $343,155 for fiscal 2012-2013. During that same year, Sabine Pass ISD's estimated wealth per WADA was $1.14 million. 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, Jefferson County, Sabine-Neches Navigation District, and Port of Sabine Pass, with all property tax incentives sought being granted using estimated market value from Golden Pass Products LLC's application. Golden Pass Products LLC has applied for both a value limitation under Chapter 313, Tax Code and tax abatements with the county, navigation district, and port authority. Table 3 illustrates the estimated tax impact of Golden Pass Products LLC project on the region if all taxes are assessed.

Table 2 Estimated Direct Ad Valorem Taxes with all property tax incentives sought											
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Sabine Pass ISD I&S Levy	Sabine Pass ISD M&O Levy	Sabine Pass ISD M&O and I&S Tax Levies (Before Credit Credited)	Sabine Pass ISD M&O and I&S Tax Levies (After Credit Credited)	Jefferson County Tax Levy	Sabine-Neches Navigation District Tax Levy	Port of Sabine Pass Tax Levy	Estimated Total Property Taxes
			Tax Rate[1]	0.1000	1.0400			0.3650	0.0279	0.1899	
2020	$864,975,000	$864,975,000		$864,975	$8,995,740	$9,860,715	$9,860,715	$0	$0	$0	$9,860,715
2021	$1,120,050,000	$1,120,050,000		$1,120,050	$11,648,520	$12,768,570	$12,768,570	$0	$0	$0	$12,768,570
2022	$2,295,504,000	$30,000,000		$2,295,504	$312,000	$2,607,504	$2,607,504	$0	$0	$0	$2,607,504
2023	$2,203,683,840	$30,000,000		$2,203,684	$312,000	$2,515,684	$872,197	$0	$0	$0	$872,197
2024	$2,115,536,486	$30,000,000		$2,115,536	$312,000	$2,427,536	$843,549	$0	$0	$0	$843,549
2025	$2,030,915,027	$30,000,000		$2,030,915	$312,000	$2,342,915	$816,047	$0	$0	$0	$816,047
2026	$1,949,678,426	$30,000,000		$1,949,678	$312,000	$2,261,678	$789,645	$0	$0	$0	$789,645
2027	$1,871,691,289	$30,000,000		$1,871,691	$312,000	$2,183,691	$764,300	$0	$0	$0	$764,300
2028	$1,796,823,637	$30,000,000		$1,796,824	$312,000	$2,108,824	$739,968	$0	$0	$0	$739,968
2029	$1,724,950,691	$30,000,000		$1,724,951	$312,000	$2,036,951	$716,609	$6,296,070	$480,744	$3,276,147	$10,769,570
2030	$1,655,952,664	$1,655,952,664		$1,655,953	$17,221,908	$18,877,860	$9,192,564	$6,044,227	$461,514	$3,145,101	$18,843,406
2031	$1,589,714,558	$1,589,714,558		$1,589,715	$16,533,031	$18,122,746	$18,122,746	$5,802,458	$443,053	$3,019,297	$27,387,555
2032	$1,526,125,975	$1,526,125,975		$1,526,126	$15,871,710	$17,397,836	$17,397,836	$5,570,360	$425,331	$2,898,525	$26,292,053
2033	$1,465,080,936	$1,465,080,936		$1,465,081	$15,236,842	$16,701,923	$16,701,923	$5,347,545	$408,318	$2,782,584	$25,240,370
2034	$1,406,477,699	$1,406,477,699		$1,406,478	$14,627,368	$16,033,846	$16,033,846	$5,133,644	$391,985	$2,671,281	$24,230,756
						Total	$108,228,019	$34,194,304	$2,610,946	$17,792,936	$162,826,205
Assumes School Value Limitation and Tax Abatements with the County, Navigation District, and Port Authority.											

Source: CPA, Golden Pass Products LLC

[1]Tax Rate per $100 Valuation

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives											
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Sabine Pass ISD I&S Levy	Sabine Pass ISD M&O Levy		Sabine Pass ISD M&O and I&S Tax Levies	Jefferson County Tax Levy	Sabine-Neches Navigation District Tax Levy	Port of Sabine Pass Tax Levy	Estimated Total Property Taxes
			Tax Rate[1]	0.1000	1.0400			0.3650	0.0279	0.1899	
2020	$864,975,000	$864,975,000		$864,975	$8,995,740		$9,860,715	$3,157,159	$241,069	$1,642,821	$14,901,763
2021	$1,120,050,000	$1,120,050,000		$1,120,050	$11,648,520		$12,768,570	$4,088,183	$312,158	$2,127,277	$19,296,188
2022	$2,295,504,000	$2,295,504,000		$2,295,504	$23,873,242		$26,168,746	$8,378,590	$639,757	$4,359,782	$39,546,874
2023	$2,203,683,840	$2,203,683,840		$2,203,684	$22,918,312		$25,121,996	$8,043,446	$614,167	$4,185,391	$37,964,999
2024	$2,115,536,486	$2,115,536,486		$2,115,536	$22,001,579		$24,117,116	$7,721,708	$589,600	$4,017,975	$36,446,399
2025	$2,030,915,027	$2,030,915,027		$2,030,915	$21,121,516		$23,152,431	$7,412,840	$566,016	$3,857,256	$34,988,543
2026	$1,949,678,426	$1,949,678,426		$1,949,678	$20,276,656		$22,226,334	$7,116,326	$543,375	$3,702,966	$33,589,001
2027	$1,871,691,289	$1,871,691,289		$1,871,691	$19,465,589		$21,337,281	$6,831,673	$521,640	$3,554,847	$32,245,441
2028	$1,796,823,637	$1,796,823,637		$1,796,824	$18,686,966		$20,483,789	$6,558,406	$500,775	$3,412,653	$30,955,624
2029	$1,724,950,691	$1,724,950,691		$1,724,951	$17,939,487		$19,664,438	$6,296,070	$480,744	$3,276,147	$29,717,399
2030	$1,655,952,664	$1,655,952,664		$1,655,953	$17,221,908		$18,877,860	$6,044,227	$461,514	$3,145,101	$28,528,703
2031	$1,589,714,558	$1,589,714,558		$1,589,715	$16,533,031		$18,122,746	$5,802,458	$443,053	$3,019,297	$27,387,555
2032	$1,526,125,975	$1,526,125,975		$1,526,126	$15,871,710		$17,397,836	$5,570,360	$425,331	$2,898,525	$26,292,053
2033	$1,465,080,936	$1,465,080,936		$1,465,081	$15,236,842		$16,701,923	$5,347,545	$408,318	$2,782,584	$25,240,370
2034	$1,406,477,699	$1,406,477,699		$1,406,478	$14,627,368		$16,033,846	$5,133,644	$391,985	$2,671,281	$24,230,756
						Total	$292,035,627	$93,502,635	$7,139,503	$48,653,904	$441,331,668

Source: CPA, Golden Pass Products LLC

[1]Tax 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 $266,418,466. The estimated gross 15 year M&O tax benefit, or levy loss, is $183,807,607.

Attachment 3 is an economic overview of Jefferson 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.

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Michael Williams
Commissioner

February 24, 2014

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 Golden Pass Products LLC project (train 3) on the number and size of school facilities in Sabine Pass Independent School District (SPISD). Based on the analysis prepared by Moak, Casey and Associates for the school district and a conversation with the SPISD superintendent, Kristi Rochelle Heid, the TEA has found that the Golden Pass Products LLC project (train 3) would not have a significant impact on the number or size of school facilities in SPISD.

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,

Al McKenzie, Manager
Foundation School Program Support

AM/rk

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Michael Williams
Commissioner

February 24, 2014

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 Golden Pass Products LLC (train 3) project for the Sabine Pass Independent School District (SPISD). 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 Golden Pass Products LLC project (train 3)on SPISD 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,

Al McKenzie, Manager
Foundation School Program Support

AM/rk

Jefferson County

Population

- Total county population in 2010 for Jefferson County: 243,933 , up 0.2 percent from 2009. State population increased 1.8 percent in the same time period.
- Jefferson County was the state's 20st largest county in population in 2010 and the 181st fastest growing county from 2009 to 2010.
- Jefferson County's population in 2009 was 46.6 percent Anglo (below the state average of 46.7 percent), 34.1 percent African-American (above the state average of 11.3 percent) and 15.2 percent Hispanic (below the state average of 36.9 percent).
- 2009 population of the largest cities and places in Jefferson County:

Beaumont:	110,110	**Port Arthur:**	56,694
Nederland:	16,053	**Groves:**	14,299
Port Neches:	12,525	**Bevil Oaks:**	1,204
China:	1,023	**Nome:**	477
Taylor Landing:	211		

Economy and Income

Employment

- September 2011 total employment in Jefferson County: 105,661 , up 0.6 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 Jefferson County unemployment rate: 11.9 percent, up from 10.9 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:

Beaumont:	11.1 percent, up from 9.6 percent in September 2010.
Port Arthur:	14.9 percent, up from 14.4 percent in September 2010.

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

Income

- Jefferson County's ranking in per capita personal income in 2009: 59th with an average per capita income of $37,139, up 0.1 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 Jefferson County averaged $44.36 million annually from 2007 to 2010. County total agricultural values in 2010 were up 16.0 percent from 2009. Major agriculture related commodities in Jefferson County during 2010 included:
  - Aquaculture
  - Nursery
  - Hay
  - Rice
  - Other Beef
- 2011 oil and gas production in Jefferson County: 568,759.0 barrels of oil and 38.6 million Mcf of gas. In September 2011, there were 175 producing oil wells and 145 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 Jefferson County during the fourth quarter 2010: $840.90 million, up 7.2 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Beaumont:	$561.42 million, up 6.5 percent from the same quarter in 2009.
Port Arthur:	$161.68 million, up 6.1 percent from the same quarter in 2009.
Nederland:	$36.71 million, down 9.8 percent from the same quarter in 2009.
Groves:	$18.33 million, up 3.2 percent from the same quarter in 2009.
Port Neches:	$10.90 million, up 7.2 percent from the same quarter in 2009.
Bevil Oaks:	$328,690.00, up 28.6 percent from the same quarter in 2009.
China:	$476,378.00, up 11.0 percent from the same quarter in 2009.
Nome:	$589,066.00, down 41.1 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 Jefferson County through the fourth quarter of 2010: $3.07 billion, down 3.6 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Beaumont:	$2.05 billion, down 3.0 percent from the same period in 2009.
Port Arthur:	$576.60 million, down 4.2 percent from the same period in 2009.

Nederland:	$151.56 million, down 8.1 percent from the same period in 2009.
Groves:	$73.47 million, down 2.4 percent from the same period in 2009.
Port Neches:	$42.85 million, down 2.4 percent from the same period in 2009.
Bevil Oaks:	$982,394.00, up 10.1 percent from the same period in 2009.
China:	$1.63 million, up 0.1 percent from the same period in 2009.
Nome:	$2.40 million, down 31.3 percent from the same period in 2009.

Annual (2010)

- Taxable sales in Jefferson County during 2010: $3.07 billion, down 3.6 percent from 2009.
- Jefferson County sent an estimated $191.61 million (or 1.12 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:

Beaumont:	$2.05 billion, down 3.0 percent from 2009.
Port Arthur:	$576.60 million, down 4.2 percent from 2009.
Nederland:	$151.56 million, down 8.1 percent from 2009.
Groves:	$73.47 million, down 2.4 percent from 2009.
Port Neches:	$42.85 million, down 2.4 percent from 2009.
Bevil Oaks:	$982,394.00, up 10.1 percent from 2009.
China:	$1.63 million, up 0.1 percent from 2009.
Nome:	$2.40 million, down 31.3 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 Jefferson County based on the sales activity month of August 2011: $4.92 million, up 28.6 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:

Beaumont:	$2.86 million, up 14.7 percent from August 2010.
Port Arthur:	$1.52 million, up 75.1 percent from August 2010.
Nederland:	$328,832.49, up 25.1 percent from August 2010.
Groves:	$120,684.08, up 6.6 percent from August 2010.
Port Neches:	$85,567.84, up 3.5 percent from August 2010.
Bevil Oaks:	$1,447.39, down 20.4 percent from August 2010.
China:	$3,609.75, down 4.3 percent from August 2010.
Nome:	$4,512.68, down 4.5 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 Jefferson County based on sales activity months from September 2010 through August 2011: $53.88 million, up 4.8 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:

Beaumont:	$34.13 million, up 3.7 percent from fiscal 2010.
Port Arthur:	$13.08 million, up 8.4 percent from fiscal 2010.
Nederland:	$3.62 million, up 3.9 percent from fiscal 2010.
Groves:	$1.66 million, up 1.3 percent from fiscal 2010.
Port Neches:	$1.25 million, up 6.6 percent from fiscal 2010.
Bevil Oaks:	$21,324.67, up 29.3 percent from fiscal 2010.
China:	$59,742.82, down 12.9 percent from fiscal 2010.
Nome:	$53,336.94, down 3.9 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 Jefferson County based on sales activity months through August 2011: $34.25 million, up 3.4 percent from the same period in 2010.

- Payments based on sales activity months through August 2011 to the city of:

Beaumont:	$21.39 million, down 0.5 percent from the same period in 2010.
Port Arthur:	$8.55 million, up 13.4 percent from the same period in 2010.
Nederland:	$2.40 million, up 7.2 percent from the same period in 2010.
Groves:	$1.05 million, unchanged 0.0 percent from the same period in 2010.
Port Neches:	$777,953.02, up 6.8 percent from the same period in 2010.
Bevil Oaks:	$13,829.51, up 28.9 percent from the same period in 2010.
China:	$36,072.52, down 15.9 percent from the same period in 2010.
Nome:	$34,192.72, down 5.8 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 Jefferson County based on sales activity in the 12 months ending in August 2011: $53.88 million, up 4.8 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:

Beaumont:	$34.13 million, up 3.7 percent from the previous 12-month period.
Port Arthur:	$13.08 million, up 8.4 percent from the previous 12-month period.
Nederland:	$3.62 million, up 3.9 percent from the previous 12-month period.
Groves:	$1.66 million, up 1.3 percent from the previous 12-month period.
Port Neches:	$1.25 million, up 6.6 percent from the previous 12-month period.
Bevil Oaks:	$21,324.67, up 29.3 percent from the previous 12-month period.
China:	$59,742.82, down 12.9 percent from the previous 12-month period.
Nome:	$53,336.94, down 3.9 percent from the previous 12-month period.

- ***City Calendar Year-To-Date (RJ 2011)***
- Payment to the cities from January 2011 through October 2011:

Beaumont:	$28.00 million, up 2.7 percent from the same period in 2010.
Port Arthur:	$10.95 million, up 11.8 percent from the same period in 2010.
Nederland:	$3.01 million, up 5.2 percent from the same period in 2010.
Groves:	$1.35 million, down 0.4 percent from the same period in 2010.
Port Neches:	$1.00 million, up 4.9 percent from the same period in 2010.
Bevil Oaks:	$17,539.35, up 24.4 percent from the same period in 2010.
China:	$49,163.51, down 12.1 percent from the same period in 2010.
Nome:	$43,857.48, down 8.6 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 Jefferson County based on sales activity months in 2010: $52.76 million, down 5.8 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:

Beaumont:	$34.24 million, down 4.0 percent from 2009.
Port Arthur:	$12.06 million, down 11.1 percent from 2009.
Nederland:	$3.46 million, down 5.1 percent from 2009.
Groves:	$1.66 million, down 5.1 percent from 2009.
Port Neches:	$1.20 million, down 3.8 percent from 2009.
Bevil Oaks:	$18,225.09, up 24.3 percent from 2009.
China:	$66,583.42, down 18.2 percent from 2009.
Nome:	$55,457.98, up 10.2 percent from 2009.

Property Tax

- As of January 2009, property values in Jefferson County: $25.13 billion, down 3.8 percent from January 2008 values. The property tax base per person in Jefferson County is $103,315, above the statewide average of $85,809. About 2.8 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- Jefferson County's ranking in state expenditures by county in fiscal year 2010: 17th. State expenditures in the county for FY2010: $1.14 billion, up 0.3 percent from FY2009.

- In Jefferson County, 31 state agencies provide a total of 4,852 jobs and $52.56 million in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):
  - Lamar University
  - Lamar Institute of Technology
  - Lamar University
  - Department of Criminal Justice
  - Texas Youth Commission

Higher Education

- Community colleges in Jefferson County fall 2010 enrollment:
  - None.

- Jefferson County is in the service area of the following:
  - Galveston College with a fall 2010 enrollment of 2,318 . Counties in the service area include:
    Chambers County
    Galveston County
    Jefferson County
- Institutions of higher education in Jefferson County fall 2010 enrollment:
  - Lamar University, a Public University (part of Texas State University System), had 13,969 students.
  - Lamar State College-Port Arthur, a Public State College (part of Texas State University System), had 2,374 students.
  - Lamar Institute of Technology, a Public State College (part of Texas State University System), had 3,243 students.

School Districts

- Jefferson County had 6 school districts with 69 schools and 40,215 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.)

  - Beaumont ISD had 19,505 students in the 2009-10 school year. The average teacher salary was $47,118. The percentage of students meeting the 2010 TAKS passing standard for all tests was 76 percent.
  - Hamshire-Fannett ISD had 1,752 students in the 2009-10 school year. The average teacher salary was $41,481. The percentage of students meeting the 2010 TAKS passing standard for all tests was 86 percent.
  - Nederland ISD had 5,022 students in the 2009-10 school year. The average teacher salary was $47,598. The percentage of students meeting the 2010 TAKS passing standard for all tests was 81 percent.
  - Port Arthur ISD had 9,047 students in the 2009-10 school year. The average teacher salary was $45,029. The percentage of students meeting the 2010 TAKS passing standard for all tests was 58 percent.
  - Port Neches-Groves ISD had 4,586 students in the 2009-10 school year. The average teacher salary was $47,318. The percentage of students meeting the 2010 TAKS passing standard for all tests was 81 percent.
  - Sabine Pass ISD had 303 students in the 2009-10 school year. The average teacher salary was $47,538. The percentage of students meeting the 2010 TAKS passing standard for all tests was 90 percent.

Attachment E

Summary of Financial Impact

SUMMARY OF FINANCIAL IMPACT OF THE PROPOSED GOLDEN PASS PRODUCTS LLC PROJECT (TRAIN 3) ON THE FINANCES OF THE SABINE PASS INDEPENDENT SCHOOL DISTRICT UNDER A REQUESTED CHAPTER 313 PROPERTY VALUE LIMITATION

December 16, 2013 | **Final Report**

PREPARED BY

MOAK, CASEY & ASSOCIATES

TEXAS SCHOOL FINANCE EXPERTS

Estimated Impact of the Proposed Golden Pass Products LLC Project (Train 3) on the Finances of the Sabine Pass Independent School District under a Requested Chapter 313 Property Value Limitation

Introduction

Golden Pass Products LLC (Golden Pass Train 3) has requested that the Sabine Pass Independent School District (SPISD) 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 SPISD on November 20, 2013, Golden Pass Train 3 proposes to invest $2.5 billion to construct a new manufacturing project in SPISD.

The Golden Pass Train 3 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, SPISD 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 request for an extension of the start of the two-year qualifying time period. For the purpose of this analysis, it is assumed that the qualifying time period will be the 2020-21 and 2021-22 school years. Beginning with 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 could be assessed for debt service taxes on voter-approved bond issues throughout the limitation period, with SPISD currently levying a $0.135 per $100 I&S tax rate. The full value of the investment is expected to reach $2.3 billion in 2022-23, which will substantially enhance the District's ability to meet its future debt service needs.

In the case of the Golden Pass Train 3 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. SPISD would experience a revenue loss as a result of the implementation of the value limitation in the 2022-23 school year (-$4,159,262). Smaller out-year revenue losses are expected under current law.

Under the assumptions outlined below, the potential tax benefits under a Chapter 313 agreement could reach an estimated $172.6 million over the course of the agreement. This amount is net of any anticipated revenue losses for the District.

School Finance Mechanics

Under the current school finance system, the property values established by the Comptroller's Office that are used to calculate state aid and recapture lag by one year, a practical consequence of the fact that the Comptroller's Office needs this time to conduct its property value study and the audits of appraisal district operations in alternating years. A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 3-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation period (and thereafter). The school funding formulas use the Comptroller's property values that reflect a reduction due to the property value limitation in years 4-11 as a result of the one-year lag in property values.

The third year is often problematical financially for a school district that approves a Chapter 313 value limitation. The implementation of the value limitation often results in a revenue loss to the school district in the third year of the agreement that would not be reimbursed by the state, but require some type of compensation from the applicant under the revenue protection provisions of the agreement. In years 4-10, smaller revenue losses would be anticipated when the state 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.

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 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 6 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 would do so in the 2014-15 school year. Current state policy calls for ASATR funding to be eliminated by the 2017-18 school year.

SPISD is classified as a formula district under the estimates presented below. Given the timing of the project, ASATR funds are not a factor in the estimates presented here. As a formula district,

however, the finances of SPISD are susceptible to changes in property values and M&O tax collections like those associated with the implementation of a value limitation agreement.

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 Golden Pass Train 3 project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. This meets the statutory requirement under Section 313.027(f)(1) of the Tax Code to provide school district revenue protection language in the agreement.

Underlying Assumptions

There are several approaches that can be used to analyze the future revenue stream of a school district under a value limitation. Whatever method is used, a reasonable analysis requires the use of a multi-year forecasting model that covers the years in which the agreement is in effect. The Chapter 313 application now requires 15 years of data and analysis on the project being considered for a property value limitation.

The general approach used here is to maintain static enrollment and property values in order to isolate the effects of the value limitation under the school finance system. The SB 1 basic allotment increases are reflected in the underlying models, as are the increases in the equalized wealth level. The projected taxable values of the Golden Pass Products LLC project are factored into the base model used here in order to simulate the financial impact of constructing the project in the absence of a value limitation agreement. The impact of the limitation value for the proposed Golden Pass Train 3 project is isolated separately and the focus of this analysis.

Student enrollment counts are held constant at 337 students in average daily attendance (ADA) in analyzing the effects of the Golden Pass Train 3 project on the finances of SPISD. The District's local tax base reached $648.5 million for the 2013 tax year and is maintained at that level for the forecast period in order to isolate the effects of the property value limitation. An M&O tax rate of $1.04 per $100 is used throughout this analysis. SPISD has estimated state property wealth per weighted ADA or WADA of approximately $1.1 million for the 2013-14 school year. The enrollment and property value assumptions for the 15 years that are the subject of this analysis are summarized in Table 1.

School Finance Impact

School finance models were prepared for SPISD 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 influence future state funding beyond the projected level for that school year. In the analyses for other districts and applicants on earlier projects, these changes appeared to have little impact on the revenue associated with the implementation of the

property value limitation, since the baseline and other models incorporate the same underlying assumptions.

Under the proposed agreement, a model is established to make a calculation of the "Baseline Revenue" by adding the value of the proposed Golden Pass Train 3 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 Golden Pass Train 3 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.

Under these assumptions, SPISD would experience a revenue loss as a result of the implementation of the value limitation in the 2022-23 school year (-$4,159,262). Under current law, out-year losses are expected for the next seven value-limitation years. The revenue reduction results chiefly from the mechanics of the one-year lag in the state property value study and the up to six cents beyond the compressed M&O tax rate equalized to the Austin yield or not subject to recapture.

As the differences presented in Table 4 indicate, nearly all of the tax benefits to be provided to Golden Pass Train 1 are offset by reductions in recapture costs imposed on SPISD. The remaining differences are attributable to the four cents in SPISD tax effort that are not subject to recapture. The reduced property values under the limitation reduce the revenue that would have been earned by the District for these four cents of tax effort.

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 state property value determinations are also 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 $1.04 per $100 of taxable value M&O rate is assumed in 2013-14 and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total $163.8 million over the life of the agreement. In addition, Golden Pass Train 3 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 $20.0 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 SPISD revenue losses are expected to total approximately $11.2 million over the course of the agreement. The total potential net tax benefits (inclusive of tax credits but after hold-harmless payments are made) are estimated to reach $172.6 million over the life of the agreement. While legislative changes to ASATR funding could increase the hold-harmless amount owed in the initial year of the agreement, there would still be a substantial tax benefit to Golden Pass Train 3 under the value limitation agreement for the remaining years that the limitation is in effect.

Facilities Funding Impact

The Golden Pass Train 3 project remains fully taxable for debt services taxes, with SPISD currently levying a $0.135 I&S rate. The value of the Golden Pass Train 3 project is expected to depreciate over the life of the agreement and beyond, but full access to the additional value will substantially enhance the ability of SPISD to meet its debt-service needs.

The Golden Pass Train 3 project is not expected to affect SPISD in terms of enrollment. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on public school enrollments in the area

Conclusion

The proposed Golden Pass Train 3 manufacturing project enhances the tax base of SPISD. 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 $172.6 million. (This amount is net of any anticipated revenue losses for the District.) The additional taxable value also substantially enhances the tax base of SPISD in meeting its future debt service obligations.

Table 1 – Base District Information with Golden Pass Products LLC Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
Pre-Year 1	2019-20	337.10	629.45	$1.0400	$0.1350	$1,701,631,365	$1,701,631,365	$1,513,823,756	$1,513,823,756	$2,404,991	$2,404,991
1	2020-21	337.10	629.45	$1.0400	$0.1350	$2,378,506,365	$2,378,506,365	$1,701,923,756	$1,701,923,756	$2,703,822	$2,703,822
2	2021-22	337.10	629.45	$1.0400	$0.1350	$2,633,581,365	$2,633,581,365	$2,378,798,756	$2,378,798,756	$3,779,164	$3,779,164
3	2022-23	337.10	629.45	$1.0400	$0.1350	$3,809,035,365	$1,543,531,365	$2,633,873,756	$2,633,873,756	$4,184,398	$4,184,398
4	2023-24	337.10	629.45	$1.0400	$0.1350	$3,717,215,205	$1,543,531,365	$3,809,327,756	$1,543,823,756	$6,051,826	$2,452,651
5	2024-25	337.10	629.45	$1.0400	$0.1350	$3,629,067,851	$1,543,531,365	$3,717,507,596	$1,543,823,756	$5,905,952	$2,452,651
6	2025-26	337.10	629.45	$1.0400	$0.1350	$3,544,446,392	$1,543,531,365	$3,629,360,242	$1,543,823,756	$5,765,914	$2,452,651
7	2026-27	337.10	629.45	$1.0400	$0.1350	$3,463,209,791	$1,543,531,365	$3,544,738,783	$1,543,823,756	$5,631,477	$2,452,651
8	2027-28	337.10	629.45	$1.0400	$0.1350	$3,385,222,654	$1,543,531,365	$3,463,502,182	$1,543,823,756	$5,502,417	$2,452,651
9	2028-29	337.10	629.45	$1.0400	$0.1350	$3,310,355,002	$1,543,531,365	$3,385,515,045	$1,543,823,756	$5,378,520	$2,452,651
10	2029-30	337.10	629.45	$1.0400	$0.1350	$3,238,482,057	$1,543,531,365	$3,310,647,393	$1,543,823,756	$5,259,579	$2,452,651
11	2030-31	337.10	629.45	$1.0400	$0.1350	$3,169,484,029	$3,169,484,029	$3,238,774,448	$1,543,823,756	$5,145,396	$2,452,651
12	2031-32	337.10	629.45	$1.0400	$0.1350	$3,103,245,923	$3,103,245,923	$3,169,776,420	$3,169,776,420	$5,035,779	$5,035,779
13	2032-33	337.10	629.45	$1.0400	$0.1350	$3,039,657,340	$3,039,657,340	$3,103,538,314	$3,103,538,314	$4,930,548	$4,930,548
14	2033-34	337.10	629.45	$1.0400	$0.1350	$2,978,612,301	$2,978,612,301	$3,039,949,731	$3,039,949,731	$4,829,526	$4,829,526
15	2034-35	337.10	629.45	$1.0400	$0.1350	$2,920,009,064	$2,920,009,064	$2,978,904,692	$2,978,904,692	$4,732,544	$4,732,544

*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

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	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	$16,727,643	$124,063	$0	-$12,328,175	$669,106	$0	$0	$5,192,637
1	2020-21	$23,361,018	$124,063	$0	-$17,921,775	$934,441	$0	$0	$6,497,747
2	2021-22	$25,860,753	$124,063	$0	-$21,405,278	$1,034,430	$0	$0	$5,613,968
3	2022-23	$37,833,304	$124,063	$0	-$32,021,475	$1,513,332	$0	$0	$7,449,224
4	2023-24	$36,915,102	$124,063	$0	-$32,710,170	$1,476,604	$0	$0	$5,805,599
5	2024-25	$36,033,628	$124,063	$0	-$31,840,300	$1,441,345	$0	$0	$5,758,736
6	2025-26	$35,187,413	$124,063	$0	-$31,005,196	$1,407,497	$0	$0	$5,713,777
7	2026-27	$34,375,048	$124,063	$0	-$30,203,467	$1,375,002	$0	$0	$5,670,646
8	2027-28	$33,595,176	$124,063	$0	-$29,433,778	$1,343,807	$0	$0	$5,629,268
9	2028-29	$32,846,500	$124,063	$0	-$28,694,848	$1,313,860	$0	$0	$5,589,575
10	2029-30	$32,127,771	$124,063	$0	-$27,985,447	$1,285,111	$0	$0	$5,551,498
11	2030-31	$31,112,600	$124,063	$0	-$27,017,177	$1,244,504	$0	$0	$5,463,990
12	2031-32	$30,463,466	$124,063	$0	-$26,375,832	$1,218,539	$0	$0	$5,430,236
13	2032-33	$29,840,298	$124,063	$0	-$25,760,083	$1,193,612	$0	$0	$5,397,890
14	2033-34	$29,242,057	$124,063	$0	-$25,168,906	$1,169,682	$0	$0	$5,366,896
15	2034-35	$28,667,745	$124,063	$0	-$24,601,320	$1,146,710	$0	$0	$5,337,198

Table 3– "Value Limitation Revenue Model"--Project Value Added with Value Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	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	$16,727,643	$124,063	$0	-$12,328,175	$669,106	$0	$0	$5,192,637
1	2020-21	$23,361,018	$124,063	$0	-$17,921,775	$934,441	$0	$0	$6,497,747
2	2021-22	$25,860,753	$124,063	$0	-$21,405,278	$1,034,430	$0	$0	$5,613,968
3	2022-23	$15,178,263	$124,063	$0	-$12,619,496	$607,131	$0	$0	$3,289,961
4	2023-24	$15,178,263	$124,063	$0	-$11,235,124	$607,131	$0	$0	$4,674,333
5	2024-25	$15,178,263	$124,063	$0	-$11,235,124	$607,131	$0	$0	$4,674,333
6	2025-26	$15,178,263	$124,063	$0	-$11,235,124	$607,131	$0	$0	$4,674,333
7	2026-27	$15,178,263	$124,063	$0	-$11,235,124	$607,131	$0	$0	$4,674,333
8	2027-28	$15,178,263	$124,063	$0	-$11,235,124	$607,131	$0	$0	$4,674,333
9	2028-29	$15,178,263	$124,063	$0	-$11,235,124	$607,131	$0	$0	$4,674,333
10	2029-30	$15,178,263	$124,063	$0	-$11,235,124	$607,131	$0	$0	$4,674,333
11	2030-31	$31,112,600	$124,063	$0	-$23,265,921	$1,244,504	$0	$0	$9,215,246
12	2031-32	$30,463,466	$124,063	$0	-$26,375,832	$1,218,539	$0	$0	$5,430,236
13	2032-33	$29,840,298	$124,063	$0	-$25,760,083	$1,193,612	$0	$0	$5,397,890
14	2033-34	$29,242,057	$124,063	$0	-$25,168,906	$1,169,682	$0	$0	$5,366,896
15	2034-35	$28,667,745	$124,063	$0	-$24,601,320	$1,146,710	$0	$0	$5,337,198

Table 4 – Value Limit less Project Value with No Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	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
1	2020-21	$0	$0	$0	$0	$0	$0	$0	$0
2	2021-22	$0	$0	$0	$0	$0	$0	$0	$0
3	2022-23	-$22,655,041	$0	$0	$19,401,980	-$906,201	$0	$0	-$4,159,262
4	2023-24	-$21,736,839	$0	$0	$21,475,046	-$869,473	$0	$0	-$1,131,266
5	2024-25	-$20,855,365	$0	$0	$20,605,176	-$834,214	$0	$0	-$1,084,403
6	2025-26	-$20,009,150	$0	$0	$19,770,071	-$800,366	$0	$0	-$1,039,445
7	2026-27	-$19,196,785	$0	$0	$18,968,343	-$767,871	$0	$0	-$996,313
8	2027-28	-$18,416,913	$0	$0	$18,198,654	-$736,676	$0	$0	-$954,935
9	2028-29	-$17,668,237	$0	$0	$17,459,724	-$706,729	$0	$0	-$915,242
10	2029-30	-$16,949,508	$0	$0	$16,750,323	-$677,980	$0	$0	-$877,165
11	2030-31	$0	$0	$0	$3,751,256	$0	$0	$0	$3,751,256
12	2031-32	$0	$0	$0	$0	$0	$0	$0	$0
13	2032-33	$0	$0	$0	$0	$0	$0	$0	$0
14	2033-34	$0	$0	$0	$0	$0	$0	$0	$0
15	2034-35	$0	$0	$0	$0	$0	$0	$0	$0

Table 5 - Estimated Financial Impact of the Golden Pass Products LLC Project Property Value Limitation Request Submitted to SPISD at $1.04 M&O Tax Rate

Year of Agreement	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
Pre-Year 1	2019-20	$188,100,000	$188,100,000	$0	$1.040	$1,956,240	$1,956,240	$0	$0	$0	$0	$0
1	2020-21	$864,975,000	$864,975,000	$0	$1.040	$8,995,740	$8,995,740	$0	$0	$0	$0	$0
2	2021-22	$1,120,050,000	$1,120,050,000	$0	$1.040	$11,648,520	$11,648,520	$0	$0	$0	$0	$0
3	2022-23	$2,295,504,000	$30,000,000	$2,265,504,000	$1.040	$23,873,242	$312,000	$23,561,242	$0	$23,561,242	-$4,159,262	$19,401,980
4	2023-24	$2,203,683,840	$30,000,000	$2,173,683,840	$1.040	$22,918,312	$312,000	$22,606,312	$1,643,487	$24,249,799	-$1,131,266	$23,118,532
5	2024-25	$2,115,536,486	$30,000,000	$2,085,536,486	$1.040	$22,001,579	$312,000	$21,689,579	$1,583,987	$23,273,567	-$1,084,403	$22,189,163
6	2025-26	$2,030,915,027	$30,000,000	$2,000,915,027	$1.040	$21,121,516	$312,000	$20,809,516	$1,526,868	$22,336,384	-$1,039,445	$21,296,939
7	2026-27	$1,949,678,426	$30,000,000	$1,919,678,426	$1.040	$20,276,656	$312,000	$19,964,656	$1,472,033	$21,436,689	-$996,313	$20,440,376
8	2027-28	$1,871,691,289	$30,000,000	$1,841,691,289	$1.040	$19,465,589	$312,000	$19,153,589	$1,419,392	$20,572,981	-$954,935	$19,618,046
9	2028-29	$1,796,823,637	$30,000,000	$1,766,823,637	$1.040	$18,686,966	$312,000	$18,374,966	$1,368,856	$19,743,822	-$915,242	$18,828,580
10	2029-30	$1,724,950,692	$30,000,000	$1,694,950,692	$1.040	$17,939,487	$312,000	$17,627,487	$1,320,342	$18,947,829	-$877,165	$18,070,664
11	2030-31	$1,655,952,664	$1,655,952,664	$0	$1.040	$17,221,908	$17,221,908	$0	$9,685,296	$9,685,296	$0	$9,685,296
12	2031-32	$1,589,714,558	$1,589,714,558	$0	$1.040	$16,533,031	$16,533,031	$0	$0	$0	$0	$0
13	2032-33	$1,526,125,975	$1,526,125,975	$0	$1.040	$15,871,710	$15,871,710	$0	$0	$0	$0	$0
14	2033-34	$1,465,080,936	$1,465,080,936	$0	$1.040	$15,236,842	$15,236,842	$0	$0	$0	$0	$0
15	2034-35	$1,406,477,699	$1,406,477,699	$0	$1.040	$14,627,368	$14,627,368	$0	$0	$0	$0	$0
						$266,418,466	**$102,631,119**	**$163,787,347**	**$20,020,260**	**$183,807,607**	**-$11,158,031**	**$172,649,576**

Tax Credit for Value Over Limit in First 2 Years	Year 1	Year 2	Max Credits
	$8,683,740	$11,336,520	$20,020,260
			$20,020,260
			$20,020,260
			$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. 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

2013 ISD Summary Worksheet

123/Jefferson

123-913/Sabine Pass ISD

Category	Local Tax Roll Value	2013 WTD Mean Ratio	2013 PTAD Value Estimate	2013 Value Assigned
A. Single-Family Residences	14,693,890	N/A	14,693,890	14,693,890
B. Multi-Family Residences	109,150	N/A	109,150	109,150
C1. Vacant Lots	6,942,095	N/A	6,942,095	6,942,095
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	3,753,035	N/A	3,753,035	3,753,035
D2. Real Prop Farm & Ranch	24,870	N/A	24,870	24,870
E. Real Prop NonQual Acres	12,114,728	N/A	12,114,728	12,114,728
F1. Commercial Real	73,213,700	N/A	73,213,700	73,213,700
F2. Industrial Real	902,461,350	N/A	902,461,350	902,461,350
G. Oil, Gas, Minerals	50,571,413	N/A	50,571,413	50,571,413
J. Utilities	36,350,480	N/A	36,350,480	36,350,480
L1. Commercial Personal	13,796,740	N/A	13,796,740	13,796,740
L2. Industrial Personal	193,529,620	N/A	193,529,620	193,529,620

M. Other Personal	304,180	N/A	304,180	304,180
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	1,307,865,251		1,307,865,251	1,307,865,251
Less Total Deductions	629,232,883		629,232,883	629,232,883
Total Taxable Value	678,632,368		678,632,368	678,632,368 T2

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
679,660,838	678,632,368	678,748,135	677,719,665	678,632,368	677,719,665

Loss To the Additional $10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
1,028,470	912,703

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
1,221,307,548	1,220,279,078	1,220,394,845	1,219,366,375	1,220,279,078	1,219,366,375

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

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by and between

SABINE PASS INDEPENDENT **SCHOOL DISTRICT**

and

GOLDEN PASS PRODUCTS LLC

(*Texas Taxpayer ID # 32052468710*)

COMPTROLLER APPLICATION NUMBER 378

Dated

November 3, 2014

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

STATE OF TEXAS §

COUNTY OF JEFFERSON §

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 **SABINE PASS 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 **GOLDEN PASS PRODUCTS LLC**, *(Texas Taxpayer Identification Number Texas Taxpayer ID # 32052468710),* 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 November 20, 2013, the Superintendent of Schools of the Sabine Pass Independent School District, 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, pursuant to Chapter 313 of the Texas Tax Code;

WHEREAS, on November 20, 2013, the Board of Trustees authorized the Superintendent to accept, on behalf of the District, the Application from Golden Pass Products LLC, and on November 21, 2013, the Superintendent acknowledged receipt of the Application and the requisite application fee as established pursuant to Texas Tax Code §313.025(a)(1) and Local District Policy CCG (Local), and determined the Application to be complete;

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

WHEREAS, the Comptroller via letter in Comptroller's Application File Number 378 has established December 10, 2013 as the completed Application date;

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

WHEREAS, the Comptroller reviewed the Application pursuant to Texas Tax Code §313.025(d), and on March 4, 2014, the Comptroller's Office, via letter, recommended that the Application be approved;

WHEREAS, pursuant to Texas Tax Code § 313.025(b) and 34 Tex. Admin. Code §9.1054(d), the Board of Trustees of Sabine Pass ISD must approve or disapprove an Application for a property tax limitation under Chapter 313 before the 151st day from the date the Comptroller has determined the Application complete, unless an extension of the time period is granted upon the request of the Applicant;

WHEREAS, the Applicant has requested an extension of the 151-day deadline;

WHEREAS, the Board of Trustees has determined that it has the statutory authority to grant such request, and that good cause exists to grant such extension of time;

WHEREAS, Sabine Pass ISD and the Applicant are in agreement to extend the time period to for final action on the application for a property value limitation until November 30, 2014, and by its action of May 5, 2014, granted same;

WHEREAS, the Comptroller conducted an economic impact evaluation pursuant to Chapter 313 of the Texas Tax Code, which was presented to the Board of Trustees at the November 3, 2014 public hearing held in connection with the Board's consideration of the Application;

WHEREAS, the Board of Trustees has carefully reviewed the economic impact evaluation pursuant to Texas Tax Code §313.026, and has carefully considered the economic impact evaluation and the Comptroller's positive recommendation for the project;

WHEREAS, on November 3, 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;

WHEREAS, on November 3, 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; and, (iv) each criterion listed in Texas Tax Code §313.025(e) has been met;

WHEREAS, on November 3, 2014, the Board of Trustees determined that the Tax Limitation Amount requested by Applicant, and as defined in Sections 1.2 and 1.3, below, is consistent with the minimum values set out by Tax Code, §§313.022(b) and 313.052, as such Tax Limitation Amount was computed as of the date of this Agreement;

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 March 4, 2014 that the Application be approved; and,

WHEREAS, on November 3, 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 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 Texas 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, between the Commencement Date and the end of the Qualifying Time Period, 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 will be 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. The termination of this Agreement shall not (i) release any obligations, liabilities, rights and remedies arising out of any breach of, or failure to comply with, this Agreement occurring prior to such termination, or

(ii) affect the right of a Party to enforce the payment of any amount to which such Party was entitled before such termination or to which such Party became entitled as a result of an event that occurred before such termination, so long as the right to such payment survives said termination.

Except as otherwise provided herein, the Tax Years for which this Agreement is effective are as set forth below and set forth opposite each such Tax Year are the corresponding year in the term of this Agreement, the date of the Appraised Value determination for such Tax Year, and a summary description of certain provisions of this Agreement corresponding to such Tax Year (it being understood and agreed that such summary descriptions are for reference purposes only, and shall not affect in any way the meaning or interpretation of this Agreement):

Full Tax Year of Agreement	**Date of Appraisal**	**School Year**	**Tax Year**	**Summary Description of Provisions**
Partial Deferral Year Commencing on date of Board approval (November 3, 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 to January 2, 2019)	January 1, 2019	2019-20	2019	Deferral Period
Pre-Year (starting on Commencement Date: January 2, 2019)	January 1, 2019	2019-20	2019	Start of Qualifying Time Period beginning with Commencement Date. 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

Full Tax Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions
				Tax Credit in future years.
3	January 1, 2022	2022-23	2022	$ 30 million property value limitation. Possible Tax Credit due to Applicant.
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.
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.

Full Tax Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions
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.

"*Affiliate*" of any specified person or entity means any other person or entity that directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under direct or indirect common control with the Applicant. For purposes of this definition, "control" when used with respect to any person or entity means (i) the ownership, directly or indirectly, of fifty (50) percent or more of the voting securities of such person or entity, or (ii) the right to direct the management or operations of such person or entity, directly or indirectly, whether through the ownership (directly or indirectly) of securities, by contract or otherwise.

"*Affiliated Group*" means a group of one or more entities in which a controlling interest is owned by a common owner or owners, either corporate or non-corporate, or by one or more of the member entities.

"*Aggregate Limit*" means, for any Tax Year during the term of this Agreement, the cumulative total of the Annual Limit amount for such Tax Year and for all previous Tax Years during the course of this Agreement, less all amounts paid by the Applicant to or on behalf of the District under Article IV.

"*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 8.3.

"*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 the lesser of (a) the amount calculated as the Stipulated Supplemental Payment under Section 4.2 or (b) the District's Average Daily Attendance for the applicable school year, as calculated pursuant to Texas Education Code § 42.005, times the greater of $100, or any larger amount allowed by 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 Commencement Date is the first partial year of the Qualifying Time Period under this Agreement.

"*Applicable School Finance Law*" means Chapters 41 and 42 of the Texas Education Code, the Texas Economic Development Act (Chapter 313 of the Texas Tax Code), Chapter 403, Subchapter M, of the Texas Government Code applicable to the District, and the Constitution and general laws of the State applicable to the independent school districts of the State, including specifically, the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State, and judicial decisions construing or interpreting any of the above. The term also includes any amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of the Applicant's obligations to the District, either with or without the limitation of property values made pursuant to this Agreement.

"*Applicant*" means Golden Pass Products LLC, *Texas Taxpayer ID # 32052468710,* the company listed in the Preamble of this Agreement who, on November 20, 2013, filed the Original Application with the District for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The term "Applicant" shall also include the Applicants' assigns and successors-in-interest and their direct and indirect subsidiaries

"*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 November 20, 2013 which has been certified by the Comptroller's office to constitute a complete final Application as of the date of December 10, 2013.. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by Applicant for the purpose of obtaining this Agreement with the District. The term also includes all amendments and supplements thereto submitted by 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 Jefferson County Appraisal District.

"*Approval Date*" means November 3, 2014, the date that this Agreement was approved by the Board of Trustees.

"*Board of Trustees*" means the Board of Trustees of the Sabine Pass Independent School District.

"*Commencement Date*" means January 2, 2019. By agreement of the Parties pursuant to Texas Tax Code §313.027(h), the Commencement Date has been deferred, at the request of the Applicant, from the Approval Date.

"*Completed Application Date*" means December 10, 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 (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 Chapter 34 Texas Administrative Code, Chapter 9, Subchapter D, together with any court or administrative decisions interpreting same.

"*Confidential Information*" means information (including information belonging to any third party, including without limitation any representative, affiliate, subsidiary or parent company of the Applicant) which (i) it is reasonable under the circumstances to maintain the secrecy of the information, (ii) is identified by the Applicant as "Confidential" and/or "Proprietary", or (iii) which, under all of the circumstances, ought reasonably be treated as confidential and/or proprietary: and, which is eligible to be deemed confidential under Chapter 313,Texas Tax Code and/or Tex. Gov't. Code §§ 552.101, 552.104, 552.110, or 552.131. Confidential Information may include all specifications, drawings, sketches, models, samples, reports, plans, forecasts, current or historical data, computer programs documentation, market and business research and plans, trade secrets, customer and employee information, and all other technical, financial, or business information District personnel may be exposed to. "Confidential Information" may also include non-public "transmission function" information as that term is defined by the Federal Energy Regulatory Commission in the regulations set forth at 18 CFR §358.3(h), "Confidential Information" shall not, however, include information that (i) is or becomes generally known to the public other than as a result of a disclosure by the District in violation of the terms of the Agreement; (ii) is received by District from a third party where such third party was under no obligations to maintain such information as confidential; (iii) is already in the possession of the District when discovered, unless previously disclosed by the Applicant and the District should have reasonably expected such information to be treated as Confidential Information; or (iv) which is independently developed by the District without reliance upon any information that would otherwise constitute Confidential Information.

"*County*" means Jefferson County, Texas.

"*Determination of Breach*" shall have the meaning assigned to such term in Section 7.8 of this Agreement

"District" or "School District" means the Sabine Pass 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.

"Export Facilities" means natural gas liquefaction and related export facilities to be constructed and owned by Golden Pass Products LLC.

"Final Investment Decision" or "FID" means a final investment decision in respect of the construction of the Export Facilities.

"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 performance.

"Land" shall have the meaning assigned to such term in Section 2.2.

"Maintain Viable Presence" means after the development and construction of the project described in the Application and in the description of the Applicant's Qualified Investment/Qualified Property as set forth in Section 2.3, below, (i) the operation over the term

of this Agreement of the facility or facilities for which the tax limitation is granted, as the same may from time to time be expanded, upgraded, improved, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured, and/or reengineered: (ii) the 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.

"*M&O Amount*" shall have the meaning assigned to such term in Section 3.2 of the Agreement.

"*Maintenance and Operations Revenue*" or "*M&O Revenue*" means (i) those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Texas Education Code §45.002 and Article VII §3 of the Texas Constitution, plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 of the Texas Education Code or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace District M&O Revenue lost as a result of such similar agreements, less (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the Texas Education Code.

"*Market Value*" shall have the meaning assigned to such term in Section 1.04(7) of the Texas Tax Code.

"*Net Tax Benefit*" means an amount (but not less than zero) equal to (i) the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for all Tax Years during the term of this Agreement 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, 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 "new jobs" defined by 34 Texas Administrative Code §9.1051, which the Applicant will create in connection with the project described in the Application. In accordance with the requirements of Texas Tax Code §313.024(d), eighty percent (80%), of all New Jobs created by 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, and 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 described in the Application, which meet the requirements of Texas Tax Code 313.021(3) with wages as defined by Texas Tax Code 313.021(5)(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, and 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 (i.e., January 2, 2019) and ends on December 31, 2021.

"*State*" means the State of Texas.

"*Substantive Document*" means a document or other information or data in electronic media determined by the Comptroller to substantially involve or include information or data significant to an application, the evaluation or consideration of an application, or the agreement or implementation of an agreement for limitation of appraised value pursuant to Tax Code, Chapter 313. The term includes, but is not limited to, any application requesting a limitation on appraised value and any amendments or supplements, any economic impact evaluation made in connection with an application, any agreement between applicant and the school district and any subsequent amendments or assignments, any school district written finding or report filed with the comptroller as required under this subchapter, and any application requesting school tax credits under Tax Code, §313.103.

"*Tax Credit*" means the tax credit, either to be paid by the District to the Applicant, or to be applied against any taxes that the District imposes on the Applicant's 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 relating thereto.

"*Tax Limitation Amount*" means the maximum amount which may be placed as the Appraised Value on Qualified Property/Qualified Investment for years three (3) through ten (10) of this Agreement pursuant to Texas Tax Code §313.054. That is, for each of the eight (8) Tax Years 2022, 2023, 2024, 2025, 2026, 2027, 2028, and 2029, the Appraised Value of the

Applicant's Qualified Investment for the District's maintenance and operations ad valorem tax purposes shall not exceed, and the Tax Limitation Amount shall be, the lesser of:

(a) the Market Value of the Applicant's Qualified Investment; or

(b) Thirty Million Dollars ($30,000,000.00).

The Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the effective date of this Agreement, as set out by Tax Code, §313.022(b) or §313.052, as applicable.

"*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, Texas Tax Code, which are set forth at Title 19 – Part 2, Texas Administrative Code (including, but not limited to, §61.1019), together with any court or administrative decisions interpreting same.

ARTICLE II

PROPERTY DESCRIPTION

Section 2.1. LOCATION WITHIN A QUALIFIED REINVESTMENT OR ENTERPRISE ZONE

The Applicant's Qualified Property upon which the Applicant's Qualified Investment will be located is within an area designated as a reinvestment zone under Chapter 311 or 312 of the Texas Tax Code. The legal description of the reinvestment 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 location of the Applicant's Qualified Property upon which the Applicant's Qualified Investment will be located is described in the legal description which is attached to this Agreement as **EXHIBIT 2** and is incorporated herein by reference for all purposes. The Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in **EXHIBIT 2** without the express authorization of each of the Parties.

Section 2.3. DESCRIPTION OF QUALIFIED INVESTMENT AND QUALIFIED PROPERTY

The Qualified Investment and/or Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 3**, which is attached hereto and incorporated herein by reference for all purposes (the "*Applicant's Qualified Investment*"). The Applicant' Qualified Investment shall be that property, described in **EXHIBIT 3** which is "placed in service" under the terms of the Application, during the Qualifying Time Period described in both Section 1.2, above and the definition of Qualifying Time Period set forth in Section 1.3, above. The Applicant's Qualified Property shall be all property, described in **EXHIBIT 3**, including, but not limited to Applicant's Qualified Investment, together with the land described in **EXHIBIT 2** which: 1) is owned by Applicant; 2) was first placed in service after December 10, 2013, the completed Application date established by the Comptroller; and 3) is used in connection with the activities described in the Application. Property which is not specifically described in **EXHIBIT 3** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Investment or the 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 for purposes of this Agreement.

Property owned by the Applicant which is not described in **EXHIBIT 3** may not be considered to be the 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**; upon a reasonable request by the District, the Comptroller, or the Appraisal District, Applicant shall provide to the District, the Comptroller, and the Appraisal District a specific and detailed description of the tangible personal property, buildings, or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Applicant's Qualified Property to which the Tax Limitation Amount applies including maps or surveys of

sufficient detail and description to locate all such described property within the boundaries of the real property which is subject to this Agreement.

Section 2.5. QUALIFYING USE

The Applicant's Qualified Investment described above in Section 2.3 qualifies for a Tax Limitation Agreement under Texas Tax Code §313.024(b)(1) as a manufacturing facility.

Section 2.6. LIMITATION ON APPRAISED VALUE

So long as the Applicant makes a Qualified Investment in the amount 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 Investment for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

(a) the Market Value of the Applicant's Qualified Investment; or

(b) Thirty Million Dollars ($30,000,000.00).

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the effective date of this Agreement, as set out by Texas Tax Code § 313.022 (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 formula set forth in the following Subsections 3.2(a) and 3.2(b) :

(a) For each of the Tax Years 2022 through 2029, the M&O Amount owed by the Applicant to the 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 Applicant's Qualified Property and/or the Applicant's Qualified Investment been subject to the ad valorem maintenance and operations tax actually adopted 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 such Maintenance and Operations Revenue because of any portion of this Agreement.

In making the calculations required by this Section 3.2:

i. The Taxable Value of Qualified 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. 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 this Section 3.2, 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 the Agreements.

vi. 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 or described by this Agreement.

Section 3.3. COMPENSATION FOR LOSS OF OTHER REVENUES

In addition to the amounts determined pursuant to Section 3.2 above, and to the extent provided in Section 6.3, the Applicant, on an annual basis, shall also indemnify and reimburse the District for the following:

(a) all non-reimbursed costs incurred by the District in paying or otherwise crediting to the account of the Applicant, any applicable tax credit to which the Applicant may be entitled pursuant to Chapter 313, Subchapter D of the Texas Tax Code, and for which the District does not receive reimbursement from the State pursuant to Texas Educ. 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 directly attributable to construction of the project for which this application is made.

(c) any other loss of District revenues which are, or may be attributable to the payment by the Applicant to or on behalf any other third party beneficiary.

Section 3.4. CALCULATIONS TO BE MADE BY THIRD PARTY

All calculations under this Agreement shall be made annually by an independent third party (the "*Third Party*") jointly approved each year by the District and the Applicant. If the Parties cannot agree on the Third Party, then the Third Party shall be selected by the mediator that is selected pursuant to the dispute resolution process provided in Section 7.9 of this Agreement.

Section 3.5. DATA USED FOR CALCULATIONS

The calculations for payments under this Agreement shall be initially based upon the valuations placed upon the Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Jefferson County Appraisal District in its annual certified tax roll submitted to the District pursuant to Texas Tax Code §26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party selected under Section 3.4. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Jefferson County Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

Section 3.6. DELIVERY OF CALCULATIONS

On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 3.4 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 3.2 and/or 3.3 and Article IV, and/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 the 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 next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Third Party for all calculations under this Agreement under Section 3.6, above, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or tax credit or other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement. For no Tax Year during the term of this Agreement shall the Applicant be responsible for the payment of any total

expenses under this Section 3.7 and Section 3.6, above, in excess of Ten Thousand Dollars ($10,000.00).

Section 3.8. RESOLUTION OF DISPUTES

Pursuant to Sections 3.3(b), 3.4, and 3.6, should the Applicant disagree with the certification containing the calculations, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days of receipt of the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the District's Board of Trustees within thirty (30) days of the final determination of certification containing the calculations.

Section 3.9. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT

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 County Appraisal District on the Applicant's Qualified Property, and such appeal remains unresolved, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Property by the County 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 other 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 annual limitations 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

SUPPLEMENTAL PAYMENTS

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, Texas Tax Code, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the Applicant's obligation to make Supplemental Payments under this Article IV are separate and independent of the obligation of the Applicant to pay the amounts described in Article III; provided, however, that all payments under Articles III and IV are subject to the limitations contained in Section 5.1, and that all payments under this 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), as such limit is allowed or required to be increased by the Legislature in a future year of this Agreement; however, in such event, it shall not exceed the stipulated Supplemental Payment Amount described in Sections 4.2 and 4.3 below.

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

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

During the term of this Agreement, the District shall not be entitled to receive Supplemental Payments that exceed the lesser of the following:

(a) the Applicant's "*Stipulated Supplemental Payment Amount*", which is hereby defined as Sixteen Percent (16%) of the Applicant's Net Tax Benefit; or,

(b) the Aggregate Limit.

Section 4.3. ANNUAL CALCULATION OF STIPULATED SUPPLEMENTAL PAYMENT AMOUNT

The Parties agree that for each Tax Year during the term 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;

Multiplied by,

The number 0.16;

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 Applicant's Stipulated Supplemental Payment Amount calculation to reflect such changes in the data.

Section 4.4. CALCULATION OF ANNUAL SUPPLEMENTAL PAYMENTS TO THE DISTRICT AND APPLICATION OF AGGREGATE LIMIT

For each Tax Year during the term of this Agreement, beginning with Tax Year three (Tax Year 2022) and continuing thereafter through Tax 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 Aggregate Limit.

If, for any Tax Year during the term of this Agreement the payment of the Applicant's Stipulated Supplemental Payment Amount, calculated under sections 4.2 and 4.3, above for such Tax Year, exceeds the Aggregate Limit for that Tax Year, the difference between the Applicant's Stipulated Supplemental Payment Amount so calculated and the Aggregate Limit for such Tax Year, shall be carried forward from year-to-year into subsequent Tax Years during the term of this Agreement, and to the extent not limited by the Aggregate Limit in any subsequent Tax Year during the term of this Agreement, shall be paid to the District.

Any of the Applicant's Stipulated Supplemental Payment Amount, which cannot be paid to the District prior to the end of Tax Year thirteen (Tax Year 2032), because such payment would exceed the Aggregate Limit, will be deemed to have been cancelled by operation of law, and the Applicant shall have no further obligation with respect thereto.

Section 4.5. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS

(a) All calculations required by this Article IV, including but not limited to: (i) the calculation of the Applicant's Stipulated Supplemental Payment Amount; (ii) the determination of both the Annual Limit and the Aggregate Limit; (iii) the effect, if any, of the Aggregate Limit upon the actual amount of Supplemental Payments eligible to be paid to the District by the Applicant; and, (iv) the carry forward and accumulation of any of the Applicant's Stipulated Supplemental Payment Amounts unpaid by the Applicant due to the Aggregate Limit in previous years, shall be calculated by the Third Party 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 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 under this Article IV be made to the District's educational foundation, or to a similar entity. Any payments under this Article are based on the average daily attendance of SPISD as of the date of this agreement, and in the event of (a) a merger or consolidation with another independent school district or (b) an annexation by another independent school district, the Applicant shall have no additional obligations beyond the obligations that are included in this Agreement. Such foundation or entity may only use such funds received under this Article IV to support the educational mission of the District and its students. Any designation of such a foundation or entity must be made by recorded vote of the Board of Trustees at a properly posted public meeting of the Board of Trustees. Any such designation will become effective after such public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 6.1, below. Such designation may be rescinded by the Board of Trustees, by Board action, at any time, and any 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 Aggregate Limit on Supplemental Payments described in Section 4.4, above.

ARTICLE V

ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

SECTION 5.1. ANNUAL LIMITATION AFTER FIRST THREE YEARS

Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year during the term of this Agreement beginning after the end of the 2022 Tax Year and ending on the Final Termination Date, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments previously paid or otherwise due from the Applicant to the District under Articles III and IV with respect to such current and all preceding tax years, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such current and all preceding tax years (determined by using the District's actual maintenance and operations tax rate for each applicable tax year) if the Parties had not

entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Section 3.4, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles III and IV shall be reduced until such excess is eliminated.

Section 5.2. OPTION TO CANCEL AGREEMENT

Notwithstanding anything in this Agreement to the contrary, in the event the Applicant determines at any prior to the termination of the Qualifying Time Period, that a positive Final Investment Decision will not be reached, the Applicant may terminate this Agreement by providing written notice of termination to the District, in which case this Agreement shall become null and void as of the date of the notice provided by Applicant.

In the event that any payment otherwise due from the Applicant to the District under Article III and/or Article IV with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 5.1 above, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to cancel this Agreement by notifying the District of its election in writing not later than the July 31 of the year next following the Tax Year with respect to which a reduction under Section 5.1 is applicable. Any cancellation of this Agreement under the foregoing provisions of this Section 5.2 shall be effective immediately prior to the second Tax Year next following the Tax Year in which the reduction giving rise to the option occurred. In addition to the foregoing, 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 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.

ARTICLE VI

TAX CREDITS

Section 6.1. APPLICANT'S ENTITLEMENT TO TAX CREDITS

The Applicant shall be entitled to Tax Credits from the District under and in accordance with the provisions of Subchapter D of the Act and Comptroller Rules, provided that the Applicant complies with the requirements under such provisions, including the filing of a completed Application under Section 313.103 of the Texas Tax Code and Comptroller Rules.

Section 6.2. DISTRICT'S OBLIGATIONS WITH RESPECT TO TAX CREDITS

The District shall timely comply and shall cause the District's collector of taxes to timely comply with their obligations under Subchapter D of the Act and Comptroller Rules, including, but not limited to, such obligations set forth in Section 313.104 of the Texas Tax Code, and either Comptroller and/or Texas Education Agency Rules.

Section 6.3. COMPENSATION FOR LOSS OF TAX CREDIT PROTECTION REVENUES

If after the Applicant has actually received the benefit of a Tax Credit under Section 6.1, the District does not receive aid from the State pursuant to Texas Education Code §42.2515 or other similar or successor statute with respect to all or any portion of such Tax Credit for reasons other than the District's failure to comply with the requirements for obtaining such aid, then the District shall notify the Applicant in writing thereof and the circumstances surrounding the State's failure to provide such aid to the District. The Applicant shall pay to the District the amount of such Tax Credit for which the District did not receive such aid within thirty (30) calendar days after receipt of such notice, and such payment shall be subject to the same provisions for late payment as are set forth in Section 7.4 and 7.5. If the District receives aid from the State for all or any portion of a Tax Credit with respect to which the Applicant has made a payment to the District under this Section 6.3, then the District shall pay to the Applicant the amount of such aid within thirty (30) calendar days after the District's receipt thereof.

ARTICLE VII

ADDITIONAL OBLIGATIONS OF APPLICANT

Section 7.1. DATA REQUESTS AND CONFIDENTIALITY

(a) 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, the State Auditor, and/or the Jefferson County Appraisal District to have access to the Applicant's Qualified Property and/or business records, in accordance with Texas Tax Code §22.07, during the term of this Agreement, in order to inspect the project to determine compliance with the terms hereof. All inspections will be made at a mutually agreeable time after the giving of not less than seven (7) business days prior written notice which may be provided via email upon "read receipt", 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, the State Auditor, or the Jefferson County

Appraisal District with any technical or business information that is private personnel data, proprietary, a trade secret or confidential in nature or is subject to a confidentiality agreement with any third party.

(b) Notwithstanding the Section 7.1(a), the District acknowledges that performance of the obligations under this Agreement could result in disclosure of Confidential Information. The District shall (i) use any Confidential Information obtained solely for the purpose of performing its duties and obligations under this Agreement and for no other purpose; (ii) not disclose the Confidential Information to any third party, except for disclosures to its directors, officers, employees, subcontractors, and representatives of its or the Applicant's advisors (such as independent accountants and attorneys) acting on its behalf (such directors, officers, employees, and representatives of its advisors being referred to collectively as its "Representatives"), who in each case, in the District's reasonable judgment, need to know such information for the purpose of performance of this Agreement; (iv) inform its Representatives of the confidential nature of the Confidential Information and direct their Representatives to treat the Confidential Information confidentially; (v) take all additional reasonable precautions necessary to prevent the disclosure of the Confidential Information by its Representatives to any third party; and (vi) be responsible for any breach of the confidentiality obligations by its Representatives.

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:

(c) it will abide by all of the terms of this Agreement;

(d) it will Maintain Viable Presence in the District through the Final Termination Date of this Agreement, provided however that, notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of this Agreement, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure, provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure; and

(e) it will meet the applicable minimum eligibility requirements under Tax Code, Chapter 313 throughout the value limitation and tax-credit settle-up periods.

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

(a) In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 5.2, or in the event that the Applicant or its successor-in-interest fails to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, after the notice and cure period provided by Section 7.8, then the District shall be entitled to the recapture of all ad valorem tax revenue lost as a result of this Agreement together with the payment of interest, as calculated in accordance with Section 7.5, on that recaptured ad valorem tax revenue. For purposes of this recapture calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Article III. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV.

(b) Notwithstanding Section 7.4(a), in the event that the District determines that the Applicant has failed to Maintain Viable Presence and provides written notice of termination of this Agreement, then it shall be determined that the recapture of all ad valorem tax revenue lost along with interest shall constitute the District's sole remedy.

Section 7.5. CALCULATION OF INTEREST

In determining the amount of interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes owed less all credits under Section 7.4 for each Tax Year during the term of this Agreement since the Commencement Date. The District shall calculate penalty or interest for each Tax Year during the term of this Agreement since the Commencement Date in accordance with the methodology set forth in Chapter 33 of the Texas Tax Code, as if the base amount calculated for such Tax Year less all credits under Section 7.4 had become due and payable on February 1 of the calendar year following such Tax Year. Interest on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code §33.01(c), or its successor statute.

Section 7.6 MATERIAL BREACH OF AGREEMENT

The Applicant shall be in Material Breach of this Agreement if it commits one or more of the following acts or omissions:

(a) Applicant is determined to have failed to meet its obligations to have made accurate material representations of fact in the submission of its Application as is required by Section 8.13, below.

(b) Applicant fails to Maintain Viable Presence in the District, as required by Section 7.3 of this Agreement, through the Final Termination Date of this Agreement.

(c) Applicant fails to make any payment required under Articles III or IV of this Agreement on or before its due date.

(d) Applicant fails to create and maintain at least the number of New Jobs set forth it committed to create and maintain as set forth on Schedule C, Column C of its Application.

(e) Applicant fails to create and maintain at least the number of New Jobs set forth it committed to create and maintain as set forth on Schedule C, Column E of its Application.

(f) Applicant fails to create and maintain at least Eighty Percent (80%) of all New Jobs as Qualifying Jobs.

(g) Applicant makes any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement, in excess of the amounts set forth in Articles III and IV, above. Voluntary donations made by Applicant to the District after the date of execution of this Agreement, and not mandated by this Agreement or made in recognition of, or in consideration for this Agreement are not barred by this provision.

(h) 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.

Section 7.7 LIMITED STATUTORY CURE OF MATERIAL BREACH

In accordance with the provisions of Texas Tax Code §313.0275, for any full tax year which commences after the project has become operational, the Applicant may cure the Material Breach of this Agreement, described in Sections 7.6(d) and 7.6(e) or 7.6(f), above, without the termination of the remaining term of this Agreement. In order to cure any such non-compliance with Sections 7.6(d) and 7.6(e) or 7.6(f) for such Tax Year, the Applicant may make the payment required by Texas Tax Code §313.0275(b), in accordance with the provisions of Texas Tax Code §313.0275(c).

Section 7.8. DETERMINATION OF MATERIAL BREACH AND TERMINATION OF AGREEMENT

Prior to making a determination under Section 7.4 or Section 7.6 that the Applicant is in Material Breach of this Agreement, such as making a material misrepresentation in the Application, failing to Maintain Viable Presence in the District as required by Section 7.3 of this Agreement, failing to make any payment required under this Agreement when due, or that the Applicant has otherwise committed a Material Breach of this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the

Material Breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, the Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that a Material Breach of this Agreement has not occurred and/or that it has cured or undertaken to cure any such Material Breach.

If the Board of Trustees is not satisfied with such response and/or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to the Applicant, conduct a hearing called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to whether or not a Material Breach of this Agreement has occurred, the date such breach occurred, if any, and whether or not any such breach has been cured. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall also terminate the Agreement and determine the amount of recaptured taxes under Section 7.4 (net of all credits under Section 7.4), and the amount of any interest under Section 7.5 that are owed to the District.

After making its determination regarding any alleged breach, the Board of Trustees shall cause the Applicant to be notified in writing of its determination (a "*Determination of Breach and Notice of Contract Termination*.").

Section 7.9. DISPUTE RESOLUTION

After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 7.8, the Applicant shall have ninety (90) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within ninety (90) days after the Applicant's receipt of notice of the Board of Trustee's Determination of Material Breach under Section 7.8, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then residing in Jefferson County, Texas. The Parties agree to sign a document that designates the mediator and the mediation will be governed by the provisions of Chapter 154 of the Texas Civil Practice and Remedies Code and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator's fees and expenses and the Applicant shall bear one-half of such mediator's fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation.

In the event that any mediation is not successful in resolving the dispute or that payment is not received before the expiration of such ninety (90) days, the District shall have the remedies for the collection of the amounts determined under Section 7.8 as are set forth in Texas Tax Code Chapter 33, Subchapters B and C, for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be

responsible for the payment of attorney's fees and a tax lien on the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Texas Tax Code §33.07 to the attorneys representing the District pursuant to Texas Tax Code §6.30.

In any event where a dispute between the District and the Applicant under this Agreement cannot be resolved by the Parties, after completing the procedures required above in this Section, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in any judicial proceeding, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any covenant, agreement or undertaking made by a Party pursuant to this Agreement.

Section 7.10. LIMITATION OF OTHER DAMAGES

Notwithstanding anything contained in this Agreement to the contrary, in the event of default or breach of this Agreement by the Applicant, the District's damages for such a default shall under no circumstances exceed the greater of either any amounts calculated under Sections 7.4 and 7.5 above, or the monetary sum of the difference between the payments and credits due and owing to the Applicant at the time of such default and the District taxes that would have been lawfully payable to the District had this Agreement not been executed. In addition, the District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement.

The Parties further agree that the limitation of damages and remedies set forth in this Section 7.10 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 7.11. BINDING ON SUCCESSORS

In the event of a merger or consolidation of the District with another school district or other governmental authority, this Agreement shall be binding on the successor school district or other governmental authority.

Section 7.12. ADDITIONAL APPLICANT OBLIGATIONS PRIOR TO END OF DEFERRAL PERIOD

As set forth in section 1.2, above, the Parties have agreed to the deferral of the Commencement Date for this Agreement until January 2, 2019. Applicant must, therefore comply with the following additional requirements in conformance with the provisions of 34 Texas Administrative Code § 9.1054(h)(13). Not earlier than July 7, 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 to any data or projection submitted as a part of the Application, then Applicant shall

within the time aforesaid time period deliver to the District and the Comptroller an Application amendment and/or supplement Application materials informing them of any material change in the Application materials. Additionally, prior to the Commencement Date, 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 written 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 in Section 7.9 of this Agreement.

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:

Kristi Rochelle Heid, Superintendent
SABINE PASS INDEPENDENT SCHOOL DISTRICT
5641 S. Gulfway Drive
P.O. Box 1148
Sabine Pass, Texas 77655-1148
Fax: (409) 971-2120
E-mail:kheid@sabinepass.net

with a copy to:

Kevin O'Hanlon
O'HANLON, MCCOLLOM & DEMERATH
808 West Avenue
Austin, Texas 78701
Fax: (512) 494-9919
E-mail: kohanlon@808west.com

or at such other address or to such other facsimile transmission number and to the attention of such other person as the District may designate by written notice to the Applicant.

Notices to the Applicant shall be addressed to:

Wanda Grba
Vice President Business Services
GOLDEN PASS PRODUCTS LLC
3752 S. Gulfway Drive
P.O. Box 302
Sabine Pass, Texas 77655
Fax: (409) 971-4275
E-mail: wanda.j.grba@gpterminal.com

with copies to:

Annette Wade
Corporate Planner
E-mail: annette.wade@gpterminal.com

Steve Jones
Law Department
E-mail: steven.d.jones@gpterminal.com

at:

GOLDEN PASS PRODUCTS LLC
333 Clay Street, Suite 800
Houston, Texas 77002
Fax: (713) 860-6344

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 Board of Trustees,

(b) The obligation to Maintain Viable Presence under this Agreement shall remain in full force and effect through the Final Termination Date.

(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, 2021.

Section 8.3. AMENDMENTS TO AGREEMENT; WAIVERS

This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties. Waiver of any term, condition or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition or provision, or a waiver of any other term, condition or provision of this Agreement. By official action of the Board of Trustees, this Agreement may be amended to include, in the Applicant's Qualified Investment, additional or replacement the Applicant's 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, (1) require that all property added by amendment be eligible property as defined by Tax Code, §313.024; (2) clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and (3) define minimum eligibility requirements for the recipient of limited value. This Agreement may not be amended to extend the value limitation time period beyond its eight year statutory term.

Section 8.4. ASSIGNMENT

The Applicant may assign this Agreement, or a portion of this Agreement, to an Affiliate or a new owner or lessee of all or a portion of the Applicant's Qualified Property and/or the Applicant's Qualified Investment, provided that the Applicant shall provide written notice of such assignment to the District. Upon such assignment, the Applicant's assignee will be liable to the District for outstanding taxes or other obligations arising under this Agreement. A recipient of limited value under Tax Code, Chapter 313 shall notify immediately the District, the Comptroller, and the Appraisal District in writing of any change in address or other contract information for the owner of the property subject to the limitation agreement for the purposes of

Tax Code §313.032. The assignee's or its reporting entity's Texas Taxpayer Identification Number shall be included in the notification.

Section 8.5. MERGER

This Agreement contains all of the terms and conditions of the understanding of the Parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties and others relating hereto are superseded by this Agreement.

Section 8.6. MAINTENANCE OF COUNTY APPRAISAL DISTRICT RECORDS

When appraising the Applicant's Qualified Property and the Applicant's Qualified Investment subject to a limitation on Appraised Value under this Agreement, the Chief Appraiser of the Jefferson County Appraisal District shall determine the Market Value thereof and include both such Market Value and the appropriate value thereof under this Agreement in its appraisal records.

Section 8.7. GOVERNING LAW

This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in Jefferson 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, whether by litigation or otherwise, shall be entitled to full recovery of all attorneys' fees (including a reasonable hourly fee for in-house legal counsel), 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 representation, 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, after completing the procedures required by Sections 7.8 and 7.9 of this Agreement, makes a written determination that the Application was either incomplete or inaccurate as to any material representation, information, or fact, this Agreement shall be invalid and void except for the enforcement of the provisions required by 34. Texas Administrative Code §9.1053(f)(2)(K).

Section 8.14. PUBLICATION OF DOCUMENTS

The Parties acknowledge that the District is required to publish the Application and its required schedules, or any amendment thereto; all economic analyses of the proposed project submitted to the District; the approved and executed copy of this Agreement or any amendment thereto; and each application requesting Tax Credits under Texas Tax Code §313.103, as follows:

a. Within seven days of such document, the District shall submit a copy to the Comptroller for publication on the Comptroller's Internet website.

b. The District shall provide on its website a link to the location of those documents posted on the Comptroller's website.

c. This Section 8.14 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 Texas Education 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 Texas 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 Sabine Pass 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 Texas Education 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 ____day of November, 2014.

GOLDEN PASS PRODUCTS LLC

By: Wanda Sirta

SABINE PASS INDEPENDENT SCHOOL DISTRICT

By: Lane Plauche

LANE PLAUCHE
President
Board of Trustees

Attest:

By: Phyllis Almond

PHYLLIS ALMOND
Secretary
Board of Trustees

EXHIBIT 1

DESCRIPTION OF QUALIFIED REINVESTMENT ZONE

The *Golden Pass Products Reinvestment Zone* was originally created on May 12, 2014 by action of the Board of Trustees of the Sabine Pass Independent School District. A map of the *Golden Pass Products Reinvestment Zone* is attached, below to this **EXHIBIT 1**.

As a result of the action of the of the Board of Trustees of the Sabine Pass Independent School District, the *Golden Pass Products Reinvestment Zone* includes real property within Jefferson County, Texas, more specifically described by the metes and bounds description set forth below, as well as at map thereof attached to this **EXHIBIT 1**.

METES & BOUNDS:

Beginning at the Northwest corner of T&NO Survey #291, Abstract# 324 on the boundary line of the Sabine Pass Independent School District;

THENCE, East to the Northeast corner of T&NO Survey#291, Abstract #324;

THENCE, Southeasterly to the Northeast corner of T&NO Survey #303, Abstract #330;

THENCE, Southerly to the Northeast corner of T&NO Survey #332, Abstract #793;

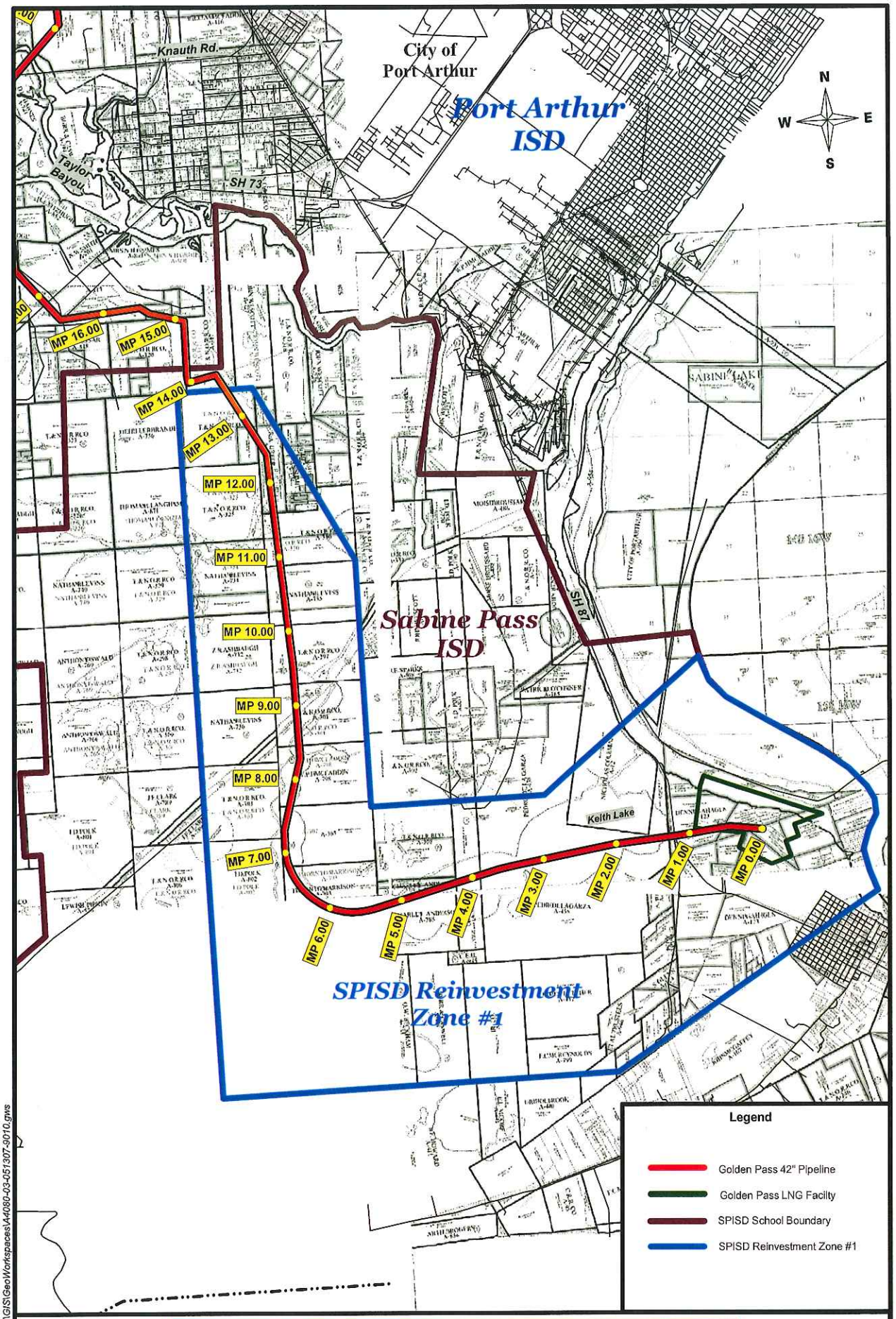
THENCE, in a Northeasterly direction to a point where the common boundary line between the N. Coleman and the John Bennett Surveys extended easterly crosses the boundary line between Texas and Louisiana in Sabine Lake along the Sabine River.

THENCE, in a Southeasterly direction along to the center of Sabine Lake and Sabine Pass, boundary line between Texas and Louisiana and continuing towards the Gulf of Mexico to a point where the Northern boundary of John McGaffey, Abstract 167 intersects the boundary line between Texas and Louisiana.

THENCE, Southwesterly to the Southeast corner of T&NO Survey #336, Abstract #776;

THENCE, Westerly to the Southwest corner of T&NO Survey #336, Abstract #776;

THENCE, North to the Northwest corner of T&NO Survey 291, Abstract #324, the place of beginning.



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PROPOSED REINVESTMENT ZONE

SABINE PASS ISD MAP

11/28/2006

A4080-03-051307-9017-REVA

EXHIBIT 2

LOCATION OF QUALIFIED INVESTMENT/QUALIFIED PROPERTY

All of the below described Qualified Property owned by Applicant and located within the boundaries of both the Sabine Pass Independent School District and the *Golden Pass Reinvestment Zone* which is described in **EXHIBIT 3** will be included in and subject to this Agreement, save and except for the following:

1. That property described in **EXHIBITS 2** and **3** of the *Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes*, between Sabine Pass Independent School District and Golden Pass LNG LLC approved by the District's Board of Trustees on March 31, 2006, as referenced in Comptroller's File Number 27.

2. That property described in **EXHIBITS 2** and **3** of the *Amended Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes*, between Sabine Pass Independent School District and Golden Pass LNG Terminal LLC approved by the District's Board of Trustees on February 27, 2007 as referenced in Comptroller's File Number 27.

3. That property described in **EXHIBITS 2** and **3** of the *Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes*, between Sabine Pass Independent School District and Golden Pass Products LLC approved by the District's Board of Trustees on November 3, 2014, as referenced in Comptroller's File Number 376 (commonly referred to as Train 1).

4. That property described in **EXHIBITS 2** and **3** of the *Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes*, between Sabine Pass Independent School District and Golden Pass Products LLC approved by the District's Board of Trustees on November 3, 2014, as referenced in Comptroller's File Number 377 (commonly referred to as Train 2).

EXHIBIT 3

DESCRIPTION OF THE APPLICANT'S QUALIFIED INVESTMENT/QUALIFIED PROPERTY

The project consists of Train 3 of a three train liquefied natural gas ("*LNG*") export project ("*GPX Project*"). The GPX Project consists of:

1) The Export Terminal, which will be constructed adjacent to the Golden Pass LNG Terminal LLC ("*GPLNG*") import terminal site, located onshore at the Sabine-Neches Waterway in Jefferson County, Texas *[The import facility is covered by the above-referenced 2006 Agreement and 2007 Amended Agreement, and thereby excluded from this Agreement]*; and

2) Additions to the existing Golden Pass Pipeline LLC system ("GPPL") by construction of approximately a total of eight to ten miles of new 30- to 36-inch pipeline in two non-contiguous loops and up to four new compressor stations with all necessary integration interconnections for bi-directional service. *[The Golden Pass Pipeline System is specifically excluded and not part of this Application for Limitation on Appraised Value of Qualified Property.]*

The total project will consist of three liquefaction trains with a nominal total production capacity of 15.6 million metric tons per annum (MTPA) of LNG for export (each having a nominal throughput of 5.2 million MTPA). Trains 2 and 3 of the project will be covered by other, contemporaneously approved agreements. The Project will be constructed in phases, with each LNG train commencing operations approximately six to twelve months after the previous train. The total estimated capital investment of the Project for all three liquefaction trains in Sabine Pass ISD is approximately $8.5-10 billion.

Train 3 of the GPX Project will be located within the *Golden Pass Products Reinvestment Zone* described in **EXHIBIT 1**. The GPX Project will allow Applicant to receive natural gas from domestic sources, convert natural gas to LNG, store, and export that LNG. The GPX Project will be constructed and operated contiguous to and integrated with the GPLNG terminal and GPPL. This will enable Golden Pass to maximize use of the existing GPLNG terminal and GPPL facilities, to provide for bi-directional service and thus allow for exportation and importation of natural gas.

Train 3 of the GPP Export Terminal includes, but is not limited to, the following major components described below:

1. Inlet gas treating systems utilizing amine for carbon dioxide, hydrogen sulfide removal followed by molecular sieve dehydration. Water and heavy hydrocarbons will be removed by dehydration units, scrubbers and separators.

2. Liquefaction capability Train #1 will have a nominal throughput capacity of 5.2 MTPA. This process train will include the following components:

    a. Propane pre-cooling, mixed refrigerant LNG process (also known as the C3MR process) utilizing two gas-fired turbines;

    b. Coil wound main cryogenic heat exchangers for liquefaction and sub-cooling.

3. Nominal electrical power generation of up to 250 megawatts.

4. Associated utilities, equipment and air coolers.

5. Interconnections to existing import facilities and controls.

6. Installation of facilities to allow for the loading of LNG (truck and marine).

7. LNG storage tank pumps to accommodate loading operations.

8. A central control room and terminal isolation equipment.

9. Additional buildings for administration, maintenance, security and storage warehouses.

10. Expansion of the facility's storm protection levee system, safety and security assets.

11. Optimization of facility processes to allow for import and export capabilities.

Exhibit 4

Golden Pass LNG Terminal LLC

Improvements at Import Terminal Facility

Per Jefferson County Tax Account 530730-000-000010-00000-0

Process Group	
	LNG Vaporization
	Heat Transfer System
	BOG Handling System
	Sendout Gas Metering
	DZL Generator System
	Terminal N2 System
	Fuel Gas System
	Vent System
	Terminal Piping
Utilities Group	
	Electrical/Instrumentation
	Sanitary Systems
	Firewater Systems
	Potable Water Service
Receiving/Shipping/Storage	
	LNG Tank 1
	LNG Tank 2
	LNG Tank 3
	LNG Tank 4
	LNG Tank 5
	Marine Pier East
	Marine Pier West
	Berth Improvements
	Site Improvements incl SW
Service Facilities	
	Dikes/Firewalls
	Roads/Parking/Civil Eng
	Perimeter Fencing
	Cattle Fencing
General Buildings	
	Warehouse/Shop
	Administration
	Control
	Guard House
GPPL Interconnect on terminal site	
	Natural Gas PL Interconnect
	1.3 miles pipeline

TCEQ Pollution Control Exemptions under account:

530730-000-000040-00000-0