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CERTIFIED, CIVIL TRIAL

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CERTIFIED, CIVIL APPELLATE

CERTIFIED, LABOR AND EMPLOYMENT

TEXAS BOARD OF LEGAL SPECIALIZATION

JUSTIN DEMERATH

October 30, 2014

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

RE: Application to the Barbers Hill Independent School District from Lone Star NGL
Asset Holdings II, LLC (Frac V)

(First Full Qualifying Year 2016; First Year of Value Limitation 2018)

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Barbers Hill Independent School District is notifying Lone Star NGL Asset Holdings II, LLC of its intent to consider the application for appraised value limitation on qualified property should a positive certificate be issued by the Comptroller. The Applicant has used the form of the application posted on the Comptroller's Texas Ahead website. The company has provided the schedules in both electronic format and paper copies. The electronic copy is identical to the hard copy that will be hand delivered. The Applicant has requested that the value limitation begin in 2018.

The Applicant submitted the Application to the school district on October 27, 2014. The Board voted to accept the application on October 27, 2014. The application has been determined complete as of October 30, 2014. Please prepare the economic impact report.

October 30, 2014

Page 2 of 2

A copy of the application will be submitted to the Chambers County Appraisal District.

Sincerely,

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

Kevin O'Hanlon
School District Consultant

Cc: Chambers County Appraisal District

Lone Star NGL Asset Holdings II, LLC

Barbers Hill Independent School District

October 27th, 2014

Barbers Hill ISD
Dr. Greg Poole
PO BOX 1108
Mont Belvieu, TX 77580

Re: Application for Section 313 - Value Limitation Agreement

Dear Dr. Greg Poole:

Lone Star NGL Asset Holdings II, LLC is considering plans to build a fifth fractionation facility inside Barbers Hill ISD, which will allow us the ability to process raw natural gas into useable products. The estimated investment for this project is \$300,000,000.

The positive economic impact stretches beyond the investment by providing hundreds of jobs during the construction phase, and at least 10 full time local jobs once construction is complete.

Lone Star NGL Asset Holdings II, LLC is committed to the growth and welfare of the community. We believe our investment in Mont Belvieu affirms our dedication to maintaining a considerable presence in the area.

Attached is our application for property the tax limitation. We respectfully request this 10 year limitation under The Appraised Value Limitation on Qualified Property (Chapter 313 of the Texas Tax Code).

Please feel free to contact me if you have any questions. I can be reached via telephone 469-298-1594 or by email mfry@keatax.com.

Sincerely,

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

Mike Fry
Senior Property Tax Consultant

Enclosures

TAB 01

Application



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

Economic Development
and Analysis
Form 50-296-A

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 hard copy of the completed application to the Comptroller in a three-ring binder with tabs, as indicated on page 9 of this application, 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. For more information, see guidelines on Comptroller's website.

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. Pursuant to 9.1053(a)(1)(C), requested information shall be provided within 20 days of the date of the request. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project, issue a certificate for a limitation on appraised value 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 not later than the 150th 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 issue a certificate, complete the economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's website to find out more about the program at www.texasahead.org/tax_programs/chapter313/. There are links to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

SECTION 1: School District Information

1. Authorized School District Representative

10-27-14

Date Application Received by District

Becky

McManus

First Name

Last Name

Assistant Superintendent of Finance

Title

Barbers Hill Independent School District

School District Name

9600 Eagle Drive

Street Address

P. O. Box 1108

Mailing Address

Mont Belvieu

Texas

77580-1108

City

State

ZIP

281-576-2221

281-576-5879

Phone Number

Fax Number

BMcManus@bhisd.net

Mobile Number (optional)

Email Address

2. Does the district authorize the consultant to provide and obtain information related to this application?

☒ Yes

☐ No

Application for Appraised Value Limitation on Qualified Property

SECTION 1: School District Information *(continued)*

3. Authorized School District Consultant *(If Applicable)*

Kevin	O'Hanlon
First Name	Last Name
Attorney	
Title	
O'Hanlon, McCollom & Demerath, PC	
Firm Name	
512-494-9949	512-494-9919
Phone Number	Fax Number
	kohanlon@808west.com
Mobile Number <i>(optional)</i>	Email Address
	10-30-14

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

5. Has the district determined that the electronic copy and hard copy are identical? ☒ Yes ☐ No

SECTION 2: Applicant Information

1. Authorized Company Representative *(Applicant)*

Mark	Apostle
First Name	Last Name
Assistant Controller	Energy Transfer Partners, L.P.
Title	Organization
800 E. Sonterra Blvd., Suite 400	
Street Address	
800 E. Sonterra Blvd., Suite 400	
Mailing Address	
San Antonio	Texas
City	State
210-572-0456	78258-3941
Phone Number	ZIP
	210-403-6664
Mobile Number <i>(optional)</i>	Fax Number
	mark.apostle@energytransfer.com
	Business Email Address

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

2a. If yes, please fill out contact information for that person.

Megan	McKavanagh
First Name	Last Name
Property Tax Manager	Energy Transfer Partners, L.P.
Title	Organization
800 E. Sonterra Blvd., Suite 400	
Street Address	
800 E. Sonterra Blvd., Suite 400	
Mailing Address	
San Antonio	Texas
City	State
210-572-0457	78258-3941
Phone Number	ZIP
	210-403-6664
Mobile Number <i>(optional)</i>	Fax Number
	megan.mckavanagh@energytransfer.com
	Business Email Address

3. Does the applicant authorize the consultant to provide and obtain information related to this application? ☒ Yes ☐ No

Application for Appraised Value Limitation on Qualified Property



SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

Mike

Fry

First Name

Last Name

Authorized Agent

Title

K E Andrews 1900 Dalrock Road; Rowlett, Texas 75088

Firm Name

469-298-1594

469-298-1619

Phone Number

Fax Number

mfry@keatax.com

Business Email Address

SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district? ☒ Yes ☐ No

The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.

1a. If yes, attach in **Tab 2** proof of application fee paid to the school district.

For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.

2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? ☐ Yes ☒ No ☐ N/A
3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? ☐ Yes ☒ No ☐ N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? Lone Star NGL Asset Holdings II LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32044534082
3. List the NAICS code 325120
4. Is the applicant a party to any other pending or active Chapter 313 agreements? ☒ Yes ☐ No
- 4a. If yes, please list application number, name of school district and year of agreement
1016, Barbers Hill-pending; 195, Barbers Hill, 2012; 251, Barbers Hill, 2014; 339, Barbers Hill, 2014 (Frac IV submitted contemporaneously)

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) Limited Liability Company
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? ☒ Yes ☐ No
- 2a. If yes, attach in **Tab 3** a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.
3. Is the applicant current on all tax payments due to the State of Texas? ☒ Yes ☐ No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? ☒ Yes ☐ No ☐ N/A
5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (If necessary, attach explanation in **Tab 3**)

Application for Appraised Value Limitation on Qualified Property

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? ☒ Yes ☐ No
2. The property will be used for one of the following activities:
 - (1) manufacturing ☒ Yes ☐ No
 - (2) research and development ☐ Yes ☒ No
 - (3) a clean coal project, as defined by Section 5.001, Water Code ☐ Yes ☒ No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code ☐ Yes ☒ No
 - (5) renewable energy electric generation ☐ Yes ☒ No
 - (6) electric power generation using integrated gasification combined cycle technology ☐ Yes ☒ No
 - (7) nuclear electric power generation ☐ Yes ☒ No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) ☐ Yes ☒ No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 ☐ Yes ☒ No
3. Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☒ No
4. Will any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☒ No
5. Will any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☒ No
6. Are you including property that is owned by a person other than the applicant? ☐ Yes ☒ No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? ☐ Yes ☒ No

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:

☒ Land has no existing improvements	☐ Land has existing improvements (<i>complete Section 13</i>)
☐ Expansion of existing operation on the land (<i>complete Section 13</i>)	☐ Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? ☒ Yes ☐ No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? ☐ Yes ☒ No
3. Does the applicant have current business activities at the location where the proposed project will occur? ☐ Yes ☒ No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? ☐ Yes ☒ No
5. Has the applicant received any local or state permits for activities on the proposed project site? ☐ Yes ☒ No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? ☐ Yes ☒ No
7. Is the applicant evaluating other locations not in Texas for the proposed project? ☒ Yes ☐ No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? ☐ Yes ☒ No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? ☐ Yes ☒ No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? ☒ Yes ☐ No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

SECTION 9: Projected Timeline

1. Application approval by school board February 2015
2. Commencement of construction December 2015
3. Beginning of qualifying time period January 2016
4. First year of limitation 2018
5. Begin hiring new employees September 2016
6. Commencement of commercial operations March 2017
7. 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.
8. When do you anticipate the new buildings or improvements will be placed in service? March 2017

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Chambers County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Chambers County CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☐ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
 County: Chambers County, .496790, 100% City: Mont Belvieu, .436710, 100%
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Hospital District: N/A Water District: N/A
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Other (describe): N/A Other (describe): N/A
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
5. Is the project located entirely within the ISD listed in Section 1? ☒ Yes ☐ No
 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? ☐ Yes ☒ No
 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

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

1. At the time of application, what is the estimated minimum qualified investment required for this school district? 30,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 30,000,000.00
- Note:** The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? ☒ Yes ☐ No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
 - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? ☒ Yes ☐ No

SECTION 12: Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
 - 1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 8**);
 - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (**Tab 8**); and
 - 1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (**Tab 11**).
2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? ☐ Yes ☒ No
 - 2a. If yes, attach complete documentation including:
 - a. legal description of the land (**Tab 9**);
 - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (**Tab 9**);
 - c. owner (**Tab 9**);
 - d. the current taxable value of the land. Attach estimate if land is part of larger parcel (**Tab 9**); and
 - e. a detailed map showing the location of the land with vicinity map (**Tab 11**).
3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? ☒ Yes ☐ No
 - 3a. If yes, attach the applicable supporting documentation:
 - a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (**Tab 16**);
 - b. legal description of reinvestment zone (**Tab 16**);
 - c. order, resolution or ordinance establishing the reinvestment zone (**Tab 16**);
 - d. guidelines and criteria for creating the zone (**Tab 16**); and
 - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (**Tab 11**)
 - 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone?

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

1. In **Tab 10**, attach a specific and detailed description of all **existing property**. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In **Tab 10**, attach a specific and detailed description of all **proposed new property that will not become new improvements** as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following supporting information in **Tab 10**:
 - a. maps and/or detailed site plan;
 - b. surveys;
 - c. appraisal district values and parcel numbers;
 - d. inventory lists;
 - e. existing and proposed property lists;
 - f. model and serial numbers of existing property; or
 - g. other information of sufficient detail and description.
4. Total estimated market value of existing property (that property described in response to question 1): \$ 0.00
5. In **Tab 10**, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property (that property described in response to question 2): \$ 0.00

Note: Investment for the property listed in question 2 may count towards qualified investment in Column C of Schedules A-1 and A-2, if it meets the requirements of 313.021(1). Such property cannot become qualified property on Schedule B.

Application for Appraised Value Limitation on Qualified Property

SECTION 14: Wage and Employment Information

1. 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
2. What is the last complete calendar quarter before application review start date:
☐ First Quarter ☐ Second Quarter ☒ Third Quarter ☐ Fourth Quarter of 2014
(year)
3. 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 Texas Workforce Commission (TWC)? 0
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 10
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? ☐ Yes ☒ No
 - 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the 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(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 1,122.00
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 1,736.63
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 1,149.71
8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? ☐ §313.021(5)(A) or ☒ §313.021(5)(B)
9. What is the minimum required annual wage for each qualifying job based on the qualified property? 59,785.00
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 59,785.00
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? ☒ Yes ☐ No
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? ☐ Yes ☒ No
 - 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? ☐ Yes ☒ No
 - 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, C, and D in **Tab 14**. Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.
2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in **Tab 15**. (not required)
3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.

Application for Appraised Value Limitation on Qualified Property

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in Tab 17. NOTE: If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

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

print
here → Becky McManus Assistant Superintendent of Finance
Print Name (Authorized School District Representative) Title
sign
here → Becky McManus 10/27/14
Signature (Authorized School District Representative) Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print
here → MARE APOSTLE Divisional Controller
Print Name (Authorized Company Representative (Applicant)) Title
sign
here → MARE APOSTLE 10/20/14
Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

20 day of October 2014
Beverly M. Hernandez
Notary Public in and for the State of Texas
My Commission expires: 9.3.2018

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

Application for Appraised Value Limitation on Qualified Property

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

TAB	ATTACHMENT
1	Pages 1 through 11 of Application
2	Proof of Payment of Application Fee
3	Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation <i>(if applicable)</i>
4	Detailed description of the project
5	Documentation to assist in determining if limitation is a determining factor
6	Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor <i>(if applicable)</i>
7	Description of Qualified Investment
8	Description of Qualified Property
9	Description of Land
10	Description of all property not eligible to become qualified property <i>(if applicable)</i>
11	Maps that clearly show: a) Project vicinity b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period c) Qualified property including location of new buildings or new improvements d) Existing property e) Land location within vicinity map f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size Note: Electronic maps should be high resolution files. Include map legends/markers.
12	Request for Waiver of Job Creation Requirement and supporting information <i>(if applicable)</i>
13	Calculation of three possible wage requirements with TWC documentation
14	Schedules A1, A2, B, C and D completed and signed Economic Impact <i>(if applicable)</i>
15	Economic Impact Analysis, other payments made in the state or other economic information <i>(if applicable)</i>
16	Description of Reinvestment or Enterprise Zone, including: a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone* c) order, resolution or ordinance establishing the reinvestment zone* d) guidelines and criteria for creating the zone* * To be submitted with application or before date of final application approval by school board
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i>

TAB 02

Proof of Payment of Application Fee

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)*

TAB 03

Documentation of Combined Group Membership

N/A

**Documentation of combined
group received by the
Texas Comptroller
of Public Accounts**

TAB 04

Detailed Description of Project

Lone Star NGL II, LLC
Project Description

Detailed Description and Process for Proposed Project

Lone Star NGL Asset Holdings II, LLC is proposing to build a fifth NGL fractionation unit (Fractionation Plant V). Projected timeline for ETC to start construction is December of 2015 and start hiring the new employees in September of 2016. This should allow for completion and commencement of commercial operations to start in March of 2017.

This facility will be constructed within the reinvestment zone that was put in place for Fractionation Plant I, II, and III but operates independently and is not dependent upon or offer enhancements to the operation of those existing plants.

Fractionation Plant V will have a production capacity of 100,000 barrels per day of natural gas liquids. The plant will produce industrial gases including ethane, propane, butane, n-butane and natural gasoline (CS+) products from incoming Y-Grade natural gas liquids (NGL's).

The manufacturing process consists of first pre-treating the incoming NGL's with feed filters, coalescers and amine contactors to remove any impurities such as particulates, sulfides and carbon dioxide. Any residual moisture is removed from the treated NGL's by dehydrators. The NGL's are then heated under pressure and fed into the De-Ethanizer Unit where it is separated into an overhead gas phase and an NGL phase. Ethane in the overhead gas phase is further purified and sent to product storage. The remaining NGL's are then heated under pressure and fed into the De-Propanizer Unit where it is separated into an overhead gas phase and an NGL phase. Propane in the overhead gas phase is further purified and sent to product storage.

The remaining NGL's are then heated under pressure and fed into the De-Butanizer Unit where it is separated into an overhead gas phase of mixed Butanes and natural gasolines. The mixed Butane in the overhead gas phase is sent to the Butane Splitter (De-IsoButanizer) where it is separated into n-Butane and Iso-Butane. Natural gasolines are sent off-site for sale via pipeline.

Fractionation Plant V will include the following main processing units and utility systems which are classified as "Qualified Investment"

List of Improvements

Plant Components

- Pre-treatment Systems
- De-Ethanizer Unit
- De-Propanizer Unit
- De-butanizer Unit
- Towers

- Butane Splitter (De-Isobutanizer)
- All appurtenant components
- Heat Medium
- Gasoline Treater
- Compression Equipment
- Additional storage facilities for Y-grade liquids and other components

The fractionation process is accomplished by applying heat and pressure to the mixture of raw NGL hydrocarbons and separating each discrete product at the different boiling points for each NGL component of the mixture. The raw NGL mixture is passed through a specific series of distillation towers: deethanizer, depropanizer, debutanizer, and deisobutanizer. The name of each of these towers corresponds to the NGL component that is separated in that tower. The raw NGL mixture first passes through the deethanizer, where its temperature is increased to the point where ethane (the lightest component) boils off the top of the tower as a gas and is condensed into a purity liquid that is routed to storage. The heavier components in the mixture at the bottom of the tower (i.e., propane, butane, iso butane, and natural gasoline) are routed to the second tower (depropanizer), where the process is repeated and the next lightest component (propane) is separated. This process is repeated until the mixture of liquids has been separated into its purity components. This facility will also be built with the necessary equipment to produce International Grade Propane.

Demand for NGLs

Sources of U.S. NGL demand include petrochemical consumption, gasoline blending, heating and fuel, and exports. Demand is driven primarily by the petrochemical industry, which accounts for 40-50% of total consumption. The U.S. petrochemical industry uses NGL products as feedstock (i.e. raw material) to produce ethylene, propylene, and butadiene (also known as olefins).

The following factors influence demand for each individual NGL component:

- **Ethane.** Essentially all of the ethane extracted from natural gas is consumed by the petrochemical industry as a feedstock for ethylene production. (Ethylene is a building block for polyethylene, which is the most popular plastic in the world.)
- **Propane.** Approximately 25-30% of propane is used as a feedstock by the petrochemical industry to produce ethylene and propylene. (Like ethylene, propylene is an important building block used in the manufacture of plastics.) The bulk of the remaining demand for propane is primarily as a heating fuel in the residential and commercial markets.
- **Normal butane.** Normal butane is used as a petrochemical feedstock for the production of ethylene and butadiene (used to make synthetic rubber), as a blendstock for motor gasoline, and as a feedstock to create isobutene.

- **Isobutane.** Isobutane has the same molecular formula as normal butane, but a different structural formula (i.e., atoms are rearranged). Isobutane is used in refinery alkylation to enhance the octane content of motor gasoline.
- **Natural gasoline.** Natural gasoline is used primarily as a blendstock.

TAB 05

Limitation as Determining Factor

Limitation is a Determining as a Factor:

Energy Transfer is a leading midstream energy company whose primary activities include gathering, treating, processing and transporting natural gas and natural gas liquids to a variety of markets and states. Energy Transfer currently operates over 17,500 miles of pipeline, 3 gas processing plants, 17 gas treating facilities and 10 gas conditioning plants. Locations for these operations included Arizona, New Mexico, Utah, Colorado, Kansas, Oklahoma, Texas, Arkansas and Louisiana.

Energy Transfer's pipeline footprint provides substantial flexibility in where future facilities or investments may be located. Capital investments are allocated to projects and locations based on expected economic return and property tax liabilities can make up a substantial ongoing cost of operation. See economic model showing business value with and without 313 Limitation Agreement and 312 Abatements.

Frac V
As of: 1/1/2015
Year 1 Ending: 12/31/2015

Property Tax: 0.00%
Cost: \$ 300,000,000

Chambers County

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Terminal Year
Revenue	\$ -	\$ -	\$ 45,136,957	\$ 75,839,700	\$ 75,839,700	\$ 75,839,700	\$ 76,047,480	\$ 75,839,700	\$ 75,839,700	\$ 75,839,700	\$ 75,839,700	\$ 75,839,700	\$ 75,839,700
% Growth			68.02%	0.00%	0.00%	0.27%	-0.27%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Expenses	\$ -	\$ -	\$ 2,677,946	\$ 3,272,960	\$ 3,339,022	\$ 3,406,418	\$ 3,475,175	\$ 3,545,319	\$ 3,616,879	\$ 3,689,883	\$ 3,764,419	\$ 3,689,883	\$ 3,689,883
G&A Expenses	\$ -	\$ -	\$ 803,384	\$ 981,888	\$ 1,001,707	\$ 1,021,925	\$ 1,042,552	\$ 1,063,596	\$ 1,085,064	\$ 1,106,965	\$ 1,129,326	\$ 1,152,138	\$ 1,152,138
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EBITDA	\$ -	\$ -	\$ 41,655,628	\$ 71,584,852	\$ 71,498,971	\$ 71,411,356	\$ 71,529,753	\$ 71,230,786	\$ 71,137,758	\$ 71,042,852	\$ 70,945,956	\$ 70,997,678	\$ 70,997,678
Margin %			92.29%	94.39%	94.28%	94.16%	94.06%	93.92%	93.80%	93.68%	93.55%	93.62%	93.62%
Growth Capex	\$ 92,105,263	\$ 221,052,632	\$ 36,842,105	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Free Cash Flow	\$ (92,105,263)	\$ (221,052,632)	\$ 4,813,522	\$ 71,584,852	\$ 71,498,971	\$ 71,411,356	\$ 71,529,753	\$ 71,230,786	\$ 71,137,758	\$ 71,042,852	\$ 70,945,956	\$ 70,997,678	\$ 70,997,678
Cumulative Free Cash Flow	\$ (92,105,263)	\$ (313,157,895)	\$ (308,344,372)	\$ (236,759,520)	\$ (165,260,549)	\$ (93,849,193)	\$ (22,319,440)	\$ 48,911,346	\$ 120,049,104	\$ 191,091,955	\$ 262,037,911	\$ 333,035,590	\$ 404,033,268
Partial Period Adjustment	1	1	1	1	1	1	1	1	1	1	1	1	1
Mid Year Convention	0.50	1.50	2.50	3.50	4.50	5.50	6.50	7.50	8.50	9.50	10.50	11.50	11.50
Present Value Factor @ 9.00%	0.96	0.88	0.81	0.74	0.68	0.62	0.57	0.52	0.48	0.44	0.40	0.37	0.37
Present Value of Free Cash Flow	\$ (88,220,842)	\$ (194,247,726)	\$ 3,880,581	\$ 52,945,419	\$ 48,515,504	\$ 44,455,095	\$ 40,852,110	\$ 37,322,352	\$ 34,195,971	\$ 31,330,596	\$ 28,704,462	\$ 26,353,568	\$ 26,353,568
Sum of Present Value of Free Cash Flows	\$ 66,087,090												
Present Value of Terminal Value	\$ 329,419,599												
Operating Business Enterprise Value	\$ 395,506,690												
Working Capital Excess/(Deficit)	\$ -												
Total Business Enterprise Value	\$ 395,506,690												
IRR	14.27%												
Total Business Enterprise Value w/Limitations	\$ 395,506,690												

Terminal Cash Flow	\$ 70,997,678
Discount Rate	9.00%
Long Term Growth Rate	1.00%
Capitalization Rate	8.00%
Terminal Value	\$887,470,981
Present Value Factor	0.37
PV of Terminal Value	\$329,419,599

TAB 06

N/A

TAB 07

Description of Qualified Investment

Lone Star NGL II, LLC
Project Description

Detailed Description and Process for Proposed Project

Lone Star NGL Asset Holdings II, LLC is proposing to build a fifth NGL fractionation unit (Fractionation Plant V). Projected timeline for ETC to start construction is December of 2015 and start hiring the new employees in September of 2016. This should allow for completion and commencement of commercial operations to start in March of 2017.

This facility will be constructed within the reinvestment zone that was put in place for Fractionation Plant I, II, and III but operates independently and is not dependent upon or offer enhancements to the operation of those existing plants.

Fractionation Plant V will have a production capacity of 100,000 barrels per day of natural gas liquids. The plant will produce industrial gases including ethane, propane, butane, n-butane and natural gasoline (CS+) products from incoming Y-Grade natural gas liquids (NGL's).

The manufacturing process consists of first pre-treating the incoming NGL's with feed filters, coalescers and amine contactors to remove any impurities such as particulates, sulfides and carbon dioxide. Any residual moisture is removed from the treated NGL's by dehydrators. The NGL's are then heated under pressure and fed into the De-Ethanizer Unit where it is separated into an overhead gas phase and an NGL phase. Ethane in the overhead gas phase is further purified and sent to product storage. The remaining NGL's are then heated under pressure and fed into the De-Propanizer Unit where it is separated into an overhead gas phase and an NGL phase. Propane in the overhead gas phase is further purified and sent to product storage.

The remaining NGL's are then heated under pressure and fed into the De-Butanizer Unit where it is separated into an overhead gas phase of mixed Butanes and natural gasolines. The mixed Butane in the overhead gas phase is sent to the Butane Splitter (De-IsoButanizer) where it is separated into n-Butane and Iso-Butane. Natural gasolines are sent off-site for sale via pipeline.

Fractionation Plant V will include the following main processing units and utility systems which are classified as "Qualified Investment"

List of Improvements

Plant Components

- Pre-treatment Systems
- De-Ethanizer Unit
- De-Propanizer Unit
- De-butanizer Unit
- Towers

- Butane Splitter (De-Isobutanizer)
- All appurtenant components
- Heat Medium
- Gasoline Treater
- Compression Equipment
- Additional storage facilities for Y-grade liquids and other components

The fractionation process is accomplished by applying heat and pressure to the mixture of raw NGL hydrocarbons and separating each discrete product at the different boiling points for each NGL component of the mixture. The raw NGL mixture is passed through a specific series of distillation towers: deethanizer, depropanizer, debutanizer, and deisobutanizer. The name of each of these towers corresponds to the NGL component that is separated in that tower. The raw NGL mixture first passes through the deethanizer, where its temperature is increased to the point where ethane (the lightest component) boils off the top of the tower as a gas and is condensed into a purity liquid that is routed to storage. The heavier components in the mixture at the bottom of the tower (i.e., propane, butane, iso butane, and natural gasoline) are routed to the second tower (depropanizer), where the process is repeated and the next lightest component (propane) is separated. This process is repeated until the mixture of liquids has been separated into its purity components. This facility will also be built with the necessary equipment to produce International Grade Propane.

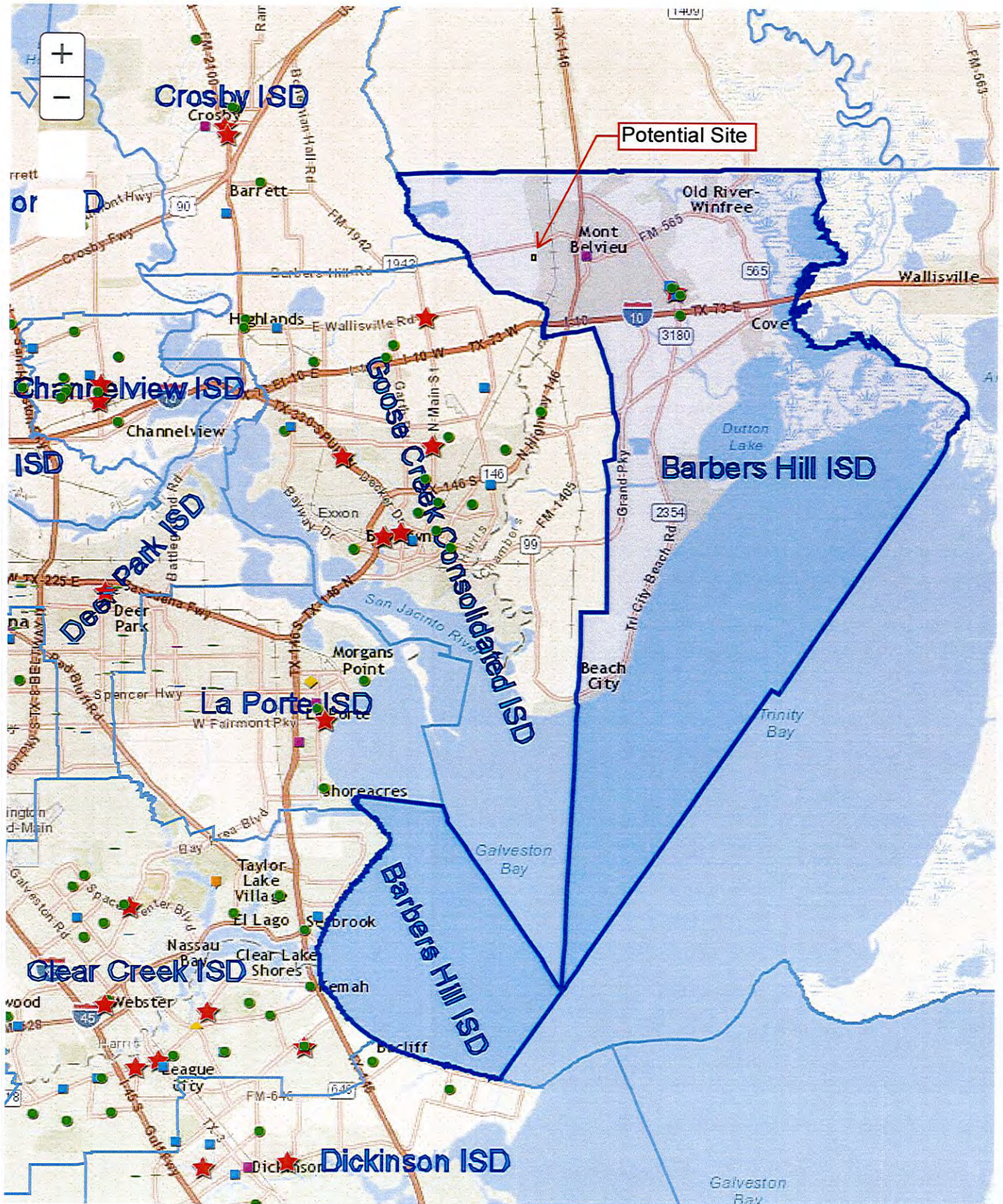
Demand for NGLs

Sources of U.S. NGL demand include petrochemical consumption, gasoline blending, heating and fuel, and exports. Demand is driven primarily by the petrochemical industry, which accounts for 40-50% of total consumption. The U.S. petrochemical industry uses NGL products as feedstock (i.e. raw material) to produce ethylene, propylene, and butadiene (also known as olefins).

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Google earth

miles 1
km 2





© 2014 Google

Google earth

Google earth

feet
meters

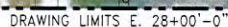
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500





DRAWING LIMITS N. 20+00'-0"



DRAWING LIMITS N. 0+00'-0"

252f	253	254	255	256	257
A	B/2014	S	05553D 604 (LAW)	IN 00007533	
	DATE	BT			

JOB NO. C-1513

S&B
S&B ENGINEERS AND
CONSTRUCTORS, LTD.
HOUSTON, TEXAS

Lone Star NGL.

*Low Sulf NGL
Fractionators LLC*

Lane Star MCL Fracturators LLC	CH2010	FRAC010	9
Monti Behnau Y-Grade Fracturation Plac			

FRACTIONATION PLANT
PLOT PLAN ~ OVERALL

DATE	DATE	DATE	DATE
7/2014			

CLIENT APPROVAL	CPA FIRM NUMBER	REV
	SK-4250-0001	A

TAB 08

Lone Star NGL II, LLC
Project Description

Detailed Description and Process for Proposed Project

Lone Star NGL Asset Holdings II, LLC is proposing to build a fifth NGL fractionation unit (Fractionation Plant V). Projected timeline for ETC to start construction is December of 2015 and start hiring the new employees in September of 2016. This should allow for completion and commencement of commercial operations to start in March of 2017.

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Fractionation Plant V will include the following main processing units and utility systems which are classified as "Qualified Investment"

List of Improvements

Plant Components

- Pre-treatment Systems
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- De-Propanizer Unit
- De-butanizer Unit
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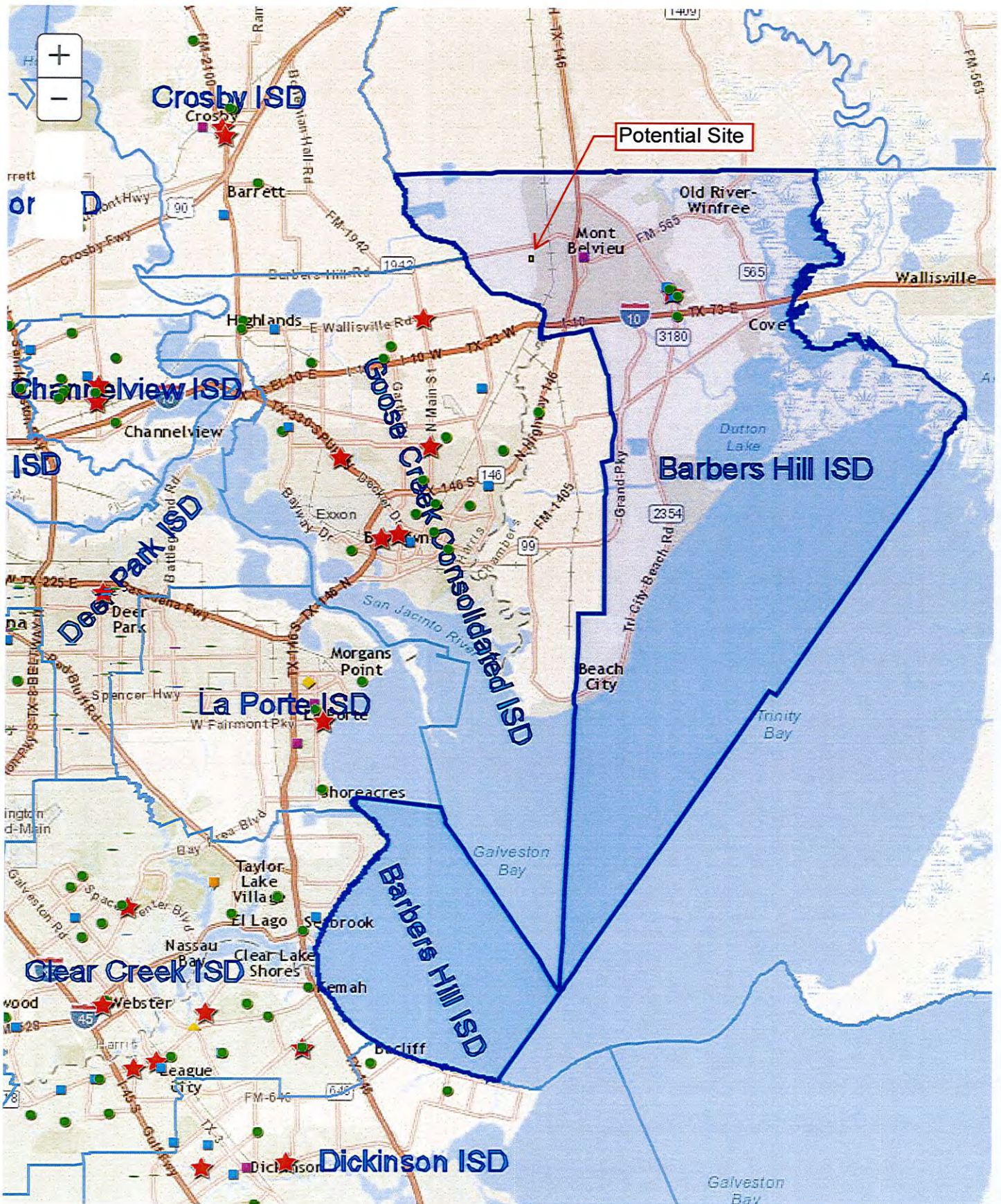
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- **Natural gasoline.** Natural gasoline is used primarily as a blendstock.





Google earth

miles
km





Google earth

feet
meters

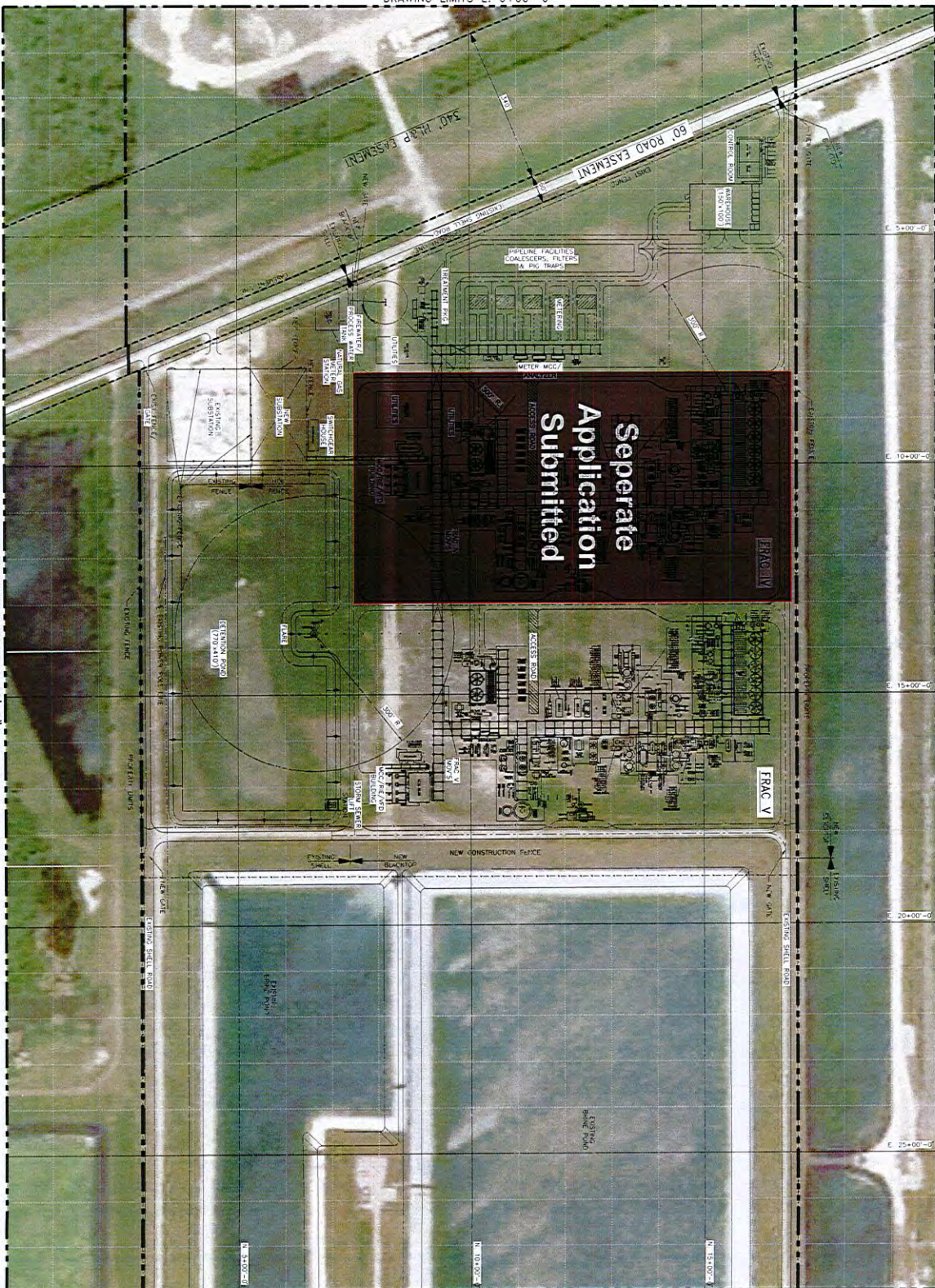
1000

500





DRAWING LIMITS N. 20+00'-0"



DRAWING LIMITS E. 28+00'-0"

DRAWING LIMITS N. 0+00'-0"

DATE: 8/04/2014
REVIEWED BY: _____
DATE: _____

[illegible][illegible]

TAB 09

Description of Land

LGH Tract	Chambers PID #	Chambers CAD Legal
1	16241	12 TR 67-1 H GRIFFITH
2	16242	12 TR 86-1 H GRIFFITH
3	16241	12 TR 67-1 H GRIFFITH
4	N/A	N/A
5	20620	4 TR 6A-0 WM BLOODGOOD
6A	20620	4 TR 6A-0 WM BLOODGOOD
6B	29968	4 TR 6A-0-1 WM BLOODGOOOD
7	16241	12 TR 67-1 H GRIFFITH
8	20620	4 TR 6A-0 WM BLOODGOOD
9	16241	12 TR 67-1 H GRIFFITH
10	20620	4 TR 6A-0 WM BLOODGOOD
11	20620	4 TR 6A-0 WM BLOODGOOD
12	20620	4 TR 6A-0 WM BLOODGOOD
13	29968	4 TR 6A-0-1 WM BLOODGOOOD
14	29968	4 TR 6A-0-1 WM BLOODGOOOD
15	16242	12 TR 86-1 H GRIFFITH
16	16242	12 TR 86-1 H GRIFFITH
17	29968	4 TR 6A-0-1 WM BLOODGOOOD
18	29968	4 TR 6A-0-1 WM BLOODGOOOD
19	29968	4 TR 6A-0-1 WM BLOODGOOOD
20	29968	4 TR 6A-0-1 WM BLOODGOOOD
21	20620	4 TR 6A-0 WM BLOODGOOD
22	29968	4 TR 6A-0-1 WM BLOODGOOOD
23	40368	4 TR 69B-0-1 WM BLOODGOOD
24	29968	4 TR 6A-0-1 WM BLOODGOOOD
25	N/A	N/A
26	35521	12 TR 103-2-1 H GRIFFITH
27	35520	12 TR 103-1-1 H GRIFFITH
28	16241	12 TR 67-1 H GRIFFITH
29	16240	12 TR 12-0 H GRIFFITH
30	16240	12 TR 12-0 H GRIFFITH
31	16240	12 TR 12-0 H GRIFFITH
32	16240	12 TR 12-0 H GRIFFITH
33	16240	12 TR 12-0 H GRIFFITH
34	16240	12 TR 12-0 H GRIFFITH
35	16240	12 TR 12-0 H GRIFFITH
36	49011	12 TR 12-0-1 H GRIFFITH
	49012	12 TR 12-0-2 H GRIFFITH
37	N/A	N/A
38	16240	12 TR 12-0 H GRIFFITH
39	40885	4 TR 56-0-2 WM BLOODGOOD
40	N/A	N/A
41	29968	4 TR 6A-0-1 WM BLOODGOOOD
42	29968	4 TR 6A-0-1 WM BLOODGOOOD
43	29968	4 TR 6A-0-1 WM BLOODGOOOD

44	16241	12 TR 67-1 H GRIFFITH	
45	16241	12 TR 67-1 H GRIFFITH	
46A	31391	4 TR 9-0-2 WM BLOODGOOD	
46B	31390	4 TR 9-0-1 WM BLOODGOOD	
47	3101	12 TR 74-5 H GRIFFITH	
48	3100	24 7-1 W D SMITH	
49	3099	24 6-1 W D SMITH	
50			
	3098	24 6-0 W D SMITH	
	22676	24 6-2 W D SMITH	part of 48-50
51	24544	24 8-1 W D SMITH	Part of 52
52			
	22668	24 8-5 WM D SMITH	
	20522	24 8-2 W D SMITH	
	24545	24 8-4 W D SMITH	
	24544	24 8-1 W D SMITH	
53	49400	12 TR 12-0-6 H GRIFFITH	
54	49351	24 1-2-4 W D SMITH	

Non LGH Parcels

55	9831	24 11-1 WM D SMITH
56	50539	24 1-5-1 WM D SMITH
57	50538	24 1-3-1 W D SMITH
58	508	24 9-2 W D SMITH
59	18943	12 TR 74-0 H GRIFFITH
60	17620	12 TR 91-1 H GRIFFITH
61	4729	12 TR 82-0 H GRIFFITH
62	19145	12 TR 78-0 H GRIFFITH
63	5084	4 TR 4-0 WM BLOODGOOD
64	1863	4 TR 5-0 WM BLOODGOOD

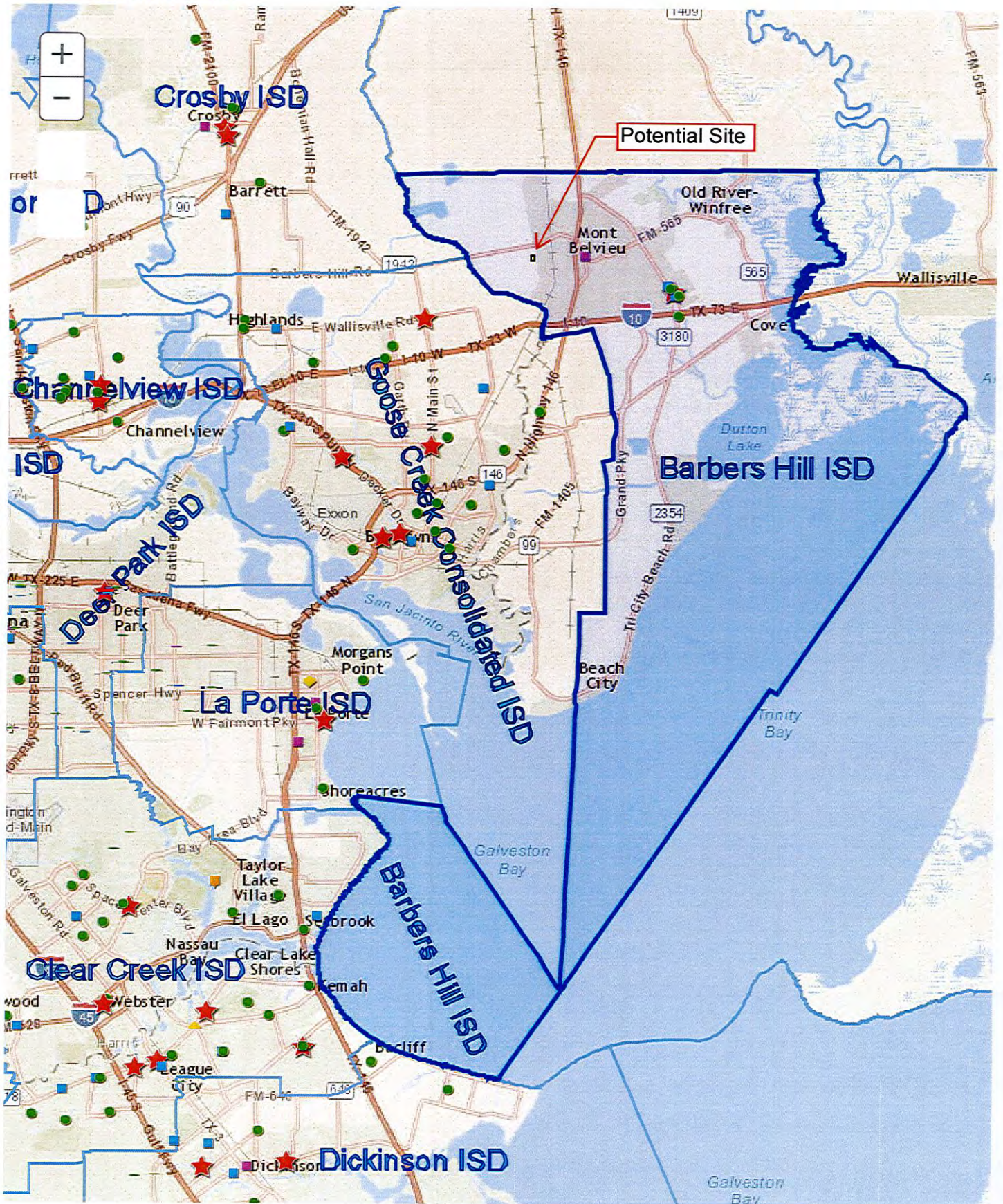
TAB 10

Description of Existing Improvements

There are no existing improvements related to the proposed project at this site.

TAB 11

Maps





Google earth

miles
km





DRAWING LIMITS E. 0+00'-0"



DRAWING LIMITS E. 28+00'-0"

NOTES:

ISSUED FOR COMMENTS	
DATE	8/04/2014
REVIEWED BY	
DATE	

REV	DATE	BY	ISSUED FOR COMMENT	DESCRIPTION	DATE	NO.	REV
A	8/20/14	S	ISSUED FOR COMMENT	DISSEMINATION			

DRAWING LIMITS N. 0+00'-0"

DRAWING LIMITS N. 20+00'-0"

L&B Engineering and Construction, Inc.
3448 E. 15th St.
Tulsa, OK 74106
(918) 438-1111

L&B Engineering and Construction, Inc.
3448 E. 15th St.
Tulsa, OK 74106
(918) 438-1111

DATE: 7/20/14

SCALE: 1" = 1'

PROJECT: FRACTIONATION PLANT

PILOT PLAN - OVERALL

SK-4250-0001



Google earth

feet 1000
meters 500



TAB 12

Request for Job Waiver

N/A

TAB 13

Calculation of Wage Requirements

Calculation of Wage Information - Based on Most Recent Data Available
Chambers County, TX

110% of County Average Weekly Wage for all Jobs

2014	1Q	\$ 1,060
2013	2Q	\$ 1,105
2013	3Q	\$ 1,109
2013	4Q	\$ 1,214

$$\begin{array}{rcl} \$ 4,488 & /4 = & \$1,122 \text{ average weekly salary} \\ & & \underline{\times 1.1 (110\%)} \\ & & \$ 1,234.20 \end{array}$$

110% of County Average Weekly Wage for Manufacturing Jobs in County

2014	1Q	\$ 1,422
2013	2Q	\$ 1,725
2013	3Q	\$ 1,436
2013	4Q	\$ 1,732

$$\begin{array}{rcl} \$ 6,315 & /4 = & \$1,579 \text{ average weekly salary} \\ & & \underline{\times 1.1 (110\%)} \\ & & \$ 1,736.63 \end{array}$$

110% of County Average Weekly Wage for Manufacturing Jobs in Region

\$54,350.00 per year

X1.10 (110%)

\$59,785.00

\$1,149.71 Average weekly

Quarterly Census of Employment and Wages

Series Id: ENU4807140510

State: Texas

Area: Chambers County, Texas

Industry: Total, all industries

Owner: Private

Size: All establishment sizes

Type: Average Weekly Wage

 .xlsx

Year	Qtr1	Qtr2	Qtr3	Qtr4	Annual
2013	1104	1105	1109	1214	1132
2014	1060(P)				

P : Preliminary.

Quarterly Census of Employment and Wages

Series Id: ENU480714051013

State: Texas

Area: Chambers County, Texas

Industry: Manufacturing

Owner: Private

Size: All establishment sizes

Type: Average Weekly Wage



Year	Qtr1	Qtr2	Qtr3	Qtr4	Annual
2013	1532	1725	1436	1732	1606
2014	1422(P)				

P : Preliminary.

2013 Manufacturing Wages by Council of Government Region
Wages for All Occupations

COG	Wages	
	Hourly	Annual
Texas	\$23.73	\$49,363
<u>1. Panhandle Regional Planning Commission</u>	\$20.43	\$42,499
<u>2. South Plains Association of Governments</u>	\$16.53	\$34,380
<u>3. NORTEX Regional Planning Commission</u>	\$19.15	\$39,838
<u>4. North Central Texas Council of Governments</u>	\$25.00	\$51,997
<u>5. Ark-Tex Council of Governments</u>	\$17.45	\$36,298
<u>6. East Texas Council of Governments</u>	\$19.50	\$40,565
<u>7. West Central Texas Council of Governments</u>	\$18.64	\$38,779
<u>8. Rio Grande Council of Governments</u>	\$16.27	\$33,848
<u>9. Permian Basin Regional Planning Commission</u>	\$22.89	\$47,604
<u>10. Concho Valley Council of Governments</u>	\$17.20	\$35,777
<u>11. Heart of Texas Council of Governments</u>	\$19.44	\$40,444
<u>12. Capital Area Council of Governments</u>	\$27.31	\$56,805
<u>13. Brazos Valley Council of Governments</u>	\$17.20	\$35,770
<u>14. Deep East Texas Council of Governments</u>	\$16.48	\$34,287
<u>15. South East Texas Regional Planning Commission</u>	\$29.09	\$60,501
<u>16. Houston-Galveston Area Council</u>	\$26.13	\$54,350
<u>17. Golden Crescent Regional Planning Commission</u>	\$22.23	\$46,242
<u>18. Alamo Area Council of Governments</u>	\$18.91	\$39,329
<u>19. South Texas Development Council</u>	\$13.94	\$28,990
<u>20. Coastal Bend Council of Governments</u>	\$23.78	\$49,454
<u>21. Lower Rio Grande Valley Development Council</u>	\$15.82	\$32,907
<u>22. Texoma Council of Governments</u>	\$20.93	\$43,529
<u>23. Central Texas Council of Governments</u>	\$17.33	\$36,042
<u>24. Middle Rio Grande Development Council</u>	\$19.07	\$39,666

Source: Texas Occupational Employment and Wages

Data published: July 2014

Data published annually, next update will be July 31, 2015

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.

TAB 14

Schedules A1 - D

PROPERTY INVESTMENT AMOUNTS							
(Estimated Investment in each year. Do not put cumulative totals.)							
	Column A		Column B		Column C	Column D	Column E
						</	

Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]

Total Qualified Investment (sum of green cells)	\$ 300,000,000.00	\$ -	\$ -	\$ -	\$ -	\$ 300,000,000.00
	Enter amounts from TOTAL row above in Schedule A2					

For All Columns: List amount invested each year, not cumulative totals.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.

Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 31.3.021(1) but not creating a new improvement as defined by TAC § 105.1. This is proposed property that functionally replaces existing property, is used to maintain, refurbish, renovate, modify or upgrade existing property, or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

PROPERTY INVESTMENT AMOUNTS										
(Estimated Investment in each year. Do not put cumulative totals.)										
		Column A		Column B		Column C		Column D		Column E
		New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property		New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property		Other investment made during this year that will not become Qualified Property [SEE NOTE]		Other investment made during this year that will become Qualified Property [SEE NOTE]		Total Investment (A+B+C+D)
Total Investment from Schedule A1*		Year	School Year (YYYY-YYYY)	Tax Year (fill in actual tax year below) YYYY						
Each year prior to start of value limitation period**		0	2015-2016	2015	\$	300,000,000.00				\$ 300,000,000.00
<i>Insert as many rows as necessary</i>					\$	5,000,000.00				\$ 5,000,000.00
Each year prior to start of value limitation period**		0	2016-2017	2016	\$	295,000,000.00				\$ 295,000,000.00
<i>Insert as many rows as necessary</i>										
Each year prior to start of value limitation period**		0	2017-2018	2017						
<i>Insert as many rows as necessary</i>										
Value limitation period***		1	2018-2019	2018						
		2	2019-2020	2019						
		3	2020-2021	2020						
		4	2021-2022	2021						
		5	2022-2023	2022						
		6	2023-2024	2023						
		7	2024-2025	2024						
		8	2025-2026	2025						
		9	2026-2027	2026						
		10	2027-2028	2027						
Total Investment made through limitation					\$	300,000,000.00				\$ 300,000,000.00
Continue to maintain viable presence										
		11	2028-2029	2028						
		12	2029-2030	2029						
		13	2030-2031	2030						
		14	2031-2032	2031						
		15	2032-2033	2032						
		16	2033-2034	2033						
		17	2034-2035	2034						
		18	2035-2036	2035						
		19	2036-2037	2036						
		20	2037-2038	2037						
		21	2038-2039	2038						
		22	2039-2040	2039						
		23	2040-2041	2040						
		24	2041-2042	2041						
		25	2042-2043	2042						

* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the first row.

** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the 'Year prior to start of value limitation period' row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.

*** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were not captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application. Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property, is used to maintain, refurbish, renovate, modify or upgrade existing property—described in SECTION 13, question 45 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	Year	School Year (YYYY-YYYY)	Tax Year (fill in actual tax year)	Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for ISS after all reductions	Final taxable value for M&O after all reductions
Value Limitation Period	0	2016-2017	2016	\$ -	\$ -	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
	0	2017-2018	2017	\$ -	\$ -	\$ 150,000,000	\$ 150,000,000	\$ 150,000,000	\$ 150,000,000
	1	2018-2019	2018	\$ -	\$ -	\$ 285,000,000	\$ 285,000,000	\$ 285,000,000	\$ 30,000,000
	2	2019-2020	2019	\$ -	\$ -	\$ 273,600,000	\$ 273,600,000	\$ 273,600,000	\$ 30,000,000
	3	2020-2021	2020	\$ -	\$ -	\$ 262,200,000	\$ 262,200,000	\$ 262,200,000	\$ 30,000,000
	4	2021-2022	2021	\$ -	\$ -	\$ 250,800,000	\$ 250,800,000	\$ 250,800,000	\$ 30,000,000
	5	2022-2023	2022	\$ -	\$ -	\$ 239,400,000	\$ 239,400,000	\$ 239,400,000	\$ 30,000,000
	6	2023-2024	2023	\$ -	\$ -	\$ 228,000,000	\$ 228,000,000	\$ 228,000,000	\$ 30,000,000
	7	2024-2025	2024	\$ -	\$ -	\$ 216,600,000	\$ 216,600,000	\$ 216,600,000	\$ 30,000,000
	8	2025-2026	2025	\$ -	\$ -	\$ 205,200,000	\$ 205,200,000	\$ 205,200,000	\$ 30,000,000
Continue to maintain viable presence	9	2026-2027	2026	\$ -	\$ -	\$ 193,800,000	\$ 193,800,000	\$ 193,800,000	\$ 30,000,000
	10	2027-2028	2027	\$ -	\$ -	\$ 182,400,000	\$ 182,400,000	\$ 182,400,000	\$ 30,000,000
	11	2028-2029	2028	\$ -	\$ -	\$ 171,000,000	\$ 171,000,000	\$ 171,000,000	\$ 125,400,000
	12	2029-2030	2029	\$ -	\$ -	\$ 159,600,000	\$ 159,600,000	\$ 159,600,000	\$ 148,200,000
	13	2030-2031	2030	\$ -	\$ -	\$ 148,200,000	\$ 148,200,000	\$ 148,200,000	\$ 136,800,000
	14	2031-2032	2031	\$ -	\$ -	\$ 136,800,000	\$ 136,800,000	\$ 136,800,000	\$ 125,400,000
	15	2032-2033	2032	\$ -	\$ -	\$ 125,400,000	\$ 125,400,000	\$ 125,400,000	\$ 114,000,000
	16	2033-2034	2033	\$ -	\$ -	\$ 114,000,000	\$ 114,000,000	\$ 114,000,000	\$ 102,600,000
	17	2034-2035	2034	\$ -	\$ -	\$ 102,600,000	\$ 102,600,000	\$ 102,600,000	\$ 91,200,000
	18	2035-2036	2035	\$ -	\$ -	\$ 91,200,000	\$ 91,200,000	\$ 91,200,000	\$ 79,800,000
Additional years for 25 year economic impact as required by 313.026(c)(1)	19	2036-2037	2036	\$ -	\$ -	\$ 79,800,000	\$ 79,800,000	\$ 79,800,000	\$ 79,800,000
	20	2037-2038	2037	\$ -	\$ -	\$ 79,800,000	\$ 79,800,000	\$ 79,800,000	\$ 79,800,000
	21	2038-2039	2038	\$ -	\$ -	\$ 79,800,000	\$ 79,800,000	\$ 79,800,000	\$ 79,800,000
	22	2039-2040	2039	\$ -	\$ -	\$ 79,800,000	\$ 79,800,000	\$ 79,800,000	\$ 79,800,000
	23	2040-2041	2040	\$ -	\$ -	\$ 79,800,000	\$ 79,800,000	\$ 79,800,000	\$ 79,800,000
	24	2041-2042	2041	\$ -	\$ -	\$ 79,800,000	\$ 79,800,000	\$ 79,800,000	\$ 79,800,000
	25	2042-2043	2042	\$ -	\$ -	\$ 79,800,000	\$ 79,800,000	\$ 79,800,000	\$ 79,800,000

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.
Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Applicant Name Lone Star NGL Asset Holdings II LLC
ISD Name Barbers Hill ISD

Form 50-296A
Revised Feb 2014

Construction					Non-Qualifying Jobs		Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
				Number of Construction FTEs or man-hours (Specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY					
	0	2015-2016	2015	189 FTE	\$ 55,000.00	N/A	0	N/A
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2016-2017	2016	189 FTE	\$ 55,000.00	N/A	0	\$ 60,837.92
	0	2017-2018	2017	190 FTE	\$ 55,000.00	N/A	0	\$ 60,837.92
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2018-2019	2018	0	0	N/A	10	\$ 60,837.92
	2	2019-2020	2019	0	0	N/A	10	\$ 60,837.92
	3	2020-2021	2020	0	0	N/A	10	\$ 60,837.92
	4	2021-2022	2021	0	0	N/A	10	\$ 60,837.92
	5	2022-2023	2022	0	0	N/A	10	\$ 60,837.92
	6	2023-2024	2023	0	0	N/A	10	\$ 60,837.92
	7	2024-2025	2024	0	0	N/A	10	\$ 60,837.92
Value Limitation Period	8	2025-2026	2025	0	0	N/A	10	\$ 60,837.92
	9	2026-2027	2026	0	0	N/A	10	\$ 60,837.92
	10	2027-2028	2027	0	0	N/A	10	\$ 60,837.92
Years Following Value Limitation Period	11 through 26	2028-2029	2028	0	0	N/A	10	\$ 60,837.92

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

- C1. Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute?
If yes, answer the following two questions:

(25) ☐ Yes ☒ No
- C1a. Will the applicant request a job waiver, as provided under 313.025(-1)?

☐ Yes ☒ No
- C1b. Will the applicant avail itself of the provision in 313.021(3)(F)?

☐ Yes ☒ No

Schedule D: Other Incentives (Estimated)

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County:					
	City:					
	Other:					
Tax Code Chapter 312	County: Chambers (Application Pending)	2017	2026	\$ 1,160,998.00	Avg 60% Per Yr	\$ 464,399.00
	City:Mont Belvieu	N/A	N/A	N/A	N/A	N/A
	Other:					
Local Government Code Chapters 380/381	County:					
	City:					
	Other:					
Freeport Exemptions						
Non-Annexation Agreements						
Enterprise Zone/Project						
Economic Development Corporation						
Texas Enterprise Fund						
Employee Recruitment						
Skills Development Fund						
Training Facility Space and Equipment						
Infrastructure Incentives						
Permitting Assistance						
Other:						
Other:						
Other:						
TOTAL				\$ 1,160,998.00		\$ 464,399.00

Additional information on incentives for this project:

TAB 15

Economic Impact Study

Frac V
As of: 1/1/2015
Year 1 Ending: 12/31/2015

Property Tax 2.35%
Cost: \$ 300,000,000

Chambers County

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Terminal Year
Revenue	\$ -	\$ -	\$ 45,136,957	\$ 75,839,700	\$ 75,839,700	\$ 75,839,700	\$ 76,047,480	\$ 75,839,700	\$ 75,839,700	\$ 75,839,700	\$ 75,839,700	\$ 75,839,700	\$ 75,839,700
% Growth			68.02%	0.00%	0.00%	0.00%	0.27%	-0.27%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Expenses	\$ -	\$ -	\$ 2,677,946	\$ 3,272,960	\$ 3,339,022	\$ 3,406,418	\$ 3,475,175	\$ 3,545,319	\$ 3,616,879	\$ 3,689,883	\$ 3,764,419	\$ 3,840,460	\$ 3,689,883
G&A Expenses	\$ -	\$ -	\$ 803,384	\$ 981,888	\$ 1,001,707	\$ 1,021,925	\$ 1,042,552	\$ 1,063,596	\$ 1,085,064	\$ 1,106,965	\$ 1,129,326	\$ 1,152,138	\$ 1,152,138
Property Tax	\$ 2,115,000	\$ 7,030,000	\$ 6,338,500	\$ 6,556,500	\$ 6,345,000	\$ 6,345,000	\$ 6,063,000	\$ 5,781,000	\$ 5,499,000	\$ 5,217,000			\$ 4,935,000
EBITDA	\$ -	\$ (2,115,000)	\$ 34,605,628	\$ 64,746,352	\$ 64,942,471	\$ 65,066,356	\$ 65,466,753	\$ 65,449,786	\$ 65,638,758	\$ 65,825,852	\$ 70,945,956	\$ 70,847,101	\$ 66,062,678
Margin %			76.67%	85.37%	85.63%	85.79%	86.09%	86.30%	86.55%	86.80%	93.55%	93.42%	87.11%
Growth Capex	\$ 78,947,368	\$ 196,875,000	\$ 35,349,816	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Free Cash Flow	\$ (78,947,368)	\$ (198,990,000)	\$ (744,168)	\$ 64,746,352	\$ 64,942,471	\$ 65,066,356	\$ 65,466,753	\$ 65,449,786	\$ 65,638,758	\$ 65,825,852	\$ 70,945,956	\$ 70,847,101	\$ 66,062,678
Cumulative Free Cash Flow	\$ (78,947,368)	\$ (277,937,368)	\$ (278,681,557)	\$ (213,935,204)	\$ (148,992,733)	\$ (83,926,377)	\$ (18,459,624)	\$ 46,990,162	\$ 112,628,919	\$ 178,454,771	\$ 249,400,727	\$ 320,247,828	\$ 386,310,507
Partial Period Adjustment	1	1	1	1	1	1	1	1	1	1	1	1	1
Mid Year Convention	0.50	1.50	2.50	3.50	4.50	5.50	6.50	7.50	8.50	9.50	10.50	11.50	
Present Value Factor @ 9.00%	0.96	0.88	0.81	0.74	0.68	0.62	0.57	0.52	0.48	0.44	0.40	0.37	
Present Value of Free Cash Flow	\$ (75,617,865)	\$ (174,860,415)	\$ (599,952)	\$ 47,887,544	\$ 44,066,603	\$ 40,505,197	\$ 37,389,406	\$ 34,293,317	\$ 31,552,598	\$ 29,029,848	\$ 28,704,462	\$ 26,297,675	
Sum of Present Value of Free Cash Flows	\$ 13,646,280												
Present Value of Terminal Value	\$ 306,521,869												
Operating Business Enterprise Value	\$ 320,168,149												
Working Capital Excess/(Deficit)	\$ -												
Total Business Enterprise Value	\$ 320,168,149												
IRR	12.28%												
Total Business Enterprise Value w/o Limitations	\$ 320,168,149												

Terminal Cash Flow	\$ 66,062,678
Discount Rate	9.00%
Long Term Growth Rate	1.00%
Capitalization Rate	8.00%
Terminal Value	\$825,783,481
Present Value Factor	0.37
PV of Terminal Value	\$306,521,869

Frac V
As of: 1/1/2015
Year 1 Ending: 12/31/2015

Property Tax: 0.00%
Cost: \$ 300,000,000

Chambers County

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Terminal Year
Revenue	\$ -	\$ -	\$ 45,136,957	\$ 75,839,700	\$ 75,839,700	\$ 75,839,700	\$ 76,047,480	\$ 75,839,700	\$ 75,839,700	\$ 75,839,700	\$ 75,839,700	\$ 75,839,700	\$ 75,839,700
% Growth				68.02%	0.00%	0.00%	0.27%	-0.27%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Expenses	\$ -	\$ -	\$ 2,677,946	\$ 3,272,960	\$ 3,339,022	\$ 3,406,418	\$ 3,475,175	\$ 3,545,319	\$ 3,616,879	\$ 3,689,883	\$ 3,764,419	\$ 3,689,883	\$ 3,689,883
G&A Expenses	\$ -	\$ -	\$ 803,384	\$ 981,888	\$ 1,001,707	\$ 1,021,925	\$ 1,042,552	\$ 1,063,596	\$ 1,085,064	\$ 1,106,965	\$ 1,129,326	\$ 1,152,138	\$ 1,152,138
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EBITDA	\$ -	\$ -	\$ 41,655,628	\$ 71,584,852	\$ 71,498,971	\$ 71,411,356	\$ 71,529,753	\$ 71,230,786	\$ 71,137,758	\$ 71,042,852	\$ 70,945,956	\$ 70,997,678	\$ 70,997,678
Margin %			92.29%	94.39%	94.28%	94.16%	94.06%	93.97%	93.80%	93.68%	93.55%	93.62%	93.62%
Growth Capex	\$ 92,105,263	\$ 221,052,632	\$ 36,842,105	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Free Cash Flow	\$ (92,105,263)	\$ (221,052,632)	\$ 4,813,522	\$ 71,584,852	\$ 71,498,971	\$ 71,411,356	\$ 71,529,753	\$ 71,230,786	\$ 71,137,758	\$ 71,042,852	\$ 70,945,956	\$ 70,997,678	\$ 70,997,678
Cumulative Free Cash Flow	\$ (92,105,263)	\$ (313,157,895)	\$ (308,344,372)	\$ (236,759,520)	\$ (165,260,549)	\$ (93,849,193)	\$ (22,319,440)	\$ 48,911,346	\$ 120,049,104	\$ 191,091,955	\$ 262,037,911	\$ 333,035,590	\$ 404,033,268
Partial Period Adjustment	1	1	1	1	1	1	1	1	1	1	1	1	1
Mild Year Convention	0.50	1.50	2.50	3.50	4.50	5.50	6.50	7.50	8.50	9.50	10.50	11.50	11.50
Present Value Factor @ 9.00%	0.96	0.88	0.81	0.74	0.68	0.62	0.57	0.52	0.48	0.44	0.40	0.37	0.37
Present Value of Free Cash Flow	\$ (88,220,842)	\$ (194,247,726)	\$ 3,880,581	\$ 52,945,419	\$ 48,515,504	\$ 44,455,095	\$ 40,852,110	\$ 37,322,352	\$ 34,195,971	\$ 31,330,596	\$ 28,704,462	\$ 26,353,568	\$ 26,353,568
Sum of Present Value of Free Cash Flows	\$ 66,087,090												
Present Value of Terminal Value	\$ 329,419,599												
Operating Business Enterprise Value	\$ 395,506,690												
Working Capital Excess/(Deficit)	\$ -												
Total Business Enterprise Value	\$ 395,506,690												
IRR	14.27%												
Total Business Enterprise Value w/limitations	\$ 395,506,690												

Terminal Cash Flow	\$ 70,997,678
Discount Rate	9.00%
Long Term Growth Rate	1.00%
Capitalization Rate	8.00%
Terminal Value	\$887,470,981
Present Value Factor	0.37
PV of Terminal Value	\$329,419,599

TAB 16

Description of Reinvestment Zone

Order, Resolution, or Ordinance Establishing the Zone

**RESOLUTION OF THE
BARBERS HILL INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES**

A RESOLUTION DESIGNATING A CERTAIN AREA AS A REINVESTMENT ZONE FOR TEXAS TAX CODE CHAPTER 313 APPRAISED VALUE LIMITATION IN THE BARBERS HILL INDEPENDENT SCHOOL DISTRICT, IN PORTIONS OF CHAMBERS COUNTY TEXAS, TO BE KNOWN AS *THE LONE STAR NGL REINVESTMENT ZONE*; ESTABLISHING THE BOUNDARIES THEREOF; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Board of Trustees of the Barbers Hill Independent School District desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone as authorized by the Property Redevelopment and Tax Abatement Act, as amended (V.T.C.A. Texas Tax Code § 312.0025), for the purpose of authorizing an *Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes*, as authorized by Chapter 313 of the Texas Tax Code; and,

WHEREAS, on _____, 2011, a hearing before the Board of Trustees of the Barbers Hill Independent School District was held, such date being at least seven (7) days after the date of publication of the notice of such public hearing, and the delivery of written notice to the respective presiding officers of each taxing entity which includes within its boundaries real property that is to be included in the proposed reinvestment zone; and,

WHEREAS, the Board of Trustees of the Barbers Hill Independent School District at such public hearing invited any interested person to appear and speak for or against the creation of the reinvestment zone, and whether all or part of the territory described should be included in the proposed reinvestment zone; and,

WHEREAS, the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the reinvestment zone and opponents, if any, of the reinvestment zone appeared to contest the creation of the reinvestment zone.

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE BARBERS HILL INDEPENDENT SCHOOL DISTRICT:

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

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

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

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

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, the Barbers Hill Independent School District, hereby creates a reinvestment zone under the provisions of Tex. Tax Code § 312.0025, encompassing the area described by the descriptions in EXHIBIT A and EXHIBIT B, and such reinvestment zone is hereby designated and shall hereafter be referred to as *The Lone Star NGL Reinvestment Zone*.

SECTION 4. That *The Lone Star NGL Reinvestment Zone* shall take effect upon adoption by the Board of Trustees and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of such designation.

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

Resolution.

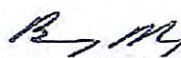
SECTION 6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject of the meeting of the Barbers Hill Independent School District Board of Trustees, at which this Resolution was adopted, was posted at a place convenient and readily accessible at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

PASSED, APPROVED AND ADOPTED on this ____ day of December, 2011.

**BARBERS HILL INDEPENDENT SCHOOL
DISTRICT**

By: 
CARMENA GOSS
President
Board of Trustees

ATTEST:


BENNY MAY
Secretary
Board of Trustees

Legal Description of Reinvestment Zone

LGH Tract	Chambers PID #	Chambers CAD Legal
1	16241	12 TR 67-1 H GRIFFITH
2	16242	12 TR 86-1 H GRIFFITH
3	16241	12 TR 67-1 H GRIFFITH
4	N/A	N/A
5	20620	4 TR 6A-0 WM BLOODGOOD
6A	20620	4 TR 6A-0 WM BLOODGOOD
6B	29968	4 TR 6A-0-1 WM BLOODGOOOD
7	16241	12 TR 67-1 H GRIFFITH
8	20620	4 TR 6A-0 WM BLOODGOOD
9	16241	12 TR 67-1 H GRIFFITH
10	20620	4 TR 6A-0 WM BLOODGOOD
11	20620	4 TR 6A-0 WM BLOODGOOD
12	20620	4 TR 6A-0 WM BLOODGOOD
13	29968	4 TR 6A-0-1 WM BLOODGOOOD
14	29968	4 TR 6A-0-1 WM BLOODGOOOD
15	16242	12 TR 86-1 H GRIFFITH
16	16242	12 TR 86-1 H GRIFFITH
17	29968	4 TR 6A-0-1 WM BLOODGOOOD
18	29968	4 TR 6A-0-1 WM BLOODGOOOD
19	29968	4 TR 6A-0-1 WM BLOODGOOOD
20	29968	4 TR 6A-0-1 WM BLOODGOOOD
21	20620	4 TR 6A-0 WM BLOODGOOD
22	29968	4 TR 6A-0-1 WM BLOODGOOOD
23	40368	4 TR 69B-0-1 WM BLOODGOOD
24	29968	4 TR 6A-0-1 WM BLOODGOOOD
25	N/A	N/A
26	35521	12 TR 103-2-1 H GRIFFITH
27	35520	12 TR 103-1-1 H GRIFFITH
28	16241	12 TR 67-1 H GRIFFITH
29	16240	12 TR 12-0 H GRIFFITH
30	16240	12 TR 12-0 H GRIFFITH
31	16240	12 TR 12-0 H GRIFFITH
32	16240	12 TR 12-0 H GRIFFITH
33	16240	12 TR 12-0 H GRIFFITH
34	16240	12 TR 12-0 H GRIFFITH
35	16240	12 TR 12-0 H GRIFFITH
36	49011	12 TR 12-0-1 H GRIFFITH
	49012	12 TR 12-0-2 H GRIFFITH
37	N/A	N/A
38	16240	12 TR 12-0 H GRIFFITH
39	40885	4 TR 56-0-2 WM BLOODGOOD
40	N/A	N/A
41	29968	4 TR 6A-0-1 WM BLOODGOOOD
42	29968	4 TR 6A-0-1 WM BLOODGOOOD
43	29968	4 TR 6A-0-1 WM BLOODGOOOD

44	16241	12 TR 67-1 H GRIFFITH	
45	16241	12 TR 67-1 H GRIFFITH	
46A	31391	4 TR 9-0-2 WM BLOODGOOD	
46B	31390	4 TR 9-0-1 WM BLOODGOOD	
47	3101	12 TR 74-5 H GRIFFITH	
48	3100	24 7-1 W D SMITH	
49	3099	24 6-1 W D SMITH	
50			
	3098	24 6-0 W D SMITH	
	22676	24 6-2 W D SMITH	part of 48-50
51	24544	24 8-1 W D SMITH	Part of 52
52			
	22668	24 8-5 WM D SMITH	
	20522	24 8-2 W D SMITH	
	24545	24 8-4 W D SMITH	
	24544	24 8-1 W D SMITH	
53	49400	12 TR 12-0-6 H GRIFFITH	
54	49351	24 1-2-4 W D SMITH	

Non LGH Parcels

55	9831	24 11-1 WM D SMITH
56	50539	24 1-5-1 WM D SMITH
57	50538	24 1-3-1 W D SMITH
58	508	24 9-2 W D SMITH
59	18943	12 TR 74-0 H GRIFFITH
60	17620	12 TR 91-1 H GRIFFITH
61	4729	12 TR 82-0 H GRIFFITH
62	19145	12 TR 78-0 H GRIFFITH
63	5084	4 TR 4-0 WM BLOODGOOD
64	1863	4 TR 5-0 WM BLOODGOOD



Google earth

miles 1
km 2



Map of Reinvestment Zone



TAB 17

Signature and Certification Page

Application for Appraised Value Limitation on Qualified Property

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in Tab 17. NOTE: If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

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

print
here → Becky McManus Assistant Superintendent of Finance
Print Name (Authorized School District Representative) Title

sign
here → Becky McManus 10/27/14
Signature (Authorized School District Representative) Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print
here → MARE APOSTLE Divisional Controller
Print Name (Authorized Company Representative (Applicant)) Title

sign
here → Mare Apostle 10/20/14
Signature (Authorized Company Representative (Applicant)) Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

20 day of October 2014
Beverly M. Hernandez
Notary Public in and for the State of Texas
My Commission expires: 9.3.2018

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