

**FINDINGS OF THE GREGORY-PORTLAND
INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE
APPLICATION SUBMITTED
BY
CORPUS CHRISTI LIQUEFACTION LLC (#1180)**



August 29, 2017

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OF THE
GREGORY-PORTLAND INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES
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INDEPENDENT SCHOOL DISTRICT BOARD OF
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STATE OF TEXAS §

COUNTY OF SAN PATRICIO §

On the 31st day of July, 2017, a public meeting of the Board of Trustees of the Gregory-Portland Independent School District (“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 Corpus Christi Liquefaction LLC (“Applicant”) 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. The Board of Trustees has considered the economic impact analysis and the project certification issued by the Texas Comptroller of Public Accounts. After hearing presentations from the District’s administrative staff, and from consultants retained by the District to advise the Board in this matter, and after considering the relevant documentary evidence, the Board of Trustees makes the following findings with respect to application from Applicant, and the economic impact of that application:

On March 6, 2017, the Superintendent of the District, acting as agent of the Board of Trustees received an Application from Applicant 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, (Texas Taxpayer Id. 32048261799), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise taxpayer by the Comptroller. See **Attachment B**.

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

The Application was delivered to the Comptroller for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the San Patricio Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054. On April 5, 2017, the Comptroller determined the Application to be complete.

The Application was reviewed by the Comptroller pursuant to Texas Tax Code §313.026, and a Comptroller Certificate was issued on April 26, 2017, in which the Comptroller has determined, inter alia, that: 1) Application is subject to the provisions of Chapter 171, Texas Tax Code; 2) the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised values; 3) the proposed project is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period; and, 4) the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. A copy of the Certificate is attached to the findings as **Attachment C**.

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

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

The Texas Education Agency has evaluated the impact of the project on the District's facilities. TEA's determination is attached to these findings as **Attachment F**.

The Board has adopted the Texas Economic Development Agreement (Form 50-826) as promulgated by the Comptroller's Office. Form 50-826 has been altered only in accordance only the provisions of the template that the Comptroller permitted. The proposed Agreement is attached to these findings as **Attachment G**.

After review of the Comptroller's Certificate and economic analysis, and in consideration of its own studies the Board finds:

Board Finding Number 1.

The Board finds that the property described in the Application meets the requirements of Tex. Tax Code §313.024 for eligibility for a limitation on appraised value.

In support of Finding 1, the Application indicates that:

Corpus Christi Liquefaction, LLC ("Corpus Christi Liquefaction"), a wholly owned subsidiary of Cheniere Energy Inc. ("Cheniere"), is evaluating the development of a liquefied natural gas ("LNG") liquefaction and storage facility (the "Considered Project") within the 844-acre reinvestment zone in San Patricio County, Texas.

Property used for chemical manufacturing is eligible for a limitation under §313.024(b)(1).

Board Finding Number 2.

The project proposed by the applicant is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue, including state tax revenue, school district maintenance and operations ad valorem tax revenue attributable to the project, and any other tax revenue attributable to the effect of the project on the economy of the state, in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement (as detailed in Attachment B of the Comptroller's Certification packet).

Board Finding Number 3.

Based on the information certified by the Comptroller, the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state (as detailed in Attachment C of the Comptroller's Certification packet).

Board Finding Number 4.

The Board finds that the Application Fee received was reasonable and only in such an amount as was necessary to cover the District's costs of processing the Application under consideration.

In support of Finding 4, the Board reviewed the Application Fee payment included in the Application at Attachment A, the contract with the District's consultants and the internal costs for processing the application, if any.

Board Finding Number 5.

Based upon the Application and in the Comptroller's Economic Impact Evaluation and Certification, Attachment B, the Board finds that that the number of jobs to be created and the wages to be paid comply with the requirements of statute; and, the Board further finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions and information related to job creation requirements, to wit: the provisions set forth in Subsections 9.1C&D of such Agreement.

In its Application, Applicant has committed to creating ten (10) new qualifying jobs. The average salary level of qualifying jobs will be at least \$65,000 per year. The review of the application by the Comptroller's indicated that this amount—based on Texas Workforce Commission data—complies with current Tex. Tax Code §313.021(3) requirement that qualifying jobs must pay 110 percent of the county average manufacturing wage. As defined in Section 313.021 of the Tax Code, "Qualifying Job" means a permanent full-time job that:

- (A) requires at least 1,600 hours of work a year;
- (B) is not transferred from one area in this state to another area in this state;
- (C) is not created to replace a previous employee;
- (D) is covered by a group health benefit plan for which the business offers to pay at least 80 percent of the premiums or other charges assessed for employee-only coverage under the plan, regardless of whether an employee may voluntarily waive the coverage; and
- (E) pays at least 110 percent of the county average weekly wage for manufacturing jobs in the county where the job is located.

Board Finding Number 6.

The Applicant intends to create twenty-five (25) non-qualifying jobs.

In its Application, Applicant has indicated that it intends to create twenty-five (25) non-qualifying jobs. For all non-qualifying jobs the Applicant will be required to pay at least the county average wage of \$46,164 for all jobs in the county in accordance with the provisions of Tex. Tax Code §313.024(d).

Board Finding Number 7.

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 \$1.6 billion to the tax base for debt service purposes at the peak investment level for the 2024-25 school year. The project remains fully taxable for debt services taxes. While the value of the Project is expected to depreciate over the life of the agreement and beyond, full access to the additional value is expected to increase the District's projected I&S taxable value well above the level available through the state's facility programs. As a result, local taxpayers should benefit from the addition of the Project to the local I&S tax roll.

Board Finding Number 8.

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 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 project. This finding is confirmed by the TEA evaluation of this project's impact on the number and size of school facilities in the District as stated in **Attachment F**. The Agreement does include provisions relating to the issue of extraordinary education-related expenses.

Board Finding Number 9.

The Board finds that with the adoption of District Policy CCG (Local), implemented in conformance with both Comptroller and Texas Education Agency Rules governing Chapter 313 Agreements, it has developed a process to verify, either directly or through its consultants, the accuracy and completeness of information in annual eligibility reports and biennial progress reports regarding (1) the reported

number of jobs created and (2) the reported amount invested in the property.

Board Finding Number 10.

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

The Board has developed a written policy CCG (Local) which requires, upon the filing of an Application under Tax Code Chapter 313, the retention of consultants in order to verify: (1) that Applicant's information contained in the Application as to existing facts is true and correct; (2) that Applicant's information contained in the Application with respect to projections of future events are commercially reasonable and within the ability of Applicant to execute; (3) that information related to job creation is commercially reasonable and within the ability of Applicant to execute; (4) that Applicant's representations concerning and economic incentives being offered, if any, and (5) the proposed project meets eligibility requirements.

As a part of its verification process the Board notes that the Chapter 313 Application for which these Findings are being made has been submitted by Applicant under oath. Chapter 313 Applications are governmental records under Tex. Penal Code §37.01(2)(A); as a result, all statements contained therein are representations of fact within the meaning of Tex. Penal Code § 37.01(3). Since Board action upon the adoption of these Findings and the approval of the Chapter 313 Tax Limitation Agreement (**Attachment G**) is an "official proceeding," a false statement on a Chapter 313 application constitutes perjury under Tex. Penal Code § 37.03.

The Board finds that sworn statements are routinely used as an acceptable verification method for reliance by fact finders in each of the three separate branches of government, including trials.

The consultants have prepared signed statements that the consultants have reviewed and verified the contents of the Application and have determined that the current statements of fact contained in the Application are true and correct. (**Attachment H**) The Board finds that reliance by the Board and its consultants upon verified statements of the Applicant, especially as to Applicant's future intentions which cannot be objectively verified is reasonable and within the intent of Chapter 313, Texas Tax Code.

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).

The Board finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**), in accordance with Comptroller's Form 50-826, contains all required provisions and information related to the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement. According to the Texas Comptroller of Public Accounts' School and Appraisal Districts' Property Value Study 2015 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year, Attachment F. The total industrial value for the District is \$305.8 million. The District 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. The District is classified as a "rural" district due to its placement in a strategic investment area. Given that the value of industrial property 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 Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all necessary provisions and information related to establishing the required investment amount, to wit: the amount set forth in Section 2.5 of said Agreement.

The Board relies on the certifications of its consultants and the Comptroller's Approval of the Agreement form to make this Finding. (**Attachment I**)

Board Finding Number 13.

The Applicant (Taxpayer No. 32048261799) is eligible for the limitation on appraised value of qualified property as an active franchise-tax paying entity.

The Applicant, (Texas Taxpayer No. 32048261799), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be an active franchise tax payer by the Comptroller. See **Attachment B**. The Board also finds that the Chapter 313 Tax Limitation Agreement (**Attachment G**) contains all required provisions necessary for the Board to assess eligibility of any business to which an agreement is transferred.

Board Finding Number 14.

The project will be located within an area that is currently designated as a reinvestment zone, pursuant to Chapter 312 of the Texas Tax Code.

Board Finding Number 15.

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, and such provisions comply with the specific terms of Texas Tax Code, Chapter 313.

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. The Agreement contains adequate revenue protection measures for the duration of the Agreement. In support of this Finding, the Board relies upon the recommendation of its consultants. (**Attachment H**)

Board Finding Number 16.

The Board finds that the Chapter 313 Tax Limitation Agreement (Attachment G) contains all required provisions necessary for the Board to assess performance standards and to require periodic deliverables that will enable it to hold businesses accountable for achieving desired results, to wit: the reporting requirements set forth in Article VIII of said Agreement.

Board Finding Number 17.

The Board finds that there are no conflicts of interest at the time of considering the agreement.

The Board finds that with the adoption of District Policies BBFA and BBFB, both (Legal) and (Local), set forth at <http://pol.tasb.org/Home/Index/1052>, that it has taken appropriate action to ensure that all District Trustees and the Superintendent, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

In addition, at the public hearing, the Board caused the statement set forth in **Attachment J** to be read into the public record and that only Board members audibly responding that no conflict of interest existed either deliberated or voted on the Tax Limitation Agreement, these Findings or any matter relating to the Application upon which these Findings have been premised.

The Board finds that with the adoption of District Policies DBD, DGA, DH, and BBFB, both (Legal) and (Local) that it has taken appropriate action to ensure that all District employees and/or consultants, have disclosed any potential conflicts of interest, and that such disclosures will be made if any conflict of interest arises in the future, in compliance with the requirements of Texas Local Gov't Code §171.004.

The Board finds that that no non-disclosed conflicts of interest exist as to the Application for which these Findings are being made, as of the time of action on these Findings.

Board Finding Number 18.

The Board directs that a link on its Web site to the Comptroller's Office's Web site where appraisal limitation related documents are made available to the public.

Board Finding Number 19.

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

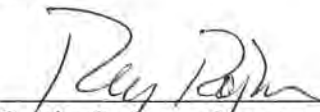
It is therefore ORDERED that the Agreement attached hereto as **Attachment G** is approved and hereby authorized to be executed and delivered by and on behalf of the District. It is further ORDERED that these findings *and* the Attachments referred to herein be attached to the Official Minutes of this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

Dated the 29th day of August 2017.

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT

By: 
Victor Hernandez, President, Board of Trustees

ATTEST:

By: 
Carrie Gregory, Secretary, Board of Trustees
REY ROJAS - VICE PRESIDENT

Attachment A

Application

O'HANLON, MCCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE

AUSTIN, TEXAS 78701

TELEPHONE: (512) 494-9949

FACSIMILE: (512) 494-9919

KEVIN O'HANLON

CERTIFIED, CIVIL APPELLATE

CERTIFIED, CIVIL TRIAL

LESLIE MCCOLLOM

CERTIFIED, CIVIL APPELLATE

CERTIFIED, LABOR AND EMPLOYMENT

TEXAS BOARD OF LEGAL SPECIALIZATION

JUSTIN DEMERATH

March 7, 2017

Local Government Assistance & Economic Analysis

Texas Comptroller of Public Accounts

P.O. Box 13528

Austin, Texas 78711-3528

RE: Application to the Gregory-Portland Independent School District from Corpus Christi Liquefaction, LLC (Train 5)

(First Qualifying Year 2021)

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Gregory-Portland Independent School District is notifying Corpus Christi Liquefaction, LLC (Train 5) of its intent to consider the application for appraised value limitation on qualified property should a positive certificate be issued by the Comptroller. 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 2023.

This application replaces the previously withdrawn Application 1077. The Applicant has provided a detailed listing of all changes to the previously filed application.

The Applicant submitted the Application to the school district on March 6, 2017. The Board voted to accept the application on March 6, 2017. The application has been determined complete as of March 7, 2017. Please prepare the economic impact report.

Letter to Local Government Assistance & Economic Analysis Division
March 7, 2017
Page 2 of 2

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

Sincerely,

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

Kevin O'Hanlon
School District Consultant

Cc: San Patricio County Appraisal District
Corpus Christi Liquefaction, LLC (Train 5)

CUMMINGS WESTLAKE LLC

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

March 6, 2017

Dr. Paul Clore, Superintendent
Gregory-Portland Independent School District
608 College Street
Portland, TX 78374

Re: Chapter 313 Application – Corpus Christi Liquefaction, LLC, et al Train 5

Dear Dr. Clore,

Enclosed is the Application for Appraised Value Limitation for Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage III, LLC, and Cheniere Land Holdings, LLC (“the Applicants”).

All of the property submitted in this application is specifically excluded from the Applicants’ application for Train 4 which is being submitted simultaneously with this application. All of the property in this application will be in a reinvestment zone created by San Patricio County or Gregory-Portland ISD for the Applicants at a later date.

This application replaces withdrawn application number 1077. Changes to this application from application number 1077 are listed below. As the below list of changes shows, issues such as interconnections and determining factor were considered in detail to the Comptroller's satisfaction in application 1077, the facts related to these issues have not changed, and the investment values upon which the economic impact analysis in application 1077 was based have not changed.

1. Form Page 2, Section 2, Question 1 – the Authorized Company Representative has been changed.
2. Form Page 3, Section 3, Question 1 – the payment of an application fee has been changed from “Yes” to “No”. Gregory-Portland ISD has waived the application fee. Please see Tab 2 of the application.
3. Form Page 3, Section 4, Question 1 – Additional companies have been added as Applicants. Please see Tab 5 for an explanation of the addition.
4. Form Page 3, Section 4, Question 2 – Texas taxpayer I.D. numbers for the additional applicants have been added.
5. Form Page 4, Section 8, Question 5 – The answer to this question has changed from “No” to “Yes” since the TCEQ air permit has been received.
6. Form Page 5, Section 9, Question 1 – The anticipated approval date by the school board has been updated.
7. Form Page 5, Section 10, Question 4 – The tax rates for San Patricio County and San Patricio County Drainage District have been updated to 2016 rates.
8. Form Page 6, Section 12, Question 3b – The anticipated date of creation of the new reinvestment zone has been updated.

9. Form Page 7, Section 14, Question 2 – The last complete quarter before the application review start date has been updated.
10. Form Page 7, Section 14, Question 7 – Wage rates have been updated.
11. Form Page 8, Section 16, Question 2 – The name of the Authorized Company Representative has been changed.
12. Tab 2 – has been changed to explain that the application fee has been waived and to attach a letter from Gregory-Portland ISD showing the waiver.
13. Tab 4 – Changes to the project description have been made as follows:
 - a. First paragraph – Additional companies have been added as Applicants and the new acreage of the proposed reinvestment zone has been updated.
 - b. Second paragraph – Reference is made to the project description being identical to that in withdrawn application 1077.
 - c. Fourth paragraph – A statement is added that Applicants have not made the final technology and equipment selection as of the date of this application.
 - d. Information has been added at the end of Tab 4 discussing feedstock sources, proposed output capacity, and interconnections with adjacent facilities.
14. Tab 5 – Changes to Documentation to assist in determining if limitation is a determining factor have been made as follows:
 - a. First paragraph – Reference is made to the construction of Trains 1 and 2 (the “Covered Project”) near Corpus Christi. In application number 1077, this construction had not started.
 - b. Second paragraph – Reference to the status of DOE permits is updated to state that DOE has approved the export of LNG to free trade countries but not to non-free trade countries and to state that construction could not start without DOE approval to export to non-free trade countries. Reference is made that the TCEQ air permit has been received. Reference is also made to attachments from Cheniere’s website and press releases.
 - c. Third paragraph – Reference is made to withdrawn application number 1077, which received a certificate package from the Comptroller, and the fact that Applicant continues to consider a value limitation agreement to be a determining factor.
 - d. Fifth paragraph – Language has been added to state that the interconnections described in this application are identical to those described in application number 1077 which received a certificate package from the Comptroller after detailed discussions and meetings between the Applicant and the Comptroller.
 - e. Seventh paragraph – Language has been added to explain the reasons why application number 1076 was withdrawn and replaced by this application.
15. Tab 6 tax rates have been revised to show 2016 tax rates.
16. Tab 7 language has been changed to conform to changes in Tab 4 discussed above.
17. Tab 8 language has been changed to conform to changes in Tab 4 discussed above.
18. Tab 9 has been changed as follows:

- a. Tract 3 has been added to the legal description
 - b. The land value and San Patricio County Appraisal District account numbers have been updated.
19. Tab 11 map with improvement layout has been changed to show the revised boundary line of the reinvestment zone and project boundary due to the additional land described as Tract 3 in Tab 9.
20. Tab 13 has been changed to include the latest wage data available.
21. Tab 14 – The only change to the schedules is updated land value information in Schedule B. The timing and amount of investment in proposed improvements remains unchanged from application number 1076.
22. Tab 16 has been updated to include the land description of Tract 3 which is identical to the land description in Tab 9.

If you have questions, would you please contact me?

Sincerely,

A handwritten signature in cursive script that reads "D. Dale Cummings".

D. Dale Cummings

**Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage
III, LLC and Cheniere Land Holdings, LLC**

Chapter 313 Application to Gregory-Portland ISD (Train 5)

Cummings Westlake, LLC

TAB 1

Pages 1 through 9 of application.

*TAB TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED
PROPERTY BY CORPUS CHRISTI LIQUEFACTION, LLC, CORPUS CHRISTI
LIQUEFACTION STAGE III, LLC, AND CHENIERE LAND HOLDINGS, LLC TO GREGORY-
PORTLAND ISD*



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

March 6, 2017

Date Application Received by District

Dr. Paul

Clore

First Name

Last Name

Superintendent

Title

Gregory-Portland ISD

School District Name

608 College Street

Street Address

608 College Street

Mailing Address

Portland

TX

78374

City

State

ZIP

361-777-1091

361-777-1093

Phone Number

Fax Number

pclore@g-pisd.org

Mobile Number (optional)

Email Address

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



Yes



No

The Economic Development and Analysis Division at the Texas Comptroller of Public Accounts provides information and resources for taxpayers and local taxing entities.

For more information, visit our website:
www.TexasAhead.org/tax_programs/chapter313/

50-296-A • 05-14/2

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

Daniel T. Casey
 First Name Last Name
 Partner
 Title
 Moak, Casey & Associates, LLP
 Firm Name
 512-485-7878 512-485-7888
 Phone Number Fax Number
 dcasey@moakcasey.com
 Email Address
 Mobile Number (optional) March 7, 2017
 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)

Keith Little
 First Name Last Name
 Vice President, Business Development Cheniere Energy, Inc.
 Title Organization
 700 Milam Street, Suite 1900
 Street Address
 700 Milam Street, Suite 1900
 Mailing Address
 Houston TX 77002
 City State ZIP
 713-375-5000 713-375-6000
 Phone Number Fax Number
 keith.little@cheniere.com
 Business Email Address
 Mobile Number (optional)
 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.

Andrea Carter-Virtanen
 First Name Last Name
 Senior Counsel, Tax Cheniere Energy, Inc.
 Title Organization
 700 Milam Street, Suite 1900
 Street Address
 700 Milam Street, Suite 1900
 Mailing Address
 Houston TX 77002
 City State ZIP
 713-375-5474 713-375-6474
 Phone Number Fax Number
 andrea.carter@cheniere.com
 Business Email Address
 Mobile Number (optional)
 3. Does the applicant authorize the consultant to provide and obtain information related to this application? ☒ Yes ☐ No

SECTION 2: Applicant Information (continued)**4. Authorized Company Consultant (If Applicable)**

D. Dale

Cummings

First Name

Last Name

Founding Partner

Title

Cummings Westlake, LLC

Firm Name

713-266-4456 x1

713-266-2333

Phone Number

Fax Number

dcummings@cwlp.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? Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage III, LLC and Cheniere Land Holdings, LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32048261799, 32058406854, 32056673604
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

Gregory-Portland ISD (#296, #297, and #298) and Corpus Christi ISD (#362) - all in 2014

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) LLC
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 May 2017
 2. Commencement of construction Q1 2020
 3. Beginning of qualifying time period January 1, 2021
 4. First year of limitation 2023
 5. Begin hiring new employees 2023
 6. Commencement of commercial operations Q1 2024
 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? Q1 2024

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located San Patricio
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property San Patricio
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: <u>San Patricio, \$.491924, 100%</u> (Name, tax rate and percent of project)	City: <u>n/a</u> (Name, tax rate and percent of project)
Hospital District: <u>n/a</u> (Name, tax rate and percent of project)	Water District: <u>n/a</u> (Name, tax rate and percent of project)
Other (describe): <u>Drainage, \$.057888, 100%</u> (Name, tax rate and percent of project)	Other (describe): <u>n/a</u> (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? May 2017

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.

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 2016
(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? 25
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 887.75
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 1,825.45
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 1,142.48
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? 59,408.80
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 65,000.00
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 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>

**Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage
III, LLC and Cheniere Land Holdings, LLC**

Chapter 313 Application to Gregory-Portland ISD (Train 5)

Cummings Westlake, LLC

TAB 2

Proof of Payment of Application Fee

Gregory-Portland ISD has waived the application fee because this application is substantially similar to withdrawn application 1077. Please see attached letter.

*TAB TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED
PROPERTY BY CORPUS CHRISTI LIQUEFACTION, LLC, CORPUS CHRISTI
LIQUEFACTION STAGE III, LLC, AND CHENIERE LAND HOLDINGS, LLC TO GREGORY-
PORTLAND ISD*

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

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



Gregory-Portland Independent School District

Office of the Superintendent

Dr. Paul Clore, Superintendent of Schools

Cindy Hartley, Administrative Assistant

Office: (361) 777-1091 ext. 1018

Fax: (361) 777-1094

27 February 2017

Mr. Keith Little
Vice President, Business Development
Cheniere Energy, Inc.
700 Milam Street, Suite 1900
Houston, TX 77002

RE: Application to the Gregory-Portland Independent School District from Corpus Christi Liquefaction, LLC, et al
(First Qualifying Year 2018)

RE: Application Fee

Mr. Little,

Corpus Christi Liquefaction, LLC, et al intends to submit two applications for appraised value limitation on qualified property for Trains 4 and 5 of their project. These Applications are for the same projects that had been assigned Comptroller Application Number 1076 and 1077. Corpus Christi Liquefaction, LLC, et al officially withdrew Applications 1076 and 1076. In accordance with Board Policy CCG (Local), a nonrefundable Application Fee must be paid by an Applicant to the District to cover the District's costs incurred in the processing and consideration of an Application for Appraised Value Limitation on Qualified Property. The Standard Application Fee is Seventy-Five Thousand Dollars (\$75,000.00) per application, due and payable at the time of the submission of an Application for consideration. Comptroller Application 1076 and 1077, which were accepted by the District on June 23, 2015, were accompanied by the required application fee. Proof of payment of the Application Fees is attached.

However, no costs were incurred by the District in processing this application as the company withdrew the application. Therefore, the District considers the application fee submitted for Comptroller Application 1076 and 1077 sufficient to cover any costs associated with the Applications to be submitted by Corpus Christi Liquefaction, LLC, et al. Therefore, a second application fee has not been assessed by the District.

Sincerely,

Paul Clore, Ph.D.

Superintendent, Gregory-Portland ISD

**Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage
III, LLC and Cheniere Land Holdings, LLC**

Chapter 313 Application to Gregory-Portland ISD (Train 5)

Cummings Westlake, LLC

TAB 3

Documentation of Combined Group membership under Texas Tax Code 171.0001(7),
history of tax default, delinquencies and/or material litigation (if applicable)

Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage III, LLC, and
Cheniere Land Holdings, LLC are part of a combined group. See attached Form 05-
165.

*TAB TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED
PROPERTY BY CORPUS CHRISTI LIQUEFACTION, LLC, CORPUS CHRISTI
LIQUEFACTION STAGE III, LLC, AND CHENIERE LAND HOLDINGS, LLC TO GREGORY-
PORTLAND ISD*

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

**Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage
III, LLC and Cheniere Land Holdings, LLC**

Chapter 313 Application to Gregory-Portland ISD (Train 5)

Cummings Westlake, LLC

TAB 4

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.

Description of Project

Corpus Christi Liquefaction, LLC ("Corpus Christi Liquefaction"), Corpus Christi Liquefaction Stage III, LLC, and Cheniere Land Holdings, LLC (collectively the "Applicants"), all wholly owned subsidiaries of Cheniere Energy Inc. ("Cheniere"), are evaluating the development of a liquefied natural gas ("LNG") liquefaction and storage facility (the "Considered Project") within the 888.289-acre reinvestment zone in San Patricio County, Texas. Corpus Christi Liquefaction is currently constructing an LNG liquefaction, storage and marine terminal facility, including three LNG liquefaction trains, which are covered by Chapter 313 Agreement Nos. 296, 297 and 298 (the "Covered Project") (A "train" is an integrated collection of manufacturing equipment that is designed to operate independently as a unit.) This Considered Project, which will include a single LNG liquefaction train ("Train 5"), will operate largely independent from the Covered Project.

The Considered Project described herein is identical to the project described in Application 1077, which received a certificate of limitation from the Comptroller on January 13, 2016 (please see tab 5 for an explanation of the circumstances leading to the withdrawal of Application 1077 and resubmission of this application). The estimated capital investment cost of the Considered Project, as reflected in this application, is approximately \$1.92 billion. In addition to the Chapter 313 economic development incentives being sought with this application through Gregory-Portland ISD and the State of Texas, the Applicants intend to seek economic development incentives from San Patricio County and several other local jurisdictions. Each individual train of a LNG liquefaction facility has to stand on its own in terms of technical viability, regulatory approvals, long-term customer commitments for the LNG produced, and project financing. Construction could start as early as 2017 with commencement of commercial operations as early as 2021 if, and **only** if, the following conditions are met for the Considered Project: the technical viability of the project is confirmed, all necessary regulatory approvals are obtained, adequate customer commitments are secured, supportive economic development incentives are provided, sufficient project financing is arranged, and

*TAB TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED
PROPERTY BY CORPUS CHRISTI LIQUEFACTION, LLC, CORPUS CHRISTI
LIQUEFACTION STAGE III, LLC, AND CHENIERE LAND HOLDINGS, LLC TO GREGORY-
PORTLAND ISD*

**Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage
III, LLC and Cheniere Land Holdings, LLC**

Chapter 313 Application to Gregory-Portland ISD (Train 5)

Cummings Westlake, LLC

corporate board approval is received.

The Considered Project would include LNG liquefaction facilities and supporting infrastructure, as described further below. "Train 5" is principally a LNG liquefaction train.

LNG Liquefaction Facility

Subject to final technology and equipment selection, which has not been finalized as of the date of this application, the LNG liquefaction facility constitutes one ConocoPhillips Optimized CascadeSM LNG liquefaction train, capable of processing up to approximately 700 million cubic feet per day of natural gas and with average liquefaction capacity of approximately 4.5 million tonnes per annum. This train includes, but is not limited to, the following:

- Six GE LM2500 aeroderivative natural gas turbines driving multiple compressors in order to cool the methane, ethylene and propane refrigerants;
- Two "cold boxes", hundreds of induced draft air coolers and various other heat exchangers that enable the refrigerants to cool the natural gas feedstock to -270 degrees Fahrenheit in order to produce LNG;
- Facilities which remove water, mercury, carbon dioxide (CO₂), hydrogen sulfide (H₂S), other sulfur compounds and heavy hydrocarbons from the natural gas feedstock; and
- Waste heat recovery systems for energy efficiency;
- The liquefaction facility will be built on numerous foundation pilings to support the equipment and will include electrical cables and interconnections to control equipment required to operate the liquefaction facility such as pumps, motors, vessels, intra-plant piping, and valves in addition to the above described compressors, cold boxes, natural gas inlet treating, and waste heat recovery systems.

*TAB TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED
PROPERTY BY CORPUS CHRISTI LIQUEFACTION, LLC, CORPUS CHRISTI
LIQUEFACTION STAGE III, LLC, AND CHENIERE LAND HOLDINGS, LLC TO GREGORY-
PORTLAND ISD*

**Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage
III, LLC and Cheniere Land Holdings, LLC**

Chapter 313 Application to Gregory-Portland ISD (Train 5)

Cummings Westlake, LLC

Supporting Infrastructure

The supporting infrastructure includes, but is not limited to, the following:

- Intra-plant electrical, utility, and piping systems
- Firewater system
- Fire and gas detection system
- LNG spill containment facilities

Feedstock sources, proposed output capacity and final products, and interconnections with adjacent facilities are listed below.

Feedstock Sources

- Train 5 will use natural gas delivered by pipeline as feedstock and fuel. This feedstock is available from multiple sources and will require sources of natural gas from states other than Texas.

Proposed Output Capacity and Final Products

- Train 5 will have a design output capacity of approximately 4.5 million tonnes per annum of LNG.

Interconnections with Adjacent Facilities

- Like the other equipment described herein, the interconnection equipment discussed in this section is identical to that described in Application 1077. Applicants and the Comptroller had detailed discussions about the interconnection equipment in connection with the Comptroller's review and approval of Application 1077.
- An LNG transfer line or lines will interconnect the Considered Project with the Covered Project.
- The Considered Project intends to rely on the Covered Project's control room utilizing cable interconnections.
- The Considered Project will export LNG produced via the Covered Project's marine terminal.

*TAB TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED
PROPERTY BY CORPUS CHRISTI LIQUEFACTION, LLC, CORPUS CHRISTI
LIQUEFACTION STAGE III, LLC, AND CHENIERE LAND HOLDINGS, LLC TO GREGORY-
PORTLAND ISD*

**Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage
III, LLC and Cheniere Land Holdings, LLC**

Chapter 313 Application to Gregory-Portland ISD (Train 5)

Cummings Westlake, LLC

- Otherwise, due largely to the spatial separation of the Covered and Considered Projects, the preliminary design calls for no other significant interconnections and for the Considered Project to rely solely on its own supporting infrastructure.

*TAB TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED
PROPERTY BY CORPUS CHRISTI LIQUEFACTION, LLC, CORPUS CHRISTI
LIQUEFACTION STAGE III, LLC, AND CHENIERE LAND HOLDINGS, LLC TO GREGORY-
PORTLAND ISD*

**Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage
III, LLC and Cheniere Land Holdings, LLC**

Chapter 313 Application to Gregory-Portland ISD (Train 5)

Cummings Westlake, LLC

TAB 5

Documentation to assist in determining if limitation is a determining factor.

The Applicants' parent company, Cheniere Energy, is a leader in the global LNG industry, with LNG production facilities (a) operating as well as under construction in Sabine Pass, Louisiana, and (b) under construction near Corpus Christi, Texas. The Corpus Christi facility for which construction has recently begun is covered by Chapter 313 Agreement Nos. 296, 297 and 298 (the "Covered Project"). Cheniere is evaluating the construction of additional production capacity in both Sabine Pass and Corpus Christi (the additional Corpus Christi capacity is referred to hereafter as the "Considered Project"). The company is also pursuing new LNG investment opportunities elsewhere in the USA, the Americas, Europe and Asia. The Applicants require this appraised value limitation in order to move forward with the development of the Considered Project in Corpus Christi. Without this appraised value limitation, the impact of comparatively high Texas property taxes on the cost of the project does not allow the Considered Project to compete for global LNG customers against similar projects operated by competitors of Cheniere in Texas, Louisiana and around the world. Without this appraised value limitation Cheniere would have to strongly consider making this investment at Sabine Pass or another site outside of Texas rather than Corpus Christi.

The Considered Project is still in an evaluation stage; only very preliminary development activities have begun. On June 1, 2015, Cheniere initiated the regulatory process by filing the National Environmental Policy Act pre-filing request with the Federal Energy Regulatory Commission ("FERC"), and the free trade agreement ("FTA") and non-FTA approval requests with the Department of Energy ("DOE"). Because obtaining FERC and DOE approval is a mandatory first step, Cheniere initiated the lengthy process as soon as it identified the potential location for the Considered Project. The FERC regulatory decision has not been made, and no final decision to begin construction of the Considered Project could be made prior to the issuance of this regulatory decision. It is expected that the FERC regulatory decision will not be made until 2017, so no final decision to begin construction of the Considered Project could be made before that date. The DOE has granted Cheniere's request to export LNG to free trade countries, which is pro forma, but not to non-free trade countries. Approval to export to non-free trade countries will only be granted after the FERC permit is issued and DOE does its own analysis of the project. No final decision to begin construction of the Considered Project could be made without DOE's approval to export to non-free trade countries. Applicants have received the TCEQ air permit for the project. Cheniere has no sales contracts for the additional capacity

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PROPERTY BY CORPUS CHRISTI LIQUEFACTION, LLC, CORPUS CHRISTI
LIQUEFACTION STAGE III, LLC, AND CHENIERE LAND HOLDINGS, LLC TO GREGORY-
PORTLAND ISD*

**Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage
III, LLC and Cheniere Land Holdings, LLC**

Chapter 313 Application to Gregory-Portland ISD (Train 5)

Cummings Westlake, LLC

and does not intend to start marketing that capacity until the technical and commercial viability of the Considered Project is much more fully established. No engineering, procurement or construction contracts have been negotiated or signed to support the Considered Project. No public announcements of a definitive intent to construct the Considered Project have been made – any statements have indicated only that Cheniere is considering the additional investment. The only definitive step described in Cheniere's June 10, 2015 press release announcing its consideration of the Considered Project is that Cheniere has made the regulatory filings discussed above – the release contains a description of the Considered Project "if completed." The press release provides that construction of the Considered Project is "subject to receiving all required regulatory approvals and reaching a FID [final investment decision]." Copies of the June 10, 2015 press release and other relevant news articles, website materials, and public filings regarding Cheniere's consideration of the Considered Project are attached. Agreements pertaining to preliminary design and engineering work and the development of other technical studies and estimates have been entered into; this work is necessary for purposes of determining whether the Considered Project is technically viable and can be cost-competitive in the global marketplace.

Because of the appraised value limitation provided by the Gregory-Portland ISD and the State of Texas for the Covered Project, the applicant has been able to execute 20-year sales and purchase agreements with seven non-affiliated customers at a capacity price of around \$3.50 per million BTUs. These sale commitments represent fixed fees of around \$1.5 billion per year, which enabled the project financing of these facilities. Most of the other existing and planned LNG production facilities in this country, of which there are more than a dozen, are believed to be able to offer their production capacity at a price of around \$3.00-\$3.50 per million BTUs. Without the appraised value limitation, the Applicants' cost structure for the Considered Project would increase by the equivalent of \$.10-\$.15 per million BTUs. As a result, the Applicants likely would be unable to attract long-term customers for the Considered Project. Without those customer commitments, the Applicants would be unable to attract the project financing necessary to fund a multibillion dollar investment and therefore would be unable to reach FID.

Although Applicants withdrew application 1077 and are filing this new application, the Applicants consider the granting of an appraised value limitation to be a major determining factor in reaching FID. As shown in the attached articles, press releases, website materials, and public filings referencing Cheniere's consideration of the Considered Project, achieving all regulatory approvals and reaching FID has not been accomplished and is not certain. In the Comptroller's review of withdrawn

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Application 1077 covering the Considered Project, the Comptroller reviewed Cheniere's June 10, 2015 press release announcing Cheniere's consideration of the Considered Project (referenced above), as well as substantially the same disclosures made in this Tab 5, prior to concluding that the appraised value limitation was a determining factor for the Considered Project and issuing a certificate of limitation for the Considered Project on January 13, 2016 (which expired January 13, 2017). Other than acquiring a portion of the land on which the Considered Project would be located (see tab 9), the value of which is a nominal fraction (<1%) of the value of the Considered Project, Cheniere has not made any material commitments or taken any binding steps with respect to the Considered Project since the Comptroller issued its certificate of limitation in Application 1077, and as shown in the attached materials, all of Cheniere's public statements about the Considered Project since the certificate of limitation was issued in Application 1077 are substantially similar to prior statements previously considered by the Comptroller. Accordingly, nothing has transpired that should change the Comptroller's determination that the value limitation is a determining factor in the location of the Considered Project in Texas.

While the Considered Project would be located adjacent to the Covered Project, the Considered Project will operate largely independent from the Covered Project. There will be some sharing of facilities - the Considered Project intends to rely on the Covered Project's control room using cable interconnections, an LNG transfer line or lines will interconnect the two projects, and the projects will export LNG production using the same marine terminal (to be constructed by the Covered Project). However, each project will have its own utilities, buildings, and other supporting infrastructure. Operation of the Covered Project will not be dependent on, rely on, or be enhanced by construction of the Considered Project - it would not be detrimental to the Covered Project if the Considered Project were located elsewhere.

Like the other equipment described herein, the interconnections and shared equipment discussed in this paragraph are identical to those described in Application 1077. Cheniere and the Comptroller had detailed discussions about these interconnections in connection with the Comptroller's review and approval of Application 1077, and there are no changes to the planned interconnections that could lead to a different determining factor analysis here.

Finally, because construction of the Covered Project will continue for several years, the Considered Project should not be viewed as an expansion of Cheniere's current operations in the area - Cheniere has no current operations in the area, and will not until the construction of the Covered Project is complete.

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The original certificate of limitation expired, thus necessitating a reapplication, for two reasons. First, Cheniere undertook discussions with the Comptroller's office over a period of several months regarding revisions to the Comptroller's form agreement language and an FAQ question/answer, all of which were needed to address certain project-specific issues. Second, after these agreement issues were resolved, an affiliate of the original applicant reached an agreement to acquire an interest in additional land. This, along with the need to provide Cheniere with flexibility to internally restructure its land holdings, necessitated the addition of affiliates of the original applicant to the application and the creation of a new reinvestment zone for the project. Cheniere and the District agreed that it was preferable to use a new application to address these issues rather than rush the execution of an agreement which would then need to be immediately amended.

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Cheniere Announces New LNG Project Developments

- Projects have potential to add up to 19 mtpa in new liquefaction capacity by 2025
- **Cheniere developing two additional liquefaction trains at Corpus Christi, 9 mtpa**

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**- Cheniere agrees in principle to invest in 2 mid-scale LNG projects
in Louisiana with Parallax Enterprises, LLC, 10 mtpa**

HOUSTON, **June 10, 2015** /PRNewswire/ -- Cheniere Energy, Inc. ("Cheniere") (NYSE MKT: LNG) today announced two significant liquefied natural gas ("LNG") project developments that, if completed, are projected to add up to approximately 19 million tonnes per annum ("mtpa") of incremental LNG production capacity and would bring Cheniere's aggregate nominal LNG production capacity to approximately 60 mtpa by 2025.

Cheniere is developing approximately 9 mtpa of incremental LNG production capacity through the addition of two liquefaction trains adjacent to the existing site of the Corpus Christi liquefaction project (the "CCL Project"). Expected nominal LNG production capacity of each of these liquefaction trains is approximately 4.5 mtpa, which would increase the expected aggregate nominal LNG production capacity at the CCL Project to approximately 22.5 mtpa. Cheniere initiated the regulatory process in June 2015 by filing the National Environmental Policy Act pre-filing request with the FERC and the FTA and non-FTA approval requests with the DOE. Regulatory approvals would be expected in 2017.

In addition, Cheniere has agreed in principle to partner with Parallax Enterprises, LLC ("Parallax"), to develop up to 10 mtpa of LNG production capacity through Parallax's two mid-scale projects, Live Oak LNG ("Live Oak") and Louisiana LNG ("LLNG"). Live Oak is located on the Calcasieu Ship Channel in southwestern Louisiana, and LLNG is located on the Mississippi River approximately 40 miles from New Orleans. Both projects are expected to have two liquefaction trains designed for LNG production capacity of approximately 2.5 mtpa each, utilizing liquefaction process technology and modular equipment developed by Chart Industries, Inc. The facilities are being engineered by Bechtel Oil, Gas, & Chemicals, Inc.

"Our latest LNG development projects include two additional liquefaction trains adjacent to our Corpus Christi liquefaction site and four mid-scale liquefaction trains to be developed at two sites located in Louisiana. This next phase of growth would bring our expected aggregate nominal LNG production capacity to approximately 60 mtpa by 2025," said Charif Souki, Cheniere's Chairman and CEO. "We expect that these liquefaction trains could be funded from internally generated cash flows, which would allow us to continue to be one of the lowest cost suppliers of LNG in the market and give us more flexibility in terms of contracting and selling volumes on a more tailored basis to meet the individual needs of global LNG buyers."

Mr. Souki continued, "We continue to market long-term contracts for Train 3 at Corpus Christi and Train 6 at Sabine Pass, and plan to finalize the sale of approximately 3 mtpa of capacity under 20-year agreements before we make a positive final investment decision ("FID") on each train, reaching a total of approximately 32 mtpa of LNG under long-term third-party contracts out of a total of 40.5 mtpa by 2020. We think we can continue to grow this platform at 10 percent per year until 2025, and reach approximately 60 mtpa of expected total nominal LNG production capacity with our new projects while remaining a low cost global LNG supplier."

Cheniere anticipates both project developments could be under construction as early as 2017, subject to receiving all required regulatory approvals and reaching FID. The projects would be targeted to begin production as early as 2021, with all approximately 19 mtpa targeted to be in production by 2025.

About Cheniere Energy, Inc.

Cheniere Energy, Inc. is a Houston-based energy company primarily engaged in LNG-related businesses. Through its subsidiary, Cheniere Energy Partners, L.P., Cheniere is developing a liquefaction project at the Sabine Pass LNG terminal (the "SPL Project") adjacent to the existing regasification facilities for up to six trains, each of which is expected to have a nominal production capacity of approximately 4.5 mtpa. Construction has begun on trains 1 through 4 at the SPL Project. Cheniere is also developing liquefaction facilities near Corpus Christi, Texas. The CCL Project is being designed for up to five trains, with expected aggregate nominal production capacity of approximately 22.5 mtpa of LNG, four LNG storage tanks with capacity of approximately 13.5 Bcfe and two LNG carrier docks. Cheniere believes that LNG exports from the CCL Project could commence as early as 2018. Construction has begun on the first two trains at the CCL Project. Cheniere has agreed in principle to partner with Parallax Enterprises, LLC for the development of up to 10 mtpa of LNG production capacity through Parallax's two mid-scale projects, Live Oak LNG and Louisiana LNG.

This press release contains certain statements that may include "forward-looking statements" within the meanings of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, included herein are "forward-looking statements." Included among "forward-looking statements" are, among other things, (i) statements regarding Cheniere's business strategy, plans and objectives, including the development, construction and operation of the liquefaction facilities, (ii) statements regarding expectations regarding regulatory authorization and

approvals, (iii) statements expressing beliefs and expectations regarding the development of Cheniere's LNG terminal and pipeline businesses, including liquefaction facilities, (iv) statements regarding the business operations and prospects of third parties, (v) statements regarding potential financing arrangements, and (vi) statements regarding future discussions and entry into contracts. Although Cheniere believes that the expectations reflected in these forward-looking statements are reasonable, they do involve assumptions, risks and uncertainties, and these expectations may prove to be incorrect. Cheniere's actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including those discussed in Cheniere's periodic reports that are filed with and available from the Securities and Exchange Commission. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Other than as required under the securities laws, Cheniere does not assume a duty to update these forward-looking statements.

Logo -

<http://photos.prnewswire.com/prnh/20090611/AQ31545LOGO>

To view the original version on PR Newswire,
visit:<http://www.prnewswire.com/news-releases/cheniere-announces-new-lng-project-developments-300097420.html>

SOURCE Cheniere Energy, Inc.

Investors: Randy Bhatia: 713-375-5479; or Media: Faith Parker:
713-375-5663



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Liquefaction Facilities: Trains 4-5

In June 2015, Cheniere Energy Inc. announced plans to add two additional trains with approximately 9 million metric tons per annum (mtpa) of incremental nominal LNG production capacity at the existing site of the Corpus Christi liquefaction project (the "CCL Project"). The Stage 3 expansion project would increase the expected aggregate nominal LNG production capacity at the CCL Project to approximately 22.5 mtpa over a total of five trains,

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CORPUS CHRISTI LNG

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Liquefaction
Facilities: Trains 4-5
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FERC Process

each with a nominal production capacity of approximately 4.5 mtpa. Cheniere expects to add a 22-mile-long, 42-inch-diameter pipeline, which would run parallel to the pipeline currently under construction under the scope of the Stage 1 of the CCL Project.

Cheniere initiated the regulatory process for Stage 3 in June 2015 by filing the National Environmental Policy Act pre-filing request with the Federal Energy Regulatory Commission (FERC) and the FTA and non-FTA approval requests with the DOE. Regulatory approvals would be expected in 2017. The targeted CCL Project in-service date for stage three is for the 1st Quarter of 2021.



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SABINE PASS LNG TERMINAL

FERC Process

Federal Energy Regulatory Commission

The Federal Energy Regulatory Commission (FERC) has the exclusive authority to approve or deny an application for the siting, construction, expansion, or operation of an LNG terminal and interstate natural gas pipeline per the Natural Gas Act. The FERC is the lead federal agency that will determine whether Corpus Christi Liquefaction, LLC (CCL) and Cheniere Corpus

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Christi Pipeline, LP (CCPL) will be issued an Order Granting Authority under Sections 3 and 7(c), respectively, of the Natural Gas Act for the construction and operation of the Stage 3 Project. The FERC will also monitor all construction and restoration activities to ensure that CCL and CCPL comply with all federal, state, and local permits, plans, and regulations.

The Approval Process

On June 1, 2015, CCL and CCPL requested FERC's permission to engage in the Pre-Filing Environmental Review Process (Reference Docket No. PF15-26-000). The pre-filing process provides opportunities for federal and state cooperating agencies (TCEQ, USACE, USFWS, etc.), and other public stakeholders to comment on the project impacts prior to an application to the FERC being submitted. Permission was granted to begin the pre-filing process on June 9, 2015.

CCL and CCPL are preparing draft Resource Reports for submittal to the FERC staff to aid their preparation of an Environmental Assessment (EA) or Environmental Impact Statement (EIS) to fulfill the requirements of the National Environmental Policy Act (NEPA). The purpose of the EA/EIS is to inform the public and the permitting agencies about the potential adverse and/or beneficial environmental and safety impacts of proposed projects and their alternatives.

The Resource Reports are divided into the following subjects:

1. General project description
2. Water use and quality
3. Fish, wildlife, and vegetation
4. Cultural resources
5. Socioeconomics
6. Geological resources
7. Soils
8. Land use, recreation, and aesthetics
9. Air and noise quality
10. Alternatives
11. Reliability and safety
12. PCB contamination (not required for this project)
13. Engineering and design material

The stakeholders were given the opportunity to comment on the resource reports through public meetings and postings.

Comments were identified and addressed prior to the final environmental documents and approvals being issued. The schematic illustrates the steps involved, and the points where the public will be given the opportunity to comment on the pre-filing process.

Upon FERC approval of the project, CCL and CCPL will receive:

1. A Commission Order stating its decision on whether to approve construction and operation of the LNG terminal and associated pipeline facilities; and
2. Conditions that must be met prior to construction.

CCL and CCPL will also be applying for the following environmental permits and clearances as applicable:

1. Section 401 water quality certificate from the Texas Commission on Environmental Quality;
2. Section 404 permit from the US Army Corps of Engineers for work in wetlands;
3. Coastal Zone Management consistency determination from the Texas Coastal Coordination Council;
4. Federal Endangered Species consultation with the US Fish and Wildlife Service;
5. State Endangered Species consultation with the Texas Parks and Wildlife Department;
6. Air Emissions Permit (Title V & PSD) from the Texas Commission on Environmental Quality;
7. Section 106 National Historic Preservation Act Clearance from the Texas Historical Commission;
8. Authorization to export from the Department of Energy.

Design and Construction Monitoring

After CCL and CCPL receive FERC approval for the Stage 3 Project and have met all pre-construction conditions required by the FERC Order, FERC will authorize the commencement of construction.

Prior to commencement of service from the LNG facility, CCL must receive written approval from FERC. Only after complying with all pre-operation conditions listed in the FERC Order would a company receive authorization to begin operation.

FERC Citizen's Guide

An Interstate Natural Gas Facility on My Land? The FERC wants you to know:

How FERC's procedures work;

What rights citizens have;

How the location of a pipeline or other facilities is decided; and

What safety and environmental issues might be involved?

Please read the FERC's Citizen Guide where you will find all this information and more to help you know what you need to know.

You may also find other useful information concerning natural gas pipelines on the FERC's webpage at: <http://www.ferc.gov/>



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Documentation

Federal Energy Regulatory Commission (FERC) Documents

July 9, 2015 - Draft Resource Reports 1 (General Project Description) and 10 (Alternatives) (Docket No. PF15-26-000)

July 1, 2015 – Open House Meeting – Presentation Posters for the Stage 3 Project (Docket No. PF15-26-000)

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June 9, 2015 – Letter from FERC granting permission to initiate the NEPA pre-filing process (Docket No. PF15-26-000)

June 1, 2015 – Letter to FERC requesting to initiate the NEPA pre-filing process for the Stage 3 Project (Docket No. PF15-26-000)

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Liquefaction
Facilities: Trains 1-3

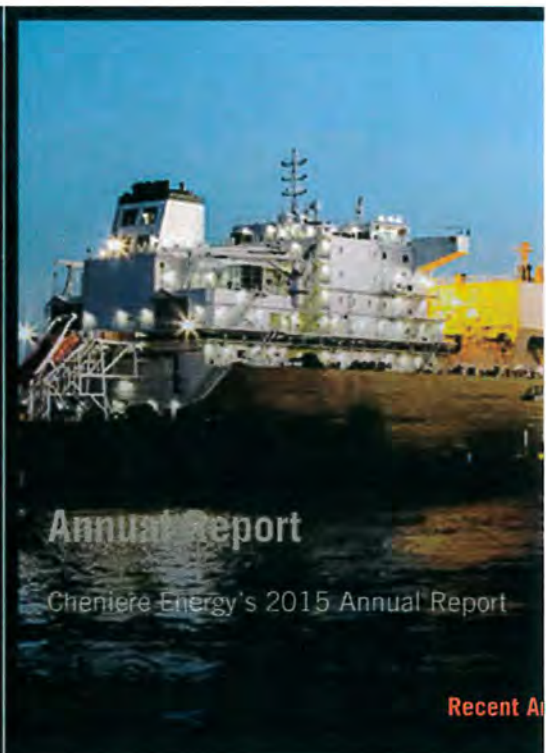
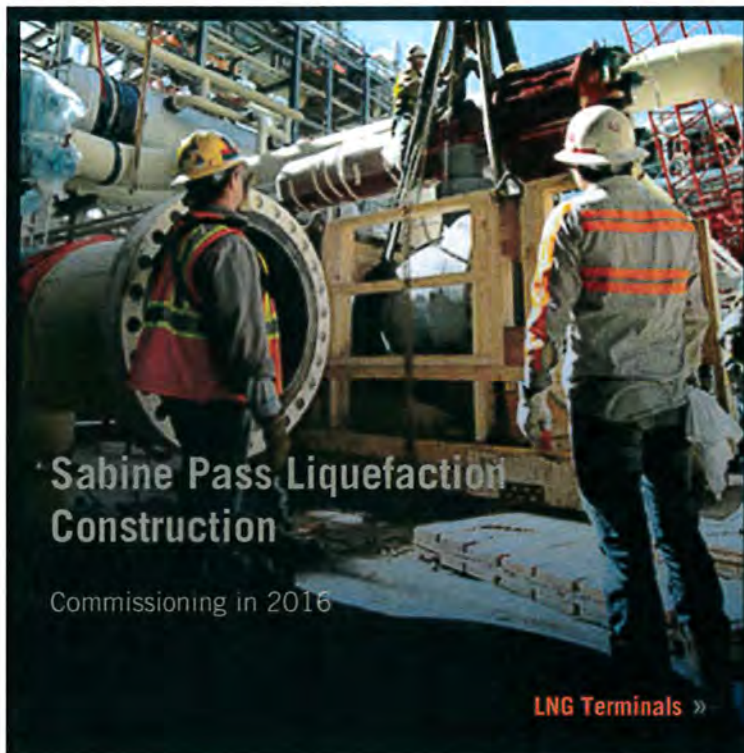
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DOE Documents

August 27, 2015 - Order granting long-term, multi-contract authorization to export liquefied natural gas from the Corpus Christi LNG terminal to Free Trade Agreement nations (Ref: Docket No. 15-97-LNG)

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Cheniere Energy, Inc. Reports Third Quarter 2016 Results

HOUSTON, Nov. 3, 2016 /PRNewswire/ -- Cheniere Energy, Inc. ("Cheniere") (NYSE MK LNG) reported a net loss¹ of \$100.4 million, or \$0.44 per share (basic and diluted), for the three months ended September 30, 2016, compared to a net loss of \$297.8 million or \$1.31 per share (basic and diluted), for the comparable 2015 period. Net Loss, As Adjusted² was \$94.2 million, or \$0.41 per share (basic and diluted), for the three months ended September 30, 2016.

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ended September 30, 2016, compared to a Net Loss, As Adjusted of \$164.6 million, or \$0.72 per share (basic and diluted), for the comparable 2015 period.

For the nine months ended September 30, 2016, Cheniere reported a net loss of \$719.0 million, or \$3.15 per share (basic and diluted), compared to a net loss of \$684.0 million, or \$3.02 per share (basic and diluted), for the comparable 2015 period. For the nine months ended September 30, 2016, Net Loss, As Adjusted was \$369.1 million, or \$1.00 per share (basic and diluted), compared to a Net Loss, As Adjusted of \$498.5 million, or \$2.20 per share (basic and diluted), for the comparable 2015 period.

For the three and nine months ended September 30, 2016, Net Loss, As Adjusted excludes the impact of changes in the fair value of our interest rate, commodity and FX derivatives, loss on early extinguishment of debt, restructuring expense, amortization of the beneficial conversion feature related to certain Class B units of Cheniere Energy Partners, L.P. ("Cheniere Partners") (NYSE MKT: CQP) and impairment expense. Loss on early extinguishment of debt was associated with the write-off of debt issuance costs by Sabine Pass Liquefaction, LLC ("SPL") and Cheniere Corpus Christi Holdings, LLC ("CCH") in connection with the refinancing of a portion of their credit facilities and by Cheniere Creole Trail Pipeline, L.P. as a result of the prepayment of its outstanding term loan. For the three and nine months ended September 30, 2015, Net Loss, As Adjusted excludes the impact of changes in the fair value of interest rate, commodity and FX derivatives, loss on early extinguishment of debt related to the write-off of debt issuance costs by SPL primarily in connection with the refinancing of a portion of its credit facilities in March 2015, amortization of the beneficial conversion feature and impairment expense.

"The third quarter of 2016 was significant for Cheniere on multiple fronts. Our transition to operations continues, highlighted in the third quarter by the substantial completion of Train 2 at Sabine Pass and the generation of approximately \$67 million in Adjusted EBITDA². Commissioning activities commenced on Train 3, and our remaining Trains under construction continue on time and on budget," said Jack Fusco, Cheniere's President and CEO. "In addition, we continued to manage our debt maturity profile by successfully issuing bonds to prepay outstanding borrowings under credit facilities for the Sabine Pass liquefaction project, with the issuing entity having earned its first investment-grade credit rating during the quarter."

Third Quarter 2016 Highlights

- In September 2016, Cheniere Partners announced that Train 2 of the Sabine Pass Liquefaction Project (defined below) achieved substantial completion.
- In September 2016, commissioning activities commenced on Train 3 of the Sabine Pass Liquefaction Project.
- In September 2016, Cheniere announced the formation of a new executive leadership team.
- In September 2016, SPL issued an aggregate principal amount of \$1.5 billion of 5.00% Senior Secured Notes due 2027. Net proceeds from the offering were used to prepay all of the principal amounts outstanding under SPL's credit facilities and are being used to pay a portion of the capital costs in connection with the construction of the Sabine Pass Liquefaction Project.
- In September 2016, Cheniere submitted a proposal to the board of directors of Cheniere Energy Partners LP Holdings, LLC ("Cheniere Partners Holdings") (NYSE MKT: CQH) to acquire the publicly held shares of Cheniere Partners Holdings not already owned by Cheniere in a stock for stock exchange.

Third Quarter and Year to Date 2016 Results

Our financial results are reported on a consolidated basis. Our ownership interest in Cheniere Partners consists of 100% ownership of the general partner of Cheniere Partners and 80.1% ownership interest in Cheniere Partners Holdings which owns a 55.9% limited partner interest in Cheniere Partners.

Adjusted EBITDA for the three and nine months ended September 30, 2016 was \$67.3 million and \$19.4 million, respectively, compared to losses of \$51.5 million and \$138.1 million, respectively, for the comparable 2015 periods. During the three months ended September 30, 2016, Train 2 of the Sabine Pass Liquefaction Project achieved substantial completion. Prior to substantial completion, amounts received from the sale of commissioning cargoes were offset against LNG terminal construction-in-process because these amounts were earned during the testing phase for the construction of Trains 1 and 2 of the Sabine Pass Liquefaction Project. We expect sales of LNG cargoes from future liquefaction trains ("Trains") to be reported in the same manner. During the three months ended September 30, 2016, a total of 18 cargoes were loaded and exported from the Sabine Pass Liquefaction Project, 3 of which were Train 2 commissioning cargoes.

Total operating costs and expenses increased \$332.3 million and \$452.7 million during the three and nine months ended September 30, 2016 compared to the three and nine months ended September 30, 2015, respectively, generally as a result of the commencement of operations of Train 1 and Train 2 of the Sabine Pass Liquefaction Project in May and September 2016, respectively. Depreciation and amortization expense increased during the three and nine months ended September 30, 2016 as we began depreciation of our assets related to Train 1 and Train 2 of the Sabine Pass Liquefaction Project upon reaching substantial completion. Selling, general and administrative expense during the three and nine months ended September 30, 2016 decreased from the comparable 2015 periods, which was primarily due to the timing of share-based compensation recognition and the recognition of certain employee-related costs within restructuring expense during the three and nine months ended September 30, 2016 historically reported in selling, general and administrative expense, a reduction in certain professional services fees, and reallocation of costs from selling, general and administrative activities to operating and maintenance activities following commencement of operations at the Sabine Pass Liquefaction Project.

As a result of restructuring efforts initiated in 2015, we recorded \$26.2 million and \$49.2 million of restructuring charges and other costs associated with restructuring and operational efficiency initiatives during the three and nine months ended September 30, 2016, respectively, for which the majority of these charges required, or will require, cash expenditure. Included in these amounts are \$20.9 million and \$42.9 million for share-based compensation. All charges were recorded within restructuring expense on our Consolidated Statements of Operations and substantially all related to severance and other employee-related costs.

Included in selling, general and administrative expense were share-based compensation expenses of \$7.5 million and \$31.2 million for the three and nine months ended September 30, 2016, respectively, compared to \$27.1 million and \$85.2 million for the comparable 2015 periods, respectively.

Liquefaction Projects Update

Sabine Pass Liquefaction Project

Through Cheniere Partners, we are developing up to six Trains, each with an expected nominal production capacity of approximately 4.5 million tonnes per annum ("mtpa") of

LNG, at the Sabine Pass LNG terminal adjacent to the existing regasification facilities (the "Sabine Pass Liquefaction Project").

The Trains are in various stages of operation, construction, and development.

- Construction on Trains 1 and 2 began in August 2012 and substantial completion was achieved in May 2016 and September 2016, respectively. Substantial completion is achieved upon the completion of construction, commissioning and the satisfaction of certain tests.
- Construction on Trains 3 and 4 began in May 2013, and as of September 30, 2016, the overall project completion percentage for Trains 3 and 4 was approximately 91.8%, which is ahead of the contractual schedule. In September 2016, commissioning activities commenced on Train 3. Based on the current construction schedule, Cheniere Partners expects Trains 3 and 4 to reach substantial completion in 2017.
- Construction on Train 5 began in June 2015, and as of September 30, 2016, the overall project completion percentage for Train 5 was approximately 42.8%, which is ahead of the contractual schedule. Engineering, procurement, subcontract work and construction were approximately 90.8%, 62.0%, 41.9% and 4.6% complete respectively. Based on the current construction schedule, Cheniere Partners expects Train 5 to reach substantial completion in 2019.
- Train 6 is currently under development, with all necessary regulatory approvals in place. Cheniere Partners expects to make a final investment decision and commence construction on Train 6 upon, among other things, entering into an engineering, procurement, and construction contract, entering into acceptable commercial arrangements, and obtaining adequate financing.

Liquefaction Train	Sabine Pass Liquefaction Project			
	Train 1	Train 2	Trains 3-4	Train 5
Project Status	Operational	Operational	92% Overall Completion	43% Overall Completion
Expected Substantial Completion	-	-	2017	2019

Corpus Christi LNG Terminal

We are developing up to three Trains, each with an expected nominal production capacity of approximately 4.5 mtpa of LNG, near Corpus Christi, Texas (the "CCL Project").

The Trains are in various stages of construction and development:

- Construction on Trains 1 and 2 began in May 2015, and as of September 30, 2016, the overall project completion percentage for Trains 1 and 2 was approximately 43.0%, which is ahead of the contractual schedule. Engineering, procurement and construction were approximately 99.3%, 59.0% and 14.4% complete, respectively. Based on the current construction schedule, we expect Trains 1 and 2 to reach substantial completion in 2019.

- Train 3 is under development, with all necessary regulatory approvals in place. We have entered into an LNG Sale and Purchase Agreement ("SPA") for approximately 0.8 mtpa of LNG volumes that commence with Train 3 and expect to commence construction upon entering into additional SPAs and obtaining adequate financing.

Additionally, we are developing Trains 4 and 5 adjacent to the CCL Project and have initiated the regulatory approval process with respect to those Trains.

Liquefaction Train	Corpus Christi LNG Terminal
	Trains 1-2
Project Status	43% Overall Completion
Expected Substantial Completion	2019

Recent Developments

- In October 2016, the previously announced planned outage to improve performance of the flare systems at the Sabine Pass Liquefaction Project, as well as to perform scheduled maintenance to Train 1 and other facilities, was completed on schedule and budget.
- Cheniere is exploring the development of a midscale liquefaction project (the "Midscale Liquefaction Project"). The Midscale Liquefaction Project would be developed using electric drive modular Trains, with an expected aggregate nominal production capacity of approximately 9.5 mtpa of LNG. Cheniere has completed a competitive bidding process and awarded a front-end engineering and design contract to a consortium consisting of KBR, Inc., Siemens AG, and Chart Industries, Inc.
- Cheniere has proposed the development of the Midcontinent Supply Header Interstate Pipeline ("MIDSHIP"), connecting new gas production in the Anadarko Basin to Gulf Coast markets. MIDSHIP is being contemplated for up to 1.4 Bcf/d capacity and would facilitate gas supply for both the Sabine Pass Liquefaction Project and the CCL Project. Cheniere expects the regulatory pre-filing process to commence imminently and to file formal applications for the required regulatory permits in 2017, with construction expected to commence in 2018 upon, among other things, entering into a construction contract and acceptable commercial arrangements and obtaining adequate financing to construct the pipeline.
- In October 2016, Sabine Pass LNG, L.P. ("SPLNG") issued a notice of redemption to redeem all of its outstanding \$420 million in aggregate principal amount of 6.50% Senior Secured Notes due 2020 (the "2020 Notes") on November 30, 2016 (the "Redemption Date"). Concurrently, SPLNG intends to repay all of its outstanding \$1,665.0 million in aggregate principal amount of 7.50% Senior Secured Notes due 2016 (the "2016 Notes"), which mature on the Redemption Date. Subsequent to the redemption of the 2020 Notes and the repayment of the 2016 Notes, there will be no debt maturity in the Cheniere complex until 2020.

Investor Conference Call and Webcast

We will host a conference call to discuss our financial and operating results for the third quarter on Thursday, November 3, 2016, at 11 a.m. Eastern time / 10 a.m. Central time.

A listen-only webcast of the call and an accompanying slide presentation may be accessed through our website at www.cheniere.com. Following the call, an archived recording will be made available on our website.

¹ Reported as Net loss attributable to common stockholders on our Consolidated Statements of Operations.

² Non-GAAP financial measure. See "Reconciliation of Non-GAAP Measures" for further details.

About Cheniere

Cheniere Energy, Inc., a Houston-based energy company primarily engaged in LNG-related businesses, owns and operates the Sabine Pass LNG terminal in Louisiana. Directly and through its subsidiary, Cheniere Energy Partners, L.P., Cheniere is developing, constructing, and operating liquefaction projects near Corpus Christi, Texas and at the Sabine Pass LNG terminal, respectively. Cheniere is also exploring a limited number of opportunities directly related to its existing LNG business.

For additional information, please refer to the Cheniere website at www.cheniere.com and Quarterly Report on Form 10-Q for the quarter ended September 30, 2016, filed with the Securities and Exchange Commission.

Forward-Looking Statements

This press release contains certain statements that may include "forward-looking statements" within the meanings of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, included herein are "forward-looking statements." Included among "forward-looking statements" are, among other things, (i) statements regarding Cheniere's business strategy, plans and objectives, including the development, construction and operation of liquefaction facilities, (ii) statements regarding expectations regarding regulatory authorizations and approvals, (iii) statements expressing beliefs and expectations regarding the development of Cheniere's LNG terminal and pipeline businesses, including liquefaction facilities, (iv) statements regarding the business operations and prospects of third parties, (v) statements regarding potential financing arrangements and (vi) statements regarding future discussions and entry into contracts. Furthermore, in connection with our proposal to Cheniere Partners Holdings, there can be no assurance that any discussions that may occur between us and Cheniere Partners Holdings will result in the entry into of a definitive agreement concerning a transaction or, if such a definitive agreement is reached, will result in the consummation of a transaction provided for in such definitive agreement. Although Cheniere believes that the expectations reflected in these forward-looking statements are reasonable, they do involve assumptions, risks and uncertainties, and these expectations may prove to be incorrect. Cheniere's actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including those discussed in Cheniere's periodic reports that are filed with and available from the Securities and Exchange Commission. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Other than as required under the securities laws, Cheniere does not assume a duty to update these forward-looking statements.

(Financial Table Follows)



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**Platform Capacity in
Aggregate ~9% of
Expected Global LNG
Market by 2020 ~4.5 mtpa
Operating, ~27.0 mtpa
Under Construction**

[Sabine Pass Terminal »](#)

[Corpus Christi Project »](#)

Terminals

LNG TERMINALS

[FAQ](#)

[LNG Contractors](#)

SABINE PASS LNG TERMINAL

FERC Process

Federal Energy Regulatory Commission

The Federal Energy Regulatory Commission (FERC) has the exclusive authority to approve or deny an application for the siting, construction, expansion, or operation of an LNG terminal and interstate natural gas pipeline per the Natural Gas Act. The FERC is the lead federal agency that will determine whether Corpus Christi Liquefaction, LLC (CCL) and Cheniere Corpus

Liquefaction
Facilities: Trains 1-6
Project Schedules
Documentation
FERC Process

CORPUS CHRISTI LNG

Liquefaction
Facilities: Trains 1-3
Project Schedule
Documentation
FERC Process

Liquefaction
Facilities: Trains 4-5
Project Schedule
Documentation
FERC Process

Christi Pipeline, LP (CCPL) will be issued an Order Granting Authority under Sections 3 and 7(c), respectively, of the Natural Gas Act for the construction and operation of the Stage 3 Project. The FERC will also monitor all construction and restoration activities to ensure that CCL and CCPL comply with all federal, state, and local permits, plans, and regulations.

The Approval Process

On June 1, 2015, CCL and CCPL requested FERC's permission to engage in the Pre-Filing Environmental Review Process (Reference Docket No. PF15-26-000). The pre-filing process provides opportunities for federal and state cooperating agencies (TCEQ, USACE, USFWS, etc.), and other public stakeholders to comment on the project impacts prior to an application to the FERC being submitted. Permission was granted to begin the pre-filing process on June 9, 2015.

CCL and CCPL are preparing draft Resource Reports for submittal to the FERC staff to aid their preparation of an Environmental Assessment (EA) or Environmental Impact Statement (EIS) to fulfill the requirements of the National Environmental Policy Act (NEPA). The purpose of the EA/EIS is to inform the public and the permitting agencies about the potential adverse and/or beneficial environmental and safety impacts of proposed projects and their alternatives.

The Resource Reports are divided into the following subjects:

1. General project description
2. Water use and quality
3. Fish, wildlife, and vegetation
4. Cultural resources
5. Socioeconomics
6. Geological resources
7. Soils
8. Land use, recreation, and aesthetics
9. Air and noise quality
10. Alternatives
11. Reliability and safety
12. PCB contamination (not required for this project)
13. Engineering and design material

The stakeholders were given the opportunity to comment on the resource reports through public meetings and postings.

Comments were identified and addressed prior to the final environmental documents and approvals being issued. The schematic illustrates the steps involved, and the points where the public will be given the opportunity to comment on the pre-filing process.

Upon FERC approval of the project, CCL and CCPL will receive:

1. A Commission Order stating its decision on whether to approve construction and operation of the LNG terminal and associated pipeline facilities; and
2. Conditions that must be met prior to construction.

CCL and CCPL will also be applying for the following environmental permits and clearances as applicable:

1. Section 401 water quality certificate from the Texas Commission on Environmental Quality;
2. Section 404 permit from the US Army Corps of Engineers for work in wetlands;
3. Coastal Zone Management consistency determination from the Texas Coastal Coordination Council;
4. Federal Endangered Species consultation with the US Fish and Wildlife Service;
5. State Endangered Species consultation with the Texas Parks and Wildlife Department;
6. Air Emissions Permit (Title V & PSD) from the Texas Commission on Environmental Quality;
7. Section 106 National Historic Preservation Act Clearance from the Texas Historical Commission;
8. Authorization to export from the Department of Energy.

Design and Construction Monitoring

After CCL and CCPL receive FERC approval for the Stage 3 Project and have met all pre-construction conditions required by the FERC Order, FERC will authorize the commencement of construction.

Prior to commencement of service from the LNG facility, CCL must receive written approval from FERC. Only after complying with all pre-operation conditions listed in the FERC Order would a company receive authorization to begin operation.

FERC Citizen's Guide

An Interstate Natural Gas Facility on My Land? The FERC wants you to know:

How FERC's procedures work;

What rights citizens have;

How the location of a pipeline or other facilities is decided; and

What safety and environmental issues might be involved?

Please read the FERC's Citizen Guide where you will find all this information and more to help you know what you need to know.

You may also find other useful information concerning natural gas pipelines on the FERC's webpage at: <http://www.ferc.gov/>

Excerpt from Cheniere Energy, Inc. 10-K filed with United States Securities and Exchange Commission as of December 31, 2015

Corpus Christi LNG Terminal

Liquefaction Facilities

The CCL Project is being developed and constructed at the Corpus Christi LNG terminal, on nearly 2,000 acres of land that we own or control near Corpus Christi, Texas. In December 2014, we received authorization from the FERC to site, construct and operate Stages 1 and 2 of the CCL Project. In May 2015, we commenced construction of Stage 1 of the CCL Project.

Through the CCL Stage III entities, which are separate from the CCH Group, we are developing two additional Trains and one LNG storage tank at the Corpus Christi LNG terminal adjacent to the CCL Project, along with a second natural gas pipeline, and we commenced the regulatory approval process in June 2015.

The DOE has authorized the export of up to a combined total of the equivalent of 15 mtpa (approximately 767 Bcf/yr) of domestically produced LNG by vessel from the CCL Project to FTA countries for a 25-year term and to non-FTA countries for a 20-year term. A party to the proceeding requested a rehearing of the non-FTA order, and the DOE has not yet issued a final ruling on the rehearing request. Additionally, the DOE has authorized the export of up to a combined total of the equivalent of 514 Bcf/yr of domestically produced LNG by vessel from the two additional Trains being developed adjacent to the CCL Project to FTA countries for a 20-year term. The application for authorization to export that same 514 Bcf/yr of domestically produced LNG by vessel to non-FTA countries is currently pending at the DOE. In each case, the terms of these authorizations begin on the earlier of the date of first export thereunder or the date specified in the particular order, which ranges from 7 to 10 years from the date the order was issued.

As of December 31, 2015, the overall project completion percentage for Stage 1 of the CCL Project was approximately 29.2% with engineering, procurement and construction approximately 93.6%, 41.9% and 2.2% complete, respectively. The construction of the Corpus Christi Pipeline is planned to commence in 2016. Based on our current construction schedule, we anticipate that Train 1 of the CCL Project will produce LNG as early as late 2018, and Train 2 is expected to commence operations several months thereafter.

DOE approval applies to free trade countries only

Cheniere cleared to export more LNG from Corpus Christi



The United States Department of Energy issued an order authorizing Cheniere to export LNG from its stage 3 project (Trains 4 and 5) of the Corpus Christi liquefaction facility, to be located in San Patricio and Nueces Counties, Texas.

Cheniere has been authorized to export equivalent to approximately 514 Bcf/yr of natural gas for a 20-year term, according to the order.

Cheniere's Corpus Christi liquefaction project is currently under construction and presently consists of Trains 1-3, three LNG storage tanks, two marine berths, and associated facilities.

Under the Stage 3 expansion project, Cheniere intends to add two 5 mtpa liquefaction trains, as well as a fourth LNG tank, to expand the Corpus Christi project.

Cheniere anticipates that construction of the Stage 3 project will commence by 2017, with exports commencing as early as 2021.



LNG World News Staff; Image: Bechtel

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Events

**Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage
III, LLC and Cheniere Land Holdings, LLC**

Chapter 313 Application to Gregory-Portland ISD (Train 5)

Cummings Westlake, LLC

TAB 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 (if applicable)

All of the project is located in Gregory-Portland ISD. The project is also located
100% in the following tax districts and the tax rate for each district is shown below.

1) San Patricio County	– \$.491924
2) San Patricio Drainage	– \$.057888
3) Gregory-Portland ISD	– \$1.3500

TAB TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED
PROPERTY BY CORPUS CHRISTI LIQUEFACTION, LLC, CORPUS CHRISTI
LIQUEFACTION STAGE III, LLC, AND CHENIERE LAND HOLDINGS, LLC TO GREGORY-
PORTLAND ISD

2016 TAX RATES

Exemptions	Jurisdiction	M&O Rate	I&S Rate	Total Rate	Sales Tax
Over 65 - \$5,000 Disabled Vet:	City of Aransas Pass	0.347433	0.341222	0.688655	
Over 65 - \$10,000	City of Gregory	0.627936	0.202064	0.830000	
Over 65 - \$8,000 none	City of Ingleside Industrial District	0.428157	0.174343	0.602500	
none	City Ingleside on the Bay	0.178889	0	0.178889	
none	City of Lakeside	0.127877	0	0.127877	
Over 65 - \$6,000 Disabled - 6,000	City of Mathis	0.694445	0.31725	1.011695	
Over 65 - \$8,000	City of Odem	0.647253	0.138278	0.785531	
Over 65 - \$15,000	City of Portland	0.382364	0.184304	0.566668	
Over 65 - \$5,000	City of Sinton	0.560752	0.114294	0.675046	
Over 65 - \$5,000	City of Taft	0.567069	0.261483	0.828552	
Over 65 - \$5,000	City of Taft-Deannexed	0	0.375211	0.375211	
H-25,000 O65-10,000 Disabled - 10,000	Aransas Pass ISD	1.031380	0.200000	1.231380	
Homestead \$25,000 Over 65 - 10,000 Diabled - 10,000	Gregory-Portland ISD <i>Optional 065 - \$5,000 2008 Tax year</i>	1.17	0.18	1.35	
Homestead \$25,000 Over 65 - \$10,000 Disability - \$10,000	Ingleside ISD	1.04	0.055	1.095	
Homestead \$25,000 Ove 65 - 10,000 Disabled - 10,000	Odem-Edroy ISD ** Optional O65- \$3,000	1.17	0.4789	1.64890	
Homestead \$25,000 Over 65 - 10,000 Disabled - 10,000	Sinton ISD **	1.17	0.339	1.5090	
H-25,000; O65 - 10,000 Disabled 10,000	Taft ISD	1.1694	0.36550	1.53490	
Homestead 1% Minimum 5,000 Over 65 - 60,000	County (Tax Year - 0-65 \$55,000) County Special	0.418000 0.045003	0.028921 Total for County:	0.446921 0.045003	
			Total for County:	0.491924	
Homestead 1% Minimum 5,000 Over 65 - 60,000 Disabled 10,000	Drainage District	0.057888 Total County& Drainage District	0 0.549812	0.057888 0.549812	
Disabled Vet:	10-29% - 5,000	30-49% - 7,500	50-69% - 10,000	70-100% - 12,000	DVET 100%

**Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage
III, LLC and Cheniere Land Holdings, LLC**

Chapter 313 Application to Gregory-Portland ISD (Train 5)

Cummings Westlake, LLC

TAB 7

Description of Qualified Investment

Corpus Christi Liquefaction, LLC ("Corpus Christi Liquefaction"), Corpus Christi Liquefaction Stage III, LLC, and Cheniere Land Holdings, LLC (collectively the "Applicants"), all wholly owned subsidiaries of Cheniere Energy Inc. ("Cheniere"), are evaluating the development of a liquefied natural gas ("LNG") liquefaction and storage facility (the "Considered Project") within the 888.289-acre reinvestment zone in San Patricio County, Texas. Corpus Christi Liquefaction is currently constructing an LNG liquefaction, storage and marine terminal facility, including three LNG liquefaction trains, which are covered by Chapter 313 Agreement Nos. 296, 297 and 298 (the "Covered Project") (A "train" is an integrated collection of manufacturing equipment that is designed to operate independently as a unit.) This Considered Project, which will include a single LNG liquefaction train ("Train 5"), will operate largely independent from the Covered Project.

The estimated capital investment cost of the Considered Project, as reflected in this application, is approximately \$1.92 billion. In addition to the Chapter 313 economic development incentives being sought with this application through Gregory-Portland ISD and the State of Texas, the Applicants intend to seek economic development incentives from San Patricio County and several other local jurisdictions. Each individual train of a LNG liquefaction facility has to stand on its own in terms of technical viability, regulatory approvals, long-term customer commitments for the LNG produced, and project financing. Construction could start as early as 2017 with commencement of commercial operations as early as 2021 if, and **only** if, the following conditions are met for the Considered Project: the technical viability of the project is confirmed, all necessary regulatory approvals are obtained, adequate customer commitments are secured, supportive economic development incentives are provided, sufficient project financing is arranged, and corporate board approval is received.

The Considered Project would include LNG liquefaction facilities and supporting infrastructure, as described further below. "Train 5" is principally a LNG liquefaction train.

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PROPERTY BY CORPUS CHRISTI LIQUEFACTION, LLC, CORPUS CHRISTI
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PORTLAND ISD*

**Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage
III, LLC and Cheniere Land Holdings, LLC**

Chapter 313 Application to Gregory-Portland ISD (Train 5)

Cummings Westlake, LLC

LNG Liquefaction Facility

Subject to final technology and equipment selection, which has not been finalized as of the date of this application, the LNG liquefaction facility constitutes one ConocoPhillips Optimized CascadeSM LNG liquefaction train, capable of processing up to approximately 700 million cubic feet per day of natural gas and with average liquefaction capacity of approximately 4.5 million tonnes per annum. This train includes, but is not limited to, the following:

- Six GE LM2500 aeroderivative natural gas turbines driving multiple compressors in order to cool the methane, ethylene and propane refrigerants;
- Two “cold boxes”, hundreds of induced draft air coolers and various other heat exchangers that enable the refrigerants to cool the natural gas feedstock to -270 degrees Fahrenheit in order to produce LNG;
- Facilities which remove water, mercury, carbon dioxide (CO₂), hydrogen sulfide (H₂S), other sulfur compounds and heavy hydrocarbons from the natural gas feedstock; and
- Waste heat recovery systems for energy efficiency;
- The liquefaction facility will be built on numerous foundation pilings to support the equipment and will include electrical cables and interconnections to control equipment required to operate the liquefaction facility such as pumps, motors, vessels, intra-plant piping, and valves in addition to the above described compressors, cold boxes, natural gas inlet treating, and waste heat recovery systems.

Supporting Infrastructure

The supporting infrastructure includes, but is not limited to, the following:

- Intra-plant electrical, utility, and piping systems
- Firewater system
- Fire and gas detection system
- LNG spill containment facilities

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PORTLAND ISD*

**Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage
III, LLC and Cheniere Land Holdings, LLC**

Chapter 313 Application to Gregory-Portland ISD (Train 5)

Cummings Westlake, LLC

Feedstock sources, proposed output capacity and final products, and interconnections with adjacent facilities are listed below.

Feedstock Sources

- Train 5 will use natural gas delivered by pipeline as feedstock and fuel. This feedstock is available from multiple sources and will require sources of natural gas from states other than Texas.

Proposed Output Capacity and Final Products

- Train 5 will have a design output capacity of approximately 4.5 million tonnes per annum of LNG.

Interconnections with Adjacent Facilities

- Like the other equipment described herein, the interconnection equipment discussed in this section is identical to that described in Application 1077. Applicants and the Comptroller had detailed discussions about the interconnection equipment in connection with the Comptroller's review and approval of Application 1077.
- An LNG transfer line or lines will interconnect the Considered Project with the Covered Project.
- The Considered Project intends to rely on the Covered Project's control room utilizing cable interconnections.
- The Considered Project will export LNG produced via the Covered Project's marine terminal.
- Otherwise, due largely to the spatial separation of the Covered and Considered Projects, the preliminary design calls for no other significant interconnections and for the Considered Project to rely solely on its own supporting infrastructure.

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PORTLAND ISD*

**Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage
III, LLC and Cheniere Land Holdings, LLC**

Chapter 313 Application to Gregory-Portland ISD (Train 5)

Cummings Westlake, LLC

TAB 8

Description of Qualified Property

Corpus Christi Liquefaction, LLC ("Corpus Christi Liquefaction"), Corpus Christi Liquefaction Stage III, LLC, and Cheniere Land Holdings, LLC (collectively the "Applicants"), all wholly owned subsidiaries of Cheniere Energy Inc. ("Cheniere"), are evaluating the development of a liquefied natural gas ("LNG") liquefaction and storage facility (the "Considered Project") within the 888,289-acre reinvestment zone in San Patricio County, Texas. Corpus Christi Liquefaction is currently constructing an LNG liquefaction, storage and marine terminal facility, including three LNG liquefaction trains, which are covered by Chapter 313 Agreement Nos. 296, 297 and 298 (the "Covered Project") (A "train" is an integrated collection of manufacturing equipment that is designed to operate independently as a unit.) This Considered Project, which will include a single LNG liquefaction train ("Train 5"), will operate largely independent from the Covered Project.

The estimated capital investment cost of the Considered Project, as reflected in this application, is approximately \$1.92 billion. In addition to the Chapter 313 economic development incentives being sought with this application through Gregory-Portland ISD and the State of Texas, the Applicants intend to seek economic development incentives from San Patricio County and several other local jurisdictions. Each individual train of a LNG liquefaction facility has to stand on its own in terms of technical viability, regulatory approvals, long-term customer commitments for the LNG produced, and project financing. Construction could start as early as 2017 with commencement of commercial operations as early as 2021 if, and **only** if, the following conditions are met for the Considered Project: the technical viability of the project is confirmed, all necessary regulatory approvals are obtained, adequate customer commitments are secured, supportive economic development incentives are provided, sufficient project financing is arranged, and corporate board approval is received.

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LNG Liquefaction Facility

Subject to final technology and equipment selection, which has not been finalized as

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**Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage
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Chapter 313 Application to Gregory-Portland ISD (Train 5)

Cummings Westlake, LLC

of the date of this application, the LNG liquefaction facility constitutes one ConocoPhillips Optimized CascadeSM LNG liquefaction train, capable of processing up to approximately 700 million cubic feet per day of natural gas and with average liquefaction capacity of approximately 4.5 million tonnes per annum. This train includes, but is not limited to, the following:

- Six GE LM2500 aeroderivative natural gas turbines driving multiple compressors in order to cool the methane, ethylene and propane refrigerants;
- Two “cold boxes”, hundreds of induced draft air coolers and various other heat exchangers that enable the refrigerants to cool the natural gas feedstock to -270 degrees Fahrenheit in order to produce LNG;
- Facilities which remove water, mercury, carbon dioxide (CO₂), hydrogen sulfide (H₂S), other sulfur compounds and heavy hydrocarbons from the natural gas feedstock; and
- Waste heat recovery systems for energy efficiency;
- The liquefaction facility will be built on numerous foundation pilings to support the equipment and will include electrical cables and interconnections to control equipment required to operate the liquefaction facility such as pumps, motors, vessels, intra-plant piping, and valves in addition to the above described compressors, cold boxes, natural gas inlet treating, and waste heat recovery systems.

Supporting Infrastructure

The supporting infrastructure includes, but is not limited to, the following:

- Intra-plant electrical, utility, and piping systems
- Firewater system
- Fire and gas detection system
- LNG spill containment facilities

*TAB TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED
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PORTLAND ISD*

Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage III, LLC and Cheniere Land Holdings, LLC

Chapter 313 Application to Gregory-Portland ISD (Train 5)

Cummings Westlake, LLC

Feedstock sources, proposed output capacity and final products, and interconnections with adjacent facilities are listed below.

Feedstock Sources

- Train 5 will use natural gas delivered by pipeline as feedstock and fuel. This feedstock is available from multiple sources and will require sources of natural gas from states other than Texas.

Proposed Output Capacity and Final Products

- Train 5 will have a design output capacity of approximately 4.5 million tonnes per annum of LNG.

Interconnections with Adjacent Facilities

- Like the other equipment described herein, the interconnection equipment discussed in this section is identical to that described in Application 1077. Applicants and the Comptroller had detailed discussions about the interconnection equipment in connection with the Comptroller's review and approval of Application 1077.
- An LNG transfer line or lines will interconnect the Considered Project with the Covered Project.
- The Considered Project intends to rely on the Covered Project's control room utilizing cable interconnections.
- The Considered Project will export LNG produced via the Covered Project's marine terminal.
- Otherwise, due largely to the spatial separation of the Covered and Considered Projects, the preliminary design calls for no other significant interconnections and for the Considered Project to rely solely on its own supporting infrastructure.

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Chapter 313 Application to Gregory-Portland ISD (Train 5)

Cummings Westlake, LLC

TAB 9

Description of Land

Please see the attached legal description of the land for the proposed project. Applicants own Tract 1 and expect to acquire Tract 2 and Tract 3 by the time this agreement is executed.

As of January 1, 2016, (the most current available valuation which is under appeal), San Patricio County Appraisal District valued the land at an average of \$20,133 per acre. Based on the 888.289 acres in the proposed reinvestment zone, the land is valued at \$17,883,785 (rounded). The San Patricio County Appraisal District account numbers are 2139-0139-0001-007 and 2139-0139-001-003. Copies of the San Patricio County Appraisal District parcel descriptions and valuations are attached.

The proposed reinvestment zone will contain both this project and a separate LNG liquefaction train which is the subject of a separate application for limitation of appraised value. Half of the value of the reinvestment zone land (\$8,941,893) has been included as qualified property in this application (see Tab 14, Schedule B), and the other half has been included as qualified property in the separate application for the other train.

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PROPERTY BY CORPUS CHRISTI LIQUEFACTION, LLC, CORPUS CHRISTI
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Cummings Westlake, LLC

REINVESTMENT ZONE LEGAL DESCRIPTION

Tract 1

BEING 832.0 acres of land, more or less, out of that 1665.22 acre tract as described in Volume 169, page 48 of the Deed Records of San Patricio County, Texas and out of that 328.9 acre tract described in Volume 231, Page 72 of the Deed Records of San Patricio County, Texas and also being out of the T.T. Williamson Surveys A-288, A-289, and A-291, the J. Garaghty Survey A-169, and the G. Valdez Survey A-269 said 832.0 acre tract as shown in Govind & Associates, Inc. Dwg. Nos. 0009-501-C02 thru C07 being more particularly described as follows:

COMMENCING at a found concrete monument for the northwest corner of the aforesaid 1665.222 acre tract of land and a northeasterly corner of a Reynolds Metals 335.26 acre tract as recorded in Volume 231, Page 72 of the Deed Records of San Patricio County, Texas in the west right-of-way line of the Union Pacific Railroad;

THENCE with the common line of said 335.26 acre tract and 1665.222 acre tract, S17°14'57"E 1712.29 feet to a found disturbed concrete monument in the south right-of-way line of Texas Highway No. 35 as recorded in Clerk's File No. 332836 of the Official Public Records of San Patricio County, Texas for the POINT OF BEGINNING;

THENCE, with said south right-of-way line,

N34°04'07"E 50.38 feet to a found concrete monument,
N74°31'32"E 322.91 feet to a found concrete monument,
N86°24'57"E 623.49 feet to a found concrete monument,

THENCE, with a non-tangent curve to the right having a central angle of 35°28'54" a radius of 1850.08 feet, and a chord bearing S77°16'49" E 1127.48 feet, a distance of 1145.70 feet to a found concrete monument in the south right-of-way line of Texas Highway No. 361;

THENCE, with the south right-of-way line of Texas Highway No. 361,

S59°30'24"E 1009.37 feet to a found concrete right-of way monument,
S59°32'51"E 1004.15 feet to a found concrete right-of way monument,
S59°35'09"E 2106.32 feet to a found concrete right-of way monument,
S59°33'28"E 2109.34 feet to a set 5/8 inch iron rod;

THENCE, leaving said south right-of-way line and with a new division line
S00°06'01"W 2711.49 feet to a set 5/8 inch iron rod,
S72°35'34"W 1462.68 feet to a set 5/8 inch iron rod,
N18°07'13"W 300.83 feet to a set 5/8 inch iron rod,
S72°05'13"W 720.37 feet to a set 5/8 inch iron rod,

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N78°25'07"W 497.03 feet to a set 5/8 inch iron rod,
S78°47'30"W 83.50 feet to a set 5/8 inch iron rod,
S15°25'23"E 1391.34 feet to a found "PK" nail in asphalt for a common
corner in the aforesaid 1665.222 acre tract and 328.9 acre tract;

THENCE, with a common line of said 1665.222 acre tract and 328.9 acre tract,
S72°46'00"W at 2578.70 feet a found 5/8 inch iron rod for an exterior corner of said
1665.222 acre tract and an interior corner for said 328.9 acre tract in all 2585.15 feet to a
set 5/8 inch iron rod in a new division line;

THENCE, with a new division line, N17°12'25"W 8736.90 feet to the POINT OF
BEGINNING and containing 832.0 acres of land, more or less.

Tract 2

Being 11.870 acres of land, more or less, out of the remainder of a 328.9 acre tract recorded
in Document 2001000017, Official Public Records of Nueces County, Texas, and being out of
T.T. Williamson Survey, A-288 and this 11.870 acre tract being more particularly described
by metes and bounds as follows:

Beginning at a found 5/8 inch iron rod for the northwest corner of this tract, said corner
also being the southwest corner of a 832.0 acre tract recorded in Document No.
2001000017, O.P.R.N.C.T. and also being an interior corner of said 328.9 acre tract and lying
on the east boundary of a 44.72 acre tract recorded in Document No. 2006043532,
O.P.R.N.C.T., and having a State Plane Grid Coordinate of N17,214,987.50° E 1,279,631.39°,
Texas South Zone in U.S. feet;

Thence N72-17-20 E with the north boundary of this tract and said 328.9 acre tract, the
same being the south boundary of said 832.0 acre tract, 2,585.15 feet, to a set 5/8 inch rod
for the northeast corner of this tract and said 328.9 acre tract, said corner also being a
southeast corner of said 832.0 acre tract and lying on the west boundary of a 1610.0 acre
tract recorded in Document No. 20010017, O.P.R.N.C.T.;

Thence S17-44-42 E with the east boundary of this tract and said 328.9 acre tract, the same
being the west boundary of said 1610.0 acre tract, 200.01 feet, to a set 5/8 inch iron rod for
the southeast corner of this tract, said corner being on the north boundary of a 212.20 acre
tract recorded in Document No. 2014038283, O.P.R.N.C.T.;

Thence S 72-17-20 W with the south boundary of this tract, the same being the north
boundary of said 212.20 acre tract, 2585.36 feet, to a found 5/8 inch iron rod for the
southwest corner of this tract, said corner also being a southeast corner of said 44.72 acre
tract;

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Thence N 17-41-05 W with the west boundary of this tract, the same being the east boundary of said 44.72 acre tract, 200.00 feet, the point of beginning and containing 11.870 acres of land, more or less.

Notes:

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

Tract 3

Being 44.419 acres of land, more or less, out of the remainder of a 1610.0 acre tract and the remainder of a 328.9 acre tract recorded in Clerk File No. 490819, Official Public Records of San Patricio County, Texas, and also being out of T.T. Williamson Surveys, Abstracts 288, 289, 290 and 291, San Patricio County, Texas, and this 44.419 acre tract being more particularly described by metes and bounds as follows:

Beginning at the northwest corner of this tract, said corner also being an interior corner of a 827.38 acre tract recorded in C.F. #649462, O.P.R.S.C.T., the same being a northwest corner of the aforementioned remainder of said 1610.0 acre tract and said corner having State Plane Grid Coordinate of N 17,217,112.06', E 1,381,712.83', NAD'83, Texas South Zone in U.S.feet;

Thence N 78-18-51 E with the common boundary of said 827.38 acre tract and said remainder of 1610.0 acre tract, 83.50 feet, to a corner of this tract and said 827.38 acre tract;

Thence S 78-53-46 E with the common boundary of said 827.38 acre tract and said remainder of 1610.0 acre tract, 385.53 feet, to a corner of this tract and said 827.38 acre tract;

Thence leaving said 827.38 acre tract S 16-36-36 E, 828.46 feet, to a corner;

Thence with the northeast boundary of this tract as follows:

S 52-07-14 E, 106.23 feet;
S 09-25-25 E, 43.79 feet;
S 54-49-48 E, 171.60 feet;
S 60-50-29 E, 569.39 feet;
S 63-56-35 E, 64.81 feet;
S 19-42-49 E, 93.23 feet;
S 03-35-06 W, 232.21 feet;

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Thence S 00-20-25 E with the east boundary of this tract, 1259.86 feet, to an interior corner of this tract;

Thence S 45-00-00 W, 56.65 feet, to a corner;

Thence South, 194.05 feet, to an interior corner of this tract;

Thence East, 161.75 feet, to a corner;

Thence South, 369.46 feet, to the beginning of a curve to the left;

Thence with said curve to the left having a radial bearing of S 51-18-14 E, 382.66 feet, a central angle of 39-16-13, a radius of 382.66 feet, a length of 262.27 feet;

Thence S 00-34-27 E with the east boundary of this tract, 1009.16 feet, to the south corner of this tract, said corner being on the west boundary of said 1610.0 acre tract, the same being the east boundary of a 125.20 acre tract recorded in C.F. #613799, O.P.R.S.P.C.T.;

Thence with the west boundary of this tract and said 1610.0 acre tract, the same being the east boundary of said 125.20 acre tract, N 17-32-43 W, 1698.32 feet, to a 5/8-inch iron rod for a corner of this tract and said 125.20 acre tract;

Thence N 73-59-30 W, 102.14, to a 5/8-inch iron rod for a corner of this tract and said 125.20 acre tract, said corner being on the south boundary of a 212.20 acre tract recorded in C.F. #531139, O.P.R.S.P.C.T.;

Thence N 67-58-34 E with a north boundary of this tract and the south boundary of said 212.20 acre tract, at 126.41 feet pass the east boundary of the aforementioned 328.9 acre tract, the same being the west boundary of said 1610.0 acre tract, in all 314.67 feet, to a 5/8-inch iron rod for a corner of this tract and said 212.20 acre tract;

Thence with the west boundaries of this tract, the same being the east boundaries of said 212.20 acre tract as follows:

N 17-42-40 W, 640.06 feet;

N 72-17-20 E, 246.92 feet;

N 17-42-40 W, 838.29 feet;

N 75-57-21 W, 308.31 feet;

Thence S 72-17-20 W with the north boundary of said 212.20 acre tract, the same being the south boundary of this tract, 173.54 feet, to a 5/8-inch iron rod for a corner of this tract, said corner being on the west boundary of said 1610.0 acre tract, the same being the east boundary of said 328.9 acre tract;

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Thence N 17-44-42 W with the west boundary of this tract and said 1610.0 acre tract, the same being the east boundary of said 328.9 acre tract, 200.01 feet, to a corner of this tract, said 328.9 acre tract, said 1610.0 acre tract and the southeast corner of the aforementioned 827.38 acre tract;

Thence N 15-54-02 W with the west boundary of this tract and the east boundary of said 827.38 acre tract, 1391.34 feet, to the point of beginning and containing 44.419 acres of land, more or less.

Notes:

1. Drawing accompanies this metes and bounds description.
2. Metes and bounds based on information provided by Cheniere and not based on an on the ground survey.
3. Information on 827.38 acre and 203.20 acre tracts based on surveys conducted by G&W Engineers, Inc. dated 8/06/15.

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PROPERTY BY CORPUS CHRISTI LIQUEFACTION, LLC, CORPUS CHRISTI
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PORTLAND ISD*

San Patricio CAD

Property Search Results > 1030939 CHENIERE LAND HOLDINGS LLC for Year 2016

Property

Account

Property ID: 1030939 Legal Description: PT OF LA QUINTA TRACT 827.38 ACRES
Geographic ID: 2139-0139-0001-007 Agent Code:
Type: Real
Property Use Code:
Property Use Description:

Location

Address: Mapsco:
Neighborhood: Map ID: S-9,T-
Neighborhood CD:

Owner

Name: CHENIERE LAND HOLDINGS LLC Owner ID: 77594
Mailing Address: 700 MILAM STREET SUITE 1900 % Ownership: 100.0000000000%
HOUSTON, TX 77002

Exemptions:

Values

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$0	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$13,676,559	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0	\$0
(+) Timber Market Valuation:	+	\$0	\$0
(=) Market Value:	=	\$13,676,559	
(-) Ag or Timber Use Value Reduction:	-	\$0	
(=) Appraised Value:	=	\$13,676,559	
(-) HS Cap:	-	\$0	
(=) Assessed Value:	=	\$13,676,559	

Taxing Jurisdiction

Owner: CHENIERE LAND HOLDINGS LLC
% Ownership: 100.0000000000%
Total Value: \$13,676,559

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
CAD	San Patricio CAD	0.000000	\$13,676,559	\$13,676,559	\$0.00
GSP	aSan Patricio County	0.446921	\$13,676,559	\$13,676,559	\$61,123.42

MUD	aSan Patricio Co Drain Dist	0.057888	\$13,676,559	\$13,676,559	\$7,917.09
RSP	aSan Patricio County Road	0.045003	\$13,676,559	\$13,676,559	\$6,154.86
SGP	aSD Gregory-Portland	1.350000	\$13,676,559	\$13,676,559	\$184,633.55
Total Tax Rate:		1.899812			

Taxes w/Current Exemptions:	\$259,828.92
Taxes w/o Exemptions:	\$259,828.91

Improvement / Building

No improvements exist for this property.

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	BAY-INDJ	ORIG CODE: BAY-INDJ	87.2100	3798867.60	0.00	0.00	\$9,235,539	\$0
2	BAY-INDB	ORIG CODE: BAY-INDB	740.1700	32241805.20	0.00	0.00	\$4,441,020	\$0

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2017	N/A	N/A	N/A	N/A	N/A	N/A
2016	\$0	\$13,676,559	0	13,676,559	\$0	\$13,676,559
2015	\$0	\$7,929,420	0	7,929,420	\$0	\$7,929,420

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	8/11/2015	SWD	SPECIAL WD	ALCO & REYNOLDS	CHENIERE LAND HOLDINGS LLC			649462

Tax Due

Property Tax Information as of 12/08/2016

Amount Due if Paid on: 

Year	Taxing Jurisdiction	Taxable Value	Base Tax	Base Taxes Paid	Base Tax Due	Discount / Penalty & Interest	Attorney Fees	Amount Due
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NOTE: Penalty & Interest accrues every month on the unpaid tax and is added to the balance. Attorney fees may also increase your tax liability if not paid by July 1. If you plan to submit payment on a future date, make sure you enter the date and RECALCULATE to obtain the correct total amount due.

Questions Please Call (361) 364-5402

San Patricio CAD

Property Search Results > 47964 SHERWIN ALUMINA LP for Year 2016

Property

Account

Property ID: 47964 Legal Description: PT OF LA QUINTA TRACT 683.379 ACRES
Geographic ID: 2139-0139-0001-003 Agent Code: 44403
Type: Real
Property Use Code:
Property Use Description:

Location

Address: FM 361/LA QUINTA Mapsco:
TX
Neighborhood:
Neighborhood CD: Map ID: S-9,T-

Owner

Name: SHERWIN ALUMINA LP Owner ID: 29245
Mailing Address: DIVISION OF BPU REYNOLDS INC % Ownership: 100.000000000000%
PO BOX 9911
CORPUS CHRISTI, TX 78469

Exemptions:

Values

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$0	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$50,150,581	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0	\$0
(+) Timber Market Valuation:	+	\$0	\$0
(=) Market Value:	=	\$50,150,581	
(-) Ag or Timber Use Value Reduction:	-	\$0	
(=) Appraised Value:	=	\$50,150,581	
(-) HS Cap:	-	\$0	
(=) Assessed Value:	=	\$50,150,581	

Taxing Jurisdiction

Owner: SHERWIN ALUMINA LP
% Ownership: 100.000000000000%
Total Value: \$50,150,581

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax
CAD	San Patricio CAD	0.000000	\$50,150,581	\$50,150,581	\$0.00

GSP	aSan Patricio County	0.446921	\$50,150,581	\$50,150,581	\$224,133.48
MUD	aSan Patricio Co Drain Dist	0.057888	\$50,150,581	\$50,150,581	\$29,031.17
RSP	aSan Patricio County Road	0.045003	\$50,150,581	\$50,150,581	\$22,569.27
SCC	ISD Corpus Christi	1.237350	\$1,295,628	\$1,295,628	\$16,031.45
SGP	aISD Gregory-Portland	1.350000	\$49,934,293	\$49,934,293	\$674,112.96
Total Tax Rate:		3.137162			

Taxes w/Current Exemptions:	\$965,878.33
Taxes w/o Exemptions:	\$965,878.32

Improvement / Building

No improvements exist for this property.

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	BAY-INDJ	ORIG CODE: BAY-INDJ	461.3310	20095578.36	0.00	0.00	\$48,854,953	\$0
2	BAY-INDB	ORIG CODE: BAY-INDB	36.0480	1570250.88	0.00	0.00	\$216,288	\$0
3	BAY-INDB	ORIG CODE: BAY-INDB	134.0000	5837040.00	0.00	0.00	\$804,000	\$0
4	BAY-INDJ	ORIG CODE: BAY-INDJ	52.0000	2265120.00	0.00	0.00	\$275,340	\$0

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2017	N/A	N/A	N/A	N/A	N/A	N/A
2016	\$0	\$50,150,581	0	\$50,150,581	\$0	\$50,150,581
2015	\$0	\$1,638,200	0	\$1,638,200	\$0	\$1,638,200
2014	\$0	\$4,202,710	0	\$4,202,710	\$0	\$4,202,710
2013	\$0	\$4,086,688	0	\$4,086,688	\$0	\$4,086,688
2012	\$0	\$4,086,688	0	\$4,086,688	\$0	\$4,086,688
2011	\$0	\$3,005,940	0	\$3,005,940	\$0	\$3,005,940

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	1/1/2016			ALCO & REYNOLDS	SHERWIN ALUMINA LP			

Tax Due

Property Tax Information as of 02/03/2017

Amount Due if Paid on: 

Year	Taxing Jurisdiction	Taxable Value	Base Tax	Base Taxes Paid	Base Tax Due	Discount / Penalty & Interest	Attorney Fees	Amount Due
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NOTE: Penalty & Interest accrues every month on the unpaid tax and is added to the balance. Attorney fees may also increase your tax liability if not paid by July 1. If you plan to submit payment on a future date, make sure you enter the date and RECALCULATE to obtain the correct total amount due.

Questions Please Call (361) 364-5402

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Chapter 313 Application to Gregory-Portland ISD (Train 5)

Cummings Westlake, LLC

TAB 10

Description of all property not eligible to become qualified property (if applicable)

Not applicable.

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Chapter 313 Application to Gregory-Portland ISD (Train 5)

Cummings Westlake, LLC

TAB 11

Maps that clearly show:

- a) Project vicinity
- b) Qualified investment including location of new building or new improvements
- c) Qualified property including location of new building 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

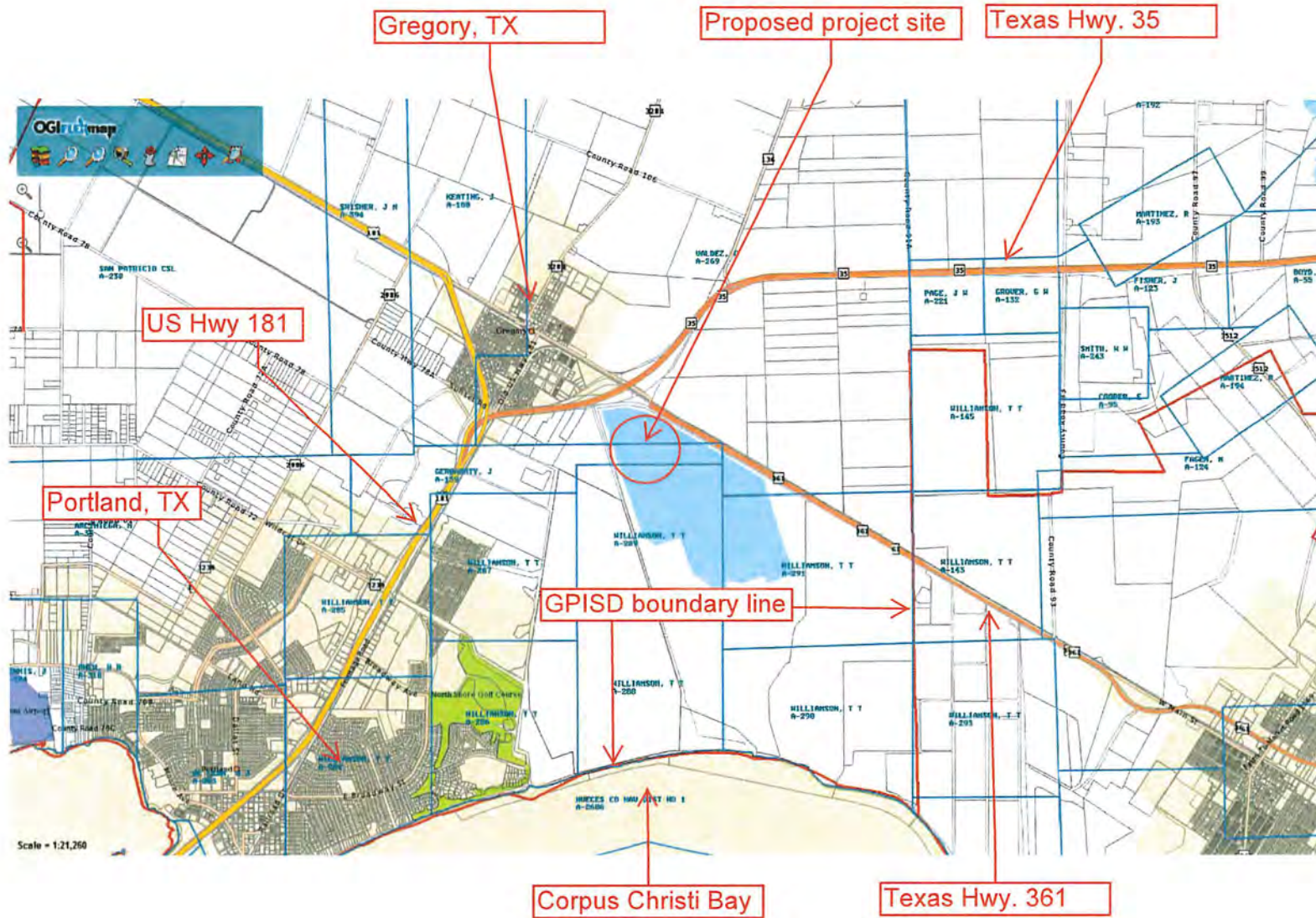
See attached maps.

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PORTLAND ISD

Gregory-Portland ISD Vicinity Map



VICINITY MAP SHOWING PROPOSED PROJECT SITE



ALL PROPOSED IMPROVEMENTS FOR TRAINS 4 AND TRAIN 5 ARE LOCATED WITHIN THE PROPOSED REINVESTMENT ZONE OUTLINED WITH THE BOLD GREEN LINE

TRAIN 5 APPLICATION MAP - ALL REFERENCES TO TRAIN 4 PROPERTY ARE FOR INFORMATION PURPOSES ONLY



PROPOSED REINVESTMENT ZONE AND PROJECT BOUNDARY SHOWN WITH BOLD BRIGHT GREEN LINE

ALL FACILITIES NOT WITHIN TRAIN 5 FOOTPRINT TO BE CONSTRUCTED ALONG WITH TRAIN 4

ALL PROPOSED IMPROVEMENTS SHOWN WITH BLACK LINES ARE ASSOCIATED WITH TRAIN 4 APPLICATION
ALL PROPOSED IMPROVEMENTS SHOWN WITH BLACK LINES ARE ASSOCIATED WITH THE TRAIN 4 APPLICATION AND ARE INCLUDED FOR INFORMATIONAL PURPOSES ONLY

TRAIN 5 PROPOSED IMPROVEMENTS ARE SHOWN IN THE AREA SHADED IN BLUE

PROPERTY SEEN HERE IS TEMPORARY OFFICE TRAILERS, PARKING, AND EQUIPMENT LAY DOWN AREA FOR CONSTRUCTION OF TRAINS 1 AND 2; THIS TEMPORARY PROPERTY WILL BE REMOVED UPON COMPLETION OF THAT CONSTRUCTION

PORT

VOESTALPINE

CHENIERE

SHERWIN

CONSTRUCTION SITE OF TRAINS 1 AND 2 - FOR INFORMATION PURPOSES ONLY

ISSUE DATE:
2/3/17

1000 0 1000
GRAPHIC SCALE: 1" = 1000'

CORPUS CHRISTI LIQUEFACTION PROJECT
PROPOSED REINVESTMENT ZONE AND
CONSIDERED PROJECT PLOT PLAN

SAN PATRICK COUNTY

TEXAS

CHENIERE

DRAWN BY: JAM DATE: 9/4/15 REV
CHECKED BY: JAM SCALE: AS NOTED R1

**Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage
III, LLC and Cheniere Land Holdings, LLC**

Chapter 313 Application to Gregory-Portland ISD (Train 5)

Cummings Westlake, LLC

TAB 12

*Request for Waiver of Job Creation Requirement and supporting information
(if applicable)*

Not applicable. There is no job waiver request.

*TAB TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED
PROPERTY BY CORPUS CHRISTI LIQUEFACTION, LLC, CORPUS CHRISTI
LIQUEFACTION STAGE III, LLC, AND CHENIERE LAND HOLDINGS, LLC TO GREGORY-
PORTLAND ISD*

**Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage
III, LLC and Cheniere Land Holdings, LLC**

Chapter 313 Application to Gregory-Portland ISD (Train 5)

Cummings Westlake, LLC

TAB 13

Calculation of three possible wage requirements with TWC documentation

- *San Patricio County average weekly wage for all jobs (all industries)*
- *San Patricio County average weekly wage for all jobs (manufacturing)*
- *Council of Governments Regional Wage Calculation and Documentation*

See attachments.

*TAB TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED
PROPERTY BY CORPUS CHRISTI LIQUEFACTION, LLC, CORPUS CHRISTI
LIQUEFACTION STAGE III, LLC, AND CHENIERE LAND HOLDINGS, LLC TO GREGORY-
PORTLAND ISD*

**CORPUS CHRISTI LIQUEFACTION, LLC AND AFFILIATES
TAB 13 TO CHAPTER 313 APPLICATION**

**GREGORY-PORTLAND ISD - SAN PATRICIO COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FOURTH	2015	\$ 923.00	\$ 47,996.00
FIRST	2016	\$ 882.00	\$ 45,864.00
SECOND	2016	\$ 868.00	\$ 45,136.00
THIRD	2016	\$ 878.00	\$ 45,656.00
	AVERAGE	\$ 887.75	\$ 46,163.00

**GREGORY-PORTLAND ISD - SAN PATRICIO COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FOURTH	2015	\$ 1,601.00	\$ 83,252.00
FIRST	2016	\$ 1,636.00	\$ 85,072.00
SECOND	2016	\$ 1,647.00	\$ 85,644.00
THIRD	2016	\$ 1,754.00	\$ 91,208.00
	AVERAGE	\$ 1,659.50	\$ 84,656.00
	X	110%	110%
		\$ 1,825.45	\$ 93,121.60

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

REGION	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
Coastal Bend	2015	\$ 1,038.62	\$ 54,008.00
	X	110%	110%
		\$ 1,142.48	\$ 59,408.80

* SEE ATTACHED TWC DOCUMENTATION

Quarterly Employment and Wages (QCEW)

[Back](#)

D.PERIODYEAR

Page 1 of 1 (40 results/page)

▲ Year ▼	▲ Period ▼	▲ Area ▼	▲ Ownership ▼	▲ Division ▼	▲ Level ▼	▲ Ind Code ▼	▲ Industry ▼	▲ Avg Weekly Wages ▼
2016	1st Qtr	San Patricio County	Private	00	0	10	Total, All Industries	\$882
2016	2nd Qtr	San Patricio County	Private	00	0	10	Total, All Industries	\$868
2016	3rd Qtr	San Patricio County	Private	00	0	10	Total, All Industries	\$878
2015	4th Qtr	San Patricio County	Private	00	0	10	Total, All Industries	\$923

Quarterly Employment and Wages (QCEW)

[Back](#)

D.PERIODYEAR

Page 1 of 1 (40 results/page)

▲▼Year	▲▼Period	▲▼Area	▲▼Ownership	▲▼Division	▲▼Level	▲▼Ind Code	▲▼Industry	▲▼Avg Weekly Wages
2016	1st Qtr	San Patricio County	Private	31	2	31-33	Manufacturing	\$1,636
2016	2nd Qtr	San Patricio County	Private	31	2	31-33	Manufacturing	\$1,647
2016	3rd Qtr	San Patricio County	Private	31	2	31-33	Manufacturing	\$1,754
2015	4th Qtr	San Patricio County	Private	31	2	31-33	Manufacturing	\$1,601

2015 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations

COG	Wages	
	Hourly	Annual
Texas	\$24.41	\$50,778
1. Panhandle Regional Planning Commission	\$20.64	\$42,941
2. South Plains Association of Governments	\$17.50	\$36,408
3. NORTEX Regional Planning Commission	\$23.28	\$48,413
4. North Central Texas Council of Governments	\$25.03	\$52,068
5. Ark-Tex Council of Governments	\$18.46	\$38,398
6. East Texas Council of Governments	\$19.84	\$41,270
7. West Central Texas Council of Governments	\$19.84	\$41,257
8. Rio Grande Council of Governments	\$18.32	\$38,109
9. Permian Basin Regional Planning Commission	\$25.18	\$52,382
10. Concho Valley Council of Governments	\$18.80	\$39,106
11. Heart of Texas Council of Governments	\$21.41	\$44,526
12. Capital Area Council of Governments	\$29.98	\$62,363
13. Brazos Valley Council of Governments	\$18.78	\$39,057
14. Deep East Texas Council of Governments	\$17.30	\$35,993
15. South East Texas Regional Planning Commission	\$30.41	\$63,247
16. Houston-Galveston Area Council	\$26.44	\$54,985
17. Golden Crescent Regional Planning Commission	\$23.73	\$49,361
18. Alamo Area Council of Governments	\$19.96	\$41,516
19. South Texas Development Council	\$15.87	\$33,016
20. Coastal Bend Council of Governments	\$25.97	\$54,008
21. Lower Rio Grande Valley Development Council	\$16.17	\$33,634
22. Texoma Council of Governments	\$19.04	\$39,595
23. Central Texas Council of Governments	\$18.04	\$37,533
24. Middle Rio Grande Development Council	\$22.24	\$46,263

Source: Texas Occupational Employment and Wages

Data published: July 2016

Data published annually, next update will be July 31, 2017

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.

$$\$54,008 \times 110\% = \$59,408.80$$

**Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage
III, LLC and Cheniere Land Holdings, LLC**
Chapter 313 Application to Gregory-Portland ISD (Train 5)
Cummings Westlake, LLC

TAB 14

Schedules A1, A2, B, C and D completed and signed Economic Impact (if applicable)

See attached Schedules A1, A2, B, C and D.

*TAB TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED
PROPERTY BY CORPUS CHRISTI LIQUEFACTION, LLC, CORPUS CHRISTI
LIQUEFACTION STAGE III, LLC, AND CHENIERE LAND HOLDINGS, LLC TO GREGORY-
PORTLAND ISD*

Date 3/6/2017
Applicant Name Corpus Christi Liquefaction, LLC (Train 5)
ISD Name Gregory-Portland ISD

Schedule A1: Total Investment for Economic Impact (through the Qualifying Time Period)

Form 50-296A
Revised May 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	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 new investment made during this year that will not become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	-			Not eligible to become Qualified Property			[If the only other investment made during this year is other investment that may become Qualified Property, enter the dollar amount of that investment in this cell.]	
Investment made after filing complete application with district, but before final board approval of application		2017-2018	2017	\$ -	\$ -	\$ -	\$ -	\$ -
Investment made after filing complete application with district, but before final board approval of application		2018-2019	2018	\$ -	\$ -	\$ -	\$ -	\$ -
Investment made after filing complete application with district, but before final board approval of application		2019-2020	2019	\$ -	\$ -	\$ -	\$ -	\$ -
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period		2020-2021	2020	\$ 671,000,000	\$ -	\$ -	\$ -	\$ 671,000,000
Complete tax years of qualifying time period	QTP1	2021-2022	2021	\$ 578,000,000	\$ -	\$ -	\$ -	\$ 578,000,000
	QTP2	2022-2023	2022	\$ 382,000,000	\$ -	\$ -	\$ -	\$ 382,000,000
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				\$ 1,631,000,000	\$ -	\$ -	\$ -	\$ 1,631,000,000
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				\$ 1,631,000,000				

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 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; 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.

Date 3/6/2017
Applicant Name Corpus Christi Liquefaction, LLC (Train 5)
ISD Name Gregory-Portland ISD

Schedule A2: Total Investment for Economic Impact (including Qualified Property and other investments)

Form 50-296A
Revised May 2014

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 New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Column C Other investment made during this year that will not become Qualified Property (SEE NOTE)	Column D Other investment made during this year that will become Qualified Property (SEE NOTE)	Column E Total Investment (A+B+C+D)
Total Investment from Schedule A1*	–	TOTALS FROM SCHEDULE A1			Enter amounts from TOTAL row in Schedule A1 in the row below			
				\$ 1,631,000,000	\$ –	\$ –	\$ –	\$ 1,631,000,000
Each year prior to start of value limitation period**	0	2017-2018	2017	\$ –	\$ –	\$ –	\$ –	\$ –
Each year prior to start of value limitation period**	0	2018-2019	2018	\$ –	\$ –	\$ –	\$ –	\$ –
Each year prior to start of value limitation period**	0	2019-2020	2018	\$ –	\$ –	\$ –	\$ –	\$ –
Each year prior to start of value limitation period**	0	2020-2021	2020	\$ –	\$ –	\$ –	\$ –	\$ –
Each year prior to start of value limitation period**	0	2021-2022	2021	\$ –	\$ –	\$ –	\$ –	\$ –
Each year prior to start of value limitation period** (omit as many rows as necessary)	0	2022-2023	2022	\$ –	\$ –	\$ –	\$ –	\$ –
Value limitation period***	1	2023-2024	2023	\$ 289,000,000	\$ –	\$ –	\$ –	\$ 289,000,000
	2	2024-2025	2024	\$ –	\$ –	\$ –	\$ –	\$ –
	3	2025-2026	2025	\$ –	\$ –	\$ –	\$ –	\$ –
	4	2026-2027	2026	\$ –	\$ –	\$ –	\$ –	\$ –
	5	2027-2028	2027	\$ –	\$ –	\$ –	\$ –	\$ –
	6	2028-2029	2028	\$ –	\$ –	\$ –	\$ –	\$ –
	7	2029-2030	2029	\$ –	\$ –	\$ –	\$ –	\$ –
	8	2030-2031	2030	\$ –	\$ –	\$ –	\$ –	\$ –
	9	2031-2032	2031	\$ –	\$ –	\$ –	\$ –	\$ –
	10	2032-2033	2032	\$ –	\$ –	\$ –	\$ –	\$ –
Total Investment made through limitation				\$ 1,920,000,000	\$ –	\$ –	\$ –	\$ 1,920,000,000
Continue to maintain viable presence	11	2033-2034	2033			\$ –		\$ –
	12	2034-2035	2034			\$ –		\$ –
	13	2035-2036	2035			\$ –		\$ –
	14	2036-2037	2036			\$ –		\$ –
	15	2037-2038	2037			\$ –		\$ –
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2038-2039	2038			\$ –		\$ –
	17	2039-2040	2039			\$ –		\$ –
	18	2040-2041	2040			\$ –		\$ –
	19	2040-2042	2041			\$ –		\$ –
	20	2042-2043	2042			\$ –		\$ –
	21	2043-2044	2043			\$ –		\$ –
	22	2044-2045	2044			\$ –		\$ –
	23	2045-2046	2045			\$ –		\$ –
	24	2046-2047	2046			\$ –		\$ –
	25	2047-2048	2047			\$ –		\$ –

* 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, 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.

Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)

Date
Applicant Name
ISD Name

3/6/17
Corpus Christi Liquefaction, LLC (Train 5)
Gregory-Portland ISD

Form 50-296A

Revised May 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	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 I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2017-2018	2017	\$ 8,941,893	\$ -	\$ -	\$ 8,941,893	\$ 8,941,893	\$ 8,941,893
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2018-2019	2018	\$ 8,941,893	\$ -	\$ -	\$ 8,941,893	\$ 8,941,893	\$ 8,941,893
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2019-2020	2019	\$ 8,941,893	\$ -	\$ -	\$ 8,941,893	\$ 8,941,893	\$ 8,941,893
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2020-2021	2020	\$ 8,941,893	\$ -	\$ -	\$ 8,941,893	\$ 8,941,893	\$ 8,941,893
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2021-2022	2021	\$ 8,941,893	\$ -	\$ 273,000,000	\$ 281,941,893	\$ 281,941,893	\$ 281,941,893
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2022-2023	2022	\$ 8,941,893	\$ -	\$ 663,000,000	\$ 671,941,893	\$ 671,941,893	\$ 671,941,893
Value Limitation Period	1	2023-2024	2023	\$ 8,941,893	\$ -	\$ 1,132,000,000	\$ 1,140,941,893	\$ 1,140,941,893	\$ 30,000,000
	2	2024-2025	2024	\$ 8,941,893	\$ -	\$ 1,561,000,000	\$ 1,569,941,893	\$ 1,569,941,893	\$ 30,000,000
	3	2025-2026	2025	\$ 8,941,893	\$ -	\$ 1,452,000,000	\$ 1,460,941,893	\$ 1,460,941,893	\$ 30,000,000
	4	2026-2027	2026	\$ 8,941,893	\$ -	\$ 1,405,000,000	\$ 1,413,941,893	\$ 1,413,941,893	\$ 30,000,000
	5	2027-2028	2027	\$ 8,941,893	\$ -	\$ 1,355,000,000	\$ 1,363,941,893	\$ 1,363,941,893	\$ 30,000,000
	6	2028-2029	2028	\$ 8,941,893	\$ -	\$ 1,311,000,000	\$ 1,319,941,893	\$ 1,319,941,893	\$ 30,000,000
	7	2029-2030	2029	\$ 8,941,893	\$ -	\$ 1,264,000,000	\$ 1,272,941,893	\$ 1,272,941,893	\$ 30,000,000
	8	2030-2031	2030	\$ 8,941,893	\$ -	\$ 1,218,000,000	\$ 1,226,941,893	\$ 1,226,941,893	\$ 30,000,000
	9	2031-2032	2031	\$ 8,941,893	\$ -	\$ 1,171,000,000	\$ 1,179,941,893	\$ 1,179,941,893	\$ 30,000,000
	10	2032-2033	2032	\$ 8,941,893	\$ -	\$ 1,132,000,000	\$ 1,140,941,893	\$ 1,140,941,893	\$ 30,000,000
Continue to maintain viable presence	11	2033-2034	2033	\$ 8,941,893	\$ -	\$ 1,093,000,000	\$ 1,101,941,893	\$ 1,101,941,893	\$ 1,101,941,893
	12	2034-2035	2034	\$ 8,941,893	\$ -	\$ 1,054,000,000	\$ 1,062,941,893	\$ 1,062,941,893	\$ 1,062,941,893
	13	2035-2036	2035	\$ 8,941,893	\$ -	\$ 976,000,000	\$ 984,941,893	\$ 984,941,893	\$ 984,941,893
	14	2036-2037	2036	\$ 8,941,893	\$ -	\$ 905,000,000	\$ 913,941,893	\$ 913,941,893	\$ 913,941,893
	15	2037-2038	2037	\$ 8,941,893	\$ -	\$ 835,000,000	\$ 843,941,893	\$ 843,941,893	\$ 843,941,893
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2038-2039	2038	\$ 8,941,893	\$ -	\$ 773,000,000	\$ 781,941,893	\$ 781,941,893	\$ 781,941,893
	17	2039-2040	2039	\$ 8,941,893	\$ -	\$ 718,000,000	\$ 726,941,893	\$ 726,941,893	\$ 726,941,893
	18	2040-2041	2040	\$ 8,941,893	\$ -	\$ 663,000,000	\$ 671,941,893	\$ 671,941,893	\$ 671,941,893
	19	2040-2042	2041	\$ 8,941,893	\$ -	\$ 617,000,000	\$ 625,941,893	\$ 625,941,893	\$ 625,941,893
	20	2042-2043	2042	\$ 8,941,893	\$ -	\$ 570,000,000	\$ 578,941,893	\$ 578,941,893	\$ 578,941,893
	21	2043-2044	2043	\$ 8,941,893	\$ -	\$ 531,000,000	\$ 539,941,893	\$ 539,941,893	\$ 539,941,893
	22	2044-2045	2044	\$ 8,941,893	\$ -	\$ 492,000,000	\$ 500,941,893	\$ 500,941,893	\$ 500,941,893
	23	2045-2046	2045	\$ 8,941,893	\$ -	\$ 453,000,000	\$ 461,941,893	\$ 461,941,893	\$ 461,941,893
	24	2046-2047	2046	\$ 8,941,893	\$ -	\$ 421,000,000	\$ 429,941,893	\$ 429,941,893	\$ 429,941,893
	25	2047-2048	2047	\$ 8,941,893	\$ -	\$ 390,000,000	\$ 398,941,893	\$ 398,941,893	\$ 398,941,893

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.

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
				Number of Construction FTE's 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 (Report as many years as necessary)	0	2017-2018	2017	0	0	0	0	
Each year prior to start of Value Limitation Period (Report as many years as necessary)	0	2018-2019	2018	0	0	0	0	
Each year prior to start of Value Limitation Period (Report as many years as necessary)	0	2019-2020	2019	0	0	0	0	
Each year prior to start of Value Limitation Period (Report as many years as necessary)	0	2020-2021	2020	1,350 FTE	\$ 60,000	0	0	0
Each year prior to start of Value Limitation Period (Report as many years as necessary)	0	2021-2022	2021	1,000 FTE	\$ 60,000	0	0	0
Each year prior to start of Value Limitation Period (Report as many years as necessary)	0	2022-2023	2022	800 FTE	\$ 60,000	0	0	0
Value Limitation Period The qualifying time period shall encompass the value limitation period.	1	2023-2024	2023	500 FTE	\$ 60,000	25	10	\$ 65,000
	2	2024-2025	2024	0	\$ -	25	10	\$ 65,000
	3	2025-2026	2025	0	\$ -	25	10	\$ 65,000
	4	2026-2027	2026	0	\$ -	25	10	\$ 65,000
	5	2027-2028	2027	0	\$ -	25	10	\$ 65,000
	6	2028-2029	2028	0	\$ -	25	10	\$ 65,000
	7	2029-2030	2029	0	\$ -	25	10	\$ 65,000
	8	2030-2031	2030	0	\$ -	25	10	\$ 65,000
	9	2031-2032	2031	0	\$ -	25	10	\$ 65,000
	10	2032-2033	2032	0	\$ -	25	10	\$ 65,000
Years Following Value Limitation Period	11 through 25	2033-2048	2033-2047	0	\$ -	25	10	\$ 65,000

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? (25 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts)
If yes, answer the following two questions:
- ☐ Yes
☒ No
- C1a. Will the applicant request a job waiver, as provided under 313.025(f-1)?
- ☐ Yes
☒ No
- C1b. Will the applicant avail itself of the provision in 313.021(3)(F)?
- ☐ Yes
☒ No

Date

Schedule D: Other Incentives (Estimated)
3/6/17

Applicant Name

Corpus Christi Liquefaction, LLC (Train 5)

Form 50-296A

ISD Name

Gregory-Portland ISD

Revised May 2014

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:	To be determined	To be determined	To be determined	To be determined	To be determined
	City:	To be determined	To be determined	To be determined	To be determined	To be determined
	Other:	To be determined	To be determined	To be determined	To be determined	To be determined
Tax Code Chapter 312	County: San Patricio County	To be determined	To be determined	To be determined	To be determined	To be determined
	City: N/A	To be determined	To be determined	To be determined	To be determined	To be determined
	Other: San Patricio Drainage	To be determined	To be determined	To be determined	To be determined	To be determined
Local Government Code Chapters 380/381	County:	To be determined	To be determined	To be determined	To be determined	To be determined
	City:	To be determined	To be determined	To be determined	To be determined	To be determined
	Other:	To be determined	To be determined	To be determined	To be determined	To be determined
Freeport Exemptions	Not applicable	To be determined	To be determined	To be determined	To be determined	To be determined
Non-Annexation Agreements	To be determined	To be determined	To be determined	To be determined	To be determined	To be determined
Enterprise Zone/Project	To be determined	To be determined	To be determined	To be determined	To be determined	To be determined
Economic Development Corporation	To be determined	To be determined	To be determined		To be determined	
Texas Enterprise Fund	To be determined	To be determined	To be determined		To be determined	
Employee Recruitment	To be determined	To be determined	To be determined		To be determined	
Skills Development Fund	To be determined	To be determined	To be determined		To be determined	
Training Facility Space and Equipment	To be determined	To be determined	To be determined		To be determined	
Infrastructure Incentives	To be determined	To be determined	To be determined		To be determined	
Permitting Assistance	To be determined	To be determined	To be determined		To be determined	
Other:	To be determined	To be determined	To be determined		To be determined	
Other:	To be determined	To be determined	To be determined		To be determined	
Other:	To be determined	To be determined	To be determined		To be determined	
Other:	To be determined	To be determined	To be determined		To be determined	
TOTAL						

Additional information on incentives for this project:

No other tax incentive applications have been filed or discussions held with any other taxing jurisdictions at the time of application filing.

**Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage
III, LLC and Cheniere Land Holdings, LLC**
Chapter 313 Application to Gregory-Portland ISD (Train 5)
Cummings Westlake, LLC

TAB 15

*Economic Impact Analysis, other payments made in the state or other economic
information (if applicable)*

None.

*TAB TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED
PROPERTY BY CORPUS CHRISTI LIQUEFACTION, LLC, CORPUS CHRISTI
LIQUEFACTION STAGE III, LLC, AND CHENIERE LAND HOLDINGS, LLC TO GREGORY-
PORTLAND ISD*

**Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage
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Chapter 313 Application to Gregory-Portland ISD (Train 5)

Cummings Westlake, LLC

TAB 16

Description of Reinvestment Zone or Enterprise Zone, including:

- a) Evidence that the area qualifies as an enterprise zone as defined by the Governor's office*
- b) Legal description of reinvestment zone**
- c) Order, resolution, or ordinance established the reinvestment zone**
- d) Guidelines and criteria for creating the zone**

See attached proposed reinvestment zone information. Applicants will request that the Board of Trustees of Gregory-Portland ISD create the reinvestment zone at a later date. No guidelines and criteria are required for Gregory-Portland ISD's Board of Trustees to create the reinvestment zone.

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REINVESTMENT ZONE LEGAL DESCRIPTION

Tract 1

BEING 832.0 acres of land, more or less, out of that 1665.22 acre tract as described in Volume 169, page 48 of the Deed Records of San Patricio County, Texas and out of that 328.9 acre tract described in Volume 231, Page 72 of the Deed Records of San Patricio County, Texas and also being out of the T.T. Williamson Surveys A-288, A-289, and A-291, the J. Garaghty Survey A-169, and the G. Valdez Survey A-269 said 832.0 acre tract as shown in Govind & Associates, Inc. Dwg. Nos. 0009-501-C02 thru C07 being more particularly described as follows:

COMMENCING at a found concrete monument for the northwest corner of the aforesaid 1665.222 acre tract of land and a northeasterly corner of a Reynolds Metals 335.26 acre tract as recorded in Volume 231, Page 72 of the Deed Records of San Patricio County, Texas in the west right-of-way line of the Union Pacific Railroad;

THENCE with the common line of said 335.26 acre tract and 1665.222 acre tract, S17°14'57"E 1712.29 feet to a found disturbed concrete monument in the south right-of-way line of Texas Highway No. 35 as recorded in Clerk's File No. 332836 of the Official Public Records of San Patricio County, Texas for the POINT OF BEGINNING;

THENCE, with said south right-of-way line,

N34°04'07"E 50.38 feet to a found concrete monument,
N74°31'32"E 322.91 feet to a found concrete monument,
N86°24'57"E 623.49 feet to a found concrete monument,

THENCE, with a non-tangent curve to the right having a central angle of 35°28'54" a radius of 1850.08 feet, and a chord bearing S77°16'49" E 1127.48 feet, a distance of 1145.70 feet to a found concrete monument in the south right-of-way line of Texas Highway No. 361;

THENCE, with the south right-of-way line of Texas Highway No. 361,

S59°30'24"E 1009.37 feet to a found concrete right-of way monument,
S59°32'51"E 1004.15 feet to a found concrete right-of way monument,
S59°35'09"E 2106.32 feet to a found concrete right-of way monument,
S59°33'28"E 2109.34 feet to a set 5/8 inch iron rod;

THENCE, leaving said south right-of-way line and with a new division line
S00°06'01"W 2711.49 feet to a set 5/8 inch iron rod,
S72°35'34"W 1462.68 feet to a set 5/8 inch iron rod,
N18°07'13"W 300.83 feet to a set 5/8 inch iron rod,
S72°05'13"W 720.37 feet to a set 5/8 inch iron rod,

**TAB TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED
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N78°25'07"W 497.03 feet to a set 5/8 inch iron rod,
S78°47'30"W 83.50 feet to a set 5/8 inch iron rod,
S15°25'23"E 1391.34 feet to a found "PK" nail in asphalt for a common
corner in the aforesaid 1665.222 acre tract and 328.9 acre tract;

THENCE, with a common line of said 1665.222 acre tract and 328.9 acre tract,
S72°46'00"W at 2578.70 feet a found 5/8 inch iron rod for an exterior corner of said
1665.222 acre tract and an interior corner for said 328.9 acre tract in all 2585.15 feet to a
set 5/8 inch iron rod in a new division line;

THENCE, with a new division line, N17°12'25"W 8736.90 feet to the POINT OF
BEGINNING and containing 832.0 acres of land, more or less.

Tract 2

Being 11.870 acres of land, more or less, out of the remainder of a 328.9 acre tract recorded
in Document 2001000017, Official Public Records of Nueces County, Texas, and being out of
T.T. Williamson Survey, A-288 and this 11.870 acre tract being more particularly described
by metes and bounds as follows:

Beginning at a found 5/8 inch iron rod for the northwest corner of this tract, said corner
also being the southwest corner of a 832.0 acre tract recorded in Document No.
2001000017, O.P.R.N.C.T. and also being an interior corner of said 328.9 acre tract and lying
on the east boundary of a 44.72 acre tract recorded in Document No. 2006043532,
O.P.R.N.C.T., and having a State Plane Grid Coordinate of N17,214,987.50° E 1,279,631.39°,
Texas South Zone in U.S. feet;

Thence N72-17-20 E with the north boundary of this tract and said 328.9 acre tract, the
same being the south boundary of said 832.0 acre tract, 2,585.15 feet, to a set 5/8 inch rod
for the northeast corner of this tract and said 328.9 acre tract, said corner also being a
southeast corner of said 832.0 acre tract and lying on the west boundary of a 1610.0 acre
tract recorded in Document No. 20010017, O.P.R.N.C.T.;

Thence S 17-44-42 E with the east boundary of this tract and said 328.9 acre tract, the same
being the west boundary of said 1610.0 acre tract, 200.01 feet, to a set 5/8 inch iron rod for
the southeast corner of this tract, said corner being on the north boundary of a 212.20 acre
tract recorded in Document No. 2014038283, O.P.R.N.C.T.;

Thence S 72-17-20 W with the south boundary of this tract, the same being the north
boundary of said 212.20 acre tract, 2585.36 feet, to a found 5/8 inch iron rod for the
southwest corner of this tract, said corner also being a southeast corner of said 44.72 acre
tract;

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Thence N 17-41-05 W with the west boundary of this tract, the same being the east boundary of said 44.72 acre tract, 200.00 feet, the point of beginning and containing 11.870 acres of land, more or less.

Notes:

3. Bearings are State Plane Grid.
4. Drawing accompanies metes and bounds description.

Tract 3

Being 44.419 acres of land, more or less, out of the remainder of a 1610.0 acre tract and the remainder of a 328.9 acre tract recorded in Clerk File No. 490819, Official Public Records of San Patricio County, Texas, and also being out of T.T. Williamson Surveys, Abstracts 288, 289, 290 and 291, San Patricio County, Texas, and this 44.419 acre tract being more particularly described by metes and bounds as follows:

Beginning at the northwest corner of this tract, said corner also being an interior corner of a 827.38 acre tract recorded in C.F. #649462, O.P.R.S.C.T., the same being a northwest corner of the aforementioned remainder of said 1610.0 acre tract and said corner having State Plane Grid Coordinate of N 17,217,112.06', E 1,381,712.83', NAD'83, Texas South Zone in U.S.feet;

Thence N 78-18-51 E with the common boundary of said 827.38 acre tract and said remainder of 1610.0 acre tract, 83.50 feet, to a corner of this tract and said 827.38 acre tract;

Thence S 78-53-46 E with the common boundary of said 827.38 acre tract and said remainder of 1610.0 acre tract, 385.53 feet, to a corner of this tract and said 827.38 acre tract;

Thence leaving said 827.38 acre tract S 16-36-36 E, 828.46 feet, to a corner;

Thence with the northeast boundary of this tract as follows:

S 52-07-14 E, 106.23 feet;
S 09-25-25 E, 43.79 feet;
S 54-49-48 E, 171.60 feet;
S 60-50-29 E, 569.39 feet;
S 63-56-35 E, 64.81 feet;
S 19-42-49 E, 93.23 feet;
S 03-35-06 W, 232.21 feet;

Thence S 00-20-25 E with the east boundary of this tract, 1259.86 feet, to an interior corner of this tract;

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Thence S 45-00-00 W, 56.65 feet, to a corner;

Thence South, 194.05 feet, to an interior corner of this tract;

Thence East, 161.75 feet, to a corner;

Thence South, 369.46 feet, to the beginning of a curve to the left;

Thence with said curve to the left having a radial bearing of S 51-18-14 E, 382.66 feet, a central angle of 39-16-13, a radius of 382.66 feet, a length of 262.27 feet;

Thence S 00-34-27 E with the east boundary of this tract, 1009.16 feet, to the south corner of this tract, said corner being on the west boundary of said 1610.0 acre tract, the same being the east boundary of a 125.20 acre tract recorded in C.F. #613799, O.P.R.S.P.C.T.;

Thence with the west boundary of this tract and said 1610.0 acre tract, the same being the east boundary of said 125.20 acre tract, N 17-32-43 W, 1698.32 feet, to a 5/8-inch iron rod for a corner of this tract and said 125.20 acre tract;

Thence N 73-59-30 W, 102.14, to a 5/8-inch iron rod for a corner of this tract and said 125.20 acre tract, said corner being on the south boundary of a 212.20 acre tract recorded in C.F. #531139, O.P.R.S.P.C.T.;

Thence N 67-58-34 E with a north boundary of this tract and the south boundary of said 212.20 acre tract, at 126.41 feet pass the east boundary of the aforementioned 328.9 acre tract, the same being the west boundary of said 1610.0 acre tract, in all 314.67 feet, to a 5/8-inch iron rod for a corner of this tract and said 212.20 acre tract;

Thence with the west boundaries of this tract, the same being the east boundaries of said 212.20 acre tract as follows:

N 17-42-40 W, 640.06 feet;

N 72-17-20 E, 246.92 feet;

N 17-42-40 W, 838.29 feet;

N 75-57-21 W, 308.31 feet;

Thence S 72-17-20 W with the north boundary of said 212.20 acre tract, the same being the south boundary of this tract, 173.54 feet, to a 5/8-inch iron rod for a corner of this tract, said corner being on the west boundary of said 1610.0 acre tract, the same being the east boundary of said 328.9 acre tract;

Thence N 17-44-42 W with the west boundary of this tract and said 1610.0 acre tract, the same being the east boundary of said 328.9 acre tract, 200.01 feet, to a corner of this tract, said 328.9 acre tract, said 1610.0 acre tract and the southeast corner of the aforementioned 827.38 acre tract;

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Thence N 15-54-02 W with the west boundary of this tract and the east boundary of said 827.38 acre tract, 1391.34 feet, to the point of beginning and containing 44.419 acres of land, more or less.

Notes:

1. Drawing accompanies this metes and bounds description.
2. Metes and bounds based on information provided by Cheniere and not based on an on the ground survey.
3. Information on 827.38 acre and 203.20 acre tracts based on surveys conducted by G&W Engineers, Inc. dated 8/06/15.

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TAB 17

Signature and Certification page, signed and dated by Authorized School District
Representative and Authorized Corpus Christi Liquefaction, Corpus Christi
Liquefaction Stage III, LLC, and Cheniere Land Holdings, LLC Representative
(Applicants)

See attached.

TAB TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED
PROPERTY BY CORPUS CHRISTI LIQUEFACTION, LLC, CORPUS CHRISTI
LIQUEFACTION STAGE III, LLC, AND CHENIERE LAND HOLDINGS, LLC TO GREGORY-
PORTLAND ISD

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**

Dr. Paul Clore

Print Name (Authorized School District Representative)

Superintendent

Title

**sign
here**

Paul Clore

Signature (Authorized School District Representative)

Date

3-6-17

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**

Keith Little

Print Name (Authorized Company Representative (Applicant))

Vice President, Business Development

Title

**sign
here**

Keith Little

Signature (Authorized Company Representative (Applicant))

Date

March 1, 2017

JONATHAN J. WALSH
Notary Public, State of New York
No. 02WA6155190
Qualified in New York County
Commission Expires Dec. 28th, 2018

(Notary Seal)

GIVEN under my hand and seal of office this, the

1 day of March, 2017

Notary Public in and for the State of Texas

My Commission expires:

12/28/18

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.

March 30, 2017

March 6, 2017

Dr. Paul Clore, Superintendent
Gregory-Portland Independent School District
608 College Street
Portland, TX 78374

Re: Chapter 313 Application – Corpus Christi Liquefaction, LLC, et al Train 5

Dear Dr. Clore,

Enclosed is the Application for Appraised Value Limitation for Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage III, LLC, and Cheniere Land Holdings, LLC (“the Applicants”).

All of the property submitted in this application is specifically excluded from the Applicants’ application for Train 4 which is being submitted simultaneously with this application. All of the property in this application will be in a reinvestment zone created by San Patricio County or Gregory-Portland ISD for the Applicants at a later date.

This application replaces withdrawn application number 1077. Changes to this application from application number 1077 are listed below. As the below list of changes shows, issues such as interconnections and determining factor were considered in detail to the Comptroller's satisfaction in application 1077, the facts related to these issues have not changed, and the investment values upon which the economic impact analysis in application 1077 was based have not changed.

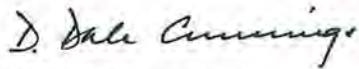
1. Form Page 2, Section 2, Question 1 – the Authorized Company Representative has been changed.
2. Form Page 3, Section 3, Question 1 – the payment of an application fee has been changed from “Yes” to “No”. Gregory-Portland ISD has waived the application fee. Please see Tab 2 of the application.
3. Form Page 3, Section 4, Question 1 – Additional companies have been added as Applicants. Please see Tab 5 for an explanation of the addition.
4. Form Page 3, Section 4, Question 2 – Texas taxpayer I.D. numbers for the additional applicants have been added.
5. Form Page 4, Section 8, Question 5 – The answer to this question has changed from “No” to “Yes” since the TCEQ air permit has been received.
6. Form Page 5, Section 9, Question 1 – The anticipated approval date by the school board has been updated.
7. Form Page 5, Section 10, Question 4 – The tax rates for San Patricio County and San Patricio County Drainage District have been updated to 2016 rates.
8. Form Page 6, Section 12, Question 3b – The anticipated date of creation of the new reinvestment zone has been updated.

9. Form Page 7, Section 14, Question 2 – The last complete quarter before the application review start date has been updated.
10. Form Page 7, Section 14, Question 7 – Wage rates have been updated.
11. Form Page 8, Section 16, Question 2 – The name of the Authorized Company Representative has been changed.
12. Tab 2 – has been changed to explain that the application fee has been waived and to attach a letter from Gregory-Portland ISD showing the waiver.
13. Tab 4 – Changes to the project description have been made as follows:
 - a. First paragraph – Additional companies have been added as Applicants and the new acreage of the proposed reinvestment zone has been updated.
 - b. Second paragraph – Reference is made to the project description being identical to that in withdrawn application 1077.
 - c. Fourth paragraph – A statement is added that Applicants have not made the final technology and equipment selection as of the date of this application.
 - d. Information has been added at the end of Tab 4 discussing feedstock sources, proposed output capacity, and interconnections with adjacent facilities.
14. Tab 5 – Changes to Documentation to assist in determining if limitation is a determining factor have been made as follows:
 - a. First paragraph – Reference is made to the construction of Trains 1 and 2 (the “Covered Project”) near Corpus Christi. In application number 1077, this construction had not started.
 - b. Second paragraph – Reference to the status of DOE permits is updated to state that DOE has approved the export of LNG to free trade countries but not to non-free trade countries and to state that construction could not start without DOE approval to export to non-free trade countries. Reference is made that the TCEQ air permit has been received. Reference is also made to attachments from Cheniere’s website and press releases.
 - c. Third paragraph – Reference is made to withdrawn application number 1077, which received a certificate package from the Comptroller, and the fact that Applicant continues to consider a value limitation agreement to be a determining factor.
 - d. Fifth paragraph – Language has been added to state that the interconnections described in this application are identical to those described in application number 1077 which received a certificate package from the Comptroller after detailed discussions and meetings between the Applicant and the Comptroller.
 - e. Seventh paragraph – Language has been added to explain the reasons why application number 1077 was withdrawn and replaced by this application.
15. Tab 6 tax rates have been revised to show 2016 tax rates.
16. Tab 7 language has been changed to conform to changes in Tab 4 discussed above.
17. Tab 8 language has been changed to conform to changes in Tab 4 discussed above.
18. Tab 9 has been changed as follows:

- a. Tract 3 has been added to the legal description
 - b. The land value and San Patricio County Appraisal District account numbers have been updated.
19. Tab 11 map with improvement layout has been changed to show the revised boundary line of the reinvestment zone and project boundary due to the additional land described as Tract 3 in Tab 9.
20. Tab 13 has been changed to include the latest wage data available.
21. Tab 14 – The only change to the schedules is updated land value information in Schedule B. The timing and amount of investment in proposed improvements remains unchanged from application number 1077.
22. Tab 16 has been updated to include the land description of Tract 3 which is identical to the land description in Tab 9.

If you have questions, would you please contact me?

Sincerely,

A handwritten signature in cursive script that reads "D. Dale Cummings".

D. Dale Cummings

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

Daniel T. Casey
First Name Last Name
Partner
Title
Moak, Casey & Associates, LLP
Firm Name
512-485-7878 512-485-7888
Phone Number Fax Number
dcasey@moakcasey.com
Mobile Number (optional) Email Address

4. On what date did the district determine this application complete? March 7, 2017
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)

Keith Little
First Name Last Name
Vice President, Business Development Cheniere Energy, Inc.
Title Organization
700 Milam Street, Suite 1900
Street Address
700 Milam Street, Suite 1900
Mailing Address
Houston TX 77002
City State ZIP
713-375-5000 713-375-6000
Phone Number Fax Number
keith.little@cheniere.com
Mobile Number (optional) 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.

Andrea Carter-Virtanen
First Name Last Name
Senior Counsel, Tax Cheniere Energy, Inc.
Title Organization
700 Milam Street, Suite 1900
Street Address
700 Milam Street, Suite 1900
Mailing Address
Houston TX 77002
City State ZIP
713-375-5474 713-375-6474
Phone Number Fax Number
andrea.carter@cheniere.com
Mobile Number (optional) Business Email Address

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

March 30, 2017



Gregory-Portland Independent School District

Office of the Superintendent

Dr. Paul Clore, Superintendent of Schools

Cindy Hartley, Administrative Assistant

Office: (361) 777-1091 ext. 1018

Fax: (361) 777-1094

29 March 2017

Mr. Keith Little
Vice President, Business Development
Cheniere Energy, Inc.
700 Milam Street, Suite 1900
Houston, TX 77002

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

Mr. Little,

Corpus Christi Liquefaction, LLC, et al intends to submit two applications for appraised value limitation on qualified property for Trains 4 and 5 of their project. These Applications are for the same projects that had been assigned Comptroller Application Number 1076 and 1077. Corpus Christi Liquefaction, LLC, et al officially withdrew Applications 1076 and 1077. In accordance with Board Policy CCG (Local), a nonrefundable Application Fee must be paid by an Applicant to the District to cover the District's costs incurred in the processing and consideration of an Application for Appraised Value Limitation on Qualified Property. The Standard Application Fee is Seventy-Five Thousand Dollars (\$75,000.00) per application, due and payable at the time of the submission of an Application for consideration. Comptroller Application 1076 and 1077, which were accepted by the District on June 23, 2015, were accompanied by the required application fee. Proof of payment of the Application Fees is attached.

However, no costs were incurred by the District in processing this application as the company withdrew the application. Therefore, the District considers the application fee submitted for Comptroller Application 1076 and 1077 sufficient to cover any costs associated with the Applications to be submitted by Corpus Christi Liquefaction, LLC, et al. Therefore, a second application fee has not been assessed by the District.

Sincerely,

Paul Clore, Ph.D.
Superintendent, Gregory-Portland ISD

TAB 4

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.

Description of Project

Corpus Christi Liquefaction, LLC ("Corpus Christi Liquefaction"), Corpus Christi Liquefaction Stage III, LLC, and Cheniere Land Holdings, LLC (collectively the "Applicants"), all wholly owned subsidiaries of Cheniere Energy Inc. ("Cheniere"), are evaluating the development of a liquefied natural gas ("LNG") liquefaction and storage facility (the "Considered Project") within the 888.289-acre reinvestment zone in San Patricio County, Texas. Corpus Christi Liquefaction is currently constructing an LNG liquefaction, storage and marine terminal facility, including three LNG liquefaction trains, which are covered by Chapter 313 Agreement Nos. 296, 297 and 298 (the "Covered Project") (A "train" is an integrated collection of manufacturing equipment that is designed to operate independently as a unit.) This Considered Project, which will include a single LNG liquefaction train ("Train 5"), will operate largely independent from the Covered Project.

The Considered Project described herein is identical to the project described in Application 1077, which received a certificate of limitation from the Comptroller on January 13, 2016 (please see tab 5 for an explanation of the circumstances leading to the withdrawal of Application 1077 and resubmission of this application). The estimated capital investment cost of the Considered Project, as reflected in this application, is approximately \$1.92 billion. In addition to the Chapter 313 economic development incentives being sought with this application through Gregory-Portland ISD and the State of Texas, the Applicants intend to seek economic development incentives from San Patricio County and several other local jurisdictions. Each individual train of a LNG liquefaction facility has to stand on its own in terms of technical viability, regulatory approvals, long-term customer commitments for the LNG produced, and project financing. Construction could start as early as 2020 with commencement of commercial operations as early as 2024 if, and **only** if, the following conditions are met for the Considered Project: the technical viability of the project is confirmed, all necessary regulatory approvals are obtained, adequate customer commitments are secured, supportive economic development incentives are provided, sufficient project financing is arranged, and

corporate board approval is received.

The Considered Project would include LNG liquefaction facilities and supporting infrastructure, as described further below. "Train 5" is principally a LNG liquefaction train.

LNG Liquefaction Facility

Subject to final technology and equipment selection, which has not been finalized as of the date of this application, the LNG liquefaction facility constitutes one ConocoPhillips Optimized CascadeSM LNG liquefaction train, capable of processing up to approximately 700 million cubic feet per day of natural gas and with average liquefaction capacity of approximately 4.5 million tonnes per annum. This train includes, but is not limited to, the following:

- Six GE LM2500 aeroderivative natural gas turbines driving multiple compressors in order to cool the methane, ethylene and propane refrigerants;
- Two "cold boxes", hundreds of induced draft air coolers and various other heat exchangers that enable the refrigerants to cool the natural gas feedstock to -270 degrees Fahrenheit in order to produce LNG;
- Facilities which remove water, mercury, carbon dioxide (CO₂), hydrogen sulfide (H₂S), other sulfur compounds and heavy hydrocarbons from the natural gas feedstock; and
- Waste heat recovery systems for energy efficiency;
- The liquefaction facility will be built on numerous foundation pilings to support the equipment and will include electrical cables and interconnections to control equipment required to operate the liquefaction facility such as pumps, motors, vessels, intra-plant piping, and valves in addition to the above described compressors, cold boxes, natural gas inlet treating, and waste heat recovery systems.

Supporting Infrastructure

The supporting infrastructure includes, but is not limited to, the following:

- Intra-plant electrical, utility, and piping systems
- Firewater system
- Fire and gas detection system
- LNG spill containment facilities

Feedstock sources, proposed output capacity and final products, and interconnections with adjacent facilities are listed below.

Feedstock Sources

- Train 5 will use natural gas delivered by pipeline as feedstock and fuel. This feedstock is available from multiple sources and will require sources of natural gas from states other than Texas.

Proposed Output Capacity and Final Products

- Train 5 will have a design output capacity of approximately 4.5 million tonnes per annum of LNG.

Interconnections with Adjacent Facilities

- Like the other equipment described herein, the interconnection equipment discussed in this section is identical to that described in Application 1077. Applicants and the Comptroller had detailed discussions about the interconnection equipment in connection with the Comptroller's review and approval of Application 1077.
- An LNG transfer line or lines will interconnect the Considered Project with the Covered Project.
- The Considered Project intends to rely on the Covered Project's control room utilizing cable interconnections.
- The Considered Project will export LNG produced via the Covered Project's marine terminal.

- Otherwise, due largely to the spatial separation of the Covered and Considered Projects, the preliminary design calls for no other significant interconnections and for the Considered Project to rely solely on its own supporting infrastructure.

TAB 7

Description of Qualified Investment

Corpus Christi Liquefaction, LLC ("Corpus Christi Liquefaction"), Corpus Christi Liquefaction Stage III, LLC, and Cheniere Land Holdings, LLC (collectively the "Applicants"), all wholly owned subsidiaries of Cheniere Energy Inc. ("Cheniere"), are evaluating the development of a liquefied natural gas ("LNG") liquefaction and storage facility (the "Considered Project") within the 888.289-acre reinvestment zone in San Patricio County, Texas. Corpus Christi Liquefaction is currently constructing an LNG liquefaction, storage and marine terminal facility, including three LNG liquefaction trains, which are covered by Chapter 313 Agreement Nos. 296, 297 and 298 (the "Covered Project") (A "train" is an integrated collection of manufacturing equipment that is designed to operate independently as a unit.) This Considered Project, which will include a single LNG liquefaction train ("Train 5"), will operate largely independent from the Covered Project.

The estimated capital investment cost of the Considered Project, as reflected in this application, is approximately \$1.92 billion. In addition to the Chapter 313 economic development incentives being sought with this application through Gregory-Portland ISD and the State of Texas, the Applicants intend to seek economic development incentives from San Patricio County and several other local jurisdictions. Each individual train of a LNG liquefaction facility has to stand on its own in terms of technical viability, regulatory approvals, long-term customer commitments for the LNG produced, and project financing. Construction could start as early as 2020 with commencement of commercial operations as early as 2024 if, and **only** if, the following conditions are met for the Considered Project: the technical viability of the project is confirmed, all necessary regulatory approvals are obtained, adequate customer commitments are secured, supportive economic development incentives are provided, sufficient project financing is arranged, and corporate board approval is received.

The Considered Project would include LNG liquefaction facilities and supporting infrastructure, as described further below. "Train 5" is principally a LNG liquefaction train.

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Subject to final technology and equipment selection, which has not been finalized as of the date of this application, the LNG liquefaction facility constitutes one ConocoPhillips Optimized CascadeSM LNG liquefaction train, capable of processing up to approximately 700 million cubic feet per day of natural gas and with average liquefaction capacity of approximately 4.5 million tonnes per annum. This train includes, but is not limited to, the following:

- Six GE LM2500 aeroderivative natural gas turbines driving multiple compressors in order to cool the methane, ethylene and propane refrigerants;
- Two “cold boxes”, hundreds of induced draft air coolers and various other heat exchangers that enable the refrigerants to cool the natural gas feedstock to -270 degrees Fahrenheit in order to produce LNG;
- Facilities which remove water, mercury, carbon dioxide (CO₂), hydrogen sulfide (H₂S), other sulfur compounds and heavy hydrocarbons from the natural gas feedstock; and
- Waste heat recovery systems for energy efficiency;
- The liquefaction facility will be built on numerous foundation pilings to support the equipment and will include electrical cables and interconnections to control equipment required to operate the liquefaction facility such as pumps, motors, vessels, intra-plant piping, and valves in addition to the above described compressors, cold boxes, natural gas inlet treating, and waste heat recovery systems.

Supporting Infrastructure

The supporting infrastructure includes, but is not limited to, the following:

- Intra-plant electrical, utility, and piping systems
- Firewater system
- Fire and gas detection system
- LNG spill containment facilities

Feedstock sources, proposed output capacity and final products, and interconnections with adjacent facilities are listed below.

Feedstock Sources

- Train 5 will use natural gas delivered by pipeline as feedstock and fuel. This feedstock is available from multiple sources and will require sources of natural gas from states other than Texas.

Proposed Output Capacity and Final Products

- Train 5 will have a design output capacity of approximately 4.5 million tonnes per annum of LNG.

Interconnections with Adjacent Facilities

- Like the other equipment described herein, the interconnection equipment discussed in this section is identical to that described in Application 1077. Applicants and the Comptroller had detailed discussions about the interconnection equipment in connection with the Comptroller's review and approval of Application 1077.
- An LNG transfer line or lines will interconnect the Considered Project with the Covered Project.
- The Considered Project intends to rely on the Covered Project's control room utilizing cable interconnections.
- The Considered Project will export LNG produced via the Covered Project's marine terminal.
- Otherwise, due largely to the spatial separation of the Covered and Considered Projects, the preliminary design calls for no other significant interconnections and for the Considered Project to rely solely on its own supporting infrastructure.

TAB 8

Description of Qualified Property

Corpus Christi Liquefaction, LLC ("Corpus Christi Liquefaction"), Corpus Christi Liquefaction Stage III, LLC, and Cheniere Land Holdings, LLC (collectively the "Applicants"), all wholly owned subsidiaries of Cheniere Energy Inc. ("Cheniere"), are evaluating the development of a liquefied natural gas ("LNG") liquefaction and storage facility (the "Considered Project") within the 888.289-acre reinvestment zone in San Patricio County, Texas. Corpus Christi Liquefaction is currently constructing an LNG liquefaction, storage and marine terminal facility, including three LNG liquefaction trains, which are covered by Chapter 313 Agreement Nos. 296, 297 and 298 (the "Covered Project") (A "train" is an integrated collection of manufacturing equipment that is designed to operate independently as a unit.) This Considered Project, which will include a single LNG liquefaction train ("Train 5"), will operate largely independent from the Covered Project.

The estimated capital investment cost of the Considered Project, as reflected in this application, is approximately \$1.92 billion. In addition to the Chapter 313 economic development incentives being sought with this application through Gregory-Portland ISD and the State of Texas, the Applicants intend to seek economic development incentives from San Patricio County and several other local jurisdictions. Each individual train of a LNG liquefaction facility has to stand on its own in terms of technical viability, regulatory approvals, long-term customer commitments for the LNG produced, and project financing. Construction could start as early as 2020 with commencement of commercial operations as early as 2024 if, and **only** if, the following conditions are met for the Considered Project: the technical viability of the project is confirmed, all necessary regulatory approvals are obtained, adequate customer commitments are secured, supportive economic development incentives are provided, sufficient project financing is arranged, and corporate board approval is received.

The Considered Project would include LNG liquefaction facilities and supporting infrastructure, as described further below. "Train 5" is principally a LNG liquefaction train.

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of the date of this application, the LNG liquefaction facility constitutes one ConocoPhillips Optimized CascadeSM LNG liquefaction train, capable of processing up to approximately 700 million cubic feet per day of natural gas and with average liquefaction capacity of approximately 4.5 million tonnes per annum. This train includes, but is not limited to, the following:

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- Two “cold boxes”, hundreds of induced draft air coolers and various other heat exchangers that enable the refrigerants to cool the natural gas feedstock to -270 degrees Fahrenheit in order to produce LNG;
- Facilities which remove water, mercury, carbon dioxide (CO₂), hydrogen sulfide (H₂S), other sulfur compounds and heavy hydrocarbons from the natural gas feedstock; and
- Waste heat recovery systems for energy efficiency;
- The liquefaction facility will be built on numerous foundation pilings to support the equipment and will include electrical cables and interconnections to control equipment required to operate the liquefaction facility such as pumps, motors, vessels, intra-plant piping, and valves in addition to the above described compressors, cold boxes, natural gas inlet treating, and waste heat recovery systems.

Supporting Infrastructure

The supporting infrastructure includes, but is not limited to, the following:

- Intra-plant electrical, utility, and piping systems
- Firewater system
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Feedstock sources, proposed output capacity and final products, and interconnections with adjacent facilities are listed below.

Feedstock Sources

- Train 5 will use natural gas delivered by pipeline as feedstock and fuel. This feedstock is available from multiple sources and will require sources of natural gas from states other than Texas.

Proposed Output Capacity and Final Products

- Train 5 will have a design output capacity of approximately 4.5 million tonnes per annum of LNG.

Interconnections with Adjacent Facilities

- Like the other equipment described herein, the interconnection equipment discussed in this section is identical to that described in Application 1077. Applicants and the Comptroller had detailed discussions about the interconnection equipment in connection with the Comptroller's review and approval of Application 1077.
- An LNG transfer line or lines will interconnect the Considered Project with the Covered Project.
- The Considered Project intends to rely on the Covered Project's control room utilizing cable interconnections.
- The Considered Project will export LNG produced via the Covered Project's marine terminal.
- Otherwise, due largely to the spatial separation of the Covered and Considered Projects, the preliminary design calls for no other significant interconnections and for the Considered Project to rely solely on its own supporting infrastructure.

TAB 9

Description of Land

Please see the attached legal description of the land for the proposed project. Applicants own Tract 1, Tract 2, and Tract 3.

As of January 1, 2016, (the most current available valuation which is under appeal), San Patricio County Appraisal District valued the land at an average of \$20,133 per acre. Based on the 888.289 acres in the proposed reinvestment zone, the land is valued at \$17,883,785 (rounded). The San Patricio County Appraisal District account numbers are 2139-0139-0001-007 and 2139-0139-001-003. Copies of the San Patricio County Appraisal District parcel descriptions and valuations are attached.

The proposed reinvestment zone will contain both this project and a separate LNG liquefaction train which is the subject of a separate application for limitation of appraised value. Half of the value of the reinvestment zone land (\$8,941,893) has been included as qualified property in this application (see Tab 14, Schedule B), and the other half has been included as qualified property in the separate application for the other train.



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

Dr. Paul Clore

Print Name (Authorized School District Representative)

Superintendent

Title

sign
here

Signature (Authorized School District Representative)

Date

3-30-17

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

Keith Little

Print Name (Authorized Company Representative (Applicant))

Vice President, Business Development

Title

sign
here

Signature (Authorized Company Representative (Applicant))

Date

March 29, 2017



GIVEN under my hand and seal of office this, the

29 day of March 2017

Notary Public in and for the State of Texas

My Commission expires: March 8, 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.

Attachment B

Franchise Tax Account Status



Franchise Tax Account Status

As of : 06/28/2017 09:09:50

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

CORPUS CHRISTI LIQUEFACTION, LLC

Texas Taxpayer Number 32048261799

Mailing Address 700 MILAM ST STE 1900 HOUSTON, TX 77002-2835

Right to Transact Business in Texas ACTIVE

State of Formation DE

Effective SOS Registration Date 06/18/2012

Texas SOS File Number 0801612887

Registered Agent Name CORPORATION SERVICE COMPANY D/B/A CSC-LAWYERS INCO

Registered Office Street Address 211 E. 7TH STREET SUITE 620 AUSTIN, TX 78701



Franchise Tax Account Status

As of : 06/28/2017 09:11:15

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

CHENIERE LAND HOLDINGS, LLC

Texas Taxpayer Number 32056673604

Mailing Address 700 MILAM ST STE 1900 HOUSTON, TX 77002-2835

? Right to Transact Business in Texas ACTIVE

State of Formation DE

Effective SOS Registration Date 03/16/2015

Texas SOS File Number 0802175961

Registered Agent Name CORPORATION SERVICE COMPANY DBA CSC -
LAWYERS INCO

Registered Office Street Address 211 E. 7TH STREET, SUITE 620 AUSTIN, TX 78701



Franchise Tax Account Status

As of : 06/28/2017 09:10:41

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

CORPUS CHRISTI LIQUEFACTION STAGE III, LLC

Texas Taxpayer Number 32058406854

Mailing Address 211 E 7TH ST STE 620 AUSTIN, TX 78701-3218

Right to Transact Business in Texas ACTIVE

State of Formation DE

Effective SOS Registration Date 09/25/2015

Texas SOS File Number 0802301597

Registered Agent Name CORPORATION SERVICE COMPANY DBA CSC -
LAWYERS INCO

Registered Office Street Address 211 E. 7TH STREET, SUITE 620 AUSTIN, TX 78701

Attachment C

State Comptroller's Certification



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

April 26, 2017

Dr. Paul Clore
Superintendent
Gregory-Portland Independent School District
608 College Street
Portland, Texas 78374

Re: Certificate for Limitation on Appraised Value of Property for School District
Maintenance and Operations Taxes by and between Gregory-Portland Independent
School District and Corpus Christi Liquefaction, LLC, Application 1180

Dear Superintendent Dr. Clore:

On April 5, 2017, the Comptroller issued written notice that Corpus Christi Liquefaction, LLC (applicant) submitted a completed application (Application 1180) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on March 6, 2017, to the Gregory-Portland Independent School District (school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

- 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 issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

Sec. 313.024(a)	Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b)	Applicant is proposing to use the property for an eligible project.

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

- Sec. 313.024(d) Applicant has committed to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.
- Sec. 313.024(d-2) Not applicable to Application 1180.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district's maintenance and operations *ad valorem* tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period, see Attachment B.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state, see Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement within a year from the date of this letter.

Note that any building or improvement existing as of the application review start date of April 5, 2017, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at will.counihan@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely

A handwritten signature in black ink, appearing to read "Mike Reissig", written over the printed name and title.

Mike Reissig
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of Corpus Christi Liquefaction, LLC (project) applying to Gregory-Portland Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of Corpus Christi Liquefaction, LLC.

Applicant	Corpus Christi Liquefaction, LLC
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Gregory-Portland ISD
2015-2016 Average Daily Attendance	4,336
County	San Patricio
Proposed Total Investment in District	\$1,920,000,000
Proposed Qualified Investment	\$1,631,000,000
Limitation Amount	\$30,000,000
Qualifying Time Period (Full Years)	2021-2022
Number of new qualifying jobs committed to by applicant	10
Number of new non-qualifying jobs estimated by applicant	25
Average weekly wage of qualifying jobs committed to by applicant	\$1,250
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)	\$1,250
Minimum annual wage committed to by applicant for qualified jobs	\$65,000
Minimum weekly wage required for non-qualifying jobs	\$888
Minimum annual wage required for non-qualifying jobs	\$46,164
Investment per Qualifying Job	\$192,000,000
Estimated M&O levy without any limit (15 years)	\$221,843,163
Estimated M&O levy with Limitation (15 years)	\$72,195,261
Estimated gross M&O tax benefit (15 years)	\$149,647,901

Table 2 is the estimated statewide economic impact of Corpus Christi Liquefaction, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	1250	1,203	2,453	\$75,000,000	\$101,000,000	\$176,000,000
2021	1000	1,023	2023	\$60,000,000	\$101,000,000	\$161,000,000
2022	800	815	1615	\$48,000,000	\$94,000,000	\$142,000,000
2023	535	664	1199	\$31,804,110	\$83,195,890	\$115,000,000
2024	35	195	230	\$1,804,110	\$40,195,890	\$42,000,000
2025	35	153	188	\$1,804,110	\$32,195,890	\$34,000,000
2026	35	141	176	\$1,804,110	\$29,195,890	\$31,000,000
2027	35	149	184	\$1,804,110	\$28,195,890	\$30,000,000
2028	35	166	201	\$1,804,110	\$27,195,890	\$29,000,000
2029	35	188	223	\$1,804,110	\$29,195,890	\$31,000,000
2030	35	213	248	\$1,804,110	\$31,195,890	\$33,000,000
2031	35	235	270	\$1,804,110	\$34,195,890	\$36,000,000
2032	35	258	293	\$1,804,110	\$37,195,890	\$39,000,000
2033	35	221	256	\$1,804,110	\$34,195,890	\$36,000,000
2034	35	217	252	\$1,804,110	\$36,195,890	\$38,000,000
2035	35	217	252	\$1,804,110	\$37,195,890	\$39,000,000
2036	35	215	250	\$1,804,110	\$38,195,890	\$40,000,000
2037	35	219	254	\$1,804,110	\$40,195,890	\$42,000,000

Source: CPA REMI, Corpus Christi Liquefaction, LLC

Table 3 examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives									
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Gregory-Portland ISD I&S Tax Levy	Gregory-Portland ISD M&O Tax Levy	Gregory-Portland ISD M&O and I&S Tax Levies	San Patricio County Tax Levy	San Patricio County Drainage District Tax Levy	Estimated Total Property Taxes
			Tax Rate ¹	0.1800	1.1700		0.4919	0.0579	
2020	\$8,941,893	\$8,941,893		\$16,095	\$104,620	\$120,716	\$43,987	\$5,176	\$169,879
2021	\$281,941,893	\$281,941,893		\$507,495	\$3,298,720	\$3,806,216	\$1,386,940	\$163,211	\$5,356,366
2022	\$671,941,893	\$671,941,893		\$1,209,495	\$7,861,720	\$9,071,216	\$3,305,443	\$388,974	\$12,765,633
2023	\$1,140,941,893	\$1,140,941,893		\$2,053,695	\$13,349,020	\$15,402,716	\$5,612,567	\$660,468	\$21,675,751
2024	\$1,569,941,893	\$1,569,941,893		\$2,825,895	\$18,368,320	\$21,194,216	\$7,722,921	\$908,808	\$29,825,944
2025	\$1,460,941,893	\$1,460,941,893		\$2,629,695	\$17,093,020	\$19,722,716	\$7,186,724	\$845,710	\$27,755,149
2026	\$1,413,941,893	\$1,413,941,893		\$2,545,095	\$16,543,120	\$19,088,216	\$6,955,520	\$818,503	\$26,862,238
2027	\$1,363,941,893	\$1,363,941,893		\$2,455,095	\$15,958,120	\$18,413,216	\$6,709,558	\$789,559	\$25,912,332
2028	\$1,319,941,893	\$1,319,941,893		\$2,375,895	\$15,443,320	\$17,819,216	\$6,493,111	\$764,088	\$25,076,414
2029	\$1,272,941,893	\$1,272,941,893		\$2,291,295	\$14,893,420	\$17,184,716	\$6,261,907	\$736,881	\$24,183,503
2030	\$1,226,941,893	\$1,226,941,893		\$2,208,495	\$14,355,220	\$16,563,716	\$6,035,622	\$710,252	\$23,309,589
2031	\$1,179,941,893	\$1,179,941,893		\$2,123,895	\$13,805,320	\$15,929,216	\$5,804,417	\$683,045	\$22,416,678
2032	\$1,140,941,893	\$1,140,941,893		\$2,053,695	\$13,349,020	\$15,402,716	\$5,612,567	\$660,468	\$21,675,751
2033	\$1,101,941,893	\$1,101,941,893		\$1,983,495	\$12,892,720	\$14,876,216	\$5,420,717	\$637,892	\$20,934,824
2034	\$1,062,941,893	\$1,062,941,893		\$1,913,295	\$12,436,420	\$14,349,716	\$5,228,866	\$615,316	\$20,193,898
2035	\$984,941,893	\$984,941,893		\$1,772,895	\$11,523,820	\$13,296,716	\$4,845,166	\$570,163	\$18,712,044
2036	\$913,941,893	\$913,941,893		\$1,645,095	\$10,693,120	\$12,338,216	\$4,495,900	\$529,063	\$17,363,178
2037	\$843,941,893	\$843,941,893		\$1,519,095	\$9,874,120	\$11,393,216	\$4,151,553	\$488,541	\$16,033,309
			Total	\$34,129,717	\$221,843,163	\$255,972,880	\$93,273,484	\$10,976,117	\$360,222,481

Source: CPA, Corpus Christi Liquefaction, LLC

¹Tax Rate per \$100 Valuation.

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and San Patricio County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Gregory-Portland ISD I&S Tax Levy	Gregory-Portland ISD M&O Tax Levy	Gregory-Portland ISD M&O and I&S Tax Levies	San Patricio County Tax Levy	San Patricio County Drainage District Tax Levy	Estimated Total Property Taxes
				0.1800	1.1700		0.4919	0.0579	
2020	\$8,941,893	\$8,941,893		\$16,095	\$104,620	\$120,716	\$43,987	\$5,176	\$169,879
2021	\$281,941,893	\$281,941,893		\$507,495	\$3,298,720	\$3,806,216	\$1,386,940	\$163,211	\$5,356,366
2022	\$671,941,893	\$671,941,893		\$1,209,495	\$7,861,720	\$9,071,216	\$3,305,443	\$388,974	\$12,765,633
2023	\$1,140,941,893	\$30,000,000		\$2,053,695	\$351,000	\$2,404,695	\$5,612,567	\$660,468	\$8,677,731
2024	\$1,569,941,893	\$30,000,000		\$2,825,895	\$351,000	\$3,176,895	\$7,722,921	\$908,808	\$11,808,624
2025	\$1,460,941,893	\$30,000,000		\$2,629,695	\$351,000	\$2,980,695	\$7,186,724	\$845,710	\$11,013,129
2026	\$1,413,941,893	\$30,000,000		\$2,545,095	\$351,000	\$2,896,095	\$6,955,520	\$818,503	\$10,670,118
2027	\$1,363,941,893	\$30,000,000		\$2,455,095	\$351,000	\$2,806,095	\$6,709,558	\$789,559	\$10,305,212
2028	\$1,319,941,893	\$30,000,000		\$2,375,895	\$351,000	\$2,726,895	\$6,493,111	\$764,088	\$9,984,094
2029	\$1,272,941,893	\$30,000,000		\$2,291,295	\$351,000	\$2,642,295	\$6,261,907	\$736,881	\$9,641,083
2030	\$1,226,941,893	\$30,000,000		\$2,208,495	\$351,000	\$2,559,495	\$6,035,622	\$710,252	\$9,305,369
2031	\$1,179,941,893	\$30,000,000		\$2,123,895	\$351,000	\$2,474,895	\$5,804,417	\$683,045	\$8,962,358
2032	\$1,140,941,893	\$30,000,000		\$2,053,695	\$351,000	\$2,404,695	\$5,612,567	\$660,468	\$8,677,731
2033	\$1,101,941,893	\$1,101,941,893		\$1,983,495	\$12,892,720	\$14,876,216	\$5,420,717	\$637,892	\$20,934,824
2034	\$1,062,941,893	\$1,062,941,893		\$1,913,295	\$12,436,420	\$14,349,716	\$5,228,866	\$615,316	\$20,193,898
2035	\$984,941,893	\$984,941,893		\$1,772,895	\$11,523,820	\$13,296,716	\$4,845,166	\$570,163	\$18,712,044
2036	\$913,941,893	\$913,941,893		\$1,645,095	\$10,693,120	\$12,338,216	\$4,495,900	\$529,063	\$17,363,178
2037	\$843,941,893	\$843,941,893		\$1,519,095	\$9,874,120	\$11,393,216	\$4,151,553	\$488,541	\$16,033,309
			Total	\$34,129,717	\$72,195,261	\$106,324,978	\$93,273,484	\$10,976,117	\$210,574,579
			Diff	\$0	\$149,647,901	\$149,647,901	\$0	\$0	\$149,647,901

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Corpus Christi Liquefaction, LLC

¹Tax Rate per \$100 Valuation

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.

Attachment B – Tax Revenue before 25th Anniversary of Limitation Start

This represents the Comptroller's determination that Corpus Christi Liquefaction, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2020	\$104,620	\$104,620	\$0	\$0
	2021	\$3,298,720	\$3,403,340	\$0	\$0
	2022	\$7,861,720	\$11,265,060	\$0	\$0
Limitation Period (10 Years)	2023	\$351,000	\$11,616,060	\$12,998,020	\$12,998,020
	2024	\$351,000	\$11,967,060	\$18,017,320	\$31,015,340
	2025	\$351,000	\$12,318,060	\$16,742,020	\$47,757,360
	2026	\$351,000	\$12,669,060	\$16,192,120	\$63,949,481
	2027	\$351,000	\$13,020,060	\$15,607,120	\$79,556,601
	2028	\$351,000	\$13,371,060	\$15,092,320	\$94,648,921
	2029	\$351,000	\$13,722,060	\$14,542,420	\$109,191,341
	2030	\$351,000	\$14,073,060	\$14,004,220	\$123,195,561
	2031	\$351,000	\$14,424,060	\$13,454,320	\$136,649,881
	2032	\$351,000	\$14,775,060	\$12,998,020	\$149,647,901
Maintain Viable Presence (5 Years)	2033	\$12,892,720	\$27,667,781	\$0	\$149,647,901
	2034	\$12,436,420	\$40,104,201	\$0	\$149,647,901
	2035	\$11,523,820	\$51,628,021	\$0	\$149,647,901
	2036	\$10,693,120	\$62,321,141	\$0	\$149,647,901
	2037	\$9,874,120	\$72,195,261	\$0	\$149,647,901
Additional Years as Required by 313.026(c)(1) (10 Years)	2038	\$9,148,720	\$81,343,981	\$0	\$149,647,901
	2039	\$8,505,220	\$89,849,201	\$0	\$149,647,901
	2040	\$7,861,720	\$97,710,922	\$0	\$149,647,901
	2041	\$7,323,520	\$105,034,442	\$0	\$149,647,901
	2042	\$6,773,620	\$111,808,062	\$0	\$149,647,901
	2043	\$6,317,320	\$118,125,382	\$0	\$149,647,901
	2044	\$5,861,020	\$123,986,402	\$0	\$149,647,901
	2045	\$5,404,720	\$129,391,122	\$0	\$149,647,901
	2046	\$5,030,320	\$134,421,442	\$0	\$149,647,901
	2047	\$4,667,620	\$139,089,063	\$0	\$149,647,901

\$139,089,063

is less than

\$149,647,901

Analysis Summary	
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?	No

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levied directly related to this project.

Source: CPA, Corpus Christi Liquefaction, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2020	1250	1,203	2,453	\$75,000,000	\$101,000,000	\$176,000,000	8659363	-4524231	\$13,183,594
2021	1000	1,023	2023	\$60,000,000	\$101,000,000	\$161,000,000	7476807	-1899719	\$9,376,526
2022	800	815	1615	\$48,000,000	\$94,000,000	\$142,000,000	6462097	152588	\$6,309,509
2023	535	664	1199	\$31,804,110	\$83,195,890	\$115,000,000	5722046	1869202	\$3,852,844
2024	35	195	230	\$1,804,110	\$40,195,890	\$42,000,000	2670288	4295349	-\$1,625,061
2025	35	153	188	\$1,804,110	\$32,195,890	\$34,000,000	2540588	4180908	-\$1,640,320
2026	35	141	176	\$1,804,110	\$29,195,890	\$31,000,000	2456665	4005432	-\$1,548,767
2027	35	149	184	\$1,804,110	\$28,195,890	\$30,000,000	2410889	3791809	-\$1,380,920
2028	35	166	201	\$1,804,110	\$27,195,890	\$29,000,000	2418518	3585815	-\$1,167,297
2029	35	188	223	\$1,804,110	\$29,195,890	\$31,000,000	2502441	3425598	-\$923,157
2030	35	213	248	\$1,804,110	\$31,195,890	\$33,000,000	2525330	3234863	-\$709,533
2031	35	235	270	\$1,804,110	\$34,195,890	\$36,000,000	2502441	3059387	-\$556,946
2032	35	258	293	\$1,804,110	\$37,195,890	\$39,000,000	2586365	2922058	-\$335,693
2033	35	221	256	\$1,804,110	\$34,195,890	\$36,000,000	2120972	2838135	-\$717,163
2034	35	217	252	\$1,804,110	\$36,195,890	\$38,000,000	2136230	2746582	-\$610,352
2035	35	217	252	\$1,804,110	\$37,195,890	\$39,000,000	2052307	2647400	-\$595,093
2036	35	215	250	\$1,804,110	\$38,195,890	\$40,000,000	2006531	2525330	-\$518,799
2037	35	219	254	\$1,804,110	\$40,195,890	\$42,000,000	2044678	2441406	-\$396,728
2038	35	223	258	\$1,804,110	\$42,195,890	\$44,000,000	2029419	2357483	-\$328,064
2039	35	231	266	\$1,804,110	\$45,195,890	\$47,000,000	2105713	2227783	-\$122,070
2040	35	236	271	\$1,804,110	\$47,195,890	\$49,000,000	2136230	2136230	\$0
2041	35	244	279	\$1,804,110	\$50,195,890	\$52,000,000	2197266	2059937	\$137,329
2042	35	250	285	\$1,804,110	\$54,195,890	\$56,000,000	2365112	2044678	\$320,434
2043	35	260	295	\$1,804,110	\$59,195,890	\$61,000,000	2532959	1998901	\$534,058
2044	35	270	305	\$1,804,110	\$65,195,890	\$67,000,000	2624512	2014160	\$610,352
2045	35	281	316	\$1,804,110	\$67,195,890	\$69,000,000	2624512	1998901	\$625,611
2046	35	285	320	\$1,804,110	\$73,195,890	\$75,000,000	2807617	2098083	\$709,534
2047	35	303	338	\$1,804,110	\$79,195,890	\$81,000,000	2914429	2105713	\$808,716
Total							\$85,632,325	\$62,339,781	\$23,292,544
							\$162,381,607	is greater than	\$149,647,901

Analysis Summary

Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

Yes

Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that "the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state." This represents the basis for the Comptroller's determination.

Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

Determination

The Comptroller has determined that the limitation on appraised value is a determining factor in the Corpus Christi Liquefaction, LLC's decision to invest capital and construct the Liquefied Natural Gas (LNG) project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- June 25, 2015, Gregory-Portland Independent School District submitted an application seeking appraised value limitation on qualified property on behalf of Corpus Christi Liquefaction, LLC Train 5 to the Comptroller's office (application #1077).
- January 13, 2016, the Comptroller's office issued a certificate for a limitation on appraised value.
- February 17, 2016, the Comptroller's office received Resolution of Gregory-Portland Independent School District meeting dated February 16, 2016. Approving extension of the deadline for action on the application until December 31, 2016.
- January 31, 2017, the Comptroller's office received a withdrawal letter request from Corpus Christi Liquefaction, LLC to Gregory-Portland Independent School District.
- March 7, 2017, Gregory-Portland Independent School District submitted a new application for the property described in application number 1077 and seeking appraised value limitation on qualified property on behalf of Corpus Christi Liquefaction, LLC to the Comptroller's office (application 1180).
- Per Corpus Christi Liquefaction, LLC in Tab 5 of their Application for a Limitation on Appraised Value:

- A. "The Applicants' parent company, Cheniere Energy, is a leader in the global LNG industry, with LNG production facilities (a) operating as well as under construction in Sabine Pass, Louisiana, and (b) under construction near Corpus Christi, Texas."
- B. "The Applicants require this appraised value limitation in order to move forward with the development of the Considered Project in Corpus Christi. Without this appraised value limitation, the impact of comparatively high Texas property taxes on the cost of the project does not allow the Considered Project to compete for global LNG customers against similar projects operated by competitors of Cheniere in Texas, Louisiana and around the world."
- C. "Without this appraised value limitation Cheniere would have to strongly consider making this investment at Sabine Pass or another site outside of Texas rather than Corpus Christi."
- D. "The Considered Project is still in an evaluation stage; only very preliminary development activities have begun. On June 1, 2015, Cheniere initiated the regulatory process by filing the National Environmental Policy Act pre-filing request with the Federal Energy Regulatory Commission ("FERC"), and the free trade agreement ("FTA") and non-FTA approval requests with the Department of Energy ("DOE"). Because obtaining FERC and DOE approval is a mandatory first step, Cheniere initiated the lengthy process as soon as it identified the potential location for the Considered Project."
- E. "The DOE has granted Cheniere's request to export LNG to free trade countries, which is pro forma, but not to non-free trade countries. Approval to export to non free trade countries will only be granted after the FERC permit is issued and DOE does its own analysis of the project."
- F. "No final decision to begin construction of the Considered Project could be made without DOE's approval to export to non-free trade countries. Applicants have received the TCEQ air permit for the project."
- G. "Cheniere has no sales contracts for the additional capacity and does not intend to start marketing that capacity until the technical and commercial viability of the Considered Project is much more fully established. No engineering, procurement or construction contracts have been negotiated or signed to support the Considered Project."
- H. "No public announcements of a definitive intent to construct the Considered Project have been made – any statements have indicated only that Cheniere is considering the additional investment."
- I. "Because of the appraised value limitation provided by the Gregory-Portland ISD and the State of Texas for the Covered Project, the applicant has been able to execute 20- year sales and purchase agreements with seven non-affiliated customers at a capacity price of around \$3.50 per million BTUs."
- J. "Without the appraised value limitation, the Applicants' cost structure for the Considered Project would increase by the equivalent of \$.10-\$.15 per million BTUs. As a result, the Applicants likely would be unable to attract long-term customers for the Considered Project. Without those customer commitments, the Applicants would be unable to attract the project financing necessary to fund a multibillion dollar investment and therefore would be unable to reach FID."
- According to the Board of Trustees minutes of meeting dated March 6, 2017, "Superintendent recommended that the Board accept the Application of Corpus Christi Liquefaction, LLC et al (Train 4) for an Appraised Value Limitation of Qualified Property and authorized the Superintendent to review the Application for completeness and submit to the Comptroller."

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

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.

Supporting Information

Section 8 of the Application for a Limitation on Appraised Value

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
☐ Expansion of existing operation on the land (complete Section 13)

☐ Land has existing improvements (complete Section 13)
☐ 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.

For more information, visit our website: www.TexasAhead.org/tax_programs/chapter313/

Supporting Information

Attachments provided in Tab
5
of the Application for a
Limitation on Appraised
Value

**Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage
III, LLC and Cheniere Land Holdings, LLC**

Chapter 313 Application to Gregory-Portland ISD (Train 5)

Cummings Westlake, LLC

TAB 5

Documentation to assist in determining if limitation is a determining factor.

The Applicants' parent company, Cheniere Energy, is a leader in the global LNG industry, with LNG production facilities (a) operating as well as under construction in Sabine Pass, Louisiana, and (b) under construction near Corpus Christi, Texas. The Corpus Christi facility for which construction has recently begun is covered by Chapter 313 Agreement Nos. 296, 297 and 298 (the "Covered Project"). Cheniere is evaluating the construction of additional production capacity in both Sabine Pass and Corpus Christi (the additional Corpus Christi capacity is referred to hereafter as the "Considered Project"). The company is also pursuing new LNG investment opportunities elsewhere in the USA, the Americas, Europe and Asia. The Applicants require this appraised value limitation in order to move forward with the development of the Considered Project in Corpus Christi. Without this appraised value limitation, the impact of comparatively high Texas property taxes on the cost of the project does not allow the Considered Project to compete for global LNG customers against similar projects operated by competitors of Cheniere in Texas, Louisiana and around the world. Without this appraised value limitation Cheniere would have to strongly consider making this investment at Sabine Pass or another site outside of Texas rather than Corpus Christi.

The Considered Project is still in an evaluation stage; only very preliminary development activities have begun. On June 1, 2015, Cheniere initiated the regulatory process by filing the National Environmental Policy Act pre-filing request with the Federal Energy Regulatory Commission ("FERC"), and the free trade agreement ("FTA") and non-FTA approval requests with the Department of Energy ("DOE"). Because obtaining FERC and DOE approval is a mandatory first step, Cheniere initiated the lengthy process as soon as it identified the potential location for the Considered Project. The FERC regulatory decision has not been made, and no final decision to begin construction of the Considered Project could be made prior to the issuance of this regulatory decision. It is expected that the FERC regulatory decision will not be made until 2017, so no final decision to begin construction of the Considered Project could be made before that date. The DOE has granted Cheniere's request to export LNG to free trade countries, which is pro forma, but not to non-free trade countries. Approval to export to non-free trade countries will only be granted after the FERC permit is issued and DOE does its own analysis of the project. No final decision to begin construction of the Considered Project could be made without DOE's approval to export to non-free trade countries. Applicants have received the TCEQ air permit for the project. Cheniere has no sales contracts for the additional capacity

*TAB TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED
PROPERTY BY CORPUS CHRISTI LIQUEFACTION, LLC, CORPUS CHRISTI
LIQUEFACTION STAGE III, LLC, AND CHENIERE LAND HOLDINGS, LLC TO GREGORY-
PORTLAND ISD*

**Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage
III, LLC and Cheniere Land Holdings, LLC**

Chapter 313 Application to Gregory-Portland ISD (Train 5)

Cummings Westlake, LLC

and does not intend to start marketing that capacity until the technical and commercial viability of the Considered Project is much more fully established. No engineering, procurement or construction contracts have been negotiated or signed to support the Considered Project. No public announcements of a definitive intent to construct the Considered Project have been made – any statements have indicated only that Cheniere is considering the additional investment. The only definitive step described in Cheniere's June 10, 2015 press release announcing its consideration of the Considered Project is that Cheniere has made the regulatory filings discussed above – the release contains a description of the Considered Project "if completed." The press release provides that construction of the Considered Project is "subject to receiving all required regulatory approvals and reaching a FID [final investment decision]." Copies of the June 10, 2015 press release and other relevant news articles, website materials, and public filings regarding Cheniere's consideration of the Considered Project are attached. Agreements pertaining to preliminary design and engineering work and the development of other technical studies and estimates have been entered into; this work is necessary for purposes of determining whether the Considered Project is technically viable and can be cost-competitive in the global marketplace.

Because of the appraised value limitation provided by the Gregory-Portland ISD and the State of Texas for the Covered Project, the applicant has been able to execute 20-year sales and purchase agreements with seven non-affiliated customers at a capacity price of around \$3.50 per million BTUs. These sale commitments represent fixed fees of around \$1.5 billion per year, which enabled the project financing of these facilities. Most of the other existing and planned LNG production facilities in this country, of which there are more than a dozen, are believed to be able to offer their production capacity at a price of around \$3.00-\$3.50 per million BTUs. Without the appraised value limitation, the Applicants' cost structure for the Considered Project would increase by the equivalent of \$.10-\$.15 per million BTUs. As a result, the Applicants likely would be unable to attract long-term customers for the Considered Project. Without those customer commitments, the Applicants would be unable to attract the project financing necessary to fund a multibillion dollar investment and therefore would be unable to reach FID.

Although Applicants withdrew application 1077 and are filing this new application, the Applicants consider the granting of an appraised value limitation to be a major determining factor in reaching FID. As shown in the attached articles, press releases, website materials, and public filings referencing Cheniere's consideration of the Considered Project, achieving all regulatory approvals and reaching FID has not been accomplished and is not certain. In the Comptroller's review of withdrawn

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PROPERTY BY CORPUS CHRISTI LIQUEFACTION, LLC, CORPUS CHRISTI
LIQUEFACTION STAGE III, LLC, AND CHENIERE LAND HOLDINGS, LLC TO GREGORY-
PORTLAND ISD*

**Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage
III, LLC and Cheniere Land Holdings, LLC**

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Application 1077 covering the Considered Project, the Comptroller reviewed Cheniere's June 10, 2015 press release announcing Cheniere's consideration of the Considered Project (referenced above), as well as substantially the same disclosures made in this Tab 5, prior to concluding that the appraised value limitation was a determining factor for the Considered Project and issuing a certificate of limitation for the Considered Project on January 13, 2016 (which expired January 13, 2017). Other than acquiring a portion of the land on which the Considered Project would be located (see tab 9), the value of which is a nominal fraction (<1%) of the value of the Considered Project, Cheniere has not made any material commitments or taken any binding steps with respect to the Considered Project since the Comptroller issued its certificate of limitation in Application 1077, and as shown in the attached materials, all of Cheniere's public statements about the Considered Project since the certificate of limitation was issued in Application 1077 are substantially similar to prior statements previously considered by the Comptroller. Accordingly, nothing has transpired that should change the Comptroller's determination that the value limitation is a determining factor in the location of the Considered Project in Texas.

While the Considered Project would be located adjacent to the Covered Project, the Considered Project will operate largely independent from the Covered Project. There will be some sharing of facilities - the Considered Project intends to rely on the Covered Project's control room using cable interconnections, an LNG transfer line or lines will interconnect the two projects, and the projects will export LNG production using the same marine terminal (to be constructed by the Covered Project). However, each project will have its own utilities, buildings, and other supporting infrastructure. Operation of the Covered Project will not be dependent on, rely on, or be enhanced by construction of the Considered Project - it would not be detrimental to the Covered Project if the Considered Project were located elsewhere.

Like the other equipment described herein, the interconnections and shared equipment discussed in this paragraph are identical to those described in Application 1077. Cheniere and the Comptroller had detailed discussions about these interconnections in connection with the Comptroller's review and approval of Application 1077, and there are no changes to the planned interconnections that could lead to a different determining factor analysis here.

Finally, because construction of the Covered Project will continue for several years, the Considered Project should not be viewed as an expansion of Cheniere's current operations in the area - Cheniere has no current operations in the area, and will not until the construction of the Covered Project is complete.

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LIQUEFACTION STAGE III, LLC, AND CHENIERE LAND HOLDINGS, LLC TO GREGORY-
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**Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage
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The original certificate of limitation expired, thus necessitating a reapplication, for two reasons. First, Cheniere undertook discussions with the Comptroller's office over a period of several months regarding revisions to the Comptroller's form agreement language and an FAQ question/answer, all of which were needed to address certain project-specific issues. Second, after these agreement issues were resolved, an affiliate of the original applicant reached an agreement to acquire an interest in additional land. This, along with the need to provide Cheniere with flexibility to internally restructure its land holdings, necessitated the addition of affiliates of the original applicant to the application and the creation of a new reinvestment zone for the project. Cheniere and the District agreed that it was preferable to use a new application to address these issues rather than rush the execution of an agreement which would then need to be immediately amended.

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Cheniere Announces New LNG Project Developments

- Projects have potential to add up to 19 mtpa in new liquefaction capacity by 2025
- **Cheniere developing two additional liquefaction trains at Corpus Christi, 9 mtpa**

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- Cheniere agrees in principle to invest in 2 mid-scale LNG projects in Louisiana with Parallax Enterprises, LLC, 10 mtpa

HOUSTON, **June 10, 2015** /PRNewswire/ -- Cheniere Energy, Inc. ("Cheniere") (NYSE MKT: LNG) today announced two significant liquefied natural gas ("LNG") project developments that, if completed, are projected to add up to approximately 19 million tonnes per annum ("mtpa") of incremental LNG production capacity and would bring Cheniere's aggregate nominal LNG production capacity to approximately 60 mtpa by 2025.

Cheniere is developing approximately 9 mtpa of incremental LNG production capacity through the addition of two liquefaction trains adjacent to the existing site of the Corpus Christi liquefaction project (the "CCL Project"). Expected nominal LNG production capacity of each of these liquefaction trains is approximately 4.5 mtpa, which would increase the expected aggregate nominal LNG production capacity at the CCL Project to approximately 22.5 mtpa. Cheniere initiated the regulatory process in June 2015 by filing the National Environmental Policy Act pre-filing request with the FERC and the FTA and non-FTA approval requests with the DOE. Regulatory approvals would be expected in 2017.

In addition, Cheniere has agreed in principle to partner with Parallax Enterprises, LLC ("Parallax"), to develop up to 10 mtpa of LNG production capacity through Parallax's two mid-scale projects, Live Oak LNG ("Live Oak") and Louisiana LNG ("LLNG"). Live Oak is located on the Calcasieu Ship Channel in southwestern Louisiana, and LLNG is located on the Mississippi River approximately 40 miles from New Orleans. Both projects are expected to have two liquefaction trains designed for LNG production capacity of approximately 2.5 mtpa each, utilizing liquefaction process technology and modular equipment developed by Chart Industries, Inc. The facilities are being engineered by Bechtel Oil, Gas, & Chemicals, Inc.

"Our latest LNG development projects include two additional liquefaction trains adjacent to our Corpus Christi liquefaction site and four mid-scale liquefaction trains to be developed at two sites located in Louisiana. This next phase of growth would bring our expected aggregate nominal LNG production capacity to approximately 60 mtpa by 2025," said Charif Souki, Cheniere's Chairman and CEO. "We expect that these liquefaction trains could be funded from internally generated cash flows, which would allow us to continue to be one of the lowest cost suppliers of LNG in the market and give us more flexibility in terms of contracting and selling volumes on a more tailored basis to meet the individual needs of global LNG buyers."

Mr. Souki continued, "We continue to market long-term contracts for Train 3 at Corpus Christi and Train 6 at Sabine Pass, and plan to finalize the sale of approximately 3 mtpa of capacity under 20-year agreements before we make a positive final investment decision ("FID") on each train, reaching a total of approximately 32 mtpa of LNG under long-term third-party contracts out of a total of 40.5 mtpa by 2020. We think we can continue to grow this platform at 10 percent per year until 2025, and reach approximately 60 mtpa of expected total nominal LNG production capacity with our new projects while remaining a low cost global LNG supplier."

Cheniere anticipates both project developments could be under construction as early as 2017, subject to receiving all required regulatory approvals and reaching FID. The projects would be targeted to begin production as early as 2021, with all approximately 19 mtpa targeted to be in production by 2025.

About Cheniere Energy, Inc.

Cheniere Energy, Inc. is a Houston-based energy company primarily engaged in LNG-related businesses. Through its subsidiary, Cheniere Energy Partners, L.P., Cheniere is developing a liquefaction project at the Sabine Pass LNG terminal (the "SPL Project") adjacent to the existing regasification facilities for up to six trains, each of which is expected to have a nominal production capacity of approximately 4.5 mtpa. Construction has begun on trains 1 through 4 at the SPL Project. Cheniere is also developing liquefaction facilities near Corpus Christi, Texas. The CCL Project is being designed for up to five trains, with expected aggregate nominal production capacity of approximately 22.5 mtpa of LNG, four LNG storage tanks with capacity of approximately 13.5 Bcfe and two LNG carrier docks. Cheniere believes that LNG exports from the CCL Project could commence as early as 2018. Construction has begun on the first two trains at the CCL Project. Cheniere has agreed in principle to partner with Parallax Enterprises, LLC for the development of up to 10 mtpa of LNG production capacity through Parallax's two mid-scale projects, Live Oak LNG and Louisiana LNG.

This press release contains certain statements that may include "forward-looking statements" within the meanings of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, included herein are "forward-looking statements." Included among "forward-looking statements" are, among other things, (i) statements regarding Cheniere's business strategy, plans and objectives, including the development, construction and operation of the liquefaction facilities, (ii) statements regarding expectations regarding regulatory authorization and

approvals, (iii) statements expressing beliefs and expectations regarding the development of Cheniere's LNG terminal and pipeline businesses, including liquefaction facilities, (iv) statements regarding the business operations and prospects of third parties, (v) statements regarding potential financing arrangements, and (vi) statements regarding future discussions and entry into contracts. Although Cheniere believes that the expectations reflected in these forward-looking statements are reasonable, they do involve assumptions, risks and uncertainties, and these expectations may prove to be incorrect. Cheniere's actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including those discussed in Cheniere's periodic reports that are filed with and available from the Securities and Exchange Commission. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Other than as required under the securities laws, Cheniere does not assume a duty to update these forward-looking statements.

Logo -

<http://photos.prnewswire.com/prnh/20090611/AQ31545LOGO>

To view the original version on PR Newswire,
visit:<http://www.prnewswire.com/news-releases/cheni-ere-announces-new-lng-project-developments-300097420.html>

SOURCE Cheniere Energy, Inc.

Investors: Randy Bhatia: 713-375-5479; or Media: Faith Parker:
713-375-5663



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Liquefaction Facilities: Trains 4-5

In June 2015, Cheniere Energy Inc. announced plans to add two additional trains with approximately 9 million metric tons per annum (mtpa) of incremental nominal LNG production capacity at the existing site of the Corpus Christi liquefaction project (the "CCL Project"). The Stage 3 expansion project would increase the expected aggregate nominal LNG production capacity at the CCL Project to approximately 22.5 mtpa over a total of five trains,

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CORPUS CHRISTI LNG

Liquefaction
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Liquefaction
Facilities: Trains 4-5

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each with a nominal production capacity of approximately 4.5 mtpa. Cheniere expects to add a 22-mile-long, 42-inch-diameter pipeline, which would run parallel to the pipeline currently under construction under the scope of the Stage 1 of the CCL Project.

Cheniere initiated the regulatory process for Stage 3 in June 2015 by filing the National Environmental Policy Act pre-filing request with the Federal Energy Regulatory Commission (FERC) and the FTA and non-FTA approval requests with the DOE. Regulatory approvals would be expected in 2017. The targeted CCL Project in-service date for stage three is for the 1st Quarter of 2021.



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SABINE PASS LNG TERMINAL

FERC Process

Federal Energy Regulatory Commission

The Federal Energy Regulatory Commission (FERC) has the exclusive authority to approve or deny an application for the siting, construction, expansion, or operation of an LNG terminal and interstate natural gas pipeline per the Natural Gas Act. The FERC is the lead federal agency that will determine whether Corpus Christi Liquefaction, LLC (CCL) and Cheniere Corpus

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Christi Pipeline, LP (CCPL) will be issued an Order Granting Authority under Sections 3 and 7(c), respectively, of the Natural Gas Act for the construction and operation of the Stage 3 Project. The FERC will also monitor all construction and restoration activities to ensure that CCL and CCPL comply with all federal, state, and local permits, plans, and regulations.

The Approval Process

On June 1, 2015, CCL and CCPL requested FERC's permission to engage in the Pre-Filing Environmental Review Process (Reference Docket No. PF15-26-000). The pre-filing process provides opportunities for federal and state cooperating agencies (TCEQ, USACE, USFWS, etc.), and other public stakeholders to comment on the project impacts prior to an application to the FERC being submitted. Permission was granted to begin the pre-filing process on June 9, 2015.

CCL and CCPL are preparing draft Resource Reports for submittal to the FERC staff to aid their preparation of an Environmental Assessment (EA) or Environmental Impact Statement (EIS) to fulfill the requirements of the National Environmental Policy Act (NEPA). The purpose of the EA/EIS is to inform the public and the permitting agencies about the potential adverse and/or beneficial environmental and safety impacts of proposed projects and their alternatives.

The Resource Reports are divided into the following subjects:

1. General project description
2. Water use and quality
3. Fish, wildlife, and vegetation
4. Cultural resources
5. Socioeconomics
6. Geological resources
7. Soils
8. Land use, recreation, and aesthetics
9. Air and noise quality
10. Alternatives
11. Reliability and safety
12. PCB contamination (not required for this project)
13. Engineering and design material

The stakeholders were given the opportunity to comment on the resource reports through public meetings and postings.

Comments were identified and addressed prior to the final environmental documents and approvals being issued. The schematic illustrates the steps involved, and the points where the public will be given the opportunity to comment on the pre-filing process.

Upon FERC approval of the project, CCL and CCPL will receive:

1. A Commission Order stating its decision on whether to approve construction and operation of the LNG terminal and associated pipeline facilities; and
2. Conditions that must be met prior to construction.

CCL and CCPL will also be applying for the following environmental permits and clearances as applicable:

1. Section 401 water quality certificate from the Texas Commission on Environmental Quality;
2. Section 404 permit from the US Army Corps of Engineers for work in wetlands;
3. Coastal Zone Management consistency determination from the Texas Coastal Coordination Council;
4. Federal Endangered Species consultation with the US Fish and Wildlife Service;
5. State Endangered Species consultation with the Texas Parks and Wildlife Department;
6. Air Emissions Permit (Title V & PSD) from the Texas Commission on Environmental Quality;
7. Section 106 National Historic Preservation Act Clearance from the Texas Historical Commission;
8. Authorization to export from the Department of Energy.

Design and Construction Monitoring

After CCL and CCPL receive FERC approval for the Stage 3 Project and have met all pre-construction conditions required by the FERC Order, FERC will authorize the commencement of construction.

Prior to commencement of service from the LNG facility, CCL must receive written approval from FERC. Only after complying with all pre-operation conditions listed in the FERC Order would a company receive authorization to begin operation.

FERC Citizen's Guide

An Interstate Natural Gas Facility on My Land? The FERC wants you to know:

How FERC's procedures work;
What rights citizens have;
How the location of a pipeline or other facilities is decided; and
What safety and environmental issues might be involved?

Please read the FERC's Citizen Guide where you will find all this information and more to help you know what you need to know.

You may also find other useful information concerning natural gas pipelines on the FERC's webpage at: <http://www.ferc.gov/>



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Documentation

Federal Energy Regulatory Commission (FERC) Documents

July 9, 2015 - Draft Resource Reports 1 (General Project Description) and 10 (Alternatives) (Docket No. PF15-26-000)

July 1, 2015 – Open House Meeting – Presentation Posters for the Stage 3 Project (Docket No. PF15-26-000)

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June 9, 2015 – Letter from FERC granting permission to initiate the NEPA pre-filing process (Docket No. PF15-26-000)

June 1, 2015 – Letter to FERC requesting to initiate the NEPA pre-filing process for the Stage 3 Project (Docket No. PF15-26-000)

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Liquefaction
Facilities: Trains 1-3

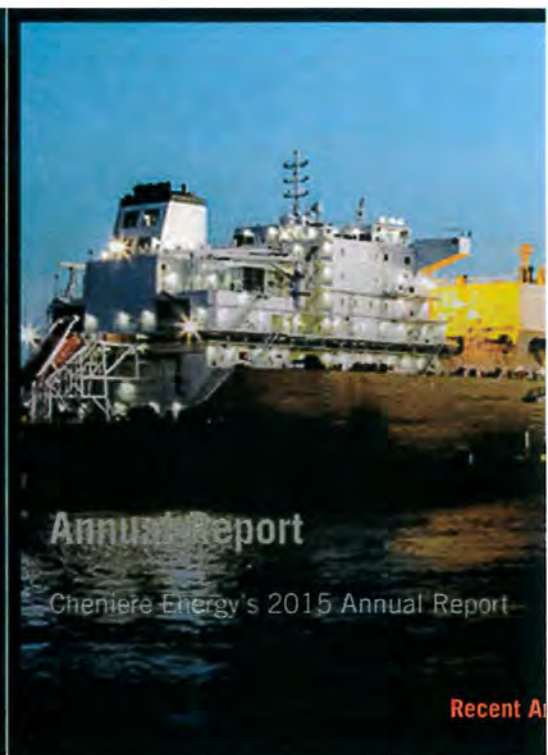
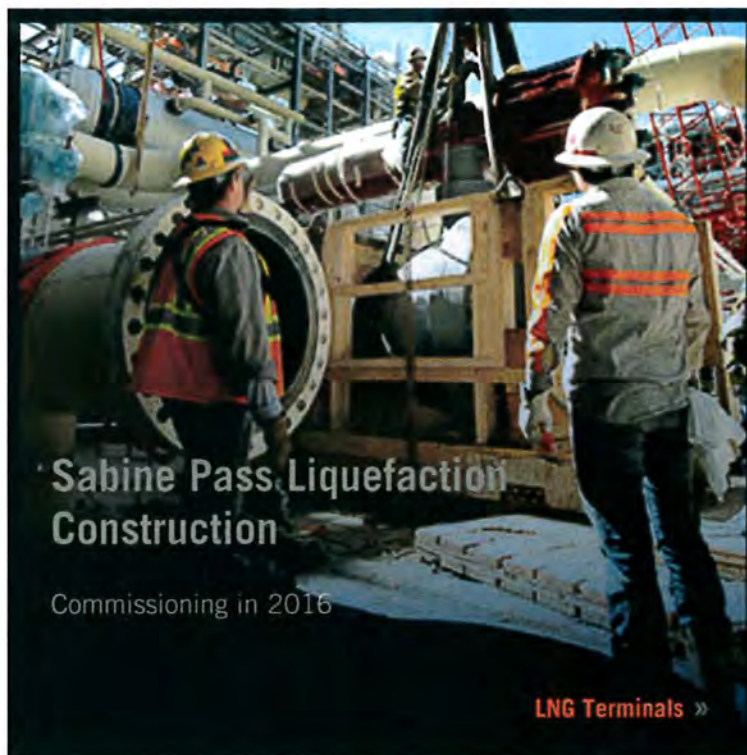
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DOE Documents

August 27, 2015 - Order granting long-term, multi-contract authorization to export liquefied natural gas from the Corpus Christi LNG terminal to Free Trade Agreement nations (Ref: Docket No. 15-97-LNG)

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Cheniere Energy, Inc. Reports Third Quarter 2016 Results

HOUSTON, Nov. 3, 2016 /PRNewswire/ -- Cheniere Energy, Inc. ("Cheniere") (NYSE MK LNG) reported a net loss¹ of \$100.4 million, or \$0.44 per share (basic and diluted), for the three months ended September 30, 2016, compared to a net loss of \$297.8 million or \$1.31 per share (basic and diluted), for the comparable 2015 period. Net Loss, As Adjusted² was \$94.2 million, or \$0.41 per share (basic and diluted), for the three months ended September 30, 2016.

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ended September 30, 2016, compared to a Net Loss, As Adjusted of \$164.6 million, or \$0.72 per share (basic and diluted), for the comparable 2015 period.

For the nine months ended September 30, 2016, Cheniere reported a net loss of \$719.1 million, or \$3.15 per share (basic and diluted), compared to a net loss of \$684.0 million, or \$3.02 per share (basic and diluted), for the comparable 2015 period. For the nine months ended September 30, 2016, Net Loss, As Adjusted was \$369.1 million, or \$1.61 per share (basic and diluted), compared to a Net Loss, As Adjusted of \$498.5 million, or \$2.20 per share (basic and diluted), for the comparable 2015 period.

For the three and nine months ended September 30, 2016, Net Loss, As Adjusted excludes the impact of changes in the fair value of our interest rate, commodity and FX derivatives, loss on early extinguishment of debt, restructuring expense, amortization of the beneficial conversion feature related to certain Class B units of Cheniere Energy Partners, L.P. ("Cheniere Partners") (NYSE MKT: CQP) and impairment expense. Loss on early extinguishment of debt was associated with the write-off of debt issuance costs by Sabine Pass Liquefaction, LLC ("SPL") and Cheniere Corpus Christi Holdings, LLC ("CCH") in connection with the refinancing of a portion of their credit facilities and by Cheniere Creole Trail Pipeline, L.P. as a result of the prepayment of its outstanding term loan. For the three and nine months ended September 30, 2015, Net Loss, As Adjusted excludes the impact of changes in the fair value of interest rate, commodity and FX derivatives, loss on early extinguishment of debt related to the write-off of debt issuance costs by SF primarily in connection with the refinancing of a portion of its credit facilities in March 2015, amortization of the beneficial conversion feature and impairment expense.

"The third quarter of 2016 was significant for Cheniere on multiple fronts. Our transition to operations continues, highlighted in the third quarter by the substantial completion of Train 2 at Sabine Pass and the generation of approximately \$67 million in Adjusted EBITDA². Commissioning activities commenced on Train 3, and our remaining Trains under construction continue on time and on budget," said Jack Fusco, Cheniere's President and CEO. "In addition, we continued to manage our debt maturity profile by successfully issuing bonds to prepay outstanding borrowings under credit facilities for the Sabine Pass liquefaction project, with the issuing entity having earned its first investment-grade credit rating during the quarter."

Third Quarter 2016 Highlights

- In September 2016, Cheniere Partners announced that Train 2 of the Sabine Pass Liquefaction Project (defined below) achieved substantial completion.
- In September 2016, commissioning activities commenced on Train 3 of the Sabine Pass Liquefaction Project.
- In September 2016, Cheniere announced the formation of a new executive leadership team.
- In September 2016, SPL issued an aggregate principal amount of \$1.5 billion of 5.00% Senior Secured Notes due 2027. Net proceeds from the offering were used to prepay all of the principal amounts outstanding under SPL's credit facilities and are being used to pay a portion of the capital costs in connection with the construction of the Sabine Pass Liquefaction Project.
- In September 2016, Cheniere submitted a proposal to the board of directors of Cheniere Energy Partners LP Holdings, LLC ("Cheniere Partners Holdings") (NYSE MKT: CQH) to acquire the publicly held shares of Cheniere Partners Holdings not already owned by Cheniere in a stock for stock exchange.

Third Quarter and Year to Date 2016 Results

Our financial results are reported on a consolidated basis. Our ownership interest in Cheniere Partners consists of 100% ownership of the general partner of Cheniere Partners and 80.1% ownership interest in Cheniere Partners Holdings which owns a 55.9% limited partner interest in Cheniere Partners.

Adjusted EBITDA for the three and nine months ended September 30, 2016 was \$67.3 million and \$19.4 million, respectively, compared to losses of \$51.5 million and \$138.1 million, respectively, for the comparable 2015 periods. During the three months ended September 30, 2016, Train 2 of the Sabine Pass Liquefaction Project achieved substantial completion. Prior to substantial completion, amounts received from the sale of commissioning cargoes were offset against LNG terminal construction-in-process because these amounts were earned during the testing phase for the construction of Trains 1 and 2 of the Sabine Pass Liquefaction Project. We expect sales of LNG cargoes from future liquefaction trains ("Trains") to be reported in the same manner. During the three months ended September 30, 2016, a total of 18 cargoes were loaded and exported from the Sabine Pass Liquefaction Project, 3 of which were Train 2 commissioning cargoes.

Total operating costs and expenses increased \$332.3 million and \$452.7 million during the three and nine months ended September 30, 2016 compared to the three and nine months ended September 30, 2015, respectively, generally as a result of the commencement of operations of Train 1 and Train 2 of the Sabine Pass Liquefaction Project in May and September 2016, respectively. Depreciation and amortization expense increased during the three and nine months ended September 30, 2016 as we began depreciation of our assets related to Train 1 and Train 2 of the Sabine Pass Liquefaction Project upon reaching substantial completion. Selling, general and administrative expense during the three and nine months ended September 30, 2016 decreased from the comparable 2015 periods, which was primarily due to the timing of share-based compensation recognition and the recognition of certain employee-related costs within restructuring expense during the three and nine months ended September 30, 2016 historically reported in selling, general and administrative expense, a reduction in certain professional services fees, and reallocation of costs from selling, general and administrative activities to operating and maintenance activities following commencement of operations at the Sabine Pass Liquefaction Project.

As a result of restructuring efforts initiated in 2015, we recorded \$26.2 million and \$49.2 million of restructuring charges and other costs associated with restructuring and operational efficiency initiatives during the three and nine months ended September 30, 2016, respectively, for which the majority of these charges required, or will require, cash expenditure. Included in these amounts are \$20.9 million and \$42.9 million for share-based compensation. All charges were recorded within restructuring expense on our Consolidated Statements of Operations and substantially all related to severance and other employee-related costs.

Included in selling, general and administrative expense were share-based compensation expenses of \$7.5 million and \$31.2 million for the three and nine months ended September 30, 2016, respectively, compared to \$27.1 million and \$85.2 million for the comparable 2015 periods, respectively.

Liquefaction Projects Update

Sabine Pass Liquefaction Project

Through Cheniere Partners, we are developing up to six Trains, each with an expected nominal production capacity of approximately 4.5 million tonnes per annum ("mtpa") of

LNG, at the Sabine Pass LNG terminal adjacent to the existing regasification facilities (the "Sabine Pass Liquefaction Project").

The Trains are in various stages of operation, construction, and development.

- Construction on Trains 1 and 2 began in August 2012 and substantial completion was achieved in May 2016 and September 2016, respectively. Substantial completion is achieved upon the completion of construction, commissioning and the satisfaction of certain tests.
- Construction on Trains 3 and 4 began in May 2013, and as of September 30, 2016, the overall project completion percentage for Trains 3 and 4 was approximately 91.8%, which is ahead of the contractual schedule. In September 2016, commissioning activities commenced on Train 3. Based on the current construction schedule, Cheniere Partners expects Trains 3 and 4 to reach substantial completion in 2017.
- Construction on Train 5 began in June 2015, and as of September 30, 2016, the overall project completion percentage for Train 5 was approximately 42.8%, which is ahead of the contractual schedule. Engineering, procurement, subcontract work and construction were approximately 90.8%, 62.0%, 41.9% and 4.6% complete respectively. Based on the current construction schedule, Cheniere Partners expects Train 5 to reach substantial completion in 2019.
- Train 6 is currently under development, with all necessary regulatory approvals in place. Cheniere Partners expects to make a final investment decision and commence construction on Train 6 upon, among other things, entering into an engineering, procurement, and construction contract, entering into acceptable commercial arrangements, and obtaining adequate financing.

Liquefaction Train	Sabine Pass Liquefaction Project			
	Train 1	Train 2	Trains 3-4	Train 5
Project Status	Operational	Operational	92% Overall Completion	43% Overall Completion
Expected Substantial Completion	-	-	2017	2019

Corpus Christi LNG Terminal

We are developing up to three Trains, each with an expected nominal production capacity of approximately 4.5 mtpa of LNG, near Corpus Christi, Texas (the "CCL Project").

The Trains are in various stages of construction and development:

- Construction on Trains 1 and 2 began in May 2015, and as of September 30, 2016, the overall project completion percentage for Trains 1 and 2 was approximately 43.0%, which is ahead of the contractual schedule. Engineering, procurement and construction were approximately 99.3%, 59.0% and 14.4% complete, respectively. Based on the current construction schedule, we expect Trains 1 and 2 to reach substantial completion in 2019.

- Train 3 is under development, with all necessary regulatory approvals in place. We have entered into an LNG Sale and Purchase Agreement ("SPA") for approximately 0.8 mtpa of LNG volumes that commence with Train 3 and expect to commence construction upon entering into additional SPAs and obtaining adequate financing.

Additionally, we are developing Trains 4 and 5 adjacent to the CCL Project and have initiated the regulatory approval process with respect to those Trains.

Liquefaction Train	Corpus Christi LNG Terminal
	Trains 1-2
Project Status	43% Overall Completion
Expected Substantial Completion	2019

Recent Developments

- In October 2016, the previously announced planned outage to improve performance of the flare systems at the Sabine Pass Liquefaction Project, as well as to perform scheduled maintenance to Train 1 and other facilities, was completed on schedule and budget.
- Cheniere is exploring the development of a midscale liquefaction project (the "Midscale Liquefaction Project"). The Midscale Liquefaction Project would be developed using electric drive modular Trains, with an expected aggregate nominal production capacity of approximately 9.5 mtpa of LNG. Cheniere has completed a competitive bidding process and awarded a front-end engineering and design contract to a consortium consisting of KBR, Inc., Siemens AG, and Chart Industries, Inc.
- Cheniere has proposed the development of the Midcontinent Supply Header Interstate Pipeline ("MIDSHIP"), connecting new gas production in the Anadarko Basin to Gulf Coast markets. MIDSHIP is being contemplated for up to 1.4 Bcf/d capacity and would facilitate gas supply for both the Sabine Pass Liquefaction Project and the CCL Project. Cheniere expects the regulatory pre-filing process to commence imminently and to file formal applications for the required regulatory permits in 2017, with construction expected to commence in 2018 upon, among other things, entering into a construction contract and acceptable commercial arrangements and obtaining adequate financing to construct the pipeline.
- In October 2016, Sabine Pass LNG, L.P. ("SPLNG") issued a notice of redemption to redeem all of its outstanding \$420 million in aggregate principal amount of 6.50% Senior Secured Notes due 2020 (the "2020 Notes") on November 30, 2016 (the "Redemption Date"). Concurrently, SPLNG intends to repay all of its outstanding \$1,665.0 million in aggregate principal amount of 7.50% Senior Secured Notes due 2016 (the "2016 Notes"), which mature on the Redemption Date. Subsequent to the redemption of the 2020 Notes and the repayment of the 2016 Notes, there will be no debt maturity in the Cheniere complex until 2020.

Investor Conference Call and Webcast

We will host a conference call to discuss our financial and operating results for the third quarter on Thursday, November 3, 2016, at 11 a.m. Eastern time / 10 a.m. Central time.

A listen-only webcast of the call and an accompanying slide presentation may be accessed through our website at www.cheniere.com. Following the call, an archived recording will be made available on our website.

¹ Reported as Net loss attributable to common stockholders on our Consolidated Statements of Operations.

² Non-GAAP financial measure. See "Reconciliation of Non-GAAP Measures" for further details.

About Cheniere

Cheniere Energy, Inc., a Houston-based energy company primarily engaged in LNG-related businesses, owns and operates the Sabine Pass LNG terminal in Louisiana. Directly and through its subsidiary, Cheniere Energy Partners, L.P., Cheniere is developing, constructing, and operating liquefaction projects near Corpus Christi, Texas and at the Sabine Pass LNG terminal, respectively. Cheniere is also exploring a limited number of opportunities directly related to its existing LNG business.

For additional information, please refer to the Cheniere website at www.cheniere.com or Quarterly Report on Form 10-Q for the quarter ended September 30, 2016, filed with the Securities and Exchange Commission.

Forward-Looking Statements

This press release contains certain statements that may include "forward-looking statements" within the meanings of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, included herein are "forward-looking statements." Included among "forward-looking statements" are, among other things, (i) statements regarding Cheniere's business strategy, plans and objectives, including the development, construction and operation of liquefaction facilities, (ii) statements regarding expectations regarding regulatory authorizations and approvals, (iii) statements expressing beliefs and expectations regarding the development of Cheniere's LNG terminal and pipeline businesses, including liquefaction facilities, (iv) statements regarding the business operations and prospects of third parties, (v) statements regarding potential financing arrangements and (vi) statements regarding future discussions and entry into contracts. Furthermore, in connection with our proposal to Cheniere Partners Holdings, there can be no assurance that any discussions that may occur between us and Cheniere Partners Holdings will result in the entry into of a definitive agreement concerning a transaction or if such a definitive agreement is reached, will result in the consummation of a transaction provided for in such definitive agreement. Although Cheniere believes that the expectations reflected in these forward-looking statements are reasonable, they do involve assumptions, risks and uncertainties, and these expectations may prove to be incorrect. Cheniere's actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including those discussed in Cheniere's periodic reports that are filed with and available from the Securities and Exchange Commission. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Other than as required under the securities laws, Cheniere does not assume a duty to update these forward-looking statements.

(Financial Table Follows)



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Platform Capacity in Aggregate ~9% of Expected Global LNG Market by 2020 ~4.5 mtpa Operating, ~27.0 mtpa Under Construction

[Sabine Pass Terminal »](#)

[Corpus Christi Project »](#)

Terminals

LNG TERMINALS

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SABINE PASS LNG TERMINAL

FERC Process

Federal Energy Regulatory Commission

The Federal Energy Regulatory Commission (FERC) has the exclusive authority to approve or deny an application for the siting, construction, expansion, or operation of an LNG terminal and interstate natural gas pipeline per the Natural Gas Act. The FERC is the lead federal agency that will determine whether Corpus Christi Liquefaction, LLC (CCL) and Cheniere Corpus

Liquefaction
Facilities: Trains 1-6
Project Schedules
Documentation
FERC Process

CORPUS CHRISTI LNG

Liquefaction
Facilities: Trains 1-3
Project Schedule
Documentation
FERC Process

Liquefaction
Facilities: Trains 4-5
Project Schedule
Documentation
FERC Process

Christi Pipeline, LP (CCPL) will be issued an Order Granting Authority under Sections 3 and 7(c), respectively, of the Natural Gas Act for the construction and operation of the Stage 3 Project. The FERC will also monitor all construction and restoration activities to ensure that CCL and CCPL comply with all federal, state, and local permits, plans, and regulations.

The Approval Process

On June 1, 2015, CCL and CCPL requested FERC's permission to engage in the Pre-Filing Environmental Review Process (Reference Docket No. PF15-26-000). The pre-filing process provides opportunities for federal and state cooperating agencies (TCEQ, USACE, USFWS, etc.), and other public stakeholders to comment on the project impacts prior to an application to the FERC being submitted. Permission was granted to begin the pre-filing process on June 9, 2015.

CCL and CCPL are preparing draft Resource Reports for submittal to the FERC staff to aid their preparation of an Environmental Assessment (EA) or Environmental Impact Statement (EIS) to fulfill the requirements of the National Environmental Policy Act (NEPA). The purpose of the EA/EIS is to inform the public and the permitting agencies about the potential adverse and/or beneficial environmental and safety impacts of proposed projects and their alternatives.

The Resource Reports are divided into the following subjects:

1. General project description
2. Water use and quality
3. Fish, wildlife, and vegetation
4. Cultural resources
5. Socioeconomics
6. Geological resources
7. Soils
8. Land use, recreation, and aesthetics
9. Air and noise quality
10. Alternatives
11. Reliability and safety
12. PCB contamination (not required for this project)
13. Engineering and design material

The stakeholders were given the opportunity to comment on the resource reports through public meetings and postings.

Comments were identified and addressed prior to the final environmental documents and approvals being issued. The schematic illustrates the steps involved, and the points where the public will be given the opportunity to comment on the pre-filing process.

Upon FERC approval of the project, CCL and CCPL will receive:

1. A Commission Order stating its decision on whether to approve construction and operation of the LNG terminal and associated pipeline facilities; and
2. Conditions that must be met prior to construction.

CCL and CCPL will also be applying for the following environmental permits and clearances as applicable:

1. Section 401 water quality certificate from the Texas Commission on Environmental Quality;
2. Section 404 permit from the US Army Corps of Engineers for work in wetlands;
3. Coastal Zone Management consistency determination from the Texas Coastal Coordination Council;
4. Federal Endangered Species consultation with the US Fish and Wildlife Service;
5. State Endangered Species consultation with the Texas Parks and Wildlife Department;
6. Air Emissions Permit (Title V & PSD) from the Texas Commission on Environmental Quality;
7. Section 106 National Historic Preservation Act Clearance from the Texas Historical Commission;
8. Authorization to export from the Department of Energy.

Design and Construction Monitoring

After CCL and CCPL receive FERC approval for the Stage 3 Project and have met all pre-construction conditions required by the FERC Order, FERC will authorize the commencement of construction.

Prior to commencement of service from the LNG facility, CCL must receive written approval from FERC. Only after complying with all pre-operation conditions listed in the FERC Order would a company receive authorization to begin operation.

FERC Citizen's Guide

An Interstate Natural Gas Facility on My Land? The FERC wants you to know:

How FERC's procedures work;
What rights citizens have;
How the location of a pipeline or other facilities is decided; and
What safety and environmental issues might be involved?

Please read the FERC's Citizen Guide where you will find all this information and more to help you know what you need to know.

You may also find other useful information concerning natural gas pipelines on the FERC's webpage at: <http://www.ferc.gov/>

Excerpt from Cheniere Energy, Inc. 10-K filed with United States Securities and Exchange Commission as of December 31, 2015

Corpus Christi LNG Terminal

Liquefaction Facilities

The CCL Project is being developed and constructed at the Corpus Christi LNG terminal, on nearly 2,000 acres of land that we own or control near Corpus Christi, Texas. In December 2014, we received authorization from the FERC to site, construct and operate Stages 1 and 2 of the CCL Project. In May 2015, we commenced construction of Stage 1 of the CCL Project.

Through the CCL Stage III entities, which are separate from the CCH Group, we are developing two additional Trains and one LNG storage tank at the Corpus Christi LNG terminal adjacent to the CCL Project, along with a second natural gas pipeline, and we commenced the regulatory approval process in June 2015.

The DOE has authorized the export of up to a combined total of the equivalent of 15 mtpa (approximately 767 Bcf/yr) of domestically produced LNG by vessel from the CCL Project to FTA countries for a 25-year term and to non-FTA countries for a 20-year term. A party to the proceeding requested a rehearing of the non-FTA order, and the DOE has not yet issued a final ruling on the rehearing request. Additionally, the DOE has authorized the export of up to a combined total of the equivalent of 514 Bcf/yr of domestically produced LNG by vessel from the two additional Trains being developed adjacent to the CCL Project to FTA countries for a 20-year term. The application for authorization to export that same 514 Bcf/yr of domestically produced LNG by vessel to non-FTA countries is currently pending at the DOE. In each case, the terms of these authorizations begin on the earlier of the date of first export thereunder or the date specified in the particular order, which ranges from 7 to 10 years from the date the order was issued.

As of December 31, 2015, the overall project completion percentage for Stage 1 of the CCL Project was approximately 29.2% with engineering, procurement and construction approximately 93.6%, 41.9% and 2.2% complete, respectively. The construction of the Corpus Christi Pipeline is planned to commence in 2016. Based on our current construction schedule, we anticipate that Train 1 of the CCL Project will produce LNG as early as late 2018, and Train 2 is expected to commence operations several months thereafter.

DOE approval applies to free trade countries only

Cheniere cleared to export more LNG from Corpus Christi



The United States Department of Energy issued an order authorizing Cheniere to export LNG from its stage 3 project (Trains 4 and 5) of the Corpus Christi liquefaction facility, to be located in San Patricio and Nueces Counties, Texas.

Cheniere has been authorized to export equivalent to approximately 514 Bcf/yr of natural gas for a 20-year term, according to the order.

Cheniere's Corpus Christi liquefaction project is currently under construction and presently consists of Trains 1-3, three LNG storage tanks, two marine berths, and associated facilities.

Under the Stage 3 expansion project, Cheniere intends to add two 5 mtpa liquefaction trains, as well as a fourth LNG tank, to expand the Corpus Christi project.

Cheniere anticipates that construction of the Stage 3 project will commence by 2017, with exports commencing as early as 2021.



LNG World News Staff; Image: Bechtel

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Events

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

Minutes of Special Meeting

The Board of Trustees Gregory-Portland ISD

A Special Meeting of the Board of Trustees of Gregory-Portland ISD was held Monday, March 6, 2017, beginning at 6:00 PM in the G-PISD Training Center, 1200 Broadway, Portland, Texas.

I. Call to Order and Establish Quorum

The meeting was called to order at 6:10 p.m. by President, Randy Eulenfeld. Board members present: Dean Atkinson, Victor Hernandez, Gilbert Cortinas, Carrie Gregory, Rey Rojas and Tim Flinn. Others present: Paul Clore, Darla Czerwinski, Ron Wilson, Shane Ersland, Will Nichols, Dan Korus, Lenora Keas, Rob Tully, Melanie Schmidt, Beth Beurra, Andrea Carter, Paige Kimball, Doreen Harrel, Payton Keith, Russ Roberts, Jared Young, Keith Little, Dale Cummings, Mr. Culbertson, and Cindy Hartley.

CLOSED SESSION 6:11 PM

OPEN SESSION 7:27 PM

II. Closed Session, As Authorized by the Texas Open Meetings Act, Texas Government Code Section 551.071, 551.072, 551.074, 551.0821, 551.087, 551.129 et seq.

A. To deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public employee or employees, including but not limited to resignation and employment of personnel [551.074]

B. To discuss purchase, exchange, lease, or value of real property [551.072]

C. Consultation with District legal counsel in connection with the following applications for Limitation on appraised Value of Property for School District Maintenance & Operations Taxes: Corpus Christi Liquefaction, LLC, et al Train 4 and Corpus Christi Liquefaction, LLC et al, Train 5

D. Consultation with District legal counsel in connection with the following Applications for Limitation on Appraised Value of Property for School District Maintenance & Operations Taxes: ExxonMobil Corporation (Texas Comptroller's Application No. 1156), GCGV Asset Holding, LLC (Texas Comptroller's Application No. 1155), and SABIC US Projects, LLC (Texas Comptroller's Application No. 1154)

III. Open Session Action, If Any, on Closed Session Deliberations Regarding

A. Consider Resignations of Personnel and Review Vacancy Report

B. Consider Employment of Personnel

It is recommended that Ricky Rhoades be employed on a two-year dual-assignment term contract for the 2017-2018 and 2018-2019 school year(s). The motion was made by Dean Atkinson and seconded by Tim Flinn. The motion carried 6/0.

- C. Discussion and Possible Action to Apply Unused Application Fees from Corpus Christi Liquefaction, LLC et al, Trains 4 & 5 (Texas Comptroller's No. 1076 & 1077) to the new Application for Value Limitation Agreements from Corpus Christi Liquefaction, LLC, et al, Trains 4 & 5

The Superintendent recommended that the Board waive the application fee for the Applications of Corpus Christi Liquefaction, LLC et al (Train 4 & 5) for an Appraised Value Limitation on Qualified Property. Victor Hernandez made the motion which was seconded by Tim Flinn; motion carried 7/0.

- D. Discussion and Possible Action to: Accept the Application of Corpus Christi Liquefaction, LLC, et al (Train 4) for an Appraised Value Limitation on Qualified Property; authorize the Superintendent to review the Application for completeness and submit to the Comptroller; and authorize the Superintendent to enter into any agreement to extend the deadline for Board action beyond 150 days, subject to Board ratification

The Superintendent recommended that the Board accept the Application of Corpus Christi Liquefaction, LLC et al (Train 4) for an Appraised Value Limitation of Qualified Property and authorize the Superintendent to review the Application for completeness and submit to the Comptroller; and authorize the Superintendent to enter into any agreement to extend the deadline for Board action beyond 150 days, subject to Board ratification. The motion was made by Gilbert Cortinas and seconded by Tim Flinn. The motion carried 7/0.

- E. Discussion and Possible Action to: Accept the Application of Corpus Christi Liquefaction, LLC, et al (Train 5) for an Appraised Value Limitation on Qualified Property; authorize the Superintendent to review the Application for completeness and submit to the Comptroller; and authorize the Superintendent to enter into any agreement to extend the deadline for Board action beyond 150 days, subject to Board ratification

The Superintendent recommended that the Board accept the Application of Corpus Christi Liquefaction, LLC et al (Train 5) for an Appraised Value Limitation of Qualified Property and authorize the Superintendent to review the Application for completeness and submit to the Comptroller; and authorize the Superintendent to enter into any agreement to extend the deadline for Board action beyond 150 days, subject to Board ratification. Victor Hernandez made the motion which was seconded by Dean Atkinson; motion carried 7/0.

- F. Discussion and Possible Action to Retain Attorneys/Consultants to assist the District in the review and processing of the two pending Applications for a Limitation on Appraised Value of Property for School

The Superintendent recommended that the Board approve to retain the firms of O'Hanlon, McCollom & Demerath and Moak Casey & Associates to assist the District in the review and processing of the Applications submitted by Corpus Christi Liquefaction, LLC et al. The motion was made by Dean Atkinson and seconded by Gilbert Cortinas. The motion carried 7/0.

- G. Consider and Take Possible Action to Approve a Resolution of the Gregory-Portland Independent School District Granting an Extension of Time for Action on the Pending Application for an Appraised Value Limitation on Qualified Property from SABIC US Projects LLC, Application # 1154

The Superintendent recommended that the Board approve a Resolution granting an extension of time for action on the pending Application for an Appraised Value Limitation on Qualified Property from SABIC US Projects LLC, Application #1154. Victor Hernandez made the motion to grant the time extension (150-days) until June 30, 2017, which was seconded by Carrie Gregory; motion carried 6/0/1, Tim Flinn abstaining.

- H. Consider and Take Possible action to Approve a Resolution of the Gregory-Portland Independent School District Granting an Extension of Time for Action on the Pending Application for an Appraised Value Limitation on Qualified Property from GCGV Asset Holding LLC, Application # 1155

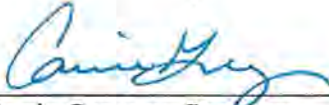
The Superintendent recommended that the Board approve a Resolution granting an extension of time for action on the pending Application for an Appraised Value Limitation on Qualified Property from GCGV Asset Holding LLC, Application #1155. The motion to grant the time extension (150-days) until June 30, 2017 was made by Victor Hernandez and seconded by Gilbert Cortinas. The motion carried 6/0/1, with Tim Flinn abstaining.

- I. Consider and Take Possible Action to Approve a Resolution of the Gregory-Portland Independent School District Granting an Extension of Time for Action on the Pending Application for an Appraised Value Limitation on Qualified Property from Exxon Mobil Corporation, Application # 1156

The Superintendent recommended that the Board approve a Resolution granting an extension of time for action on the pending Application for an Appraised Value Limitation on Qualified Property from Exxon Mobil Corporation, Application #1156. Gilbert Cortinas made the motion to grant the time extension (150-days) until June 30, 2017, which was seconded by Victor Hernandez; motion carried 6/0/1, with Tim Flinn abstaining.

IV. Meeting adjourned 7:39 p.m.


Randy Eulenfeld, President


Carrie Gregory, Secretary

Attachment D

Summary of Financial Impact

**CHAPTER 313 PROPERTY VALUE LIMITATION
FINANCIAL IMPACT OF THE PROPOSED CORPUS CHRISTI
LIQUEFACTION, LLC (TRAIN 5) PROJECT IN THE
GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT
(PROJECT # 1180)**

PREPARED BY



MAY 12, 2017

Executive Summary

Corpus Christi Liquefaction, LLC (Train 5) (Company) has requested that the Gregory-Portland Independent School District (GPISD) 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 GPISD on March 6, 2017 the Company plans to invest \$1.57 billion to construct a manufacturing facility. Moak, Casey & Associates (MCA) has been retained to prepare an analysis of this value limitation and help the district navigate the overall application and agreement process.

The Train 5 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, GPISD may offer a minimum value limitation of \$30 million. This value limitation, under the proposed application, will begin in 2023-24 and remain at that level of taxable value for Maintenance and Operations (M&O) tax purposes for ten years. The entire project value will remain taxable for I&S or debt service purposes for the term of the agreement.

MCA's initial school finance analysis is detailed in this report, incorporating the major legislative changes adopted in 2015. The overall conclusions are as follows, but please read all of the subsequent details in the report below for more information.

Total Revenue Loss Payment owed to GPISD	\$20.6 million
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	\$129.1 million

Application Process

After the school district has submitted an application to the Comptroller's Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. The Comptroller's Office issued its Completeness Letter for the project on April 5, 2017.

The issuance of a Completeness Letter is important because it sets the timeline for the rest of process. From the date of issuance, the Comptroller has 90 days to conduct its full review of the project and provide its certificate for a limitation on appraised value. After the certificate is received, the district has until the 150th day from the receipt of the Completeness Letter or

until December 31st, whichever is earlier, to adopt an agreement. The Comptroller's Office issued its Certificate for the Train 5 project on April 26, 2017.

Each value limitation agreement is unique and to ensure the proper revenue-loss protection and maximum supplemental benefits are in place, an understanding of the school district's finances and a thorough knowledge of the Ch. 313 statute are required. MCA and O'Hanlon, McCollom & Demerath will ensure the best interests of GPISD are secured. A final version of the agreement must be submitted to the Comptroller for review prior to final adoption by the school district's board of trustees. An Agreement Review Letter approving the Agreement for the Train 5 project was issued by the Comptroller's Office on April 28, 2017.

At the final board meeting, the school board will review the Value Limitation Agreement and Findings of Fact that detail the project's conformance with state law. The school board will also be asked to consider the creation of a reinvestment zone—which is required for a Chapter 313 project—in the board's consideration of the Train 5 application.

How the 313 Agreement Interacts with Texas School Finance

M&O funding for Texas schools relies on two methods of finance: local school district property taxes and state aid. State aid consists of three components: Tier I, Tier II and additional state aid for tax reduction (ASATR), although ASATR is currently scheduled to be eliminated by the 2017-18 school year. (For more detailed information on the school finance funding system, please review the Texas Education Agency's [School Finance 101: Funding of Texas Public Schools](#).)

Tier I provides state funding based on ADA and special student populations, as well as transportation. The local funds for Tier I are M&O taxes raised at the compressed tax rate—\$1.00 per \$100 of taxable value for most school districts (less any recapture payments owed to the state from high property-wealth school districts).

Tier II guarantees a specific amount of funding per student in weighted average daily attendance for each penny of a school district's tax effort above a specified level. There are two levels of Tier II funding—funding under the six so-called golden pennies and the eleven so-called copper pennies. Voter approval is required in most cases to access the last two golden pennies and the eleven copper pennies. G-PISD voters have previously approved the maximum \$1.17 per \$100 M&O tax rate.

Additional State Aid for Tax Reduction (ASATR) guarantees a school district a set amount of state and local M&O funds per student in weighted average daily attendance to compensate for the mandatory reduction in, or compression of, the local M&O tax rate that was adopted in 2005 or 2006. ASATR funding is expected to be eliminated by the 2017-18 school year under current law and is not a factor in the calculations shown below.

For a school district that approves a Chapter 313 value limitation, the first year is often problematic financially. The implementation of the value limitation often results in an M&O revenue loss to the school district in the first year of the limitation that would not be reimbursed by the state, but require some type of compensation from the Company under the revenue protection provisions of the agreement. This is because the general school finance formula system calculates state aid entitlements using the property value for the preceding year as certified by the Comptroller.

In most instances, smaller revenue losses would be anticipated in years 2-10 of the limitation 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. **If the full value of the project increases significantly during the value limitation period, the revenue losses may be greater than originally estimated.**

A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 1-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation period (and thereafter).

Future legislative action on school funding could potentially affect the impact of the value limitation on the school district's finances and result in revenue-loss estimates that differ from the estimates presented in this report.

Underlying School District Data Assumptions

A key element in any analysis of the school finance implications of a Chapter 313 agreement is the provision for revenue protection in the agreement between the school district and the applicant. The agreement calls for a calculation of the revenue impact of the value limitation in years 1-10 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. This approach also reduces guess work as to future changes in school finance and property tax laws.

The general approach used here to analyze the future revenue stream of the school district under a value limitation is to maintain static enrollment and property values in order to isolate the effects of the value limitation under the school finance system. TEA student projections are used in analyzing the effects of the project on the finances of GPISD. The District's local tax base reached \$1.86 billion for the 2016 tax year (the most recent year available) and is maintained for the forecast period in order to isolate the effects of the property value limitation.

An M&O tax rate of \$1.17 per \$100 is used throughout this analysis. The impact of any previously-approved Chapter 313 projects is factored into the M&O tax bases used for both models presented below. While some volatility in M&O rollback tax rates is anticipated as previously-approved property value limitation agreements expire, these changes are beyond the scope of this analysis.

GPISD has estimated 2017-18 state property wealth per weighted ADA or WADA of approximately \$342,327. Thus, GPISD is considered a Chapter 41 or recapture district under the school finance system for the last 11 cents of its M&O tax effort. In future years, Tier I recapture will be a factor in the finances of G-PISD. Table 1 summarizes the enrollment and property value assumptions for the 15 years that are the subject of this analysis.

Legislative changes made in 2015 are incorporated into these estimates. The basic allotment was raised from \$5,040 to \$5,140 per WADA, which is used throughout the state aid calculations. The Tier II guaranteed yield level for up to six cents of tax effort was increased from \$61.86 in 2014-15 to \$74.28 and \$77.53, respectively, for the 2015-16 and 2016-17 school years.

The mandated school district homestead exemption increase from \$15,000 to \$25,000 has been incorporated into the analysis. Given that the models below focus exclusively on the Corpus Christi Liquefaction, LLC (Train 5) project values, however, the homestead exemption change does not have a significant impact on this analysis.

Table 1 – Base District Information with CC Liquefaction (Train 5) 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
QTP0	2020-21	4,730.71	5,934.84	\$1.1700	\$0.1800	\$2,389,329,340	\$2,389,329,340	\$2,445,421,450	\$2,445,421,450	\$412,045	\$412,045
QTP1	2021-22	4,828.49	6,044.42	\$1.1700	\$0.1800	\$2,990,211,900	\$2,990,211,900	\$2,467,884,570	\$2,467,884,570	\$408,292	\$408,292
QTP2	2022-23	4,928.30	6,154.87	\$1.1700	\$0.1800	\$4,409,240,427	\$4,409,240,427	\$3,068,767,131	\$3,068,767,131	\$498,592	\$498,592
VL1	2023-24	5,030.17	6,267.31	\$1.1700	\$0.1800	\$5,404,161,687	\$4,293,219,794	\$4,487,795,657	\$4,487,795,657	\$716,064	\$716,064
VL2	2024-25	5,134.14	6,381.76	\$1.1700	\$0.1800	\$4,333,077,152	\$2,793,135,269	\$5,482,716,917	\$4,371,775,024	\$859,122	\$685,042
VL3	2025-26	5,240.26	6,497.09	\$1.1700	\$0.1800	\$4,170,931,633	\$2,739,989,740	\$4,411,632,383	\$2,871,690,490	\$679,017	\$441,996
VL4	2026-27	5,348.58	6,615.67	\$1.1700	\$0.1800	\$10,240,091,636	\$8,856,149,743	\$4,249,486,864	\$2,818,544,971	\$642,337	\$426,041
VL5	2027-28	5,459.14	6,748.71	\$1.1700	\$0.1800	\$10,033,654,717	\$8,699,712,824	\$10,318,646,867	\$8,934,704,974	\$1,528,981	\$1,323,913
VL6	2028-29	5,571.98	6,888.20	\$1.1700	\$0.1800	\$9,742,511,036	\$8,452,569,143	\$10,112,209,947	\$8,778,268,054	\$1,468,047	\$1,274,391
VL7	2029-30	5,687.15	7,030.58	\$1.1700	\$0.1800	\$9,457,426,466	\$8,214,484,573	\$9,821,066,266	\$8,531,124,373	\$1,396,906	\$1,213,430
VL8	2030-31	5,804.70	7,175.91	\$1.1700	\$0.1800	\$9,182,061,342	\$7,985,119,449	\$9,535,981,697	\$8,293,039,804	\$1,328,889	\$1,155,678
VL9	2031-32	5,924.69	7,324.23	\$1.1700	\$0.1800	\$10,444,090,479	\$9,294,148,586	\$9,260,616,573	\$8,063,674,680	\$1,264,380	\$1,100,958
VL10	2032-33	6,047.15	7,475.63	\$1.1700	\$0.1800	\$10,132,199,949	\$9,021,258,056	\$10,522,645,710	\$9,372,703,817	\$1,407,594	\$1,253,768
VP1	2033-34	6,172.15	7,630.15	\$1.1700	\$0.1800	\$9,838,088,230	\$9,838,088,230	\$10,210,755,180	\$9,099,813,287	\$1,338,212	\$1,192,613
VP2	2034-35	6,299.72	7,787.86	\$1.1700	\$0.1800	\$13,902,020,139	\$13,902,020,139	\$9,916,643,461	\$9,916,643,461	\$1,273,346	\$1,273,346
VP3	2035-36	6,429.94	7,948.84	\$1.1700	\$0.1800	\$13,433,894,357	\$13,433,894,357	\$13,980,575,370	\$13,980,575,370	\$1,758,820	\$1,758,820
VP4	2036-37	6,562.85	8,113.14	\$1.1700	\$0.1800	\$12,986,570,710	\$12,986,570,710	\$13,512,449,588	\$13,512,449,588	\$1,665,502	\$1,665,502
VP5	2037-38	6,698.50	8,280.84	\$1.1700	\$0.1800	\$12,553,555,043	\$12,553,555,043	\$13,065,125,941	\$13,065,125,941	\$1,577,754	\$1,577,754

*Basic Allotment: \$5,140; AISD Yield: \$77.53; Equalized Wealth: \$514,000 per WADA

QTP=	Qualifying Time Period
VL=	Value Limitation
VP=	Viable Presence

M&O Impact of the Train 5 Project on GPISD

School finance models were prepared for GPISD under these assumptions through the 2037-38 school year. Under the proposed agreement, a model is established to make a calculation of the "Baseline Revenue Model" by adding the total value of the project to the model, but without assuming that a value limitation is approved. These model results are detailed in Table 2.

Additionally, a separate model is established to make a calculation of the "Value Limitation Revenue Model" by adding the project's limited value of \$30 million to the model. These results are shown in Table 3.

Table 2- "Baseline Revenue Model" --Project Value Added with No Value Limitation

Year of Agreement	School Year	M&O Taxes @		Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid from	Recapture from the	Homestead Hold Harmless	Other State Aid	Total General Fund
		Compressed Rate	State Aid				Additional M&O Tax Collections	Additional Local Tax Effort			
QTP0	2020-21	\$23,713,106	\$7,562,950	\$0	\$0	\$4,031,228	\$1,254,712	-\$556,561	\$0	\$110,500	\$36,115,936
QTP1	2021-22	\$29,601,755	\$7,927,023	\$0	\$0	\$5,032,298	\$1,597,213	-\$672,721	\$154,779	\$110,500	\$43,750,847
QTP2	2022-23	\$43,508,235	\$2,511,734	\$0	\$0	\$7,396,400	\$1,449,342	-\$1,633,120	\$496,579	\$110,500	\$53,839,670
VL1	2023-24	\$53,480,651	\$1,697,040	\$0	-\$14,464,835	\$9,091,711	\$265,442	-\$3,095,099	\$8,955	\$110,500	\$47,094,365
VL2	2024-25	\$43,069,823	\$1,732,117	\$0	-\$16,663,622	\$7,321,870	\$0	-\$2,826,991	\$85,870	\$110,500	\$32,829,567
VL3	2025-26	\$41,458,997	\$1,767,921	\$0	-\$9,571,715	\$7,048,030	\$352,816	-\$2,293,896	\$70,020	\$110,500	\$38,942,673
VL4	2026-27	\$100,927,365	\$1,804,464	\$0	-\$19,503,426	\$17,157,652	\$1,253,484	-\$5,300,851	\$16,901	\$110,500	\$96,466,088
VL5	2027-28	\$98,894,283	\$1,841,762	\$0	-\$64,973,959	\$16,812,028	\$0	-\$8,174,937	\$197,168	\$110,500	\$44,706,845
VL6	2028-29	\$96,032,275	\$1,879,831	\$0	-\$61,720,161	\$16,325,487	\$0	-\$7,851,314	\$191,462	\$110,500	\$44,968,081
VL7	2029-30	\$93,229,046	\$1,918,688	\$0	-\$58,221,802	\$15,848,938	\$0	-\$7,514,148	\$185,874	\$110,500	\$45,557,095
VL8	2030-31	\$90,504,068	\$1,958,347	\$0	-\$54,780,467	\$15,385,691	\$0	-\$7,183,799	\$180,441	\$110,500	\$46,174,780
VL9	2031-32	\$102,879,754	\$1,998,826	\$0	-\$60,324,321	\$17,489,558	\$0	-\$8,034,249	\$205,114	\$110,500	\$54,325,183
VL10	2032-33	\$99,815,426	\$2,040,142	\$0	-\$62,619,049	\$16,968,623	\$0	-\$8,063,117	\$199,005	\$110,500	\$48,451,530
VP1	2033-34	\$96,710,943	\$2,082,312	\$0	-\$58,801,776	\$16,440,861	\$0	-\$7,693,402	\$192,816	\$110,500	\$49,042,253
VP2	2034-35	\$136,537,476	\$2,125,353	\$0	-\$80,643,844	\$23,211,371	\$0	-\$10,688,087	\$272,219	\$110,500	\$70,924,988
VP3	2035-36	\$131,949,843	\$2,158,523	\$0	-\$92,593,754	\$22,431,474	\$0	-\$11,283,950	\$263,072	\$110,500	\$53,035,709
VP4	2036-37	\$127,566,072	\$2,192,379	\$0	-\$87,385,862	\$21,686,232	\$0	-\$10,773,381	\$254,332	\$110,500	\$53,650,274
VP5	2037-38	\$123,322,518	\$2,226,935	\$0	-\$82,318,466	\$20,964,828	\$0	-\$10,277,504	\$245,872	\$110,500	\$54,274,683

QTP= Qualifying Time Period
VL= Value Limitation
VP= Viable Presence

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

Year of Agreement	School Year	M&O Taxes @		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	Homestead Hold Harmless	Other State Aid	Total General Fund
		Compressed Rate	State Aid								
QTP0	2020-21	\$23,713,106	\$7,562,950	\$0	\$0	\$4,031,228	\$1,254,712	-\$556,561	\$0	\$110,500	\$36,115,936
QTP1	2021-22	\$29,601,755	\$7,927,023	\$0	\$0	\$5,032,298	\$1,597,213	-\$672,721	\$154,779	\$110,500	\$43,750,847
QTP2	2022-23	\$43,508,235	\$2,511,734	\$0	\$0	\$7,396,400	\$1,449,342	-\$1,633,120	\$496,579	\$110,500	\$53,839,670
VL1	2023-24	\$42,371,233	\$1,697,040	\$0	-\$11,358,796	\$7,203,110	\$210,127	-\$2,452,161	\$35,083	\$110,500	\$37,816,136
VL2	2024-25	\$27,670,404	\$1,732,117	\$0	-\$6,563,330	\$4,703,968	\$218,882	-\$1,542,949	\$46,714	\$110,500	\$26,376,305
VL3	2025-26	\$27,149,578	\$6,321,673	\$0	\$0	\$4,615,429	\$1,227,840	-\$786,292	\$0	\$110,500	\$38,638,728
VL4	2026-27	\$87,087,946	\$7,490,399	\$0	\$0	\$14,804,951	\$4,283,816	-\$2,275,830	\$1,807,481	\$110,500	\$113,309,263
VL5	2027-28	\$85,554,864	\$1,841,762	\$0	-\$51,663,918	\$14,544,327	\$0	-\$6,782,876	\$170,573	\$110,500	\$43,775,232
VL6	2028-29	\$83,132,856	\$1,879,831	\$0	-\$48,914,080	\$14,132,585	\$0	-\$6,509,388	\$165,744	\$110,500	\$43,998,049
VL7	2029-30	\$80,799,627	\$1,918,688	\$0	-\$45,870,454	\$13,735,937	\$0	-\$6,220,345	\$161,093	\$110,500	\$44,635,045
VL8	2030-31	\$78,551,849	\$1,958,347	\$0	-\$42,897,502	\$13,353,814	\$0	-\$5,939,291	\$156,611	\$110,500	\$45,294,328
VL9	2031-32	\$91,380,335	\$1,998,826	\$0	-\$47,985,538	\$15,534,657	\$0	-\$6,778,038	\$182,188	\$110,500	\$54,442,931
VL10	2032-33	\$88,706,007	\$2,040,142	\$0	-\$51,592,169	\$15,080,021	\$0	-\$6,907,544	\$176,856	\$110,500	\$47,613,813
VP1	2033-34	\$96,710,943	\$2,082,312	\$0	-\$54,266,824	\$16,440,861	\$0	-\$7,398,826	\$192,816	\$110,500	\$53,871,781
VP2	2034-35	\$136,537,476	\$2,125,353	\$0	-\$80,643,844	\$23,211,371	\$0	-\$10,688,087	\$272,219	\$110,500	\$70,924,988
VP3	2035-36	\$131,949,843	\$2,158,523	\$0	-\$92,593,754	\$22,431,474	\$0	-\$11,283,950	\$263,072	\$110,500	\$53,035,709
VP4	2036-37	\$127,566,072	\$2,192,379	\$0	-\$87,385,862	\$21,686,232	\$0	-\$10,773,381	\$254,332	\$110,500	\$53,650,274
VP5	2037-38	\$123,322,518	\$2,226,935	\$0	-\$82,318,466	\$20,964,828	\$0	-\$10,277,504	\$245,872	\$110,500	\$54,274,683

QTP= Qualifying Time Period
VL= Value Limitation
VP= Viable Presence

Table 4 displays the results of the comparison between the Baseline Revenue Model and the Value Limitation Revenue Model (Tables 2 and 3). The difference between the two models indicates there will be a total revenue loss of \$20.6 million over the course of the Agreement, with nearly all of this loss reflected in the first two limitation year (2023-24 and 2024-25). Nearly all of the reduction in M&O taxes under the limitation agreement is offset through a reduction in recapture costs owed to the state under current law.

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	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP0	2020-21	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP1	2021-22	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP2	2022-23	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VL1	2023-24	-\$11,109,418	\$0	\$0	\$3,106,038	-\$1,888,601	-\$55,315	\$642,938	\$26,128	\$0	-\$9,278,229
VL2	2024-25	-\$15,399,419	\$0	\$0	\$10,100,292	-\$2,617,902	\$218,882	\$1,284,041	-\$39,156	\$0	-\$6,453,262
VL3	2025-26	-\$14,309,419	\$4,553,752	\$0	\$9,571,715	-\$2,432,601	\$875,024	\$1,507,604	-\$70,020	\$0	-\$303,945
VL4	2026-27	-\$13,839,419	\$5,685,935	\$0	\$19,503,426	-\$2,352,701	\$3,030,332	\$3,025,021	\$1,790,580	\$0	\$16,843,174
VL5	2027-28	-\$13,339,419	\$0	\$0	\$13,310,041	-\$2,267,701	\$0	\$1,392,061	-\$26,595	\$0	-\$931,614
VL6	2028-29	-\$12,899,419	\$0	\$0	\$12,806,081	-\$2,192,902	\$0	\$1,341,926	-\$25,718	\$0	-\$970,032
VL7	2029-30	-\$12,429,419	\$0	\$0	\$12,351,348	-\$2,113,001	\$0	\$1,293,803	-\$24,781	\$0	-\$922,050
VL8	2030-31	-\$11,952,219	\$0	\$0	\$11,882,966	-\$2,031,877	\$0	\$1,244,508	-\$23,829	\$0	-\$880,452
VL9	2031-32	-\$11,499,419	\$0	\$0	\$12,338,783	-\$1,954,901	\$0	\$1,256,212	-\$22,927	\$0	\$117,748
VL10	2032-33	-\$11,109,419	\$0	\$0	\$11,026,880	-\$1,888,602	\$0	\$1,155,573	-\$22,149	\$0	-\$837,717
VP1	2033-34	\$0	\$0	\$0	\$4,534,952	\$0	\$0	\$294,576	\$0	\$0	\$4,829,528
VP2	2034-35	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP3	2035-36	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP4	2036-37	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP5	2037-38	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

QTP=	Qualifying Time Period
VL=	Value Limitation
VP=	Viable Presence

M&O Impact on the Taxpayer

Table 5 summarizes the impact of the property value limitation in terms of the potential tax savings to the taxpayer under the property value limitation agreement. The focus of this table is on the M&O tax rate only. A \$1.17 per \$100 M&O tax rate is assumed in 2016-17 (the most recent year available) and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total \$149.6 million over the life of the agreement. The GPISD revenue losses are expected to total approximately \$20.6 million over the course of the agreement. The total potential net tax benefits (after hold-harmless payments are made) are estimated to reach \$129.1 million, prior to any negotiations on Train 5 supplemental payments.

Table 5 - Estimated Financial Impact of the Train 5 Project Property Value Limitation Request Submitted to GPISD at \$1.17 per \$100 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	School District Revenue Losses	Estimated Net Tax Benefits
QTP0	2020-21	\$8,941,893	\$8,941,893	\$0	\$1.170	\$104,620	\$104,620	\$0	\$0	\$0
QTP1	2021-22	\$435,941,893	\$435,941,893	\$0	\$1.170	\$5,100,520	\$5,100,520	\$0	\$0	\$0
QTP2	2022-23	\$671,941,893	\$671,941,893	\$0	\$1.170	\$7,861,720	\$7,861,720	\$0	\$0	\$0
VL1	2023-24	\$1,140,941,893	\$30,000,000	\$1,110,941,893	\$1.170	\$13,349,020	\$351,000	\$12,998,020	-\$9,278,229	\$3,719,791
VL2	2024-25	\$1,569,941,893	\$30,000,000	\$1,539,941,893	\$1.170	\$18,368,320	\$351,000	\$18,017,320	-\$6,453,262	\$11,564,058
VL3	2025-26	\$1,460,941,893	\$30,000,000	\$1,430,941,893	\$1.170	\$17,093,020	\$351,000	\$16,742,020	-\$303,945	\$16,438,075
VL4	2026-27	\$1,413,941,893	\$30,000,000	\$1,383,941,893	\$1.170	\$16,543,120	\$351,000	\$16,192,120	\$0	\$16,192,120
VL5	2027-28	\$1,363,941,893	\$30,000,000	\$1,333,941,893	\$1.170	\$15,958,120	\$351,000	\$15,607,120	-\$931,614	\$14,675,506
VL6	2028-29	\$1,319,941,893	\$30,000,000	\$1,289,941,893	\$1.170	\$15,443,320	\$351,000	\$15,092,320	-\$970,032	\$14,122,288
VL7	2029-30	\$1,272,941,893	\$30,000,000	\$1,242,941,893	\$1.170	\$14,893,420	\$351,000	\$14,542,420	-\$922,050	\$13,620,370
VL8	2030-31	\$1,226,941,893	\$30,000,000	\$1,196,941,893	\$1.170	\$14,355,220	\$351,000	\$14,004,220	-\$880,452	\$13,123,769
VL9	2031-32	\$1,179,941,893	\$30,000,000	\$1,149,941,893	\$1.170	\$13,805,320	\$351,000	\$13,454,320	\$0	\$13,454,320
VL10	2032-33	\$1,140,941,893	\$30,000,000	\$1,110,941,893	\$1.170	\$13,349,020	\$351,000	\$12,998,020	-\$837,717	\$12,160,303
VP1	2033-34	\$1,101,941,893	\$1,101,941,893	\$0	\$1.170	\$12,892,720	\$12,892,720	\$0	\$0	\$0
VP2	2034-35	\$1,062,941,893	\$1,062,941,893	\$0	\$1.170	\$12,436,420	\$12,436,420	\$0	\$0	\$0
VP3	2035-36	\$984,941,893	\$984,941,893	\$0	\$1.170	\$11,523,820	\$11,523,820	\$0	\$0	\$0
VP4	2036-37	\$913,941,893	\$913,941,893	\$0	\$1.170	\$10,693,120	\$10,693,120	\$0	\$0	\$0
VP5	2037-38	\$843,941,893	\$843,941,893	\$0	\$1.170	\$9,874,120	\$9,874,120	\$0	\$0	\$0
						\$223,644,963	\$73,997,061	\$149,647,901	-\$20,577,301	\$129,070,601

QTP= Qualifying Time Period
 VL= Value Limitation
 VP= Viable Presence

I&S Funding Impact on School District

The project remains fully taxable for debt services taxes, with GPISD currently levying a \$0.18 per \$100 I&S rate. Given the substantial value of the Train 5 project even with future depreciation, local taxpayers should benefit from the addition of the Train 5 project to the local I&S tax roll.

The project is not expected to affect GPISD 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 a stand-alone basis.

Note: School district revenue-loss estimates are subject to change based on numerous factors, including:

- Legislative and Texas Education Agency administrative changes to the underlying school finance formulas used in these calculations.
- Legislative changes addressing property value appraisals and exemptions.
- Year-to-year appraisals of project values and district taxable values.
- Changes in school district tax rates and student enrollment.

Attachment E

Taxable Value of Property



School and Appraisal Districts Property Value Study 2015 Report

2015 ISD Summary Worksheet

205/San Patricio

205-902/Gregory-Portland CISD

Category	Local Tax Roll Value	2015 WTD Mean Ratio	2015 PTAD Value Estimate	2015 Value Assigned
A. Single-Family Residences	919,999,923	.9400	978,723,322	919,999,923
B. Multi-Family Residences	97,382,546	N/A	97,382,546	97,382,546
C1. Vacant Lots	30,256,416	N/A	30,256,416	30,256,416
C2. Colonia Lots	484,875	N/A	484,875	484,875
D1. Rural Real(Taxable)	17,784,176	1.0274	17,309,647	17,784,176
D2. Real Prop Farm & Ranch	2,597,941	N/A	2,597,941	2,597,941
E. Real Prop NonQual Acres	82,898,677	N/A	82,898,677	82,898,677
F1. Commercial Real	175,588,799	1.0324	170,078,263	175,588,799
F2. Industrial Real	411,575,209	N/A	411,575,209	411,575,209
G. Oil, Gas, Minerals	47,206,540	N/A	47,206,540	47,206,540
J. Utilities	47,767,220	N/A	47,767,220	47,767,220

L1. Commercial Personal	56,974,464	N/A	56,974,464	56,974,464
L2. Industrial Personal	49,415,905	N/A	49,415,905	49,415,905
M. Other Personal	1,797,207	N/A	1,797,207	1,797,207
N. Intangible Personal Prop	0	N/A	0	0
O. Residential Inventory	776,140	N/A	776,140	776,140
S. Special Inventory	2,866,272	N/A	2,866,272	2,866,272
Subtotal	1,945,372,310		1,998,110,644	1,945,372,310
Less Total Deductions	291,170,018		303,796,028	291,170,018
Total Taxable Value	1,654,202,292		1,694,314,616	1,654,202,292 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 T4 will be the same as T7 through T10.

Value Taxable For M&O Purposes

T1	T2	T3	T4
1,691,867,259	1,654,202,292	1,691,867,259	1,654,202,292

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
37,664,967	0

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

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

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

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

Value Taxable For I&S Purposes

T7	T8	T9	T10
1,773,993,739	1,736,328,772	1,773,993,739	1,736,328,772

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

The PVS found your local value to be valid, and local value was certified

Attachment F

TEA's Facilities Value

Attachment G

Participation Agreement

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

by and between

GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT

and

CORPUS CHRISTI LIQUEFACTION, LLC

(Texas Taxpayer ID # 32048261799)

CORPUS CHRISTI LIQUEFACTION STAGE III, LLC

(Texas Taxpayer ID # 32058406854)

CHENIERE LAND HOLDINGS, LLC

(Texas Taxpayer ID # 32056673604)

Comptroller Application Number 1180

Dated

August 29, 2017

STATE OF TEXAS §
COUNTY OF SAN PATRICIO §

RECITALS

WHEREAS, pursuant to 34 TEXAS ADMIN. CODE Section 9.1054, the Application was

delivered to the San Patricio County Appraisal District established in San Patricio County, Texas (the "San Patricio County Appraisal District"), pursuant to Section 6.01 of the TEXAS TAX CODE;

WHEREAS, the Texas Comptroller's Office reviewed the Application pursuant to Section 313.025 of the TEXAS TAX CODE, conducted an economic impact evaluation pursuant to Section 313.026 of the TEXAS TAX CODE, and on April 26, 2017, issued a certificate for limitation on appraised value of the property described in the Application and provided the certificate to the District;

WHEREAS, the Board of Trustees has reviewed and carefully considered the economic impact evaluation and certificate for limitation on appraised value submitted by the Texas Comptroller's Office pursuant to Section 313.025 of the TEXAS TAX CODE;

WHEREAS, on August 29, 2017, 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 August 29, 2017 the Board of Trustees made factual findings pursuant to Section 313.025(f) of the TEXAS TAX CODE, including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) the Applicant is eligible for the limitation on appraised value of the Applicant's Qualified Property; (iii) the project proposed by the Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the District's maintenance and operations ad valorem tax revenue lost as a result of the Agreement before the 25th anniversary of the beginning of the limitation period; (iv) the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in this State; and (v) this Agreement is in the best interest of the District and the State of Texas;

WHEREAS, on April 28, 2017, the Texas Comptroller's Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes;

WHEREAS, on August 29, 2017, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary to execute and deliver such Agreement to the Applicant; and

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, the Parties agree as follows:

ARTICLE I **DEFINITIONS**

Section 1.1 DEFINITIONS. Wherever used in this Agreement, the following terms shall have the

following meanings, unless the context in which used clearly indicates another meaning. Words or terms defined in 34 TEXAS ADMIN. CODE Section 9.1051 and not defined in this Agreement shall have the meanings provided by 34 TEXAS ADMIN. CODE Section 9.1051.

“Act” means the Texas Economic Development Act set forth in Chapter 313 of the TEXAS TAX CODE, including any statutory amendments that are applicable to Applicant.

“Agreement” means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented as approved pursuant to Sections 10.2 and 10.3.

“Applicant” collectively means Corpus Christi Liquefaction, LLC, *Texas Taxpayer ID #32048261799*, Corpus Christi Liquefaction, LLC, *Texas Taxpayer ID #32058406854*, and Corpus Christi Liquefaction, LLC, *Texas Taxpayer ID #32056673604*, the entities listed in the Preamble of this Agreement and that are listed as the Applicant on the Application as of the Application Approval Date. Each of these entities is a member of the combined Texas franchise tax combined group of Cheniere Energy, Inc. (Texas Taxpayer Identification Number 19543523864) (Cheniere Energy, Inc. is not an Applicant)). The term “Applicant” shall also include the Applicants’ assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

“Applicant’s Qualified Investment” means the Qualified Investment of the Applicant during the Qualifying Time Period and as more fully described in **EXHIBIT 3** of this Agreement.

“Applicant’s Qualified Property” means the Qualified Property of the Applicant to which the value limitation identified in the Agreement will apply and as more fully described in **EXHIBIT 4** of this Agreement.

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE) filed with the District by the Applicant on March 6, 2017. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

“Application Approval Date” means the date that the Application is approved by the Board of Trustees of the District and as further identified in Section 2.3.B of this Agreement.

“Application Review Start Date” means the later date of either the date on which the District issues its written notice that the Applicant has submitted a completed Application or the date on which the Comptroller issues its written notice that the Applicant has submitted a completed Application and as further identified in Section 2.3.A of this Agreement.

“Appraised Value” shall have the meaning assigned to such term in Section 1.04(8) of the TEXAS TAX CODE.

"Appraisal District" means the San Patricio County Appraisal District.

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

"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 in Chapter 34 TEXAS ADMIN. CODE Chapter 9, Subchapter F, together with any court or administrative decisions interpreting same.

"County" means San Patricio County, Texas.

"District" or "School District" means the Gregory-Portland Independent School District, being a duly authorized and operating school district in the State, having the power to levy, assess, and collect ad valorem taxes within its boundaries and to which Subchapter C of the Act applies. The term also includes any successor independent school district or other successor governmental authority having the power to levy and collect ad valorem taxes for school purposes on the Applicant's Qualified Property or the Applicant's Qualified Investment.

"Final Termination Date" means the last date of the final year in which the Applicant is required to Maintain Viable Presence and as further identified in Section 2.3.E of this Agreement.

"Force Majeure" means acts of God, war, fires, explosions, hurricanes, floods, or other causes that are beyond the reasonable control of either party and that by exercise of due foresight such party could not reasonably have been expected to avoid, and which, by the exercise of all reasonable due diligence, such party is unable to overcome. Each Party must inform the other in writing with proof of receipt within 60 business days of the existence of such Force Majeure or otherwise waive this right as a defense.

"Land" means the real property described on **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes.

"Maintain Viable Presence" means (i) the operation during the term of this Agreement of the facility or facilities for which the tax limitation is granted; and (ii) the Applicant's maintenance of jobs and wages as required by the Act and as set forth in its Application.

"Market Value" shall have the meaning assigned to such term in Section 1.04(7) of the TEXAS TAX CODE.

"New Qualifying Jobs" means the total number of jobs to be created by the Applicant after the Application Approval Date in connection with the project that is the subject of its Application that meet the criteria of Qualifying Job as defined in Section 313.021(3) of the

TEXAS TAX CODE and the Comptroller's Rules.

"New Non-Qualifying Jobs" means the number of Non-Qualifying Jobs, as defined in 34 TEXAS ADMIN. CODE Section 9.1051(14), to be created by the Applicant after the Application Approval Date in connection with the project which is the subject of its Application.

"Qualified Investment" has the meaning set forth in Section 313.021(1) of the TEXAS TAX CODE, as interpreted by the Comptroller's Rules.

"Qualified Property" has the meaning set forth in Section 313.021(2) of the TEXAS TAX CODE and as interpreted by the Comptroller's Rules and the Texas Attorney General, as these provisions existed on the Application Review Start Date.

"Qualifying Time Period" means the period defined in Section 2.3.C, during which the Applicant shall make investment on the Land where the Qualified Property is located in the amount required by the Act, the Comptroller's Rules, and this Agreement.

"State" means the State of Texas.

"Supplemental Payment" means any payments or transfers of things of value made to the 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 and that is not authorized pursuant to Sections 313.027(f)(1) or (2) of the TEXAS TAX CODE, and specifically includes any payments required pursuant to Article VI of this Agreement.

"Tax Limitation Amount" means the maximum amount which may be placed as the Appraised Value on the Applicant's Qualified Property for maintenance and operations tax assessment in each Tax Year of the Tax Limitation Period of this Agreement pursuant to Section 313.054 of the TEXAS TAX CODE.

"Tax Limitation Period" means the Tax Years for which the Applicant's Qualified Property is subject to the Tax Limitation Amount and as further identified in Section 2.3.D of this Agreement.

"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.

Section 1.2 NEGOTIATED DEFINITIONS. Wherever used in Articles IV, V, and VI, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning or otherwise; provided however, if there is a conflict between a term defined in this section and a term defined in the Act, the Comptroller's Rules, or Section 1.1 of Agreement, the conflict shall be resolved by reference to Section 10.9.C.

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

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

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

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

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

"Net Tax Benefit" means, (i) the amount of maintenance and operations *ad valorem* taxes that the Applicant would have paid to the District for all Tax Years if this Agreement had not been entered into by the Parties, (ii) less 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 Articles IV and V under this Agreement.

"Revenue Protection Amount" has the meaning assigned to such term in Section 4.2.A of this Agreement.

"Stipulated Supplemental Payment Amount" has the meaning assigned to such term in Section 6.3 of this Agreement.

"Unadjusted Tax Benefit" means for each year of this Agreement the total of all gross tax savings calculated for each year of the Agreement by multiplying the Applicant's Taxable Value for debt service taxes for each applicable Tax Year, minus the Tax Limitation Amount defined in Section 2.4, below, as Thirty Million Dollars (\$30,000,000.00), multiplied by the District's Maintenance & Operations tax rate for the applicable Tax Year.

ARTICLE II

AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

Section 2.1. 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 Section 313.027 of the TEXAS TAX CODE.

Section 2.2. PURPOSE. In consideration of the execution and subsequent performance of the terms and obligations by the Applicant pursuant to this Agreement, identified in Sections 2.5 and 2.6 and as more fully specified in this Agreement, the value of the Applicant's Qualified Property listed and assessed by the County Appraiser for the District's maintenance and operation *ad valorem* property tax shall be the Tax Limitation Amount as set forth in Section 2.4 of this Agreement during the Tax Limitation Period.

Section 2.3. TERM OF THE AGREEMENT.

A. The Application Review Start Date for this Agreement is April 5, 2017, which will be used to determine the eligibility of the Applicant's Qualified Property and all applicable wage standards.

B. The Application Approval Date for this Agreement is August 29, 2017.

C. The Qualifying Time Period for this Agreement:

i. Starts on January 1, 2021, which is a date not later than January 1 of the sixth Tax Year following the Application Approval Date; and

ii. Ends on December 31, 2022, which is the last day of the second complete Tax Year following the Qualifying Time Period start date.

D. The Tax Limitation Period for this Agreement:

i. Starts on January 1, 2023, which is the first complete Tax Year that begins after the end of the Qualifying Time Period; and

ii. Ends on December 31, 2032, which is the year the Tax Limitation Period starts as identified in Section 2.3.D.i plus 9 years.

E. The Final Termination Date for this Agreement is December 31, 2037, which is the last year of the Tax Limitation Period as defined in Section 2.3.D.ii. plus 5 years.

F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and become effective on the Application Approval Date identified in Section 2.3.B. This Agreement, and the obligations and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Section 2.3.E, unless extended by the express terms of this Agreement.

Section 2.4. TAX LIMITATION. So long as the Applicant makes the Qualified Investment as required by Section 2.5, during the Qualifying Time Period, and unless this Agreement has been terminated as provided herein before such Tax Year, on January 1 of each Tax Year of the Tax Limitation Period, the Appraised Value of the Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

A. the Market Value of the Applicant's Qualified Property; or

B. Thirty Million Dollars (\$30,000,000).

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the Application Approval Date, as set out by Section 313.052 of the TEXAS TAX CODE.

Section 2.5. TAX LIMITATION ELIGIBILITY. In order to be eligible and entitled to receive the value limitation identified in Section 2.4 for the Qualified Property identified in Article III, the Applicant shall:

A. have completed the Applicant's Qualified Investment in the amount of \$30,000,000 during the Qualifying Time Period;

B. have created and maintained, subject to the provisions of Section 313.0276 of the

TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and

C. pay an average weekly wage of at least \$888 for all New Non-Qualifying Jobs created by the Applicant.

Section 2.6. TAX LIMITATION OBLIGATIONS. In order to receive and maintain the limitation authorized by Section 2.4, Applicant shall:

A. provide payments to District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV;

B. provide payments to the District that protect the District from the payment of extraordinary education- related expenses related to the project, as more fully specified in Article V;

C. provide such Supplemental Payments as more fully specified in Article VI; and

D. create and Maintain Viable Presence on or with the Qualified Property and perform additional obligations as more fully specified in Article VIII of this Agreement.

E. No additional conditions are identified in the certificate for a limitation on appraised value by the Comptroller for this project.

ARTICLE III **QUALIFIED PROPERTY**

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE. At the time of the Application Approval Date, the Land is within an area designated either as an enterprise zone, pursuant to Chapter 2303 of the TEXAS GOVERNMENT CODE, or a reinvestment zone, pursuant to Chapter 311 or 312 of the TEXAS TAX CODE. The legal description, and information concerning the designation, of such zone is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

Section 3.2. LOCATION OF QUALIFIED PROPERTY AND INVESTMENT. The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described in **EXHIBIT 2**, which is attached hereto and 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** unless amended pursuant to the provisions of Section 10.2 of this Agreement.

Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY. The Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 4**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 4** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Property for purposes of this Agreement, unless by official action the Board of Trustees

provides that such other property is a part of the Applicant's Qualified Property for purposes of this Agreement in compliance with Section 313.027(e) of the TEXAS TAX CODE, the Comptroller's Rules, and Section 10.2 of this Agreement.

Section 3.4. CURRENT INVENTORY OF QUALIFIED PROPERTY. In addition to the requirements of Section 10.2 of this Agreement, if there is a material change in the Qualified Property described in **EXHIBIT 4**, then within 60 days from the date commercial operation begins, the Applicant shall provide to the District, the Comptroller, the Appraisal District or the State Auditor's Office a specific and detailed description of the tangible personal property, buildings, and/or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Land to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property on the Land.

Section 3.5. QUALIFYING USE. The Applicant's Qualified Property described in Section 3.3 qualifies for a tax limitation agreement under Section 313.024(b)(1) as a manufacturing facility.

ARTICLE IV

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES. Subject to the limitations contained in this Agreement (including Sections 4.2.B and 7.1), 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 VI. Subject only to the limitations contained in this Agreement (including Sections 4.2.B and 7.1), 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 Articles V and VI.

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT

A. Calculation of the Revenue Protection Amount.

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 as set forth in **EXHIBIT 5** (the "Revenue Protection Amount") shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

The Revenue Protection Amount owed by the Applicant to District means the Original M&O Revenue minus the New M&O Revenue;

Where:

1. *"Original M&O Revenue"* means the total State and local Maintenance & Operations Revenue that the District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Qualified Property and/or Qualified Investment been subject to the ad valorem maintenance & operations tax at the tax rate actually adopted by the District for the applicable year.
2. *"New M&O Revenue"* means the total State and local Maintenance & Operations Revenue that the District actually received for such school year, after all adjustments have been made to Maintenance and Operations Revenue because of any portion of this Agreement.

In making the calculations required by this Section 4.2:

3. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.
4. 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%).
5. 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 4.2 results in a negative number, the negative number will be considered to be zero.
6. All calculations made during the Tax Limitation Period under Section 4.2.A.2 of this Agreement will reflect the Tax Limitation Amount for such year.
7. All calculations made under this Section 4.2 shall be made by a methodology which isolates the full M&O Revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements, or on account of any other factors not contained in this Agreement.

B. Annual Limitation of Payments by Applicant

Notwithstanding anything contained in this Agreement to the contrary:

1. For the first Tax Year of the Tax Limitation Period (2023), amounts due under Articles IV, V and VI for the current Tax Year shall not exceed an amount equal to Thirty-Five Percent (35%) of Applicant's Cumulative Unadjusted Tax Benefit under this Agreement from the first day of the

Qualifying Time Period through the first Tax Year of the Tax Limitation Period.

2. Beginning with the second Tax Year of the Tax Limitation Period (2024) and for each subsequent year of this Agreement through the third Tax Year after the end of the Tax Limitation Period (2035), any amounts due and owing by Applicant to the District pursuant to Articles IV, V and VI of this Agreement which, by virtue of the payment limitation set forth in this Section 4.2.B, were not paid in prior years, shall be carried forward and added to the amounts due pursuant to Articles IV, V and VI for the current Tax Year. In no event shall the amounts paid by the Applicant, calculated under Articles IV, V and VI for the current Tax Year and including unpaid amounts carried forward from prior years, be in excess of (i) an amount equal to Twenty-Eight Percent (28%) of Applicant's Cumulative Unadjusted Tax Benefit under this Agreement from the first day of the Qualifying Time Period through the current Tax Year, less (ii) all amounts paid by Applicant for all previous Tax Years under Articles IV, V and VI of this Agreement.

The amounts described in this Section 4.2.B shall be included in all calculations made pursuant to Section 4.3.

Section 4.3. CALCULATIONS TO BE MADE BY THIRD PARTY

All calculations under this Agreement shall be made annually by an independent third party (the "Third Party") jointly approved each year by the District and the Applicant. If the Parties cannot agree on the Third Party, then the Third Party shall be selected by the mediator provided in Section 9.3 of this Agreement.

Section 4.4. DATA USED FOR CALCULATIONS

The calculations under this Agreement shall be initially based upon the valuations that are placed upon all taxable property in the District, including Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal District in its annual certified tax roll submitted to the District pursuant to Texas Tax Code §26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party selected under Section 4.3. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

Section 4.5. DELIVERY OF CALCULATIONS

On or before November 1 of each year for which this Agreement is effective, the Third Party selected pursuant to Section 4.3 of this Agreement shall forward to the Parties a certification containing the calculations required under Section 4.2 and/or Articles V and VI of this Agreement, in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's offices, personnel, books, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation and fee for a period of five (5) years after payment. The Applicant shall not be liable for any of Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement or the fee paid by the Applicant to the Third Party pursuant to Section 4.6, if such fee is timely paid.

Section 4.6. PAYMENT BY APPLICANT

The Applicant shall pay any amount determined to be due and owing to the District under this Agreement on or before the January 31 of the year following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Third Party for all calculations under this Agreement under Section 4.5, above, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or tax credit or other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement. In no year shall the Applicant be responsible for the payment of total expenses under this Section and Section 4.5, above, in excess of Ten Thousand Dollars (\$10,000.00).

Section 4.7. RESOLUTION OF DISPUTES

Should the Applicant disagree with the certification prepared and/or delivered pursuant to Section 4.5, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days of receipt of the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of the certification containing the calculations to the District's Board of Trustees. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the District's Board of Trustees within thirty (30) days of the final determination of the certification containing the calculations.

Section 4.8. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT

If, at the time the Third Party selected under Section 4.3 makes its calculations under this Agreement, the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Qualified Property, and such appeal is unresolved, the Third Party shall base its calculations upon the values initially placed upon the Qualified Property by the Appraisal District.

If as a result of an appraisal appeal or for any other reason, the Taxable Value of the Applicant's Qualified Investment and/or the Applicant's Qualified Property is changed, once the determination of the new Taxable Value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations for the applicable year or years using the new Taxable Value. In the event the new calculations result in a change in any amount paid or payable by the Applicant under this Agreement, the Party from whom the adjustment is payable shall remit such amounts to the counter-party within thirty (30) days of the receipt of the new calculations from the Third Party.

Section 4.9. EFFECT OF STATUTORY CHANGES

Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Sections 4.2.B and 7.1, 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 limits set forth in Sections 4.2.B and 7.1, 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 4.2 through 4.5 above will fulfill the requirements of this Section 4.9.

ARTICLE V

PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

In addition to the amounts determined pursuant to Section 4.2 of this Agreement, Applicant on an annual basis shall also indemnify and reimburse District for all non-reimbursed costs, certified by District's external auditor to have been incurred by District for extraordinary education-related expenses related to the project that are not directly funded in state aid formulas, including expenses for the purchase or lease of portable classrooms or busses, utilities (including non-landscaping water), computers, and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project.

In determining the Applicant's allocable share of such non-reimbursed costs for any Tax Year during the term of this Agreement, the aggregate amount of such costs for such Tax Year

shall be allocated by the District's external auditor between or among the project described in the Application and each project described in an application for appraised value limitation on qualified property under Chapter 313 of the TEXAS TAX CODE with respect to which the District has entered into a written agreement pursuant to the provisions of Section 313.027 of the TEXAS TAX CODE that (i) has not terminated before such Tax Year, and (ii) includes a provision pursuant to Section 313.027(f)(2) of the TEXAS TAX CODE providing that the owner or owners of the project subject to such agreement will protect the District in the event the District incurs extraordinary education-related expenses related to such project. The District agrees to use reasonable efforts to include such a provision in any such future agreement. The amount of such non-reimbursed costs for any Tax Year during the term of this Agreement allocated to each such project shall be determined by multiplying the total amount of such non-reimbursed costs by a fraction, the numerator of which is the total Taxable Value of such project used for the District's debt service (interest and sinking fund) property tax purposes for such Tax Year, and the denominator of which is the total Taxable Value of all such projects used for the District's debt service (interest and sinking fund) property tax purposes for such Tax Year. Applicant's responsibility to share in the allocation of extraordinary education-related expenses related to other Chapter 313 projects shall be limited to expenses relating to projects which share extraordinary education-related expenses related to Applicant's project.

Applicant shall have the right to contest the findings of the District's external auditor pursuant to Section 4.7 herein.

ARTICLE VI

SUPPLEMENTAL PAYMENTS

Section 6.1. 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 Articles IV and V, 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 VI. The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 of the TEXAS TAX CODE, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the obligation for Supplemental Payments under this Article VI are separate and independent of the obligation of the Applicant to pay the amounts described in Articles IV and V; provided, however, that all payments under Articles IV, V and this Article VI are subject to such limitations as are contained in Sections 4.2.B and 7.1, and that all payments under this Article VI are subject to the separate limitations contained in this Article VI.

(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 VI, shall not exceed the limit imposed by the provisions of TEXAS TAX CODE 313.027(i) unless that limit is increased by the Legislature at a future date, in which case all references to statutory limits in this Agreement will be automatically adjusted to reflect the new, higher limits, but only if, and to the extent that such increases are authorized by law.

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION.

Notwithstanding the foregoing:

A. the total of the Supplemental Payments made pursuant to this Article shall not exceed for any calendar year of this Agreement an amount equal to the greater of One Hundred Dollars (\$100.00) per student per year in average daily attendance, as defined by Section 42.005 of the TEXAS EDUCATION CODE, or Fifty Thousand Dollars (\$50,000.00) per year times the number of years beginning with the first complete or partial year of the Qualifying Time Period identified in Section 2.3.C and ending with the year for which the Supplemental Payment is being calculated minus all Supplemental Payments previously made by the Application;

B. Supplemental Payments may only be made during the period starting the first complete or partial year of the Qualifying Time Period (2021) and ending December 31 of the third Tax Year after the end of the Tax Limitation Period (2035).

C. the limitation in Section 6.2.A does not apply to amounts described by Section 313.027(f)(1)–(2) of the TEXAS TAX CODE as implemented in Articles IV and V of this Agreement.

D. For purposes of this Agreement, the calculation of the limit of the annual Supplemental Payment shall be the greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, based upon the District's Average Daily Attendance for the previous school year.

Section 6.3. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO NET AGGREGATE LIMIT

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

- (a) the Applicant's Stipulated Supplemental Payment Amount, defined as Forty Percent (40%) of the Applicant's Net Tax Benefit, as the term is defined in Section 1.2, above; or,
- (b) the Net Aggregate Limit, as the term is defined in Section 1.2, above.

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

Section 6.4. ANNUAL CALCULATION OF STIPULATED SUPPLEMENTAL PAYMENT AMOUNT

The Parties agree that for each Tax Year of this Agreement, beginning with the first Tax Year of the Tax Limitation Period (2023), the Stipulated Supplemental Payment Amount described in Section 6.3 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;

Minus,

Any amounts previously paid to the District under Articles IV or V for such Tax Year;

Multiplied by,

The number 0.4;

Minus,

Any amounts previously paid to the District under Sections 6.3 and 6.4 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 4.3, above, shall adjust the Stipulated Supplemental Payment Amount calculation to reflect any changes in the data.

Section 6.5. CALCULATION OF ANNUAL SUPPLEMENTAL PAYMENTS TO THE DISTRICT AND APPLICATION OF NET AGGREGATE LIMIT

For each year of this Agreement, beginning with the first Tax Year of the Tax Limitation Period (2023) and continuing thereafter through the third Tax Year after the end of the Tax Limitation Period (2035), the District, or its successor beneficiary should one be designated under Section 6.7, below, shall not be entitled to receive Supplemental Payments, computed under Sections 6.3 and 6.4, above, that exceed the Net Aggregate Limit, defined in Section 1.2, above.

If, for any year of this Agreement, the payment of the Applicant's Stipulated Supplemental Payment amount, calculated under Sections 6.3 and 6.4, above, exceeds the Net Aggregate Limit for that year, the difference between the Stipulated Supplemental Payment amount and the Net Aggregate Limit, shall be carried forward from year-to-year into subsequent years of this Agreement, and to the extent not limited by the Net Aggregate Limit in any subsequent year of this Agreement, shall be paid to the District.

Any Stipulated Supplemental Payment amount which cannot be made to the District prior to the end of the third Tax Year after the end of the Tax Limitation Period (2035), because such payment would exceed the Net Aggregate Limit, will be deemed to have been cancelled by operation of law.

Section 6.6. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS

A. All calculations required by this Article, including but not limited to: (i) the calculation of the Stipulated Supplemental Payment Amount; (ii) the determination of both the Annual Limit and the Net Aggregate Limit; (iii) the effect, if any, of the Net Aggregate Limit upon the actual amount of Supplemental Payments eligible to be paid to the District by the Applicant; and, (iv) the carry forward and accumulation of any Stipulated Supplemental Payment Amounts unpaid by the Applicant due to the Net Aggregate Limit in previous years, shall be calculated by the Third Party selected pursuant to Section 4.3.

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 4.5.

C. The payment of all amounts due under this Article shall be made at the time set forth in Section 4.6.

Section 6.7. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY

At any time during this Agreement, the District's Board of Trustees may, in its sole

discretion, so long as such decision does not result in additional costs to the Applicant under this Agreement, direct that the Applicant's payment obligations under this Article VI be made to its educational foundation, or to a similar entity. The alternative entity may only use such funds received under this Article to support the educational mission of the District and its students. Any designation of an alternative entity must be made by recorded vote of the District's Board of Trustees at a properly posted public Board meeting. Any such designation will become effective after public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 10.1, below. Such designation may be rescinded, with respect to future payments only, by action of the District's Board of Trustees at any time, and such rescission will become effective after delivery of notice of such action to the Applicant in conformance with the provisions of Section 10.1.

Any designation of a successor beneficiary under this Section shall not alter the Net Aggregate Limit or the Supplemental Payments described in Section 6.5, above.

ARTICLE VII

ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

Section 7.1. ANNUAL LIMITATION. Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year of the Tax Limitation Period beginning after the first Tax Year of the Tax Limitation Period, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Article IV of this Agreement, 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 IV, V, and VI shall be reduced until such excess is eliminated.

Section 7.2. OPTION TO TERMINATE AGREEMENT. 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, prior to the beginning of the Tax Limitation Period, to terminate this Agreement by notifying the District in writing of its exercise of such option. Additionally, in the event that any payment otherwise due from the Applicant to the District under Article IV, Article V, or Article VI of this Agreement with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 7.1, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to terminate this Agreement by notifying the District of its election in writing not later than the August 29 of the year following the Tax Year with respect to which a reduction under Section 7.1 is applicable. Any termination of this Agreement under the foregoing provisions of this Section 7.2 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.

Section 7.3. EFFECT OF OPTIONAL TERMINATION. Upon the exercise of the option to terminate pursuant to Section 7.2, this Agreement shall terminate and be of no further force or effect; provided, however, that:

A. 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; and

B. the provisions of this Agreement regarding payments (including liquidated damages and tax payments), records and dispute resolution shall survive the termination or expiration of this Agreement.

ARTICLE VIII

ADDITIONAL OBLIGATIONS OF APPLICANT

Section 8.1. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE. In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall Maintain Viable Presence in the District commencing at the start of the Tax Limitation Period through the Final Termination Date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure, provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure.

Section 8.2. REPORTS. In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall submit all reports required from time to time by the Comptroller, listed in 34 TEXAS ADMIN. CODE Section 9.1052 and as currently located on the Comptroller's website, including all data elements required by such form to the satisfaction of the Comptroller on the dates indicated on the form or the Comptroller's website and starting on the first such due date after the Application Approval Date.

Section 8.3. COMPTROLLER'S REPORT ON CHAPTER 313 AGREEMENTS. During the term of this Agreement, both Parties shall provide the Comptroller with all information reasonably necessary for the Comptroller to assess performance under this Agreement for the purpose of issuing the Comptroller's report, as required by Section 313.032 of the TEXAS TAX CODE.

Section 8.4. DATA REQUESTS. Upon the written request of the District, the State Auditor's Office, the Appraisal District, or the Comptroller during the term of this Agreement, the Applicant, the District or any other entity on behalf of the District shall provide the requesting party with all information reasonably necessary for the requesting party to determine whether the Applicant is in compliance with its rights, obligations or responsibilities, including, but not limited to, any

employment obligations which may arise under this Agreement.

Section 8.5. SITE VISITS AND RECORD REVIEW. The Applicant shall allow authorized employees of the District, the Comptroller, the Appraisal District, and the State Auditor's Office to have reasonable access to the Applicant's Qualified Property and business records from the Application Review Start Date through the Final Termination Date, in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property.

A. All inspections will be made at a mutually agreeable time after the giving of not less than ninety-six (96) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property.

B. All inspections may be accompanied by one or more representatives of the Applicant, and shall be conducted in accordance with the Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District, the Comptroller, or the Appraisal District with any technical or business information that is proprietary, a trade secret, or is subject to a confidentiality agreement with any third party.

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; AUTHORITY OF STATE AUDITOR.

By executing this Agreement, implementing the authority of, and accepting the benefits provided by Chapter 313 of the TEXAS TAX CODE, the Parties agree that this Agreement and their performance pursuant to its terms are subject to review and audit by the State Auditor as if they are parties to a State contract and subject to the provisions of Section 2262.154 of the TEXAS GOVERNMENT CODE and Section 313.010(a) of the TEXAS TAX CODE. The Parties further agree to comply with the following requirements:

A. The District and the Applicant shall maintain and retain supporting documents adequate to ensure that claims for the Tax Limitation Amount are in accordance with applicable Comptroller and State of Texas requirements. The Applicant and the District shall maintain all such documents and other records relating to this Agreement and the State's property for a period of four (4) years after the latest occurring date of:

- i. date of submission of the final payment;
- ii. Final Termination Date; or
- iii. date of resolution of all disputes or payment.

B. During the time period defined under Section 8.6.A, the District and the Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to this Agreement; the Applicant's Application; and the Applicant's Qualified Property, Qualified Investment, New Qualifying Jobs, and wages paid for New Non- Qualifying

Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by the Comptroller, State Auditor's Office, State of Texas or their authorized representatives. The Applicant and the District shall cooperate with auditors and other authorized Comptroller and State of Texas representatives and shall provide them with prompt access to all of such property as requested by the Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, the Applicant's or the District's failure to comply with this Section shall constitute a Material Breach of this Agreement.

C. In addition to and without limitation on the other audit provisions of this Agreement, the acceptance of tax benefits or funds by the Applicant or the District or any other entity or person directly under this Agreement acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, the Applicant or the District or other entity that is the subject of an audit or investigation by the State Auditor must provide the State Auditor with access to any information the State Auditor considers relevant to the investigation or audit. The Parties agree that this Agreement shall for its duration be subject to all rules and procedures of the State Auditor acting under the direction of the legislative audit committee.

D. The Applicant shall include the requirements of this Section 8.6 in its subcontract with any entity whose employees or subcontractors are subject to wage requirements under the Act, the Comptroller's Rules, or this Agreement, or any entity whose employees or subcontractors are included in the Applicant's compliance with job creation or wage standard requirement of the Act, the Comptroller's Rules, or this Agreement.

Section 8.7. FALSE STATEMENTS; BREACH OF REPRESENTATIONS. The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application, and any supplements or amendments thereto, without which the Comptroller would not have approved this Agreement and the District would not have executed this Agreement. By signature to this Agreement, the Applicant:

A. represents and warrants that all information, facts, and representations contained in the Application are true and correct to the best of its knowledge;

B. agrees and acknowledges that the Application and all related attachments and schedules are included by reference in this Agreement as if fully set forth herein; and

C. acknowledges that if the Applicant submitted its Application with a false statement, signs this Agreement with a false statement, or submits a report with a false statement, or it is subsequently determined that the Applicant has violated any of the representations, warranties, guarantees, certifications, or affirmations included in the Application or this Agreement, the Applicant shall have materially breached this Agreement and the Agreement shall be invalid and void except for the enforcement of the provisions required by Section 9.2 of this Agreement.

ARTICLE IX
MATERIAL BREACH OR EARLY TERMINATION

Section 9.1. EVENTS CONSTITUTING 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 (each a "Material Breach"):

A. The Application, any Application Supplement, or any Application Amendment on which this Agreement is approved is determined to be inaccurate as to any material representation, information, or fact or is not complete as to any material fact or representation or such application;

B. The Applicant failed to complete Qualified Investment as required by Section 2.5.A. of this Agreement during the Qualifying Time Period;

C. The Applicant failed to create and maintain the number of New Qualifying Jobs required by the Act;

D. The Applicant failed to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application;

E. The Applicant failed to pay at least the average weekly wage of all jobs in the county in which the jobs are located for all New Non-Qualifying Jobs created by the Applicant;

F. The Applicant failed to provide payments to the District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV of this Agreement;

G. The Applicant failed to provide the payments to the District that protect the District from the payment of extraordinary education-related expenses related to the project to the extent and in the amounts that the Applicant agreed to provide such payments in Article V of this Agreement;

H. The Applicant failed to provide the Supplemental Payments to the extent and in the amounts that the Applicant agreed to provide such Supplemental Payments in Article VI of this Agreement;

I. The Applicant failed to create and Maintain Viable Presence on or with the Qualified Property as more fully specified in Article VIII of this Agreement;

J. The Applicant failed to submit the reports required to be submitted by Section 8.2 to the satisfaction of the Comptroller;

K. The Applicant failed to provide the District or the Comptroller with all information

reasonably necessary for the District or the Comptroller to determine whether the Applicant is in compliance with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement;

L. The Applicant failed to allow authorized employees of the District, the Comptroller, the Appraisal District, or the State Auditor's Office to have access to the Applicant's Qualified Property or business records in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property under Sections 8.5 and 8.6;

M. The Applicant failed to comply with a request by the State Auditor's office to review and audit the Applicant's compliance with this Agreement;

N. The Applicant has made any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on Appraised Value made pursuant to Chapter 313 of the TEXAS TAX CODE, in excess of the amounts set forth in Articles IV, V and VI of this Agreement;

O. The Applicant failed to comply with the conditions included in the certificate for limitation issued by the Comptroller.

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

A. Prior to making a determination that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, the Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that it is not in breach of its obligations under this Agreement, or that it has cured or undertaken to cure any such breach.

B. If the Board of Trustees is not satisfied with such response 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:

- i. whether or not a breach of this Agreement has occurred;
- ii. whether or not such breach is a Material Breach;
- iii. the date such breach occurred, if any;
- iv. whether or not any such breach has been cured; and

C. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall at that time determine:

- i. the amount of recapture taxes under Section 9.4.C (net of all credits under Section 9.4.C);
- ii. the amount of any penalty or interest under Section 9.4.E that are owed to the District; and
- iii. in the event of a finding of a Material Breach, whether to terminate this Agreement.

D. 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") and provide a copy to the Comptroller.

Section 9.3. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have 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 90 days after the Applicant initiates mediation, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in San Patricio County, Texas. The Parties agree to sign a document that provides 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.

B. In the event that any mediation is not successful in resolving the dispute or that payment is not received within the time period described for mediation in Section 9.3.A, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in a judicial proceeding in a state district court in San Patricio County, 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 contract, agreement or undertaking made by a Party pursuant to this Agreement.

C. If payments become due under this Agreement and are not received before the expiration of the 90 days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial

proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees to the attorneys representing the District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax lien shall attach to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

Section 9.4. 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 7.2 of this Agreement, the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of the notice of breach.

B. In the event that the District determines that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the Applicant shall pay to the District liquidated damages, as calculated by Section 9.4.C, no later than, and the District may terminate the Agreement effective on, the later of: (i) the expiration of the 90 days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.

C. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem taxes for all of the Tax Years for which a tax limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 9.4.E. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Articles IV, V, and VI. Upon payment of such liquidated damages, the Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

D. In the event that the District determines that the Applicant has committed a Material Breach identified in Section 9.1, after the notice and mediation periods provided by Sections 9.2 and 9.3, then the District may, in addition to the payment of liquidated damages required pursuant to Section 9.4.C, terminate this Agreement.

E. In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes less all credits under Section 9.4.C owed for each Tax Year during the Tax Limitation Period. The District shall calculate penalty or interest for each Tax Year during the Tax Limitation Period 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 9.4.C had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(a) of the TEXAS TAX CODE, or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(c) of the TEXAS TAX CODE, or its successor statute.

Section 9.5. LIMITATION OF OTHER DAMAGES. Notwithstanding anything contained in this Agreement to the contrary, in the event of default or breach of this Agreement by the Applicant, the District's damages for such a default shall under no circumstances exceed the amounts calculated under Section 9.4. 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 9.5 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT. Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make \$30,000,000 of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

Section 9.7. REMEDY FOR FAILURE TO CREATE AND MAINTAIN REQUIRED NEW QUALIFYING JOBS

Pursuant to Section 313.0276 of the TEXAS TAX CODE, for any full Tax Year that commences after the project has become operational, in the event that it has been determined that the Applicant has failed to meet the job creation or retention requirements defined in Sections 9.1.C, the Applicant shall not be deemed to be in Material Breach of this Agreement until such time as the Comptroller has made a determination to rescind this Agreement under Section 313.0276 of TEXAS TAX CODE, and that determination is final.

Section 9.8. REMEDY FOR FAILURE TO CREATE AND MAINTAIN COMMITTED NEW QUALIFYING JOBS

A. In the event that the Applicant fails to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application, an event constituting a Material Breach as defined in Section 9.1.D, the Applicant and the District may elect to remedy the Material Breach through a penalty payment.

B. Following the notice and mediation periods provided by Sections 9.2 and 9.3, the District may request the Applicant to make a payment to the State in an amount equal to: (i) multiplying the maintenance and operations tax rate of the school district for that Tax Year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the market value of the property identified on the Appraisal District's records for each tax year the Material Breach occurs.

C. In the event that there is no tax limitation in place for the tax year that the Material Breach occurs, the payment to the State shall be in an amount equal to: (i) multiplying the maintenance and operations tax rate of the School District for each tax year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the tax limitation amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the last Tax Year for which the Applicant received a tax limitation.

D. The penalty shall be paid no later than 30 days after the notice of breach and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE.

ARTICLE X. MISCELLANEOUS PROVISIONS

Section 10.1. INFORMATION AND NOTICES.

A. 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 or email transmission, with notice 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 or email 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.

B. Notices to the District shall be addressed to the District's Authorized Representative as follows:

Dr. Paul Clore, Superintendent
GREGORY-PORTLAND INDEPENDENT SCHOOL DISTRICT

608 College Street
Portland, Texas 78374
Fax: (361) 777-1093
E-mail: pclore@g-pisd.org

Notices to the Applicant shall be addressed to its Authorized Representative as follows:

Andrea Carter
Vice President and General Tax Counsel
CORPUS CHRISTI LIQUEFACTION, LLC
700 Milam Street, Suite 800
Houston, Texas 77002
Fax: (713) 375-6583
E-mail: andrea.carter@cheniere.com

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

A. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties and after completing the requirements of Section 10.2.B. 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.

B. By official action of the District's Board of Trustees, the Application and this Agreement may only be amended according to the following:

- i. The Applicant shall submit to the District and the Comptroller:
 - a. a written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;
 - b. any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller;
 - c. and any additional information requested by the District or the Comptroller necessary to evaluate the amendment or modification;
- ii. The Comptroller shall review the request and any additional information for compliance with the Act and the Comptroller's Rules and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by the Comptroller by the end of the 90-day period, the request is denied; and
- iii. If the Comptroller has not denied the request, the District's Board of Trustees

shall approve or disapprove the request before the expiration of 150 days after the request is filed.

C. Any amendment of the Application and this Agreement adding additional or replacement Qualified Property pursuant to this Section 10.2 of this Agreement shall:

i. require that all property added by amendment be eligible property as defined by Section 313.024 of the TEXAS TAX CODE;

ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and

D. The Application and this Agreement may not be amended to extend the value limitation time period beyond its ten-year statutory term.

E. The Comptroller determination made under Section 313.026(c)(2) of the TEXAS TAX CODE in the original certificate for a limitation satisfies the requirement of the Comptroller to make the same determination for any amendment of the Application and this Agreement, provided that the facts upon which the original determination was made have not changed.

F. The Applicant shall amend the Application and this Agreement to identify the changes in the information that was provided in the Application and was approved by the District and as considered by the Comptroller no earlier than 180 days and no later than 90 days prior to the start of the Qualifying Time Period as identified in Section 2.3.C.i of this Agreement.

i. The Applicant shall comply with written requests from the District or the Comptroller to provide additional information necessary to prepare a Comptroller certificate for a limitation for the conditions prior to the start of the Qualifying Time Period; and

ii. If the Comptroller provides its certificate for a limitation with conditions different from the existing agreement, the District shall hold a meeting and determine whether to amend this Agreement to include the conditions required by the Comptroller or terminate this Agreement; or

iii. If the Comptroller withdraws its certificate for a limitation based on the revised Application, the District shall terminate this Agreement.

Section 10.3. ASSIGNMENT.

A. Any assignment of any rights, benefits, obligations, or interests of the Parties in this Agreement, other than a collateral assignment purely for the benefit of creditors of the project, is considered an amendment to the Agreement and such Party may only assign such rights, benefits, obligations, or interests of this Agreement after complying with the provisions of Section 10.2 regarding amendments to the Agreement. Other than a collateral assignment to a creditor, this

Agreement may only be assigned to an entity that is eligible to apply for and execute an agreement for limitation on appraised value pursuant to the provisions of Chapter 313 of the TEXAS TAX CODE and the Comptroller's Rules.

B. 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.

C. In the event of an assignment to a creditor, the Applicant must notify the District and the Comptroller in writing no later than 30 days after the assignment. This Agreement shall be binding on the assignee.

Section 10.4. 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 10.5. 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 a state district court in San Patricio County.

Section 10.6. 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 10.7. SEVERABILITY. If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal, or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision, or condition cannot be so reformed, then such term, provision, or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality, and enforceability of the remaining terms, provisions, and conditions contained herein (and any other application such term, provision, or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in an acceptable manner so as to effect the original intent of the Parties as closely as possible so that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 10.7, 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 10.8. PAYMENT OF EXPENSES. Except as otherwise expressly provided in this Agreement, or as covered by the application fee, each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement.

Section 10.9. INTERPRETATION.

A. 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.

B. 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.

C. The provisions of the Act and the Comptroller's Rules are incorporated by reference as if fully set forth in this Agreement. In the event of a conflict, the conflict will be resolved by reference to the following order of precedence:

- i. The Act;
- ii. The Comptroller's Rules as they exist at the time the Agreement is executed, except as allowed in the definition of Qualified Property in Section 1.1; and
- iii. This Agreement and its Attachments including the Application as incorporated by reference.

Section 10.10. 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 10.11. 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; and the approved and executed copy of this Agreement or any amendment thereto, as follows:

A. Within seven (7) days of receipt 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 does not require the publication of information that is confidential under Section 313.028 of the TEXAS TAX CODE.

Section 10.12. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS. The Applicant shall immediately notify the District in writing of any actual or anticipated change in the control or ownership of the Applicant and of any legal or administrative investigations or proceedings initiated against the Applicant related to the project regardless of the jurisdiction from which such proceedings originate.

Section 10.13. DUTY TO DISCLOSE. If circumstances change or additional information is obtained regarding any of the representations and warranties made by the Applicant in the Application or this Agreement, or any other disclosure requirements, subsequent to the date of this Agreement, the Applicant's duty to disclose continues throughout the term of this Agreement.

Section 10.14. CONFLICTS OF INTEREST.

A. The District represents that, after diligent inquiry, each local public official or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, has disclosed any conflicts of interest in obtaining or performing this Agreement and related activities, appropriately recused from any decisions relating to this Agreement when a disclosure has been made, and the performance of this Agreement will not create any appearance of impropriety. The District represents that it, the District's local public officials or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

B. The Applicant represents that, after diligent inquiry, each of its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, involved in the representation of the Applicant with the District has complied with the provisions of Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE. The Applicant represents that it and its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

C. The District and the Applicant each separately agree to notify the other Party and the Comptroller immediately upon learning of any conflicts of interest.

Section 10.15. PROVISIONS SURVIVING EXPIRATION OR TERMINATION. Notwithstanding the expiration or termination (by agreement, breach, or operation of time) of this Agreement, the provisions of this Agreement regarding payments (including liquidated damages and tax payments), reports, records, and dispute resolution of the Agreement shall survive the termination or expiration dates of this Agreement until the following occurs:

- A. all payments, including liquidated damage and tax payments, have been made;
- B. all reports have been submitted;
- C. all records have been maintained in accordance with Section 8.6.A; and
- D. all disputes in controversy have been resolved.

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

- A. This Agreement may be duly executed and delivered in person, by mail, or by facsimile or other electronic format (including portable document format (pdf) transmitted by e-mail). The executing Party must promptly deliver a complete, executed original or counterpart of this Agreement to the other executing Parties. This Agreement shall be binding on and enforceable against the executing Party whether or not it delivers such original or counterpart.
- B. Delivery is deemed complete as follows:
 - i. When delivered if delivered personally or sent by express courier service;
 - ii. Three (3) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested;
 - iii. When transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine; or
 - iv. When the recipient, by an e-mail sent to the e-mail address for the executing Parties acknowledges having received that e-mail (an automatic "read receipt" does not constitute acknowledgment of an e-mail for delivery purposes).

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 29th day of August, 2017.

**CORPUS CHRISTI
LIQUEFACTION, LLC**

By: Keith Little
Name: Keith Little
Title: VP-Asset Management

**GREGORY-PORTLAND
INDEPENDENT SCHOOL DISTRICT**

By: Victor Hernandez
VICTOR HERNANDEZ
PRESIDENT, BOARD OF TRUSTEES

**CORPUS CHRISTI LIQUEFACTION
STAGE III, LLC**

By: Keith Little
Name: Keith Little
Title: VP-Asset Management

ATTEST:

By: Rey Rojas
~~CARRIE GREGORY~~ REY ROJAS
SECRETARY, BOARD OF TRUSTEES
VICE - PRESIDENT

CHENIERE LAND HOLDINGS, LLC

By: Keith Little
Name: Keith Little
Title: VP-Asset Management

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

Gregory-Portland Independent School District originally created the *Corpus Christi Liquefaction Train 4 and 5 Reinvestment Zone* on July 31, 2017 by action of the Board of Trustees of the Gregory-Portland Independent School District.

As a result of the action of the Board of Trustees of the Gregory-Portland Independent School District, the *Corpus Christi Liquefaction Train 4 and 5 Reinvestment Zone* includes all of the real property, located within San Patricio County, Texas, specifically described by the metes and bounds description and the map of same attached to this **EXHIBIT 1**.

REINVESTMENT ZONE LEGAL DESCRIPTION

Tract 1

BEING 832.0 acres of land, more or less, out of that 1665.22 acre tract as described in Volume 169, page 48 of the Deed Records of San Patricio County, Texas and out of that 328.9 acre tract described in Volume 231, Page 72 of the Deed Records of San Patricio County, Texas and also being out of the T.T. Williamson Surveys A-288, A-289, and A-291, the J. Garaghty Survey A-169, and the G. Valdez Survey A-269 said 832.0 acre tract as shown in Govind & Associates, Inc. Dwg. Nos. 0009-501-C02 thru C07 being more particularly described as follows:

COMMENCING at a found concrete monument for the northwest corner of the aforesaid 1665.222 acre tract of land and a northeasterly corner of a Reynolds Metals 335.26 acre tract as recorded in Volume 231, Page 72 of the Deed Record of San Patricio County, Texas in the west right-of-way line of the Union Pacific Railroad;

THENCE with the common line of said 335.26 acre tract and 1665.222 acre tract, S17°14'57"E 1712.29 feet to a found disturbed concrete monument in the south right-of-way line of Texas Highway No. 35 as recorded in Clerk's File No. 332836 of the Official Public Records of San Patricio County, Texas for the POINT OF BEGINNING.

THENCE, with said south right-of-way line,

N34°04'07"E	50.38 feet to a found concrete monument,
N74°31'32"E	322.91 feet to a found concrete monument
N86°24'57"E	623.49 feet to a found concrete monument,

THENCE, with a non-tangent curve to the right having a central angle of 35°28'54" a radius of 1850.08 feet, and a chord bearing S77°16'49" E 1127.48 feet, a distance of 1145.70 feet to a found concrete monument in the south right-of-way line of Texas Highway No. 361;

THENCE, with the south right-of-way line of Texas Highway No. 361,

S59°30'24"E	1009.37 feet to a found concrete right-of-way monument,
S59°32'51"E	1004.15 feet to a found concrete right-of-way monument,
S59°35'09"E	2106.32 feet to a found concrete right-of-way monument
S59°33'28"E	2109.34 feet to a set 5/8 inch iron rod;

THENCE, leaving said south right-of-way line and with a new division line

S00°06'01"W	2711.49 feet to a set 5/8 inch iron rod,
S72°35'34"W	1462.68 feet to a set 5/8 inch iron rod,
N18°07'13"W	300.83 feet to a set 5/8 inch iron rod
S72°05'13"W	720.37 feet to a set 5/8 inch iron rod
N78°25'07"W	497.03 feet to a set 5/8 inch iron rod
S78°47'30"W	83.50 feet to a set 5/8 inch iron rod;

S15°25'23"E 1391.34 feet to a found "PK" nail in asphalt for a common corner in the aforesaid 1665.222 acre tract and 328.9 acre tract;

THENCE, with a common line of said 1665.222 acre tract and 328.9 acre tract, S72°46'00" at 2578.70 feet a found 5/8 inch iron rod for an exterior corner of said 1665.222 acre tract and an interior corner for said 328.9 acre tract in all 2585.15 feet to a set 5/8 inch iron rod in a new division line;

THENCE, with a new division line, N17°12'25"W 8736.90 feet to the POINT OF BEGINNING and containing 832.0 acres of land, more or less.

Tract 2

Being 11.870 acres of land, more or less, out of the remainder of a 328.9 acre tract recorded in Document 2001000017, Official Public Records of Nueces County, Texas, and being out of T.T. Williamson Survey, A-288 and this 11.870 acre tract being more particularly described by metes and bounds as follows:

Beginning at a found 5/8 inch iron rod for the northwest corner of this tract, said corner also being the southwest corner of a 832.0 acre tract recorded in Document No. 2001000017, O.P.R.N.C.T. and also being an interior corner of said 328.9 acre tract and lying on the east boundary of a 44.72 acre tract recorded in Document No. 2006043532, O.P.R.N.C.T., and having a State Plane Grid Coordinate of N17,214,987.50° E 1,279,631.39°, Texas South Zone in U.S. feet;

Thence N72-17-20 E with the north boundary of this tract and said 328.9 acre tract, the same being the south boundary of said 832.0 acre tract, 2,585.15 feet, to a set 5/8 inch rod for the northeast corner of this tract and said 328.9 acre tract, said corner also being a southeast corner and said 832.0 acre tract and lying on the west boundary of a 1610.0 acre tract recorded in Document No. 20010017, O.P.R.N.C.T.;

Thence S17-44-42 E with the east boundary of this tract and said 328.9 acre tract, the same being the west boundary of said 1610.0 acre tract, 200.01 feet, to a set 5/8 inch iron rod for the southeast corner of this tract, said corner being on the north boundary of a 212.20 acre tract recorded in Document No. 2014038283, O.P.R.N.C.T.;

Thence S 72-17-20 W with the south boundary of this tract, the same being the north boundary of said 212.20 acre tract, 2585.36 feet, to a found 5/8 inch iron rod for the southwest corner of this tract, said corner also being a southeast corner of said 44.72 acre tract;

Thence N 17-41-05 W with the west boundary of this tract, the same being the east boundary of said 44.72 acre tract, 200.00 feet, the point of beginning and containing 11.870 acres of land, more or less.

Notes:

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

Track 3

Being 44.419 acres of land, more or less, out of the remainder of a 1610.0 acre tract and the remainder of a 328.9 acre tract recorded in Clerk File No. 490819, Official Public Records of San Patricio County, Texas, and also being out of T.T. Williamson Surveys, Abstracts 288, 289, 290 and 291, San Patricio County, Texas, and this 44.419 acre tract being more particularly described by metes and bounds as follows:

Beginning at the northwest corner of this tract, said corner also being an interior corner of a 827.38 acre tract recorded in C.F. #649462, O.P.R.S.C.T., the same being a northwest corner of the aforementioned remainder of said 1610.0 acre tract and said corner having State Plane Grid Coordinate of N 17,217,112.06', E 1,381,712.83', NAD'83, Texas South Zone in U.S.feet;

Thence N 78-18-51 E with the common boundary of said 827.38 acre tract and said remainder of 1610.0 acre tract, 83.50 feet, to a corner of this tract and said 827.38 acre tract;

Thence S 78-53-46 E with the common boundary of said 827.38 acre tract and said remainder of 1610.0 acre tract, 385.53 feet, to a corner of this tract and said 827.38 acre tract;

Thence leaving said 827.38 acre tract S 16-36-36 E, 828.46 feet, to a corner;

Thence with the northeast boundary of this tract as follows:

S 52-07-14 E, 106.23 feet;
S 09-25-25 E, 43.79 feet;
S 54-49-48 E, 171.60 feet;
S 60-50-29 E, 569.39 feet;
S 63-56-35 E, 64.81 feet;
S 19-42-49 E, 93.23 feet;
S 03-35-06 W, 232.21 feet;

Thence S 00-20-25 E with the east boundary of this tract, 1259.86 feet, to an interior corner of this tract;

Thence S 45-00-00 W, 56.65 feet, to a corner;

Thence South, 194.05 feet, to an interior corner of this tract;

Thence East, 161.75 feet, to a corner;

Thence South, 369.46 feet, to the beginning of a curve to the left;

Thence with said curve to the left having a radial bearing of S 51-18-14 E, 382.66 feet, a central angle of 39-16-13, a radius of 382.66 feet, a length of 262.27 feet;

Thence S 00-34-27 E with the east boundary of this tract, 1009.16 feet, to the south corner of this tract, said corner being on the west boundary of said 1610.0 acre tract, the same being the east boundary of a 125.20 acre tract recorded in C.F. #613799, O.P.R.S.P.C.T.;

Thence with the west boundary of this tract and said 1610.0 acre tract, the same being the east boundary of said 125.20 acre tract, N 17-32-43 W, 1698.32 feet, to a 5/8-inch iron rod for a corner of this tract and said 125.20 acre tract;

Thence N 73-59-30 W, 102.14, to a 5/8-inch iron rod for a corner of this tract and said 125.20 acre tract, said corner being on the south boundary of a 212.20 acre tract recorded in C.F. #531139, O.P.R.S.P.C.T.;

Thence N 67-58-34 E with a north boundary of this tract and the south boundary of said 212.20 acre tract, at 126.41 feet pass the east boundary of the aforementioned 328.9 acre tract, the same being the west boundary of said 1610.0 acre tract, in all 314.67 feet, to a 5/8-inch iron rod for a corner of this tract and said 212.20 acre tract;

Thence with the west boundaries of this tract, the same being the east boundaries of said 212.20 acre tract as follows:

N 17-42-40 W, 640.06 feet;

N 72-17-20 E, 246.92 feet;

N 17-42-40 W, 838.29 feet;

N 75-57-21 W, 308.31 feet;

Thence S 72-17-20 W with the north boundary of said 212.20 acre tract, the same being the south boundary of this tract, 173.54 feet, to a 5/8-inch iron rod for a corner of this tract, said corner being on the west boundary of said 1610.0 acre tract, the same being the east boundary of said 328.9 acre tract;

Thence N 17-44-42 W with the west boundary of this tract and said 1610.0 acre tract, the same being the east boundary of said 328.9 acre tract, 200.01 feet, to a corner of this tract, said 328.9 acre tract, said 1610.0 acre tract and the southeast corner of the aforementioned 827.38 acre tract;

Thence N 15-54-02 W with the west boundary of this tract and the east boundary of said 827.38 acre tract, 1391.34 feet, to the point of beginning and containing 44.419 acres of land, more or less.

Notes:

1. Drawing accompanies this metes and bounds description.
2. Metes and bounds based on information provided by Cheniere and not based on an on the ground survey.

3. Information on 827.38 acre and 203.20 acre tracts based on surveys conducted by G&W Engineers, Inc. dated 8/06/15.



DRAWN BY: JM	DATE: 9/4/16	REV 81
CHECKED BY: [signature]	SCALE: AS NOTED	

EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

The Land includes all of the real property located within *Corpus Christi Liquefaction Train 4 and 5 Reinvestment Zone*, as specifically described by the metes and bounds description and the map of same attached to this **EXHIBIT 2**.

LEGAL DESCRIPTION OF THE LAND

Tract 1

BEING 832.0 acres of land, more or less, out of that 1665.22 acre tract as described in Volume 169, page 48 of the Deed Records of San Patricio County, Texas and out of that 328.9 acre tract described in Volume 231, Page 72 of the Deed Records of San Patricio County, Texas and also being out of the T.T. Williamson Surveys A-288, A-289, and A-291, the J. Garaghty Survey A-169, and the G. Valdez Survey A-269 said 832.0 acre tract as shown in Govind & Associates, Inc. Dwg. Nos. 0009-501-C02 thru C07 being more particularly described as follows:

COMMENCING at a found concrete monument for the northwest corner of the aforesaid 1665.222 acre tract of land and a northeasterly corner of a Reynolds Metals 335.26 acre tract as recorded in Volume 231, Page 72 of the Deed Record of San Patricio County, Texas in the west right-of-way line of the Union Pacific Railroad;

THENCE with the common line of said 335.26 acre tract and 1665.222 acre tract, S17°14'57"E 1712.29 feet to a found disturbed concrete monument in the south right-of-way line of Texas Highway No. 35 as recorded in Clerk's File No. 332836 of the Official Public Records of San Patricio County, Texas for the POINT OF BEGINNING.

THENCE, with said south right-of-way line,

N34°04'07"E	50.38 feet to a found concrete monument,
N74°31'32"E	322.91 feet to a found concrete monument
N86°24'57"E	623.49 feet to a found concrete monument,

THENCE, with a non-tangent curve to the right having a central angle of 35°28'54" a radius of 1850.08 feet, and a chord bearing S77°16'49" E 1127.48 feet, a distance of 1145.70 feet to a found concrete monument in the south right-of-way line of Texas Highway No. 361;

THENCE, with the south right-of-way line of Texas Highway No. 361,

S59°30'24"E	1009.37 feet to a found concrete right-of-way monument,
S59°32'51"E	1004.15 feet to a found concrete right-of-way monument,
S59°35'09"E	2106.32 feet to a found concrete right-of-way monument
S59°33'28"E	2109.34 feet to a set 5/8 inch iron rod;

THENCE, leaving said south right-of-way line and with a new division line

S00°06'01"W	2711.49 feet to a set 5/8 inch iron rod,
S72°35'34"W	1462.68 feet to a set 5/8 inch iron rod,
N18°07'13"W	300.83 feet to a set 5/8 inch iron rod
S72°05'13"W	720.37 feet to a set 5/8 inch iron rod
N78°25'07"W	497.03 feet to a set 5/8 inch iron rod
S78°47'30"W	83.50 feet to a set 5/8 inch iron rod;

S15°25'23"E 1391.34 feet to a found "PK" nail in asphalt for a common corner in the aforesaid 1665.222 acre tract and 328.9 acre tract;

THENCE, with a common line of said 1665.222 acre tract and 328.9 acre tract, S72°46'00" at 2578.70 feet a found 5/8 inch iron rod for an exterior corner of said 1665.222 acre tract and an interior corner for said 328.9 acre tract in all 2585.15 feet to a set 5/8 inch iron rod in a new division line;

THENCE, with a new division line, N17°12'25"W 8736.90 feet to the POINT OF BEGINNING and containing 832.0 acres of land, more or less.

Tract 2

Being 11.870 acres of land, more or less, out of the remainder of a 328.9 acre tract recorded in Document 2001000017, Official Public Records of Nueces County, Texas, and being out of T.T. Williamson Survey, A-288 and this 11.870 acre tract being more particularly described by metes and bounds as follows:

Beginning at a found 5/8 inch iron rod for the northwest corner of this tract, said corner also being the southwest corner of a 832.0 acre tract recorded in Document No. 2001000017, O.P.R.N.C.T. and also being an interior corner of said 328.9 acre tract and lying on the east boundary of a 44.72 acre tract recorded in Document No. 2006043532, O.P.R.N.C.T., and having a State Plane Grid Coordinate of N17,214,987.50° E 1,279,631.39°, Texas South Zone in U.S. feet;

Thence N72-17-20 E with the north boundary of this tract and said 328.9 acre tract, the same being the south boundary of said 832.0 acre tract, 2,585.15 feet, to a set 5/8 inch rod for the northeast corner of this tract and said 328.9 acre tract, said corner also being a southeast corner and said 832.0 acre tract and lying on the west boundary of a 1610.0 acre tract recorded in Document No. 20010017, O.P.R.N.C.T.;

Thence S17-44-42 E with the east boundary of this tract and said 328.9 acre tract, the same being the west boundary of said 1610.0 acre tract, 200.01 feet, to a set 5/8 inch iron rod for the southeast corner of this tract, said corner being on the north boundary of a 212.20 acre tract recorded in Document No. 2014038283, O.P.R.N.C.T.;

Thence S 72-17-20 W with the south boundary of this tract, the same being the north boundary of said 212.20 acre tract, 2585.36 feet, to a found 5/8 inch iron rod for the southwest corner of this tract, said corner also being a southeast corner of said 44.72 acre tract;

Thence N 17-41-05 W with the west boundary of this tract, the same being the east boundary of said 44.72 acre tract, 200.00 feet, the point of beginning and containing 11.870 acres of land, more or less.

Notes:

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

Track 3

Being 44.419 acres of land, more or less, out of the remainder of a 1610.0 acre tract and the remainder of a 328.9 acre tract recorded in Clerk File No. 490819, Official Public Records of San Patricio County, Texas, and also being out of T.T. Williamson Surveys, Abstracts 288, 289, 290 and 291, San Patricio County, Texas, and this 44.419 acre tract being more particularly described by metes and bounds as follows:

Beginning at the northwest corner of this tract, said corner also being an interior corner of a 827.38 acre tract recorded in C.F. #649462, O.P.R.S.C.T., the same being a northwest corner of the aforementioned remainder of said 1610.0 acre tract and said corner having State Plane Grid Coordinate of N 17,217,112.06', E 1,381,712.83', NAD'83, Texas South Zone in U.S.feet;

Thence N 78-18-51 E with the common boundary of said 827.38 acre tract and said remainder of 1610.0 acre tract, 83.50 feet, to a corner of this tract and said 827.38 acre tract;

Thence S 78-53-46 E with the common boundary of said 827.38 acre tract and said remainder of 1610.0 acre tract, 385.53 feet, to a corner of this tract and said 827.38 acre tract;

Thence leaving said 827.38 acre tract S 16-36-36 E, 828.46 feet, to a corner;

Thence with the northeast boundary of this tract as follows:

S 52-07-14 E, 106.23 feet;

S 09-25-25 E, 43.79 feet;

S 54-49-48 E, 171.60 feet;

S 60-50-29 E, 569.39 feet;

S 63-56-35 E, 64.81 feet;

S 19-42-49 E, 93.23 feet;

S 03-35-06 W, 232.21 feet;

Thence S 00-20-25 E with the east boundary of this tract, 1259.86 feet, to an interior corner of this tract;

Thence S 45-00-00 W, 56.65 feet, to a corner;

Thence South, 194.05 feet, to an interior corner of this tract;

Thence East, 161.75 feet, to a corner;

Thence South, 369.46 feet, to the beginning of a curve to the left;

Thence with said curve to the left having a radial bearing of S 51-18-14 E, 382.66 feet, a central angle of 39-16-13, a radius of 382.66 feet, a length of 262.27 feet;

Thence S 00-34-27 E with the east boundary of this tract, 1009.16 feet, to the south corner of this tract, said corner being on the west boundary of said 1610.0 acre tract, the same being the east boundary of a 125.20 acre tract recorded in C.F. #613799, O.P.R.S.P.C.T.;

Thence with the west boundary of this tract and said 1610.0 acre tract, the same being the east boundary of said 125.20 acre tract, N 17-32-43 W, 1698.32 feet, to a 5/8-inch iron rod for a corner of this tract and said 125.20 acre tract;

Thence N 73-59-30 W, 102.14, to a 5/8-inch iron rod for a corner of this tract and said 125.20 acre tract, said corner being on the south boundary of a 212.20 acre tract recorded in C.F. #531139, O.P.R.S.P.C.T.;

Thence N 67-58-34 E with a north boundary of this tract and the south boundary of said 212.20 acre tract, at 126.41 feet pass the east boundary of the aforementioned 328.9 acre tract, the same being the west boundary of said 1610.0 acre tract, in all 314.67 feet, to a 5/8-inch iron rod for a corner of this tract and said 212.20 acre tract;

Thence with the west boundaries of this tract, the same being the east boundaries of said 212.20 acre tract as follows:

N 17-42-40 W, 640.06 feet;

N 72-17-20 E, 246.92 feet;

N 17-42-40 W, 838.29 feet;

N 75-57-21 W, 308.31 feet;

Thence S 72-17-20 W with the north boundary of said 212.20 acre tract, the same being the south boundary of this tract, 173.54 feet, to a 5/8-inch iron rod for a corner of this tract, said corner being on the west boundary of said 1610.0 acre tract, the same being the east boundary of said 328.9 acre tract;

Thence N 17-44-42 W with the west boundary of this tract and said 1610.0 acre tract, the same being the east boundary of said 328.9 acre tract, 200.01 feet, to a corner of this tract, said 328.9 acre tract, said 1610.0 acre tract and the southeast corner of the aforementioned 827.38 acre tract;

Thence N 15-54-02 W with the west boundary of this tract and the east boundary of said 827.38 acre tract, 1391.34 feet, to the point of beginning and containing 44.419 acres of land, more or less.

Notes:

1. Drawing accompanies this metes and bounds description.
2. Metes and bounds based on information provided by Cheniere and not based on an on the ground survey.

3. Information on 827.38 acre and 203.20 acre tracts based on surveys conducted by G&W Engineers, Inc. dated 8/06/15.

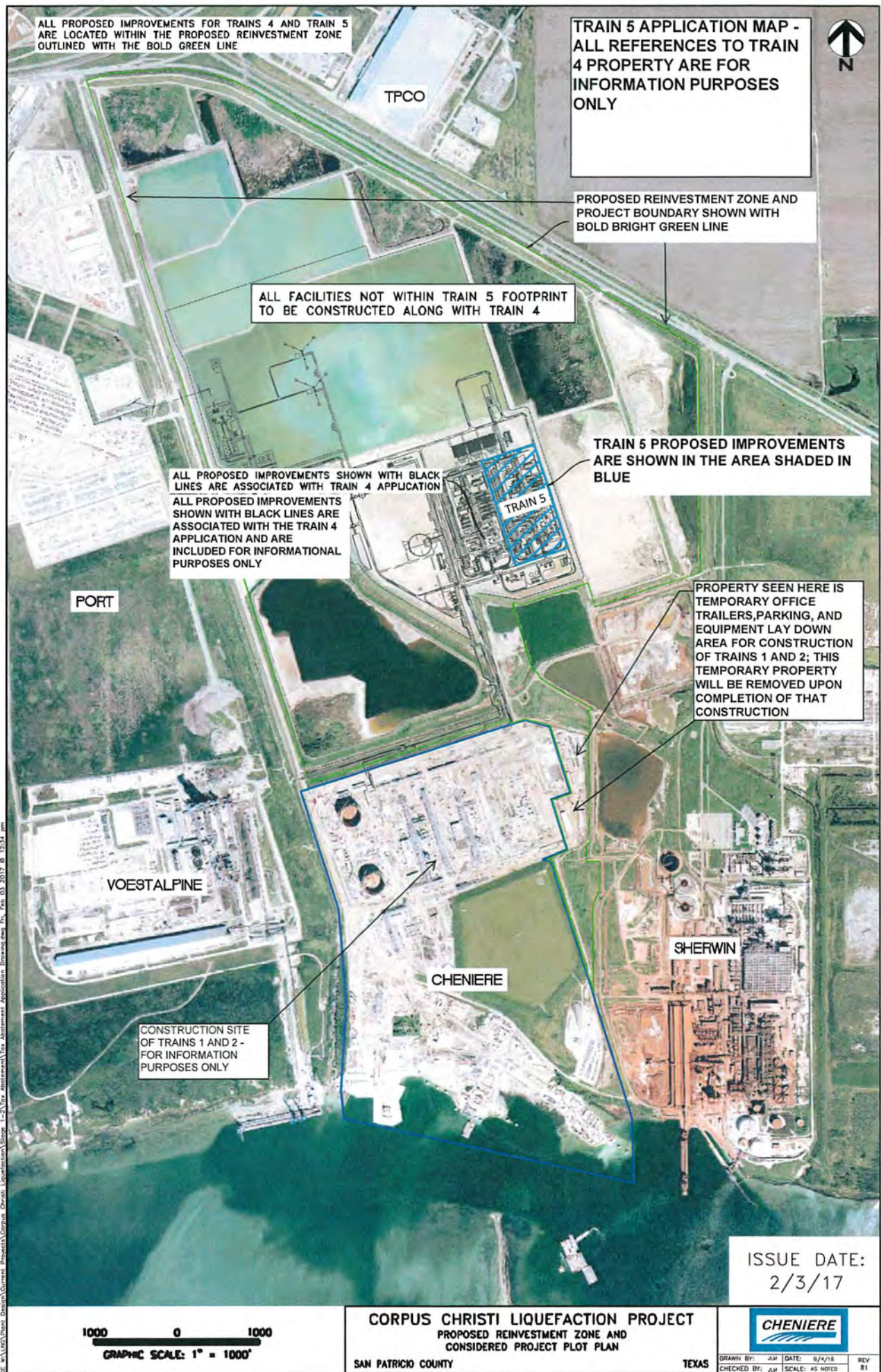


EXHIBIT 3

DESCRIPTION AND LOCATION OF APPLICANT'S QUALIFIED INVESTMENT

Applicant's Qualified Investment, as more fully described in Tab 7 of the Application, will be located on the Land, as described in **EXHIBIT 2**, and within the area demarked as "Train 5" in the attached map in this **EXHIBIT 3**. The Qualified Investment will include LNG liquefaction facilities and supporting infrastructure, as described further below. "Train 5" is principally an LNG liquefaction train.

LNG Liquefaction Facility

The LNG liquefaction facility constitutes one ConocoPhillips Optimized CascadeSM LNG liquefaction train, capable of processing up to approximately 700 million cubic feet per day of natural gas and with average liquefaction capacity of approximately 4.5 million tonnes per annum. This train includes, but is not limited to, the following:

- Six GE LM2500 aeroderivative natural gas turbines driving multiple compressors in order to cool the methane, ethylene and propane refrigerants;
- Two "cold boxes", hundreds of induced draft air coolers and various other heat exchangers that enable the refrigerants to cool the natural gas feedstock to -270 degrees Fahrenheit in order to produce LNG;
- Facilities which remove water, mercury, carbon dioxide (CO₂), hydrogen sulfide (H₂S), other sulfur compounds and heavy hydrocarbons from the natural gas feedstock; and
- Waste heat recovery systems for energy efficiency;

The liquefaction facility will be built on numerous foundation pilings to support the equipment and will include electrical cables and interconnections to control equipment required to operate the liquefaction facility such as pumps, motors, vessels, intra-plant piping, and valves in addition to the above described compressors, cold boxes, natural gas inlet treating, and waste heat recovery systems.

Supporting Infrastructure

The supporting infrastructure includes, but is not limited to, the following:

- Intra-plant electrical, utility, and piping systems
- Firewater system
- Fire and gas detection system
- LNG spill containment facilities

ALL PROPOSED IMPROVEMENTS FOR TRAINS 4 AND TRAIN 5 ARE LOCATED WITHIN THE PROPOSED REINVESTMENT ZONE OUTLINED WITH THE BOLD GREEN LINE

TRAIN 5 APPLICATION MAP - ALL REFERENCES TO TRAIN 4 PROPERTY ARE FOR INFORMATION PURPOSES ONLY



TPCO

PROPOSED REINVESTMENT ZONE AND PROJECT BOUNDARY SHOWN WITH BOLD BRIGHT GREEN LINE

ALL FACILITIES NOT WITHIN TRAIN 5 FOOTPRINT TO BE CONSTRUCTED ALONG WITH TRAIN 4

TRAIN 5 PROPOSED IMPROVEMENTS ARE SHOWN IN THE AREA SHADED IN BLUE

ALL PROPOSED IMPROVEMENTS SHOWN WITH BLACK LINES ARE ASSOCIATED WITH TRAIN 4 APPLICATION
ALL PROPOSED IMPROVEMENTS SHOWN WITH BLACK LINES ARE ASSOCIATED WITH THE TRAIN 4 APPLICATION AND ARE INCLUDED FOR INFORMATIONAL PURPOSES ONLY

TRAIN 5

PORT

PROPERTY SEEN HERE IS TEMPORARY OFFICE TRAILERS, PARKING, AND EQUIPMENT LAY DOWN AREA FOR CONSTRUCTION OF TRAINS 1 AND 2; THIS TEMPORARY PROPERTY WILL BE REMOVED UPON COMPLETION OF THAT CONSTRUCTION

VOESTALPINE

CHENIERE

SHERWIN

CONSTRUCTION SITE OF TRAINS 1 AND 2 - FOR INFORMATION PURPOSES ONLY

ISSUE DATE:
2/3/17

1000 0 1000
GRAPHIC SCALE: 1" = 1000'

CORPUS CHRISTI LIQUEFACTION PROJECT
PROPOSED REINVESTMENT ZONE AND
CONSIDERED PROJECT PLOT PLAN

SAN PATRICKO COUNTY

TEXAS



DRAWN BY: JAF DATE: 5/4/15 REV
CHECKED BY: JAF SCALE: AS NOTED R1

C:\Users\jaf\OneDrive\Documents\Projects\Corpus Christi Liquefaction\Stage 1-2\Drawings\Title Sheet\Proposed Reinvestment Zone and Project Boundary Plot Plan.dwg, File Date: 02/03/2017 @ 12:14 PM

EXHIBIT 4

DESCRIPTION AND LOCATION OF APPLICANT'S QUALIFIED PROPERTY

Applicant's Qualified Property, as more fully described in Tab 8 of the Application, will be located on the Land, as described in EXHIBIT 2, and within the area demarked as "Train 5" in the attached map in this EXHIBIT 4. The Qualified Property will include LNG liquefaction facilities and supporting infrastructure, as described further below. "Train 5" is principally an LNG liquefaction train.

LNG Liquefaction Facility

The LNG liquefaction facility constitutes one ConocoPhillips Optimized CascadeSM LNG liquefaction train, capable of processing up to approximately 700 million cubic feet per day of natural gas and with average liquefaction capacity of approximately 4.5 million tonnes per annum. This train includes, but is not limited to, the following:

- Six GE LM2500 aeroderivative natural gas turbines driving multiple compressors in order to cool the methane, ethylene and propane refrigerants;
- Two "cold boxes", hundreds of induced draft air coolers and various other heat exchangers that enable the refrigerants to cool the natural gas feedstock to -270 degrees Fahrenheit in order to produce LNG;
- Facilities which remove water, mercury, carbon dioxide (CO₂), hydrogen sulfide (H₂S), other sulfur compounds and heavy hydrocarbons from the natural gas feedstock; and
- Waste heat recovery systems for energy efficiency;

The liquefaction facility will be built on numerous foundation pilings to support the equipment and will include electrical cables and interconnections to control equipment required to operate the liquefaction facility such as pumps, motors, vessels, intra-plant piping, and valves in addition to the above described compressors, cold boxes, natural gas inlet treating, and waste heat recovery systems.

Supporting Infrastructure

The supporting infrastructure includes, but is not limited to, the following:

- Intra-plant electrical, utility, and piping systems
- Firewater system
- Fire and gas detection system
- LNG spill containment facilities

EXHIBIT 5

AGREEMENT SCHEDULE

	Year	Date of Appraisal	School Year	Tax Year	Summary Description
Deferral Period	0	January 1, 2017	2017-2018	2017	Deferral Period. No limitation on appraised valued.
	0	January 1, 2018	2018-2019	2018	Deferral Period. No limitation on appraised valued.
	0	January 1, 2019	2019-2020	2019	Deferral Period. No limitation on appraised value.
	0	January 1, 2020	2020-2021	2020	Deferral Period. No limitation on appraised valued.
Qualifying Time Period	0	January 1, 2021	2021-2022	2021	Qualifying Time Period. No limitation on appraised valued.
	0	January 1, 2022	2022-2023	2022	Qualifying Time Period. No limitation on appraised valued.
Limitation Period (10 Years)	1	January 1, 2023	2023-2024	2023	\$30 million value limitation.
	2	January 1, 2024	2024-2025	2024	\$30 million value limitation.
	3	January 1, 2025	2025-2026	2025	\$30 million value limitation.
	4	January 1, 2026	2026-2027	2026	\$30 million value limitation.
	5	January 1, 2027	2027-2028	2027	\$30 million value limitation.
	6	January 1, 2028	2028-2029	2028	\$30 million value limitation.
	7	January 1, 2029	2029-2030	2029	\$30 million value limitation.
	8	January 1, 2030	2030-2031	2030	\$30 million value limitation.
	9	January 1, 2031	2031-2032	2031	\$30 million value limitation.
	10	January 1, 2032	2032-2033	2032	\$30 million value limitation.
Maintain Viable Presence (5 Years)	11	January 1, 2033	2033-2034	2033	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	12	January 1, 2034	2034-2035	2034	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	13	January 1, 2035	2035-2036	2035	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	14	January 1, 2036	2036-2037	2036	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.
	15	January 1, 2037	2037-2038	2037	No limitation on appraised value. Applicant obligated to Maintain Viable Presence.

Attachment H

Consultant Verification Letter



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

July 1, 2017

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

Re: Recommendations and Findings of the firm Concerning Application of Corpus Christi Liquefaction, Application #1180 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 Gregory-Portland Independent School District, with respect to the pending Application of Corpus Christi Liquefaction, Application #1180 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 over the course of the Agreement.

As a result of the foregoing it is our recommendation that the Board of Trustees approve the Application of Corpus Christi Liquefaction, Application #1180 for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

Daniel T. Casey
Partner

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

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE

AUSTIN, TEXAS 78701

TELEPHONE: (512) 494-9949

FACSIMILE: (512) 494-9919

KEVIN O'HANLON

CERTIFIED, CIVIL APPELLATE

CERTIFIED, CIVIL TRIAL

LESLIE MCCOLLOM

CERTIFIED, CIVIL APPELLATE

CERTIFIED, LABOR AND EMPLOYMENT

TEXAS BOARD OF LEGAL SPECIALIZATION

JUSTIN DEMERATH

July 1, 2017

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

Re: Recommendations and Findings of the Firm Concerning Application of Corpus Christi Liquefaction, Application #1180 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 Gregory-Portland Independent School District, with respect to the pending Application of Corpus Christi Liquefaction, Application #1180 for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. We have also negotiated an Agreement between the District and Corpus Christi Liquefaction, Application #1180 Based upon our review we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.

4. All applicable school finance implications arising from the contemplated Agreement have been explored.
5. The proposed Agreement contains adequate legal provisions so as to protect the interests of the District.

As a result of the foregoing conclusions it is our recommendation that the Board of Trustees approve the Application of Corpus Christi Liquefaction, Application #1180 for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

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

Kevin O'Hanlon
For the Firm

Attachment I

Agreement Review Letter



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

April 28, 2017

Dr. Paul Clore
Superintendent
Gregory-Portland Independent School District
608 College Street
Portland, Texas 78374

Re: Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Gregory-Portland Independent School District and Corpus Christi Liquefaction, LLC, Application 1180

Dear Superintendent Clore:

This office has been provided with the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Gregory-Portland Independent School District and Corpus Christi Liquefaction, LLC (Agreement). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

Based on our review, this office concludes that the agreement complies with the provisions of Tax Code, Chapter 313 and 34 TAC Chapter 9, Subchapter F.

Should you have any questions, please contact Desiree Caufield with our office. She can be reached by email at desiree.caufield@cpa.texas.gov or by phone at 1-800-531-5441, ext. 6-8597, or at 512-936-8597.

Sincerely,

Will Counihan
Director
Data Analysis & Transparency Division

cc: Daniel T. Casey, Moak, Casey & Associates LLP
Keith Little, Cheniere Energy, Inc.
Andrea Carter-Virtanen, Cheniere Energy, Inc.
Dale Cummings, Cummings Westlake, LLC

Attachment J

Conflict Of Interest Disclosure

Conflicts of Interest Disclosure Procedure

In its recent audits of Chapter 313 Agreements, The Texas State Auditor's Office has required documentation of inquiries concerning Board Member conflicts of interest at critical junctions in the Chapter 313 approval process. A local public official or a person related to a local public official in the first degree by either affinity or consanguinity has a substantial interest in a business entity or in real property, the local public official, before a vote or decision on any matter involving the business entity or the real property, is required to file an affidavit with an official Board record keeper stating the nature and extent of the interest and shall abstain from further participation in the matter if:

1. In the case of a substantial interest in a business entity, the action on the matter will have a special economic effect on the business entity that is distinguishable from the effect on the public; or
2. In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.
3. A person has a substantial interest in a business entity if:
The person owns at least:
 - a. Ten percent of the voting stock or shares of the business entity, or
 - b. Either ten percent or \$15,000 of the fair market value of the business entity; or
 - c. Funds received by the person from the business entity exceed ten percent of the person's gross income for the previous year.
4. In the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.

The Board may contract with a business entity in which a Trustee has a substantial interest if the Trustee follows the disclosure and abstention procedure set out above.

Does any Board Member have a conflict of interest as defined above?

If so, has the required Affidavit, set forth at District Policy BBFA (Exhibit) been filed?

Please have the answers to the foregoing 2 questions and a copy of this Procedure included in the minutes of this meeting.