

WHEREAS, the County has granted LONESTAR NGL a tax abatement according to the terms and conditions of that Tax Abatement Agreement attached thereto and incorporated as if set forth entirely herein;

WHEREAS, LONESTAR NGL recognizes the significance of its development and construction of substantial improvements to real property within the County and its potential impact and effect on the County's public infrastructure and transportation for which the County must consider in connection with the Tax Abatement Agreement identified herein; and

WHEREAS, LONESTAR NGL desires to make a monetary contribution of financial resources to the County to be applied toward capital expenditures for infrastructure projects of community-wide impact and significance in an effort to offset or otherwise mitigate the impact of the Project on the County's infrastructure and local transportation system and to encourage the continued development and expansion of amenities within the County that directly serves the local taxpayer and benefits the surrounding community at large; and

NOW, THEREFORE, in consideration of the mutual benefits and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County and LONESTAR NGL agree as follows:

I. AUTHORITY

The County's execution of this Agreement is authorized by Chapter 381 of the Texas Local Government Code and by the Chambers County Chapter 381 Economic Development Policy which is incorporated by reference in this Agreement. LONESTAR NGL's execution and performance of this Agreement has been duly authorized.

II. DEFINITIONS

The terms "County," "LONESTAR NGL," "Chapter 381 Policy", and "Reinvestment Zone," shall have the meanings provided for them in the Recitals above. Except as may be otherwise defined, or to the extent the context clearly requires otherwise, capitalized terms and phrases as used in this Agreement shall have the following meaning:

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

(directly or indirectly) of securities, by contract or otherwise, and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“Application” shall mean that application for tax abatement and any supplements or amendments thereto submitted by LONESTAR NGL to the County with respect to the Project, and as referenced.

“Capital Expenditures” shall mean those capital improvement expenses incurred in conjunction with an Infrastructure Project including, but not limited to, design engineering, geotechnical engineering, subsurface utility engineering, environmental studies, land acquisition, surveying, construction, inspection and project management.

“Chapter 381 Infrastructure Payment” shall mean one or more payments totaling in the aggregate an amount equal to ONE MILLION DOLLARS and NO/100 (\$1,000,000.00) made by LONESTAR NGL to the County as a monetary contribution of financial resources to the County to be applied toward capital expenditures for an Infrastructure Project as contemplated by this Agreement.

“Chapter 381 Infrastructure Payment Date” shall mean November 1, 2020 and November 1, 2021.

“Chapter 381 Final Payment Date” shall mean November 31, 2030.

“Chapter 381 Community Impact Program Contribution (CIPC)” shall mean an amount equal to 1.50% of derived tax savings for each tax year as set forth in Section V of the Tax Abatement Agreement. The CIPC is intended to foster public-private investment in comprehensive literacy programs, promotion of the arts, public health, and an array of targeted civic infrastructure which supports economic and community development.

“Effective Date” shall mean the date this Agreement is executed by the last party to execute this Agreement.

“Infrastructure Project” shall mean or otherwise include one or more of the following projects:

- a. EW-4 Extension and Improvements;
- b. Kilgore Parkway Extension and Improvement;
- c. Needlepoint Road Extension and Improvement;
- d. County Park Improvements; and
- e. Industrial Intermodal Support Infrastructure

“Program” means the economic development program established by the County pursuant to Chapter 381 of the Texas Local Government Code to promote local economic development and stimulate business and commercial activity within the County.

“Project” means LONESTAR NGL’s planned construction of the new 8th fractionation facility to be constructed at its complex in Chambers County, with an estimated construction cost of \$265,000,000.

“Tax Abatement Agreement” shall mean the Tax Abatement Agreement authorized and entered into by and between the County and LONESTAR NGL in conjunction with this Agreement, a copy of which is attached.

III. TERM

This Agreement shall commence on the Effective Date and, unless sooner terminated pursuant to the provisions of this Agreement, shall terminate thirty (30) days after the Chapter 381 Final Payment Date.

IV. CONDITIONS PRECEDENT

The County and LONESTAR NGL agree that as a condition of the Tax Abatement Agreement, LONESTAR NGL shall contribute the Chapter 381 Payments to the County as described in Article V. below.

V. CHAPTER 381 PAYMENTS

Upon the execution of the Tax Abatement Agreement, LONESTAR NGL agrees to tender the Chapter 381 Infrastructure Payments to the County for the Infrastructure Project no later than the specified Chapter 381 Infrastructure Payment Dates. LONESTAR NGL shall have the right to prepay at any time and in any amount all or any part of the Chapter 381 Infrastructure Payment without penalty. In furtherance of the development and administration of the Program, the County shall apply the Chapter 381 Infrastructure Payment (i) directly to the costs associated with any Infrastructure Project, or (ii) toward the reduction of debt service associated with bonds issued for any Infrastructure Project as that term is defined herein.

CIPC: Beginning on November 1, 2022, and on or before November 1 of each calendar year thereafter during the life of this Agreement, LONESTAR NGL shall contribute to the County CIP an amount equal to 1.50 % of derived tax savings for each tax year as set forth in Section V of the Tax Abatement Agreement, until the Chapter 381 Final Payment Date. This contribution is provided for in Sections 381.004(b) and 381.004(c) of the Texas Local Government Code. Remittance of this contribution shall be separate and distinct from the remittance of the Chapter 381 Infrastructure Payments and Administration Fees set forth respectively in Section II and Section IX of this Agreement.

VI. REPRESENTATIONS AND WARRANTIES

The County represents to LONESTAR NGL that it has the authority to establish the Program and enter into this Agreement and the Tax Abatement Agreement, and that it is duly authorized and empowered to establish the Program and enter into this Agreement and the Tax Abatement Agreement. The County further represents to LONESTAR NGL that the execution, delivery and performance by County and LONESTAR NGL of this Agreement will not (a) contravene any law or any order, writ, decree or injunction of any governmental authority, specifically including the provisions of the Texas Constitution and statutes governing the County, (b) conflict with, or result in a breach of any term, covenant, condition or provision of, or constitute a default under the terms of any agreement or instruments to which it is a party or by which it or any of its properties is bound, or (c) violate any provision of the organizational documents of County, the Texas Constitution, or Texas statutes governing the County; such that in the cases of either of clauses (a), (b), or (c), cause either the County or LONESTAR NGL to fail to comply with their respective obligations or receive the benefits under this Agreement or the Tax Abatement Agreement.

VII. LIABILITY

By this Agreement LONESTAR NGL assumes no obligation, duty or other responsibility with regard to any government function or service for which the County is responsible that is not otherwise addressed by this Agreement. In addition, LONESTAR NGL assumes no legal liability for the actions of the County through the execution of this Agreement. Except as otherwise provided in the Tax Abatement Agreement, the County assumes no obligation, duty or other responsibility with regard to any duty, right, obligation and/or responsibility associated with the Project for which LONESTAR NGL is responsible and made the subject of the Application and the Tax Abatement Agreement. In addition, the County assumes no legal liability for the actions of LONESTAR NGL or its successors or assigns by virtue of its execution of this Agreement.

Each Party to this Agreement agrees that it shall have no liability for the actions or omissions of the employees, agents or trustees of the other Party, and each Party is solely responsible for the actions and omissions of its own employees, agents or trustees.

VIII. DEFAULT AND TERMINATION

A Party shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if such Party fails to materially perform, observe, or comply with any of its covenants, agreements, or obligations hereunder or breaches or violates any of its representations contained in this Agreement.

As the County's sole and exclusive remedy for an Event of Default (as defined below) by LONESTAR NGL, the Tax Abatement Agreement executed in conjunction with this Agreement and identified herein shall automatically terminate if (i) LONESTAR NGL does not execute this Agreement within fifteen (15) days from the date this Agreement is approved and executed by the governing body of the County, or (ii) the County does not receive, on or before the Chapter 381 Infrastructure Payment Date, the Chapter 381 Infrastructure Payments in an amount equal to ONE MILLION DOLLARS and NO/100 (\$1,000,000.00). Either event shall be considered an Event of Default as that term is defined under the Tax Abatement Agreement executed in conjunction with this Agreement and attached hereto. In the event the County terminates the Tax Abatement Agreement pursuant to this Article VIII, County shall refund any part of the Chapter 381 Infrastructure Payment that had been paid by LONESTAR NGL or its affiliates prior to the termination of the Tax Abatement Agreement within thirty (30) days of the date of termination of the Tax Abatement Agreement. County shall have no other remedy for an Event of Default by LONESTAR NGL of this Agreement other than the termination of the Tax Abatement Agreement as described in this Article VIII.

IX. ADMINISTRATION

This Agreement shall be administered on behalf of the County by the BAYTOWN WEST CHAMBERS COUNTY ECONOMIC DEVELOPMENT FOUNDATION (EDF). Upon completion of the Project, the County or its representative, the EDF, shall annually evaluate the Project to ensure compliance with this Agreement.

An administration fee will be assessed. Beginning on November 1, 2020 and on or before November 1, 2021, LONE STAR NGL shall pay to the County an administration fee of 0.625% of the Chapter 381 Infrastructure Payment. This fee is considered payment for administrative services as provided for in Section 381.004 (c) of the Texas Local Government Code.

X. NOTICES

Any notice given under this Agreement must be in writing and may be given (i) by depositing it in the United States mail, registered or certified, with return receipt requested, addressed to the Party to be notified at the address set forth below, or at the last address for notice that the sending Party has for the receiving Party at the time of mailing, and with all charges prepaid; (ii) by depositing it with Federal Express or another service guaranteeing "next day delivery," addressed to the Party to be notified and with all charges prepaid; (iii) by personally delivering it to the Party, or any agent of the Party listed in this Agreement; or (iv) by facsimile with confirming copy sent by one of the other described methods for notice set forth in this sentence. Notice by United States mail as provided in (i) will be deemed delivered, whether or not actually received, three (3) days after the date of mailing. Payments to the County shall be made by check at the address set forth below (without copies), unless timely notice of change of address is given to LONESTAR NGL in writing within thirty (30) days prior to the Chapter 381 Final Payment Date. For purposes of this Article IX, the addresses of the Parties will, until changed as provided below, be as follows:

To LONESTAR NGL:

LONESTAR NGL ASSET HOLDINGS II, LLC

C/O: KE ANDREWS
1900 DALROCK RD.
ROWLETT, TX 75088

To the COUNTY:

CHAMBERS COUNTY
HONORABLE COUNTY JUDGE JIMMY SYLVIA
404 WASHINGTON AVENUE
P.O. BOX 939
ANAHUAC, TX 77514

WITH A COPY TO:

BAYTOWN ECONOMIC DEVELOPMENT FOUNDATION
1300 ROLLINGBROOK DRIVE, STE. 505
BAYTOWN, TX 77521

Either Party may designate a different address by giving the other Party ten (10) days written notice.

XI. DISCLAIMER

Nothing herein shall confer upon any person, firm or other entity other than the Parties hereto any benefit or any legal or equitable right, remedy or claim under this Agreement. All obligations hereunder of the Parties hereto shall be binding upon their respective successors and assigns.

LONESTAR NGL may assign this Agreement to an Affiliate provided that LONESTAR NGL shall provide written notice of such assignment to the County. Except as otherwise provided in the immediately preceding sentence, no rights, duties, obligations, interest or options of a Party under this Agreement may be assigned or otherwise made available to a third party without the prior written consent of the other Party, which consent shall not be unreasonably withheld, delayed or conditioned.

XII. SEVERABILITY AND SURVIVAL OF AGREEMENT

If any provision or application of this Agreement shall be held illegal, invalid or unenforceable by any court, the invalidity of such provision shall not affect or impair any of the remaining provisions of this Agreement.

XIII. GOVERNING LAW

This Agreement shall be construed and interpreted in accordance with the laws of the State of Texas. It is further understood and agreed that any dispute arising out of or related to this Agreement shall be resolved in a court of competent jurisdiction in Chambers County, Texas. Nothing in this Agreement shall constitute a waiver by the County of its sovereign immunity rights. Nothing in this Agreement shall be construed as express or implied consent of the County to being sued.

XIV. MISCELLANEOUS PROVISIONS

The Parties to this Agreement declare and represent that no promise, inducement or other agreement not expressly contained herein has been made conferring any benefit upon any party. The Parties to this Agreement further declare and represent that this Agreement contains the entire agreement of the Parties with respect to the subject matter hereof, and that the terms of this Agreement are contractual and not recitals only.

In the event it becomes necessary for either Party to file a suit to enforce this Agreement or any provisions of this Agreement, the Party prevailing in such action shall be entitled to recover, in addition to all other remedies or damages, reasonable attorneys' fees and court costs incurred by such prevailing Party in such suit.

The terms contained in this Agreement represent the final agreement among the Parties with respect to the subject matter hereof and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the Parties. The Parties agree that in entering into this Agreement they have not relied upon any representation other than those contained in this Agreement. The Parties agree that they have read this Agreement, sought the advice of counsel, understand the terms of this Agreement and have executed this Agreement voluntarily.

In the event of a conflict between any of the provisions of this Agreement, on the one hand, and any of the provisions of the Tax Abatement Agreement, on the other hand, the provisions of the Tax Abatement Agreement shall control.

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By: LONESTAR NGL ASSET HOLDINGS II, LLC

By: Megan McLavanagh
(Signature)

Megan McLavanagh, Sr Mgr Property Tax
(Printed Name and Title)

Sept. 4, 2020
(Date)

ATTEST:

Laura Andrews

(Signature)

LAURA ANDREWS, SUPERVISOR

(Printed Name and Title)

By: CHAMBERS COUNTY

By: [Signature]
(Signature)

Jimmy Sylvia, County Judge
(Printed Name and Title)

August 12, 2020
(Date)

ATTEST:

Heather H. Hawthorne

(Signature)

Heather H. Hawthorne, County Clerk

(Printed Name and Title)

II. CONDITIONS PRECEDENT

The COUNTY properly approved the Abatement Application and authorized the COUNTY to enter into this Agreement with LONESTAR NGL for the abatement of certain ad valorem taxes pursuant to Chapter 312 of the Tax Code, as provided for in this Agreement. The parties agree that the representations contained in the Abatement Application are true and correct and are hereby incorporated into this Agreement.

III. DEFINITIONS

1. As used in this Agreement, the following terms shall have the meanings set forth below:

- a. The “2020 Certified Appraised Value” means the January 1, 2020 value of the property within the Reinvestment Zone as certified by the Chambers County Appraisal District as of that date.
- b. “Improvements” means the buildings or portions thereof and other improvements, including fixed machinery, equipment and process units, and other business personal property used for commercial or industrial purposes that are acquired and/or constructed by LONESTAR NGL on the property after January 1, 2020 and subject to *ad valorem* taxes.
- c. “Construction Phase” means a material and substantial improvement of the property which represents a separate and distinct construction operation undertaken for the purpose of constructing the Improvements. The period of Construction Phase ends when the Improvements are substantially completed and consistent with Article VIII entitled “Contemplated Improvements.”
- d. “Abatement” means the full or partial exemption from *ad valorem* taxes of certain property in the Reinvestment Zone designated for economic development purposes.
- e. “Abatement Application” means the Application for Tax Abatement dated January 11, 2019, submitted to the COUNTY by LONESTAR NGL.
- f. “Eligible Abatement Property” means the buildings, structures, fixed machinery, equipment and process units, business personal property and other Improvements subject to *ad valorem* taxes necessary to the operation and administration of the New Facility.

- g. “New Eligible Abatement Property” means Eligible Abatement Property, the construction of which commences subsequent to the date of execution of this Agreement. A list of the New Eligible Abatement Property is set forth in the Abatement Application which is incorporated herein by reference and made a part hereof. During the Construction Phase of the New Eligible Abatement Property, **LONESTAR NGL** may make such change orders to the New Eligible Abatement Property as are reasonably necessary to accomplish its intended use.
- h. “New Facility” has the meaning as set forth in Article VIII below.
- i. “Ineligible Property” means land, inventories, supplies, tools, furnishings, and other forms of movable business personal property, including but not limited to, vehicles, vessels, aircraft, housing, hotel accommodations, deferred maintenance investments, improvements for the generation or transmission of electrical energy not wholly consumed by a new facility or expansion, any improvements including those to produce, store, or distribute natural gas, fluids or gases, which are not necessary to the operation of the New Facility, and property that has an economic life of less than fifteen (15) years.

2. The guidelines and criteria for granting tax abatement in a reinvestment zone created in Chambers County, Texas, which were adopted by the **COUNTY**, are incorporated herein by reference, together with any applicable amendments. All definitions set forth therein are applicable to this Agreement. The Commissioners Court of Chambers County has determined that the terms of this Agreement meet the applicable guidelines and criteria for granting tax abatements in the Reinvestment Zone or have otherwise approved a variance from such guidelines and criteria as described in Article VI below.

IV. SUBJECT PROPERTY

3. The Reinvestment Zone is an area within Chambers County, Texas, comprising approximately 85 acres more or less, generally described in Exhibit A attached hereto and incorporated herein.

The 2020 Certified Appraised Value on site is:

<u>Land Only</u>	\$1,104,460
<u>Improvements</u>	\$33,895,540
<u>TOTAL:</u>	\$35,000,000

V. VALUE AND TERM OF AGREEMENT

4. Following the date of final approval and execution of this Agreement by the Parties hereto, and as authorized by Sec. 312.007 of the Tax Code, this tax abatement shall be deferred and become effective for the abatement period beginning on January 1 for the valuation year cited below and ending on December 31st of the tenth (10th) year following the first year in which taxes are abated under this Agreement. For each year of the ten (10) year period that this Agreement is in effect, the amount of tax abatement shall be an amount equal to the percentage indicated below. The appraised value, as defined in the Property Tax Code, of New Eligible Abatement Property shall be abated in accordance with the following schedule:

<u>Year Abated</u>	<u>Percentage of Value Abated</u>
2021	74%
2022	50%
2023	50%
2024	50%
2025	50%
2026	50%
2027	50%
2028	50%
2029	50%
2030	50%

VI. VARIANCE GRANTED

5. As authorized by Section 4 of the guidelines and criteria established by the COUNTY, the COUNTY hereby grants LONESTAR NGL a variance to the standard guidelines and criteria for tax abatements in a reinvestment zone. The variance herein granted is based on the estimated size of the project made the basis of this Agreement and the anticipated economic impact the project will have on the COUNTY and the surrounding community so as to offer competitive economic development incentives comparable to other taxing jurisdictions for substantially similar projects.

VII. TAXABILITY

6. During the period that this tax abatement is effective ("abatement period"):
 - a. The value of Ineligible Property shall be fully taxable;
 - b. The appraised value, as defined in the Property Tax Code, of New Eligible Abatement Property shall be abated as set forth above under the section entitled "VALUE AND TERM OF AGREEMENT."

VIII. CONTEMPLATED IMPROVEMENTS

7. As set forth in the Abatement Application which is incorporated herein for all purposes, **LONESTAR NGL** represents that it will construct the New Facility (Fractionator 8) with an approximate improvement cost and added value of **\$ 265,000,000**. During the Construction Phase, **LONESTAR NGL** may make such change orders to the project as are reasonably necessary. All Improvements shall be completed in accordance with the Abatement Application and all applicable laws, ordinances, rules, or regulations. **LONESTAR NGL** agrees to limit the uses of the New Facility to uses consistent with the general purpose of encouraging development of the Reinvestment Zone during the term of this Agreement.

IX. EVENTS OF DEFAULT

8. During the abatement period covered by this Agreement, the **COUNTY** may declare a default hereunder by **LONESTAR NGL** if **LONESTAR NGL** (i) fails to commence construction of the New Facility within one (1) year from the date this Agreement is executed or (ii) fails to construct the New Facility or (iii) fails to comply with any of the material terms of this Agreement, or (iv) fails to comply with any of the terms of the Chapter 381 Economic Development Agreement executed in conjunction herewith, or (v) if any representation made by **LONESTAR NGL** in this Agreement is false or misleading in any material respect.

9. Notwithstanding the terms and conditions of Article X of the Chapter 381 Economic Development Agreement executed in conjunction herewith, if the **COUNTY** declares that **LONESTAR NGL** is in default of this Agreement, the **COUNTY** shall notify **LONESTAR NGL** in writing. If such default is not cured within sixty (60) days from the date of such notice ("Cure Period"), then this Agreement may be terminated. In the case of a default for causes

beyond **LONESTAR NGL's** reasonable control which cannot with due diligence be cured within the Cure Period, the Cure Period shall be deemed extended if **LONESTAR NGL** (i) shall notify the **COUNTY** of **LONESTAR NGL's** intention to institute steps reasonably necessary to cure such default, (ii) shall proceed to cure such default, and (iii) shall submit a proposed schedule for the completion of the New Facility, including the estimated date for completion of the New Facility, a reasonable explanation concerning the reason for the delay, and a reasonable estimate of the overall percent of the New Facility that is completed as of the date of such notice.

10. In the event **LONESTAR NGL** (i) allows its ad valorem taxes on the New Facility to become delinquent or fails to timely and properly follow the legal procedures for the protest and appeal of the ad valorem taxes on the New Facility or (ii) defaults under this Agreement and fails to cure, this Agreement may then be terminated. In the event of termination of this Agreement pursuant to the provisions of this paragraph, all taxes previously abated by virtue of this Agreement will be recaptured by the **COUNTY** and paid by **LONESTAR NGL** within sixty (60) days of the termination, together with penalties and interest as required by Sec. 312.205(a)(4) and (7) of the Tax Code. In the event of termination of this Agreement pursuant to the provisions of this paragraph, **LONESTAR NGL** agrees that it shall not withhold consent necessary for termination as required by Section 312.208(b) of the Tax Code.

11. In the event the New Facility is completed and begins producing product or services "on-specification," but subsequently discontinues producing product or services for any reason excepting fire, explosion, or other casualty, accident, or natural disaster or governmental mandate, for a period of one (1) year during the abatement period, then this Agreement shall terminate. In the event of termination pursuant to the provisions of this paragraph, the abatement of the taxes for the calendar year during which the New Facility no longer produces shall terminate, but there shall be no recapture of prior years' taxes abated by this Agreement. The taxes otherwise abated shall be paid to the **COUNTY** prior to the delinquency date for such year. In no event shall **LONESTAR NGL** be required to pay such taxes within less than sixty (60) days of the termination.

X. ADMINISTRATION

12. This Agreement shall be administered on behalf of the **COUNTY** by the **BAYTOWN-WEST CHAMBERS COUNTY ECONOMIC DEVELOPMENT FOUNDATION (EDF)**. Upon completion of the New Facility, the **COUNTY** or its representative, the **EDF** shall annually evaluate the New Facility to ensure compliance with this Agreement.

13. The Chief Appraiser of the Chambers County Appraisal District shall annually determine (i) the taxable value pursuant to the terms of this abatement of the real and business personal property comprising this Reinvestment Zone and (ii) the full taxable value without abatement of the real and business personal property comprising this Reinvestment Zone. The Chief Appraiser shall record both the abatement taxable value and the full taxable value in the appraisal records. The full taxable value listed in the appraisal records shall be used to compute any recapture. Each year **LONESTAR NGL** shall furnish the Chief Appraiser with the information required by Chapter 22, Tax Code, V.T.C.A. Such information shall also be provided to the **COUNTY** in preparation of its annual evaluation for compliance with this Agreement. On or before May 1st of each year during the term of this Agreement, **LONESTAR NGL** agrees to certify annually to the governing body of each taxing unit that the New Facility is in material compliance with the terms of this Agreement.

14. If after notice of default and failure to cure, the **COUNTY** terminates this Agreement, it shall provide **LONESTAR NGL** written notice of such termination. In the event of termination, **LONESTAR NGL** may file suit in the Chambers County District Court appealing termination within ninety (90) days after receipt from the **COUNTY** of written notice of termination. If an appeal is filed, **LONESTAR NGL** shall remit to the **COUNTY** within sixty (60) days after receipt of the notice of termination, any recaptured taxes as may be payable during the pendency of the litigation under Section 42.08, Tax Code, V.T.C.A. If the final determination of the appeal increases **LONESTAR NGL**'s tax liability, **LONESTAR NGL** shall pay the additional tax to the **COUNTY** pursuant to Section 42.42, Tax Code, V.T.C.A. If the final determination of the appeal decreases **LONESTAR NGL** tax liability, the **COUNTY** shall refund to **LONESTAR NGL** the difference between the amount of tax paid and the amount of

tax for which **LONESTAR NGL** is liable together with interest pursuant to Section 42.43, Tax Code, V.T.C.A.

XI. ASSIGNMENT

15. **LONESTAR NGL** may assign this Agreement with the written consent of the **COUNTY**, which consent shall not be unreasonably withheld. Any assignment shall provide that the assignee shall irrevocably and unconditionally assume all the duties and obligations of the assignor upon the same terms and conditions as set out in this Agreement. Any assignment shall provide that the assignee shall irrevocably and unconditionally assume all the duties and obligations of the assignor upon the same terms and conditions as set out in this Agreement and in the Chapter 381 Economic Development Agreement executed in conjunction herewith to the extent applicable. No assignment shall be approved if **LONESTAR NGL** or the assignee is delinquent in ad valorem taxes due the **COUNTY**.

XII. NOTICE

16. Any notice required to be given under the provisions of this Agreement shall be in writing and shall be served when it is deposited, enclosed in a wrapper with the postage prepaid thereon, and by registered or certified mail, return receipt requested, in a United States Post Office, addressed to the **COUNTY** or **LONESTAR NGL**. If mailed, any notice shall be deemed to be received three (3) days after the date of deposit in the United States Mail. Unless otherwise provided in this Agreement, all notices shall be delivered to the following addresses:

To LONESTAR NGL:

LONESTAR NGL ASSET HOLDINGS II, LLC

C/O: KE ANDREWS
1900 DALROCK RD.
ROWLETT, TX 75088

To the COUNTY:

CHAMBERS COUNTY
HONORABLE COUNTY JUDGE JIMMY SYLVIA
404 WASHINGTON AVENUE
P.O. BOX 939
ANAHUAC, TX 77514

WITH A COPY TO:

BAYTOWN ECONOMIC DEVELOPMENT FOUNDATION
1300 ROLLINGBROOK DRIVE, STE. 505
BAYTOWN, TX 77521

Either party may designate a different address by giving the other party ten (10) days written notice.

XIII. AUTHORITY

17. Each of the parties hereto represents and warrants to the other party that (i) it has all requisite power and authority to execute and deliver, to perform its obligations under and to consummate the transactions contemplated by this Agreement and (ii) the execution and delivery of this Agreement, the performance of its obligations under and the consummation by each party of the transactions contemplated by this Agreement have been duly authorized by all requisite corporate authority on the part of **LONESTAR NGL** and by all requisite governmental authority on the part of the **COUNTY** and (iii) upon execution and delivery of this Agreement, this Agreement will constitute valid and binding legal obligations of such party.

XIV. EFFECTIVE DATE

18. This Agreement may be executed in counterparts and the effective date of the Agreement shall be the date the **COUNTY** executes this Agreement by and through its Commissioners Court, so authorizing, on the date of the countersignature hereto by the **CHAMBERS COUNTY JUDGE** on this 14th day of August, 2020.

XV. GOVERNING LAW

19. This Agreement shall be construed and interpreted in accordance with the laws of the State of Texas. It is further understood and agreed that any dispute arising out of or related to this Agreement shall be resolved in a court of competent jurisdiction in Chambers County, Texas. Nothing in this Agreement shall constitute a voluntary waiver by the **COUNTY** of its governmental immunity rights. Nothing in this Agreement shall be construed as the express or implied consent of the **COUNTY** to being sued.

XVI. MISCELLANEOUS

20. In the event any further documentation or information is required for this agreement to be valid, then the Parties to this agreement shall provide or cause to be provided such documentation or information. The Parties shall execute and deliver such documentation, including but not limited to any amendments, corrections, deletions or additions as necessary to this Agreement provided however that the Parties shall not be required to do anything that has the effect of changing the essential economic terms of this Agreement or imposing greater liability on the Parties. The Parties further agree that they shall do anything necessary to comply with any requirements to enable the full effect of this Agreement, provided, however that the Parties shall not be required to do anything that has the effect of changing the essential economic terms of this Agreement or imposing greater liability on the Parties.

21. In the event any section, subsection, paragraph, sentence, phrase or word herein is held invalid, illegal or unconstitutional, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase or word.

22. The **COUNTY** agrees to record a certified copy of this Agreement in the Deed Records of Chambers County, Texas.

23. This Agreement shall be construed under the laws of the State of Texas. Venue for any action under this Agreement shall be the State District Court of Chambers County, Texas.

24. This Agreement shall be subject to change, modification or, except in the event of default which has not been cured as provided herein, termination, only with the mutual written consent of the **COUNTY** and **LONESTAR NGL**.

25. This complete Agreement has been executed by the parties in multiple originals, each having full force and effect.

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By: LONESTAR NGL ASSET HOLDINGS II, LLC

By: Megan McKavanagh
(Signature)

Megan McKavanagh, Sr Mgr Property Tax
(Printed Name and Title)

Sept 4, 2020
(Date)

ATTEST:

Laura Andrews
(Signature)

LAURA ANDREWS, SUPERVISOR
(Printed Name and Title)

By: CHAMBERS COUNTY

By: [Signature]
(Signature)

Jimmy Sylvia, County Judge
(Printed Name and Title)

August 12, 2020
(Date)

ATTEST:

Heather H. Hawthorne
(Signature)

Heather H. Hawthorne, County Clerk
(Printed Name and Title)

EXHIBIT A



KE Andrews & Co.
1900 Dalrock Road
Rowlett, Texas 75088

January 11, 2019

The Honorable Judge Jimmy Sylvia
404 Washington Street
P.O. Box 939
Anahuac, Texas 77514

RE: Lonestar NGL Asset Holdings II, LLC Frac VIII – Chapter 381 Tax Abatement Application

Dear Judge Sylvia:

Lonestar NGL Asset Holdings II, LLC has approved and intends to construct its 8th fractionation facility in Chambers County, Texas. This facility will allow Lonestar NGL Asset Holdings II, LLC the ability to process raw natural gas liquids into useable products. The estimated investment for this project is \$265,000,000.

The facility will have a capacity of 120,000 barrels per day of natural gas liquids. Construction is anticipated to commence in October of 2019, and the facility will be fully operational by November of 2020. During the construction phase, the facility will create approximately 300 jobs. Upon completion of construction, there will be at minimum 12, full-time salaried positions in Mont Belvieu for the maintenance and operation of the facility.

On behalf of Lonestar NGL Asset Holdings II, LLC we are respectfully requesting the consideration of a tax abatement agreement with Chambers County, giving effect to a ten (10) year tax abatement agreement, the terms of which are to be negotiated consistent with the county's economic development policy. Attached is our application for the property tax abatement.

We look forward to discussing a potential Chapter 381 Economic Development Agreement with you and the Commissioners Court. We appreciate your time and consideration, and would also like to express our gratitude for allowing Lonestar NGL Asset Holdings II, LLC the opportunity to have continued growth in Chambers County.

If you have any questions, feel free to contact me by either phone or email at 469-298-1594 or mike@keatax.com

Sincerely,

Mike Fry
Enclosures

APPLICATION FOR TAX ABATEMENT IN CHAMBERS COUNTY, TX

This application should be filed at least 90 days prior to the proposed date for beginning of construction or the installation of fixed machinery and equipment. **Projects that have begun construction (including earthwork) prior to County approval of final contracts are ineligible.** The filing of this document acknowledges familiarity and conformance with Guidelines and Criteria for Tax Abatement in Chambers County (attached). This application will become part of the agreement and any knowingly false representations will be grounds to void the agreement. Original copy of this request should be submitted to the County Judge Jimmy Sylvia, 404 Washington Avenue, P. O. Box 939, Anahuac, Texas 77514 if the property is located outside the corporate limits of a municipality. If the property is within the corporate limits of a municipality, the application should be submitted to the city manager of the municipality or city administrator. Note: Approval of this application is only 1 step in securing tax abatement. The applicant must provide other legal documents.

Upon approval, the applicant must maintain membership in the Baytown-West Chambers County Economic Development Foundation, commencing the date of agreement and extending for the term of this agreement, at the standard rate for similar size companies as established by the Foundation.

APPLICANT INFORMATION

Date: January 10, 2019

Company Name: Energy Transfer
Address: 800 E. Sonterra Blvd., Suite 400
City: San Antonio State: Texas Zip-Code: 78258-3941

APPLICANT MUST SUBMIT ANNUAL REPORT. (See instructions).

Number of Employees: N/A
Annual Sales: N/A
Corporation: Partnership: Proprietorship:

PROJECT INFORMATION

Type of Facility

See Instructions

- Manufacturing Facility
- Wholesale Distribution Facility
- Research Facility
- Service Facility
- Entertainment & Recreation Facility
- Other Basic Industry

Proposed Project Location Address and Legal Description:

Attach map and/or aerial showing proposed site-*attached*

Jurisdictions:

School District Barbers Hill Independent School District
College District N/A
City or Town N/A

Describe Product or ServiceProject Description:

Attach narrative(s) fully explaining the project, describe existing site and proposed improvements and provide list of improvements and fixed machinery and equipment for which abatement is requested.

 NEW PLANT EXPANSION MODERNIZATION**ECONOMIC INFORMATION****Construction Estimates:**

Start Month/Year October /2019 Construction Man Years 1
 Completion Date November/2020 Peak Construction Jobs 300

If Modernization:

Estimated Economic Life of Existing Plant N/A Years
 Added Economic Life from Modernization N/A Years

Permanent Employment Estimates (PEE'S)

Current Plant Employment 0
 Number of Plant Jobs Retained or Created
 At start/opening 12 in year 2020
 5 years into operation 12 in year 2025

Estimated Appraised Value on Site

	Personal	Improvements	Land
Value January 1 Preceding Abatement Agreement:	<u>\$0</u>	<u>\$0</u>	<u>\$1,104,460</u>
Est. Value of Improvements:	<u>\$0</u>	<u>\$265,000,000</u>	<u>\$1,104,460</u>
Est. Value of Abated Properties After Abatement Expires:	<u>\$0</u>	<u>\$159,000,000</u>	<u>\$1,104,460</u>
Value upon Completion of Project – Personal Property and Project Improvements Not Subject To Abatement:	<u>\$0</u>	<u>\$53,000,000</u>	<u>\$1,104,460</u>

VARIANCE

Is the applicant seeking a variance under Section 4 (e) of the guidelines? YES NO
If "YES", attach required supplementary information.

OTHER ABATEMENTS. Has the company made application for abatement for this project to other taxing jurisdictions or nearby counties? YES NO. If "YES" please provide dates of application, hearing dates if held or scheduled, name of jurisdictions and contacts, and letter of intent.
Barbers Hill ISD- Submission Date: TBD; Hearing Date: TBD; Contact: Dr. Greg Poole

COMPANY REPRESENTATIVE TO BE CONTACTED:

NAME: Mike Fry

Megan McKavanagh
Signature of Company Official

TITLE: Director-Energy Services

ADDRESS: 1900 Dalrock

CITY: Rowlett

TELEPHONE: 469-298-1594

STATE: TX

ZIP-CODE: 75088

Megan McKavanagh - Sr Mgr
Name & Title of Company Official *Property Tax*

INSTRUCTIONS

Applicant and projects must meet the requirements established in the Guidelines and Criteria (attached) in order to receive positive consideration. Section 3 of the Guidelines, for example, sets out improvements, terms and economic qualifications. Conformance with all sections, however, is required for eligibility.

APPLICANT INFORMATION

The taxing unit may consider applicant's financial capacity in determining whether to enter into an abatement agreement. Established companies for which public information is available, or the wholly owned businesses of such companies, should include with the application a copy of their latest annual report to stockholders. Other applicants and new companies should attach a statement showing when the company was established; business references (name, contact and telephone number of principal bank, accountant and attorney) and may be required to submit an audited financial statement and business plan.

PROJECT INFORMATION

Only facilities listed in Section 3(a) of the Guidelines may receive abatement without applying for a variance. Check guideline definitions in Section 2 to confirm project qualification.

ECONOMIC INFORMATION

Permanent Employment Estimates – In estimating the permanent employment, include the total number of jobs retained or created at this site by your firm as well as known permanent jobs of service contractors required for operation.

Estimated Appraised Value on Site – The value January 1st preceding abatement should be the value established by the Chambers County Appraisal District. If the applicant must estimate value because the taxable value is not known or is combined with other properties under a single tax account, please so state. To qualify, the abated properties must be expected to result in an addition to the tax base of at least five hundred thousand dollars (\$500,000.00) after the period of abatement expires. Projections of value should be a “best estimate” based on taxability in Texas. The projection of project values not abated should include personal property and ineligible project-related improvements such as office space in excess of that used for plant administration, housing, etc.



Lonestar NGL Asset Holdings II, Frac VIII

Project Description

Detailed Description and Process for Proposed Project

Lone Star NGL Asset Holdings II, LLC is proposing to construct a NGL fractionator in Chambers County, Texas. The facility will be located in the western portion of the county. Additionally, the entirety of the project will be within Barbers Hill Independent School District. Please find attached maps that further define the location of the facility.

Frac VIII will be a NGL fractionator with a total plant capacity of 120,000 barrels per day located within a reinvestment zone in Chambers County, Texas. Construction is anticipated to commence in October 2019. The hiring of new employees will begin in April 2020, and the purchase of equipment and machinery will begin in April 2019. Construction is projected to be complete by November 2020, when the plant will also be fully operational.

Lone Star NGL Asset Holdings, LLC (Frac VIII) requests that this application includes but is not limited to the following components of this project:

- Deethanizer
- Depropanizer
- Debutanizer
- Associated Towers
- Heat Medium
- Gasoline Treater
- Compression Equipment

NGL Fractionation

NGL fractionation is the process of manufacturing raw NGL mix produced by natural gas processing plants into discrete NGL purity components (i.e., ethane, propane, normal butane, iso-butane, and natural gasoline).

Fractionation Process

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



been separated into its purity components. This facility will also be built with the necessary equipment to produce International Grade Propane.

Demand for NGL's

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

The following factors influence demand for each individual NGL component:

- **Ethane.** Essentially all of the ethane extracted from natural gas liquids is consumed by the petrochemical industry as a feedstock for ethylene production. (Ethylene is a building block for polyethylene, which is the most popular plastic in the world).
- **Propane.** Approximately 25-30% of propane is used as a feedstock by the petrochemical industry to produce ethylene and propylene. (Like ethylene, propylene is an important building block used in the manufacture of plastics.) The bulk of remaining demand for propane is primarily as a heating fuel in the residential and commercial markets.
- **Normal butane.** Normal butane is used as a petrochemical feedstock for the production of ethylene and butadiene (used to make synthetic rubber), as a blendstock for motor gasoline, and as a feedstock to create isobutene.
- **Isobutane.** Isobutane has the same molecular formula as a normal butane, but a different structural formula (i.e., atoms are rearranged). Isobutane is used refinery alkylation to enhance the octane content of motor gasoline.
- **Natural gasoline:** Natural gasoline is used primarily as a blendstock.



Lonestar NGL Asset Holdings II, LLC is operated by ETC Texas Pipeline, LTD, a leading midstream company whose primary activities include gathering, treating, processing, and transporting natural gas and natural gas liquids to a variety of markets and states. Currently, Energy Transfer operates over 34,050 miles of pipeline, 32 gas processing plants, 19 gas treating facilities, and 3 gas conditioning plants. The states where these operations are located include Arizona, New Mexico, Utah, Colorado, Kansas, Oklahoma, Texas, Arkansas, and Louisiana.

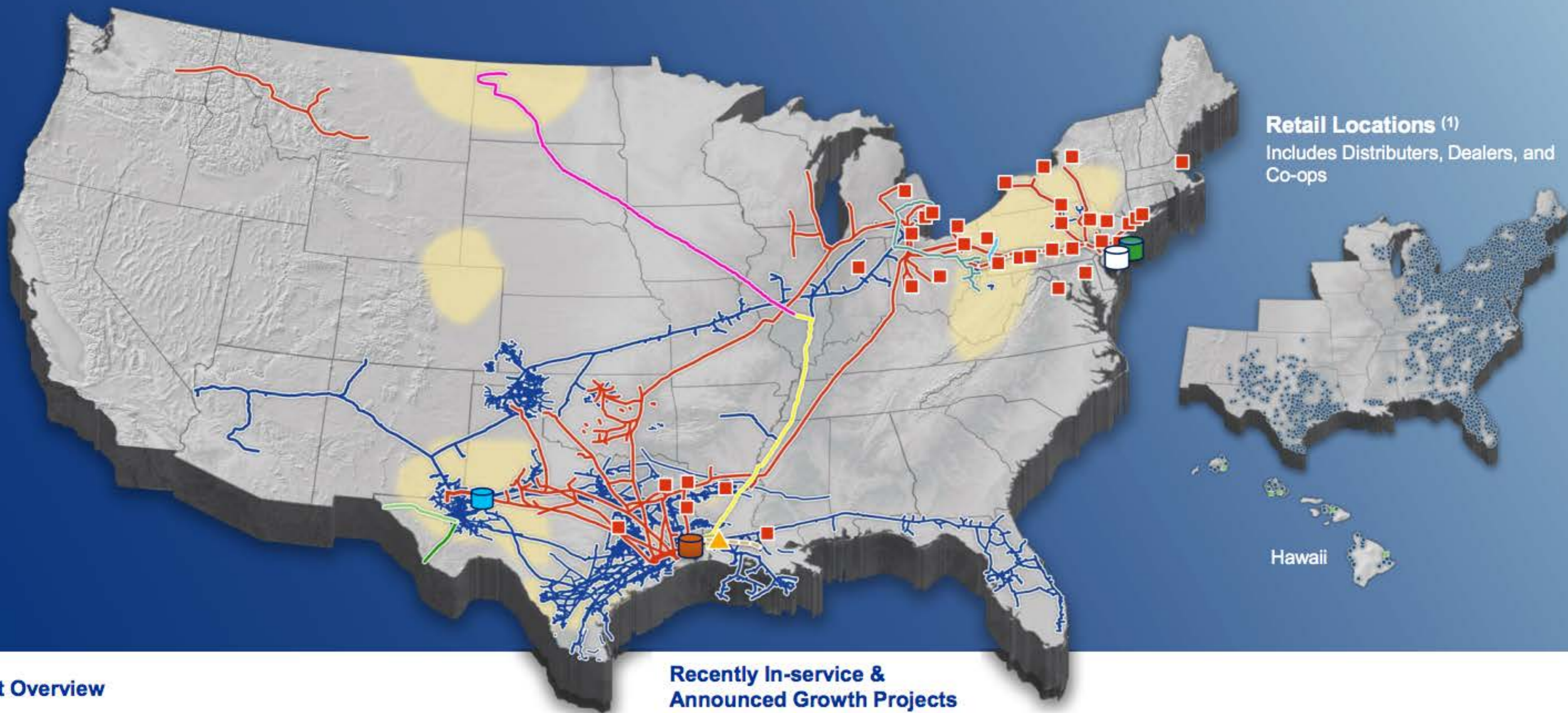
As the primary available property tax incentive in Texas, a 313 agreement is vital to the proposed Frac VIII Plant economics. Approval of such agreement will be an influential factor in determining the establishment of the plant, especially since there are multiple other potential projects presently competing for the same capital expenditures by the company, including possible plants in Louisiana and in New Mexico where similar property tax incentives such as the following are also offered:

- Louisiana offer a 10-year, 100% property tax abatement under that state's Industrial Tax Exemption program as well as additional state sales tax incentives
- New Mexico offers Industrial Revenue Bonds and Job Training incentive programs

The vast footprint of ETC provides substantial flexibility in where future facilities or investments may be located. Capital investments are allocated to projects and locations based on expected economic return and property tax liabilities can make up a substantial ongoing cost of operation. In the event a 313 agreement is not permitted, Energy Transfer will relocate Frac VIII to another area more financially viable for the continuation of this project. Unfortunately, this would also dismiss Chambers County from receiving the economic benefits associated with the development of an additional natural gas processing plant within their county. It is our goal to reach a 313 value limitation agreement for Frac VIII for the benefit of both Chambers County, Texas, and Energy Transfer.



SIGNIFICANT GEOGRAPHIC FOOTPRINT ACROSS THE FAMILY



Asset Overview

- ETP Assets
- SXL Assets
- Terminals
- Marcus Hook
- Eagle Point
- Nederland
- Midland

Recently In-service & Announced Growth Projects

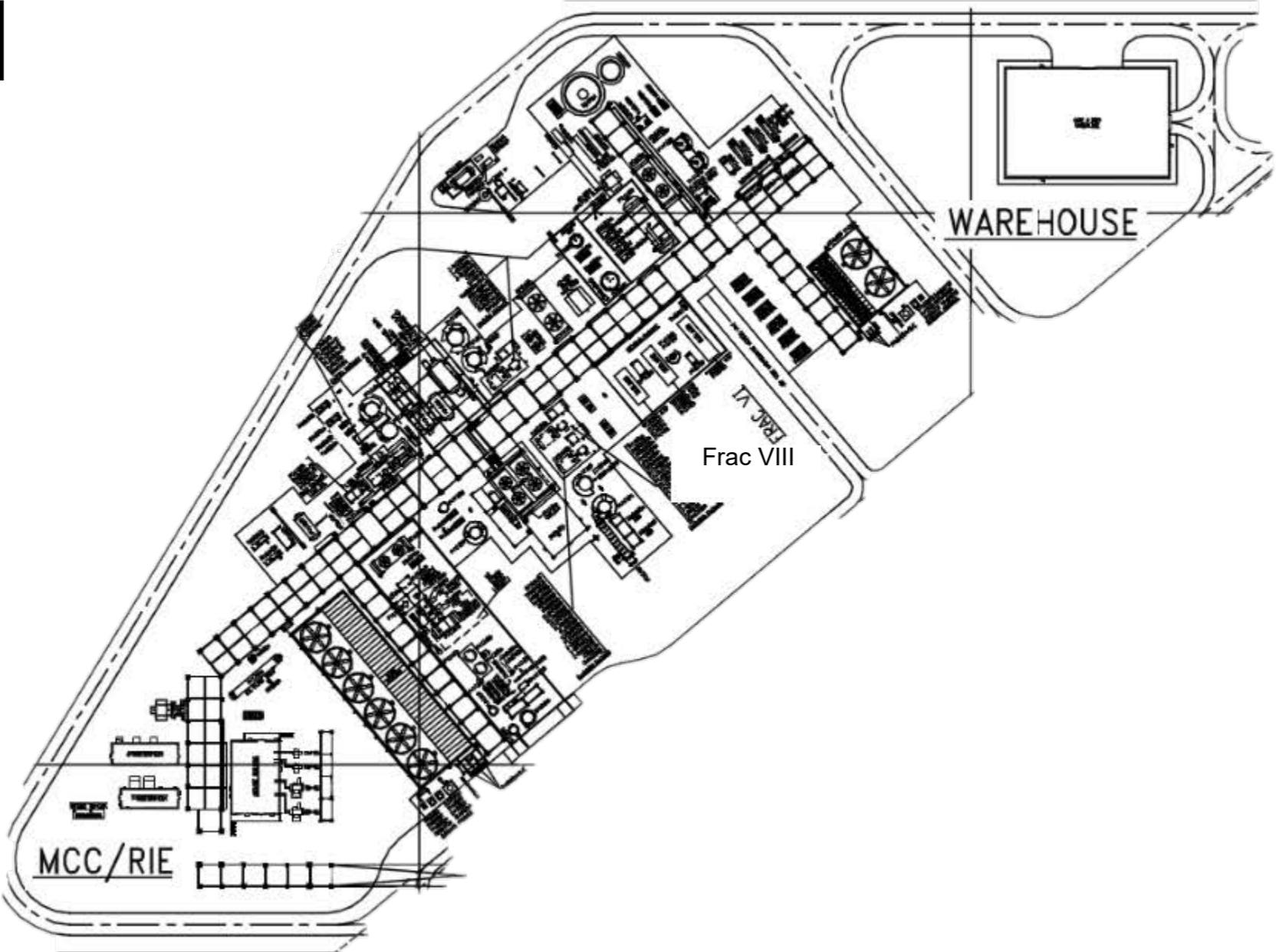
- Lake Charles LNG
- Dakota Access Pipeline
- Crude Conversion Pipeline
- Comanche Trail Pipeline
- Trans-Pecos Pipeline
- Bayou Bridge
- Rover Pipeline
- Revolution System
- Mariner East Phase 2

Retail Locations (1)
Includes Distributors, Dealers, and Co-ops

Hawaii

(1) Represents Sunoco LP retail locations. On April 6, 2017, Sunoco LP announced the partnership will be divesting approximately 1,100 convenience stores to 7-Eleven. Sunoco LP is currently marketing another 207 convenience stores in North and West Texas, New Mexico and Oklahoma. SUN plans to exit the company-operated convenience store business in the Continental United States during 2017.




Frac VIII Schematic



Frac VIII

within Barbers Hill ISD & Chambers County

Legend

-  Barbers Hill ISD
-  Chambers County
-  Frac VIII Proposed Site

Frac VIII Proposed Site
(yellow placemark)

Barbers Hill ISD
(blue border)

Chambers County
(red border)

Frac VII Proposed Site

Google Earth



Image Landsat / Copernicus
Data SIO, NOAA, U.S. Navy, NGA, GEBCO

10 mi



Potential Plant Site (zoom)

Legend

-  Reinvestment Zone
-  Proposed Site and Reinvestment Zone

Reinvestment Zone (red border)

Proposed Site (Frac VIII)

Proposed Site and Reinvestment Zone

1942

146

Crosby Rd

Mont Belvieu

207



State Hwy 146 S

Cedar Hill Dr



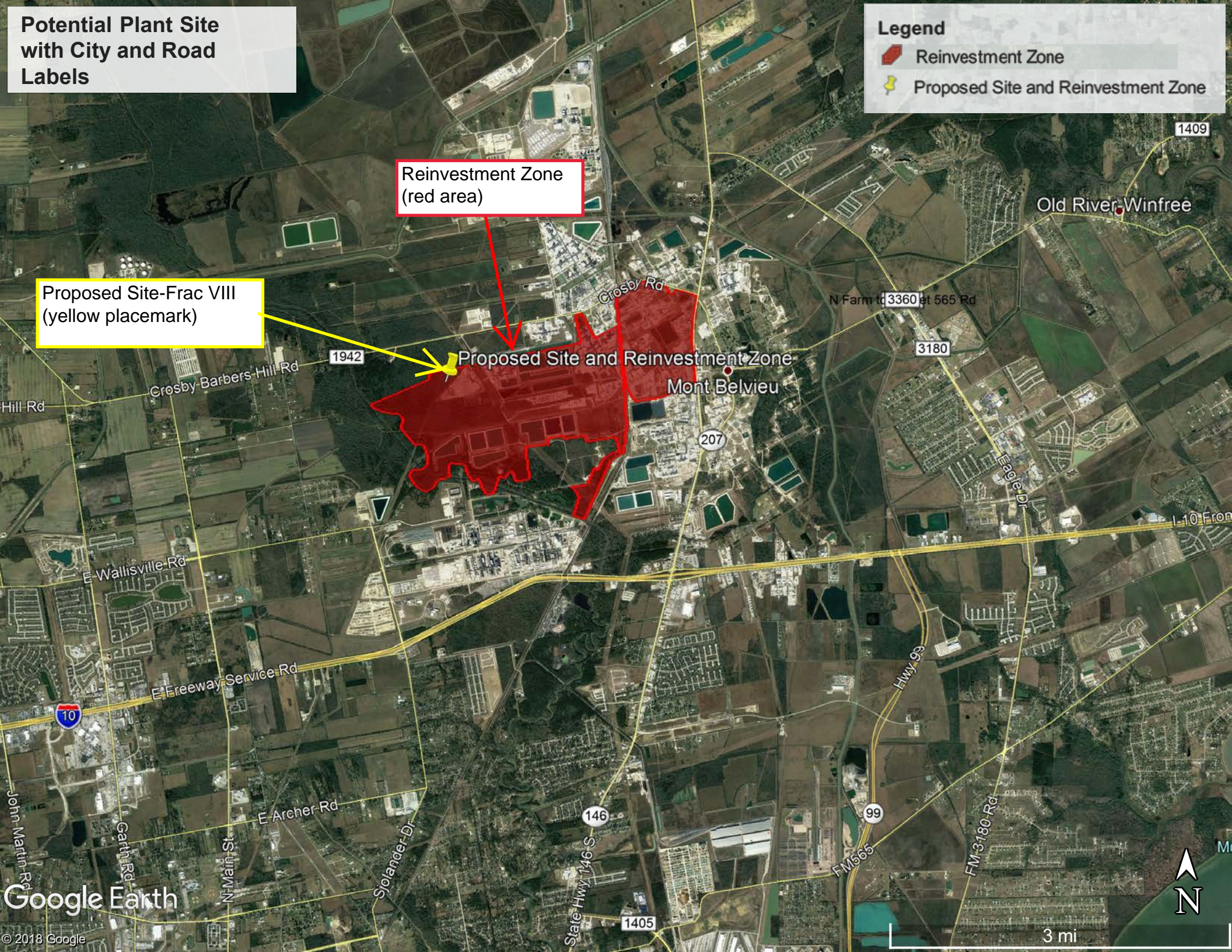
Potential Plant Site
with City and Road
Labels

Legend

-  Reinvestment Zone
-  Proposed Site and Reinvestment Zone

Reinvestment Zone
(red area)

Proposed Site-Frac VIII
(yellow placemark)





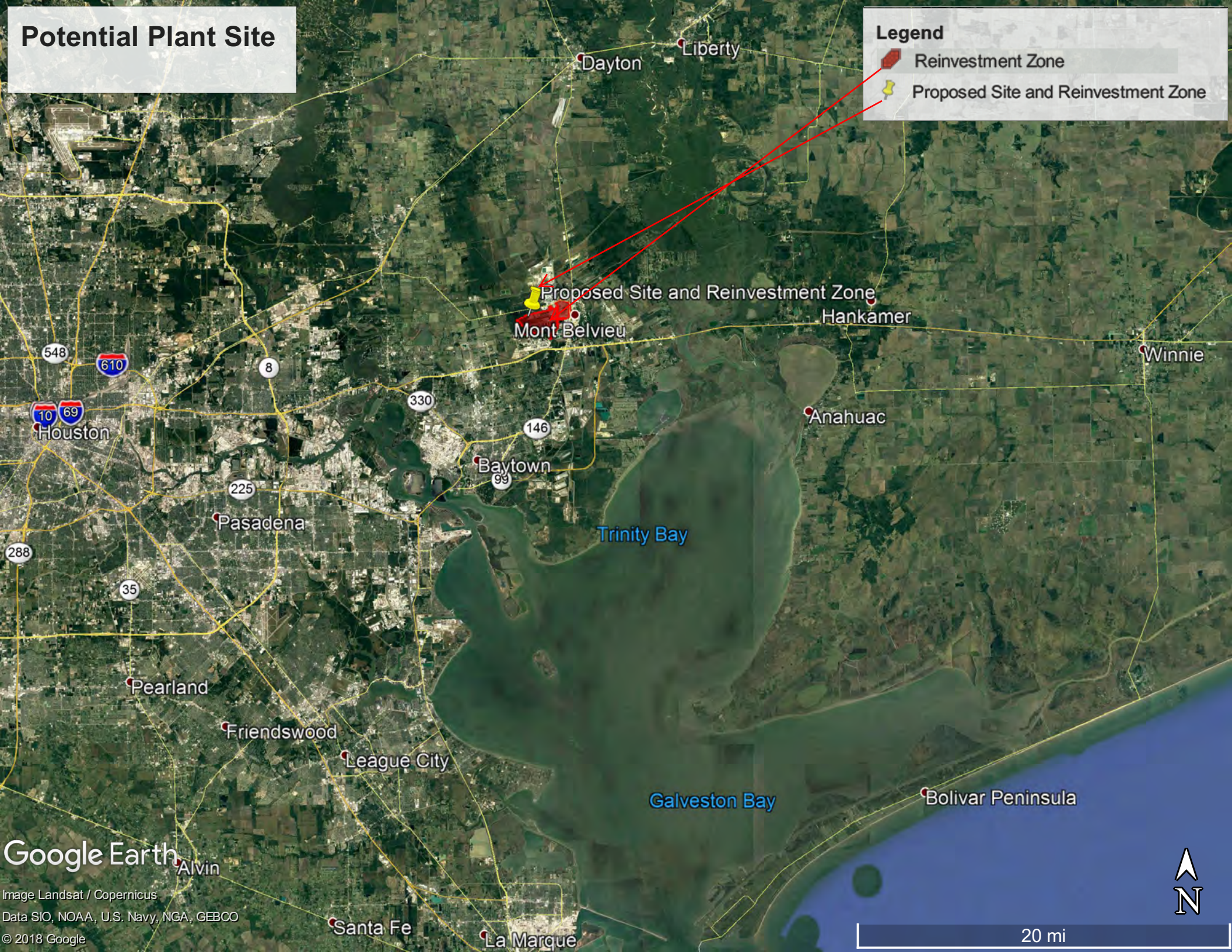
Proposed Site and Reinvestment Zone
Mont Belvieu



Potential Plant Site

Legend

-  Reinvestment Zone
-  Proposed Site and Reinvestment Zone



Google Earth

Image Landsat / Copernicus
Data SIO, NOAA, U.S. Navy, NGA, GEBCO
© 2018 Google

20 mi

Project Area Map
Frac VIII Schematic; inside yellow project area & red reinvestment zone

Legend

- Project Area
- Reinvestment Zone

Reinvestment Zone
(red shaded area)

Project Schematic -Frac VIII
(yellow border)

Frac VIII


WAREHOUSE

MCC/RIE



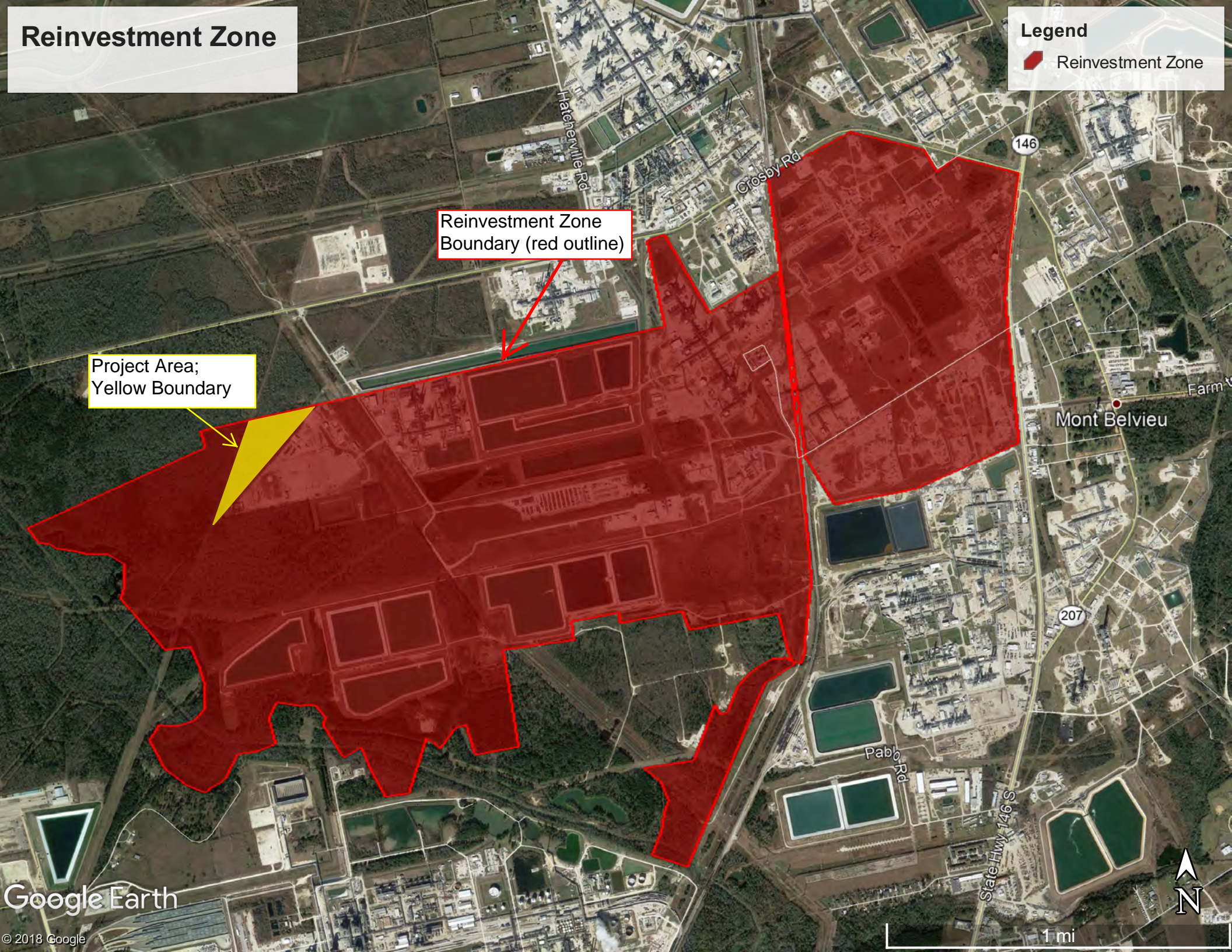
Reinvestment Zone

Legend

 Reinvestment Zone

Reinvestment Zone
Boundary (red outline)

Project Area;
Yellow Boundary



**NOTICE OF PUBLIC HEARING REGARDING CREATION OF THE
LONE STAR NGL 2015 REINVESTMENT ZONE**

Notice is given that LONE STAR NGL ASSET HOLDINGS II, LLC (“LONE STAR”) has applied to the Commissioner’s Court of CHAMBERS COUNTY, TEXAS (“the Court”) for the creation of a commercial – industrial reinvestment zone within Chambers County, Texas. LONE STAR has requested that an 84.98-acre tract of land owned by it, located in the W-D SMITH SURVEY, Abstract No. 24, TRACT 7-1, Chambers County, Texas (“the property”) be designated a reinvestment zone by the Court, thereby permitting LONE STAR to seek tax abatement from Chambers County, Texas, on improvements proposed to be constructed on the property. The LONE STAR Application for Tax Abatement and Request for Designation of the LONE STAR 2015 Reinvestment Zone were submitted to the Court on December 9, 2014 and August 11, 2015, respectively.

The required hearing on the designation/creation of the reinvestment zone will be conducted by the Court on Tuesday, August 25, 2015, at 10:00 a.m. in the courtroom of the Chambers County Court located in the Chambers County Courthouse, 404 Washington Avenue, Anahuac, Texas 77514. All persons interested in such application or desiring to comment thereon are invited to attend and participate in such hearing.

DATED: August 11, 2015

CHAMBERS COUNTY COMMISSIONERS COURT
ANAHUAC, TEXAS

LONE STAR PROPERTY DESCRIPTION

84.98 acres of land in the W-D SMITH SURVEY, Abstract No. 24, TRACT 7-1,
Chambers County, Texas.



Google earth



**ORDER DESIGNATING/CREATING
LONE STAR 2015 REINVESTMENT ZONE**

On August 25, 2015, at a public meeting of the Commissioners Court of CHAMBERS COUNTY, TEXAS ("the Court"), the Court conducted a hearing on the application of LONE STAR NGL ASSET HOLDINGS II, LLC ("Lone Star") for the creation of the Lone Star NGL 2015 Reinvestment Zone ("the Reinvestment Zone").

The Court finds and declares that:

1. The Court has adopted tax abatement guidelines and policies which are now in effect, thereby electing to become eligible to participate in tax abatement.
2. Lone Star has applied, in a timely and adequate fashion, for tax abatement on a proposed project to be developed within the Reinvestment Zone.
3. All notices and legal requirements have been given and/or satisfied prior to the consideration by the Court of the creation of the Reinvestment Zone. Specifically, notice of today's hearing was published in the manner required by law and notice was timely given to the presiding officer of other taxing units of government as required by law.
4. The designation of the Reinvestment Zone will contribute to the retention or expansion of primary employment and will attract major investment in the zone that will be a benefit to the property to be included in the Reinvestment Zone and will contribute to the economic development of the County and surrounding area.
5. The improvements sought to be made are feasible and practical and will be a benefit to the land to be included in the Reinvestment Zone.
6. The area requested to be designated as a reinvestment zone meets the criteria for designation as such in one of more ways as specifically provided by law.

Insert
15-08-504

Therefore, upon motion made by Commissioner Huddleston
seconded by Commissioner Senac and passed _____,
be it RESOLVED and ORDERED by the Court that the 84.98-acre tract of land,
more or less, described in the attached Exhibit " LONE STAR PROPERTY
DESCRIPTION" (2 pages) is hereby designated as the LONE STAR NGL 2015
REINVESTMENT ZONE and is eligible for commercial / industrial tax
abatement.

PASSED and ADOPTED August 25, 2015.

CHAMBERS COUNTY, TEXAS

By: _____


JUDGE JIMMY SYLVIA,
Chambers County Judge

ATTEST




HEATHER H. HAWTHORNE, County Clerk

**APPLICATION FOR DESIGNATION / CREATION
OF THE LONE STAR NGL 2015 REINVESTMENT ZONE**

TO THE CHAMBERS COUNTY COMMISSIONERS COURT:

LONE STAR NGL ASSET HOLDINGS II, LLC ("LONE STAR") files this application and requests the designation / creation of a commercial-industrial reinvestment zone under Texas Tax Code Chapter 312. The property requested to be designated as a commercial-industrial reinvestment zone is 84.98 acres of land ("the property") in the W-D SMITH SURVEY, Abstract No. 24, TRACT 7-1, Chambers County, Texas, as it is particularly described in the attached Exhibit 1 " LGH TRACTS", which consists of 3 pages. LONE STAR controls the property and the property is located in Chambers County, Texas, and in the City of Baytown's extraterritorial jurisdiction.

LONE STAR has filed an application for tax abatement with Chambers County, Texas. LONE STAR seeks abatement of ad valorem taxes from Chambers County on approximately \$308 million in commercial-industrial improvements to be constructed on the property. The proposed improvements subject to the proposed abatement are generally described in the attached Exhibit 2.

Notice of the required public hearing relating to the designation / creation of this requested commercial-industrial reinvestment zone will be timely given, published and/or posted as required by law. A hearing on the application is requested before the Chambers County Commissioner's Court on August 11, 2015.

SIGNED (Date) 8/5/15

LONE STAR NGL ASSET HOLDINGS II, LLC

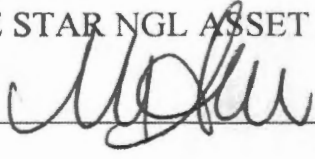
By: 

Exhibit 1:

LGH Tracts



Google earth



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

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

Non LGH Parcels

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