

THE STATE OF TEXAS §
 §
COUNTY OF BRAZORIA §

**SECOND MODIFICATION TO
TAX ABATEMENT AGREEMENT FOR PROPERTY LOCATED IN
BRAZORIA COUNTY REINVESTMENT ZONE NO. 21-01**

This **Second Modification to Tax Abatement Agreement** (hereinafter referred to as the “Second Modification”) is made and entered into by and between Brazoria County ("County") and **FREEPORT LNG DEVELOPMENT, LP**, a Limited Partnership authorized to do business in Texas, and **FLNG LIQUEFACTION 4, LLC**, a Limited Liability Company authorized to do business in Texas ("Owner"), the owner of taxable real property in Brazoria County, Texas, located in the **BRAZORIA COUNTY REINVESTMENT ZONE NO. 21-01** ("Reinvestment Zone").

AUTHORIZATION

This Second Modification is authorized under Section 312.208 of the Texas Tax Code because (i) the provisions of this modification could have been included in the original Agreement and (ii) this modification has been entered into following the same procedure in which the application was approved and executed.

RECITALS

The County and Owner hereby agree that the following statements are true and correct and constitute the basis upon which the County and Owner have entered into this Second Modification.

1. The County and Owner previously entered into a Tax Abatement Agreement (attached hereto as Exhibit “1”) on file in the County Clerk’s Office under Commissioners Court Order No. 7.M.5 and approved on March 23, 2021 (the “**Agreement**”). Under the Agreement, Owner agreed to construct certain real property improvements on property in the County and located within the Brazoria County Reinvestment Zone No. 21-01 in return for certain real property tax abatements granted to Owner by the County. On August 9, 2022, Court Order 6.C.2, Brazoria County Commissioners Court approved a Modification to Tax Abatement Agreement which delayed the commencement and completion deadlines (also part of Exhibit “1” attached hereto).

2. The term of the abatement was to be effective on January 1, 2025.

3. Owner has requested County to modify the Agreement to permit Owner to delay the effective date of the Agreement to extend beyond January 1, 2025.

4. Because Owner has not begun the project and the abatement period will not extend beyond the seven years granted with the change in the effective date, the County is willing to allow Owner to delay the effective date of the Agreement.

NOW THEREFORE, the County and Owner, for and in consideration of the terms and conditions set forth herein, do hereby contract, covenant and agree as follows:

A. Section IV. VALUE AND TERM OF ABATEMENT is hereby modified to read as follows:

4.01 This Tax Abatement shall be effective January 1, 2030, or the January 1st after construction commences, whichever occurs first and shall continue for a period of ten (10) years, or one-half (½) the productive life of the improvements, whichever is less. Owner shall provide notice of construction commencement to the County within 30 days of such commencement. One hundred percent (100%) of the value of New Eligible Properties shall be abated subject to Section 4.03 herein below.

4.02 Pursuant to the above-provisions and subject to Section 4.03 herein below, the term of abatement under this Agreement shall commence January 1, 2030 and continue through December 31, 2039 unless construction commences prior to 2029. In such case, the term of the Agreement shall commence the January 1st after construction commences and continue for a period of ten years. The benefits of abatement shall continue throughout the last year in which abatement is applied as long as the property and property owner continue to qualify for abatement throughout the last year.

4.03 If pursuant to the above Section 4.01, it is determined upon completion of improvements, or at any time thereafter (including after the term of abatement otherwise granted under this Agreement) that one-half (½) the productive life of improvements is less than the term of years of abatement under this Agreement, the term of abatement shall be reduced to one-half (½) the productive life of the improvements and Owner shall pay to County the full amount of taxes otherwise abated in each year in which the term of abatement exceeded one-half (½) of the actual productive life of the improvements. The amount of taxes for part of a year, if applicable, shall be determined by proration (by multiplying the amount of abated taxes for the entire year by a fraction, the denominator of which is 365 and the numerator of which is the number of days in excess of the term of abatement represented by one-half (½) of the actual productive life of the improvements). Any recapture hereunder shall be payable within sixty (60) days of written notice. Owner shall certify by statement to County and the Brazoria County Appraisal District the estimated productive life of improvements upon completion of the construction; provided, however Owner's estimate of productive life shall not control the operation of this subsection.

4.04 Owners payment obligation under Section 4.03 is a continuing obligation. Owner understands and agrees that this Agreement mandates that Owner's abated improvements be in active service and operation as part of a facility operating in a producing capacity for a period of twenty (20) years from the effective commencement date of this agreement in order for Owner to receive ten (10) full years of abatement that are not subject to the term reduction and

recapture/payment obligation provisions of Section 4.03 of this Agreement.

B. Section 6.05 is modified to read as follows:

6.05 The Owner estimates that construction of the improvements will begin on or before December 31, 2029.

C. Section 7.01 is modified to read as follows:

7.01 During the abatement period covered by this Agreement, the County may declare a default hereunder by the Owner if:

- (a) the Owner fails to commence construction of the new facility described in Section VI above, and the Application attached hereto as Exhibit A by December 31, 2029;
- (b) the Owner fails to construct the new facility described in Section VI above;
- (c) the Owner refuses or neglects to comply with any of the terms of this Agreement;
- (d) any representation made by the Owner in this Agreement is false or misleading in any material respect; or
- (e) the constructed facility fails to meet the economic qualifications of Section 2(h) of the Brazoria County Guidelines & Criteria for Granting Tax Abatement. The economic qualifications of Section 2(h) of the Brazoria County Guidelines and Criteria for Granting Tax Abatement expressly include the requirement that the level of employment stated in the Application for the property that is the subject of the Tax Abatement Agreement be maintained for the duration of the abatement period.

D. Section 9.04 is modified to read as follows:

9.04 Owner has a continuing obligation for a period of twenty (20) years from the effective commencement date of this Agreement to report to the County any plant closure or permanent cessation of production at the abated facility and to furnish to County upon request a written confirmation as to whether or not the abated improvements are in service as part of a producing facility or, if applicable, a statement of the beginning and ending dates of production from and/or the beginning and ending dates of operation of the abated facility improvements; or to provide other similar information necessary to determine the actual or estimated productive life of the abated improvements.

E. Except as otherwise specifically amended in this Second Modification, the Agreement shall remain in full force and effect.

F. This Second Modification contains the entire understanding and agreement between the County and Owner, their assigns and successors in interest, as to the matters contained herein.

This Second Modification is executed by the parties in multiple originals, each having full force and effect, and the effective date of this agreement is the date of the countersignature of the County Judge.

BRAZORIA COUNTY

By: _____
L.M. "MATT" SEBESTA, JR.
COUNTY JUDGE
BRAZORIA COUNTY, TEXAS

Date signed: _____

FREEPORT LNG DEVELOPMENT, LP

By: Freeport LNG-GP, LLC, its sole general partner

By: _____
Name: _____
Title: _____

Date signed: _____

FLNG LIQUEFACTION 4, LLC

By: _____
Name: _____
Title: _____

Date signed: _____