Rebel II
As of: 1/1/2015
Year 1 Ending: 12/31/2015

Property Tax: 0.24706%
Cost: $ 105,000,000

KE ANDREWS
VALUATION • TAX • SOLUTIONS

Glasscock County

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Terminal Year
Revenue	$ -	$ -	$ 15,136,957	$ 25,339,700	$ 25,339,700	$ 25,339,700	$ 25,339,700	$ 25,339,700	$ 25,339,700	$ 25,339,700	$ 25,339,700	$ 25,339,700	$ 25,339,700
% Growth				*67.40%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
Operating Expenses	$ -	$ -	$ 2,677,946	$ 3,272,960	$ 3,339,022	$ 3,406,418	$ 3,475,175	$ 3,545,319	$ 3,616,879	$ 3,689,883	$ 3,764,419	$ 3,689,883	$ 3,689,883
G&A Expenses	$ -	$ -	$ 803,384	$ 981,888	$ 1,001,707	$ 1,021,925	$ 1,042,552	$ 1,063,596	$ 1,085,064	$ 1,106,965	$ 1,129,326	$ 1,152,138	$ 1,152,138
Property Tax		$ 222,354	$ 215,683	$ 209,013	$ 202,342	$ 195,672	$ 189,001	$ 182,330	$ 175,660	$ 168,989	$ -	$ 155,648	$ 148,977
EBITDA	$ -	$ (222,354)	$ 11,439,944	$ 20,875,840	$ 20,796,629	$ 20,715,685	$ 20,632,972	$ 20,548,455	$ 20,462,098	$ 20,373,863	$ 20,445,956	$ 20,342,031	$ 20,348,701
Margin %			*75.58%*	*82.38%*	*82.07%*	*81.75%*	*81.43%*	*81.09%*	*80.75%*	*80.40%*	*80.69%*	*80.28%*	*80.30%*
Growth Capex	$ 27,631,579	$ 66,315,789	$ 11,052,632	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Free Cash Flow	$ (27,631,579)	$ (66,538,143)	$ 387,313	$ 20,875,840	$ 20,796,629	$ 20,715,685	$ 20,632,972	$ 20,548,455	$ 20,462,098	$ 20,373,863	$ 20,445,956	$ 20,342,031	$ 20,348,701
Cumulative Free Cash Flow	$ (27,631,579)	$ (94,169,722)	$ (93,782,410)	$ (72,906,570)	$ (52,109,941)	$ (31,394,256)	$ (10,761,284)	$ 9,787,171	$ 30,249,269	$ 50,623,132	$ 71,069,087	$ 91,411,118	$ 111,759,819
Partial Period Adjustment	1	1	1	1	1	1	1	1	1	1	1	1	
Mid Year Convention	0.50	1.50	2.50	3.50	4.50	5.50	6.50	7.50	8.50	9.50	10.50	11.50	
Present Value Factor @ 9.50%	0.96	0.87	0.80	0.73	0.66	0.61	0.55	0.51	0.46	0.42	0.39	0.35	
Present Value of Free Cash Flow	$ (26,405,758)	$ (58,069,689)	$ 308,693	$ 15,194,784	$ 13,823,863	$ 12,575,395	$ 11,438,525	$ 10,403,352	$ 9,460,850	$ 8,602,789	$ 7,884,228	$ 7,163,610	

Sum of Present Value of Free Cash Flows	$ 12,380,640
Present Value of Terminal Value	$ 84,170,289
Operating Business Enterprise Value	**$ 96,550,929**
Working Capital Excess/(Deficit)	$ -
Total Business Enterprise Value	**$ 96,550,929**
IRR	13.32%
Total Business Enterprise Value w/Agreement	**$ 96,550,929**

Terminal Cash Flow	**$ 20,316,089**
Discount Rate	9.50%
Long Term Growth Rate	1.00%
Capitalization Rate	**8.50%**
Terminal Value	**$239,012,816**
Present Value Factor	0.35
PV of Terminal Value	**$84,170,289**

Rebel II
As of: 1/1/2015
Year 1 Ending: 12/31/2015

Property Tax: 1.33906%
Cost: $ 105,000,000

KEANDREWS VALUATION•TAX•SOLUTIONS

Glasscock County

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Terminal Year
Revenue	$ -	$ -	$ 15,136,957	$ 25,339,700	$ 25,339,700	$ 25,339,700	$ 25,339,700	$ 25,339,700	$ 25,339,700	$ 25,339,700	$ 25,339,700	$ 25,339,700	$ 25,339,700
% Growth				*67.40%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*	*0.00%*
Operating Expenses	$ -	$ -	$ 2,677,946	$ 3,272,960	$ 3,339,022	$ 3,406,418	$ 3,475,175	$ 3,545,319	$ 3,616,879	$ 3,689,883	$ 3,764,419	$ 3,840,460	$ 3,689,883
G&A Expenses	$ -	$ -	$ 803,384	$ 981,888	$ 1,001,707	$ 1,021,925	$ 1,042,552	$ 1,063,596	$ 1,085,064	$ 1,106,965	$ 1,129,326	$ 1,152,138	$ 1,152,138
Property Tax		$ 1,205,154	$ 1,168,999	$ 1,132,845	$ 1,096,690	$ 1,060,536	$ 1,024,381	$ 988,226	$ 952,072	$ 915,917	$ 879,762	$ 843,608	$ 807,453
EBITDA	$ -	$ (1,205,154)	$ 10,486,628	$ 19,952,008	$ 19,902,281	$ 19,850,821	$ 19,797,592	$ 19,742,559	$ 19,685,686	$ 19,626,935	$ 19,566,193	$ 19,503,494	$ 19,690,225
Margin %			*69.28%*	*78.74%*	*78.54%*	*78.34%*	*78.13%*	*77.91%*	*77.69%*	*77.46%*	*77.22%*	*76.97%*	*77.71%*
Growth Capex	$ 27,631,579	$ 66,315,789	$ 11,052,632	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Free Cash Flow	$ (27,631,579)	$ (67,520,943)	$ (566,003)	$ 19,952,008	$ 19,902,281	$ 19,850,821	$ 19,797,592	$ 19,742,559	$ 19,685,686	$ 19,626,935	$ 19,566,193	$ 19,503,494	$ 19,690,225
Cumulative Free Cash Flow	$ (27,631,579)	$ (95,152,522)	$ (95,718,526)	$ (75,766,518)	$ (55,864,237)	$ (36,013,416)	$ (16,215,824)	$ 3,526,735	$ 23,212,421	$ 42,839,356	$ 62,405,549	$ 81,909,043	$ 101,599,268
Partial Period Adjustment	1	1	1	1	1	1	1	1	1	1	1	1	
Mid Year Convention	0.50	1.50	2.50	3.50	4.50	5.50	6.50	7.50	8.50	9.50	10.50	11.50	
Present Value Factor @ 9.75%	0.95	0.87	0.79	0.72	0.66	0.60	0.55	0.50	0.45	0.41	0.38	0.34	
Present Value of Free Cash Flow	$ (26,375,666)	$ (58,726,174)	$ (448,547)	$ 14,406,907	$ 13,094,306	$ 11,900,181	$ 10,813,915	$ 9,825,835	$ 8,927,134	$ 8,109,787	$ 7,366,459	$ 6,690,527	

Sum of Present Value of Free Cash Flows	$ 5,584,664
Present Value of Terminal Value	$ 77,195,245
Operating Business Enterprise Value	**$ 82,779,909**
Working Capital Excess/(Deficit)	$ -
Total Business Enterprise Value	**$ 82,779,909**
IRR	**12.15%**
Total Business Enterprise Value w/o Agreement	**$ 82,779,909**

Terminal Cash Flow	**$ 19,690,225**
Discount Rate	9.75%
Long Term Growth Rate	1.00%
Capitalization Rate	**8.75%**
Terminal Value	**$225,031,146**
Present Value Factor	0.34
PV of Terminal Value	**$77,195,245**