

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

by and between

BARBERS HILL INDEPENDENT SCHOOL DISTRICT

and

ENTERPRISE PRODUCTS OPERATING LLC

(Texas Taxpayer ID # 12604305396)

Dated

December 14, 2009

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

STATE OF TEXAS §

COUNTY OF CHAMBERS §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this “Agreement,” is executed and delivered by and between **BARBERS HILL INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as the “District,” a lawfully created independent school district within the State of Texas operating under and subject to the Texas Education Code, and **ENTERPRISE PRODUCTS OPERATING LLC**, Texas Taxpayer Identification Number 12604305396, hereinafter referred to as the “Applicant.” The Applicant and the District are hereinafter sometimes referred to individually as a “Party” and collectively as the “Parties.” Certain capitalized and other terms used in this Agreement shall have the meanings ascribed to them in Section 1.3.

RECITALS

WHEREAS, on September 1, 2009, the Superintendent of Schools of the Barbers Hill Independent School District, acting as agent of the Board of Trustees of the District (the “Board of Trustees”), received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code; and,

WHEREAS, on September 30, 2009, the Superintendent of Schools of the Barbers Hill Independent School District, acting as agent of the Board of Trustees of the District (the “Board of Trustees”), received from the Applicant the Supplemented Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code; and,

WHEREAS, on November 4, 2009, the Superintendent of Schools of the Barbers Hill Independent School District, acting as agent of the Board of Trustees of the District (the “Board of Trustees”), received from the Applicant a second Supplemented Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code; and,

WHEREAS, the Board of Trustees has acknowledged receipt of the Application and the Supplemented Applications along with the requisite application fee as established pursuant to Texas Tax Code § 313.025(a)(1) and Local District Policy CCG (Local); and,

WHEREAS, the Application was delivered to the Texas Comptroller’s Office for review pursuant to Texas Tax Code § 313.025(d); and,

WHEREAS, the Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code § 313.025(d), and on December 4, 2009 the Comptroller's Office, via letter, recommended that the Application be approved; and,

WHEREAS, the Texas Comptroller of Public Accounts conducted an economic impact evaluation pursuant to Chapter 313 of the Texas Tax Code; and,

WHEREAS, the Board of Trustees has reviewed the economic impact evaluation pursuant to Texas Tax Code § 313.026 and has carefully considered such evaluation; and,

WHEREAS, the Application was reviewed by the Chambers County Appraisal District established in Chambers County, Texas (the "Chambers County Appraisal District"), pursuant to Texas Tax Code § 6.01; and,

WHEREAS, Applicant has agreed to endow the Barbers Hill Independent School District Education Foundation, a non-profit 501(c)(3) corporation, to preserve and enrich quality education for the District; and,

WHEREAS, on December 14, 2009, 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; and,

WHEREAS, on December 14, 2009, the Board of Trustees made factual findings pursuant to Texas Tax Code § 313.025(f), including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) this Agreement is in the best interest of the District and the State of Texas; (iii) the Applicant is eligible for the Limitation on Appraised Value of the Applicant's Qualified Property; (iv) each criterion listed in Texas Tax Code § 313.025(e) has been met; and, (v.) if the job creation requirement set forth in Texas Tax Code § 313.051(b) (*i.e.*, 10 jobs) was applied, for the size and scope of the project described in the Application and in **EXHIBIT 3**, the required number of jobs would exceed the industry standard for the number of employees reasonably necessary for the operation of the facility; and,

WHEREAS, on December 14, 2009, the Board of Trustees determined that the Tax Limitation Amount requested by Applicant, and as defined in Sections 1.2 and 1.3, below, is consistent with the minimum values set out by Tax Code, §§ 313.022(b) and 313.052, as such Tax Limitation Amount was computed for the effective date of this Agreement; and,

WHEREAS, on December 14, 2009, pursuant to the provisions of Texas Tax Code § 313.025(f-1), the Board of Trustees waived the job creation requirement set forth in Texas Tax Code § 313.051(b); and,

WHEREAS, on December 14, 2009, 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;

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

ARTICLE I

AUTHORITY, TERM, DEFINITIONS, AND GENERAL PROVISIONS

Section 1.1. 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 Texas Tax Code § 313.027.

Section 1.2. TERM OF THE AGREEMENT

This Agreement shall commence and first become effective for the ad valorem property valuations of the Qualified Property and Qualified Investments made pursuant to this Agreement beginning with the tax appraisals to be made as of January 1, 2010, which date is referred to herein as the "Commencement Date." The Parties acknowledge that the limitation on the local ad valorem property values shall not commence until the valuations are made as of January 1, 2012, the second anniversary of the Commencement Date. These first two Tax Years that begin on the Commencement Date (*i.e.*, the 2010 and 2011 Tax Years), which together with the period from the date of approval until January 1, 2010 are collectively referred to herein as the "Qualifying Time Period," as that term is defined in Texas Tax Code § 313.021(4). Unless sooner terminated as provided herein, the limitation on the local ad valorem property values shall terminate on December 31, 2019. Except as otherwise provided herein, this Agreement will terminate, in full, on December 31, 2022. The termination of this Agreement shall not (i) release any obligations, liabilities, rights and remedies arising out of any breach of, or failure to comply with, this Agreement occurring prior to such termination, or (ii) affect the right of a Party to enforce the payment of any amount to which such Party was entitled before such termination or to which such Party became entitled as a result of an event that occurred before such termination, so long as the right to such payment survives said termination.

Except as otherwise provided herein, the Tax Years for which this Agreement is effective are as set forth below and set forth opposite each such Tax Year are the corresponding year in the term of this Agreement, the date of the Appraised Value determination for such Tax Year, and a summary description of certain provisions of this Agreement corresponding to such Tax Year (it being understood and agreed that such summary descriptions are for reference purposes only, and shall not affect in any way the meaning or interpretation of this Agreement):

| Year of Agreement | Date of Appraisal | School Year | Tax Year | Summary Description of Provisions |
|--------------------------|--------------------------|--------------------|-----------------|--|
|--------------------------|--------------------------|--------------------|-----------------|--|

| Year of Agreement | Date of Appraisal | School Year | Tax Year | Summary Description of Provisions |
|--------------------------|--------------------------|--------------------|-----------------|--|
| 1 | January 1, 2010 | 2010-11 | 2010 | No limitation on value. Tax credit in future years. |
| 2 | January 1, 2011 | 2011-12 | 2011 | No limitation on value. Tax credit in future years. |
| 3 | January 1, 2012 | 2012-13 | 2012 | \$ 30 million property value limitation. |
| 4 | January 1, 2013 | 2013-14 | 2013 | \$ 30 million property value limitation. Possible tax credit due to Applicant. |
| 5 | January 1, 2014 | 2014-15 | 2014 | \$ 30 million property value limitation. Possible tax credit due to Applicant. |
| 6 | January 1, 2015 | 2015-16 | 2015 | \$ 30 million property value limitation. Possible tax credit due to Applicant. |
| 7 | January 1, 2016 | 2016-17 | 2016 | \$ 30 million property value limitation. Possible tax credit due to Applicant. |
| 8 | January 1, 2017 | 2017-18 | 2017 | \$ 30 million property value limitation. Possible tax credit due to Applicant. |
| 9 | January 1, 2018 | 2018-19 | 2018 | \$ 30 million property value limitation. Possible tax credit due to Applicant. |
| 10 | January 1, 2019 | 2019-20 | 2019 | \$ 30 million property value limitation. Possible tax credit due to Applicant. |

| Year of Agreement | Date of Appraisal | School Year | Tax Year | Summary Description of Provisions |
|-------------------|-------------------|-------------|----------|---|
| 11 | January 1, 2020 | 2020-21 | 2020 | No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination. |
| 12 | January 1, 2021 | 2021-22 | 2021 | No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination. |
| 13 | January 1, 2022 | 2022-23 | 2022 | No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination. |

Section 1.3. DEFINITIONS

Wherever used herein, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning, to-wit:

“Act” means the Texas Economic Development Act set forth in Chapter 313 of the Texas Tax Code, as amended.

“Affiliate” means any entity that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Applicant. For purposes of this definition, control of an entity means (i) the ownership, directly or indirectly, of fifty (50) percent or more of the voting rights in a company or other legal entity or (ii) the right to direct the management or operation of such entity whether by ownership (directly or indirectly) of securities, by contract or otherwise.

“Affiliated Group” means a group of one or more entities in which a controlling interest is owned by a common owner or owners, either corporate or non-corporate, or by one or more of the member entities.

“Agreement” means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented from time to time in accordance with Section 6.3.

"Applicant" means Enterprise Products Operating LLC, (Texas Taxpayer ID # 12604305396), the company listed in the Preamble of this Agreement who, on September 1, 2009, filed the Original Application, a Supplemental Application on September 30, 2009 and a Second Supplemental Application on November 4, 2009 with the District for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The term "Applicant" shall also include the Applicant's assigns and successors-in-interest.

"Applicable School Finance Law" means Chapters 41 and 42 of the Texas Education Code, the Texas Economic Development Act (Chapter 313 of the Texas Tax Code), Chapter 403, Subchapter M, of the Texas Government Code applicable to the District, and the Constitution and general laws of the State applicable to the independent school districts of the State, including specifically, the 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 of the above. The term also includes any amendments or successor statutes that may be adopted in the future that could 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.

"Application" means collectively the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C, of the Texas Tax Code) initially filed with the District by the Applicant on September 1, 2009, the Supplemental Application filed on September 30, 2009, and the Second Supplemental Application filed on November 4, 2009.

"Appraisal District" means the Chambers County Appraisal District.

"Appraised Value" shall have the meaning assigned to such term in Section 1.04(8) of the Texas Tax Code.

"Comptroller" means the Texas Comptroller of Public Accounts.

"Comptroller's Rules" means the applicable rules and regulations of the Comptroller set forth at Chapter 34 Texas Administrative Code, together with any court or administrative decisions interpreting same.

"County" means Chambers County, Texas.

"Determination of Breach" shall have the meaning set for in Section 7.4 of this Agreement.

"District" or "School District" means the Barbers Hill Independent School District, being a duly authorized and operating independent 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.

"Force Majeure" means a failure caused by (a) provisions of law, or the operation or effect of rules, regulations or orders promulgated by any governmental authority having jurisdiction over the Applicant, the Applicant's Qualified Property or the Applicant's Qualified Investment or any upstream, intermediate or downstream equipment or support facilities as are necessary to the operation of the Applicant's Qualified Property or the Applicant's Qualified Investment; (b) any demand or requisition, arrest, order, request, directive, restraint or requirement of any government or governmental agency whether federal, state, military, local or otherwise; (c) the action, judgment or decree of any court; (d) floods, storms, hurricanes, evacuation due to threats of hurricanes, lightning, earthquakes, washouts, high water, fires, acts of God or public enemies, wars (declared or undeclared), blockades, epidemics, riots or civil disturbances, insurrections, strikes, labor disputes (it being understood that nothing contained in this Agreement shall require the Applicant to settle any such strike or labor dispute), explosions, breakdown or failure of plant, machinery, equipment, lines of pipe or electric power lines (or unplanned or forced outages or shutdowns of the foregoing for inspections, repairs or maintenance), inability to obtain, renew or extend franchises, licenses or permits, loss, interruption, curtailment or failure to obtain electricity, gas, steam, water, wastewater disposal, waste disposal or other utilities or utility services, inability to obtain or failure of suppliers to deliver equipment, parts or material, or inability of the Applicant to ship or failure of carriers to transport electricity from the Applicant's facilities; or (e) any other cause (except financial), whether similar or dissimilar, over which the Applicant has no reasonable control and which forbids or prevents performance.

"Land" shall have the meaning assigned to such term in Section 2.2.

"Maintain Viable Presence" means the operation over the term of this Agreement of the facility or facilities for which the tax limitation is granted, as the same may from time to time be expanded, upgraded, improved, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured, and/or reengineered and (ii) the retention over the term of this Agreement of not fewer than four (4) Qualifying Jobs to be located and performed within Applicant's entire manufacturing project that includes, but is not limited to, Applicant's Qualified Property, as set forth in the Application, with the minimum salaries required by Texas Tax Code § 313.021(3)(E).

"Maintenance and Operations Revenue" or *"M&O Revenue"* means (i) those revenues which 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.

"Market Value" shall have the meaning assigned to such term in Section 1.04(7) of the Texas Tax Code.

"Qualified Investment" has the meaning set forth in Chapter 313 of the Texas Tax Code, as interpreted by the Comptroller's Rules, as these provisions existed on the date of this Agreement, applying any specific requirements for rural school districts imposed by Subchapter C of Chapter 313 of the Texas Tax Code and by the Comptroller's Rules.

"Qualified Property" has the meaning set forth in Chapter 313 of the Texas Tax Code, as interpreted by the Comptroller's Rules and the Texas Attorney General, as these provisions existed on the date of this Agreement, applying any specific requirements for rural school districts imposed by Subchapter C of Chapter 313 of the Texas Tax Code and by the Comptroller's Rules.

"Qualifying Time Period" means the period that begins on the date of this Agreement and end on December of the second Tax Year that begins after such date of approval, as is defined in Texas Tax Code § 313.021(4)(A).

"Revenue Protection Amount" means the amount calculated pursuant to Section 3.2 of this Agreement.

"State" means the State of Texas.

"Tax Credit" means the tax credit, either to be paid by the District to Applicant, or to be applied against any taxes that the school district imposes in Qualified Property, as computed under the provisions of Subchapter D of the Act, and rules adopted by the Comptroller and/or the Texas Education Agency, provided that Applicant complies with the requirements under such provisions, including the timely filing of a completed application under Texas Tax Code § 313.103 and the duly adopted administrative rules.

"Tax Limitation Amount" means the maximum amount which may be placed as the Appraised Value on Qualified Property/Qualified Investment for years three (3) through ten (10) of this Agreement pursuant to Texas Tax Code § 313.054. That is, for each of the eight (8) Tax Years 2012, 2013, 2014, 2015, 2016, 2017, 2018, and 2019, the Appraised Value of the Applicant's Qualified Investment for the District's maintenance and operations ad valorem tax purposes shall not exceed, and the Tax Limitation Amount shall be, the lesser of:

- (a) the Market Value of the Applicant's Qualified Investment; or
- (b) Thirty Million Dollars (\$30,000,000.00).

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the effective date of this Agreement, as set out by Tax Code, §313.022(b) or §313.052.

"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.

"Texas Education Agency Rules" means the applicable rules and regulations adopted by the Texas Commissioner of Education in relation to the administration of Chapter 313, Texas Tax Code, which are set forth at Chapter 19, Texas Administrative Code, together with any court or administrative decisions interpreting same.

ARTICLE II

PROPERTY DESCRIPTION

Section 2.1. LOCATION WITHIN A QUALIFIED REINVESTMENT OR ENTERPRISE ZONE

The Applicant's Qualified Property upon which the Applicant's Qualified Investment will be located is within an area designated as a reinvestment zone under Chapter 311 or 312 of the Texas Tax Code, or as an enterprise zone under Chapter 2303 of the Texas Government Code. The legal description of the reinvestment or enterprise zone in which the Applicant's Qualified Property is located is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

Section 2.2. LOCATION OF QUALIFIED PROPERTY

The location of the Applicant's Qualified Property upon which the Applicant's Qualified Investment will be located is described in the legal description which is attached to this Agreement as **EXHIBIT 2** and is 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** without the express authorization of each of the Parties.

Section 2.3. DESCRIPTION OF QUALIFIED INVESTMENT

The Qualified Investment and/or Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 3**, which is attached hereto and incorporated herein by reference for all purposes ("Applicant's Qualified Investment"). Property which is not specifically described in **EXHIBIT 3** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Investment for purposes of this Agreement, unless pursuant to Texas

Tax Code § 313.027(e) and Section 8.3 of this Agreement, the Board of Trustees, by official action, provides that such other property is a part of the Applicant's Qualified Investment for purposes of this Agreement.

Section 2.4. QUALIFYING USE

The Applicant's Qualified Investment described above in Section 2.3 qualifies for a tax limitation agreement under Texas Tax Code § 313.024(b)(1) as a manufacturing facility.

Section 2.5. APPRAISED VALUE LIMITATION

So long as Applicant makes a Qualified Investment in the amount Thirty Million Dollars (\$30,000,000.00), or greater, during the Qualifying Time Period; and unless this Agreement has been terminated as provided herein before such Tax Year, for each of the eight (8) Tax Years 2012, 2013, 2014, 2015, 2016, 2017, 2018, and 2019, the Appraised Value of the Applicant's Qualified Investment 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 Investment; or
- (b) Thirty Million Dollars (\$30,000,000.00).

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the effective date of this Agreement, as set out by Tax Code, §313.022(b) or §313.052.

ARTICLE III

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 3.1. INTENT OF THE PARTIES

Subject to the limitations contained in this Agreement (including Section 5.1), it is the intent of the Parties that the District shall, in addition to the receipt of payments as set forth below in Article IV of this Agreement, be compensated by the Applicant for any loss that the District incurs in its Maintenance and Operations Revenue as a result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement, other than payments as set forth in Article IV. Subject to the limitations contained in this Agreement (including Section 5.1), 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.

Section 3.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT

Subject to the provisions of Sections 5.1 and 5.2, 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 shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

The M&O amount owed by the Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue;

Where:

- i. 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.
- ii. New M&O Revenue means the total State and local Maintenance & Operations Revenue that the District actually received for such school year.

In making the calculations required by this Section 3.2:

- i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.
- ii. 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%)
- iii. 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 3.2 results in a negative number, the negative number will be considered to be zero.
- iv. All calculations made for years three (3) through ten (10) of this Agreement under Section 3.2, Subsection *ii* of this Agreement will reflect the Tax Limitation Amount for such year.
- v. All calculations made under this Section 3.2 shall be made by a methodology which isolates only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse

the District for other revenue losses created by other agreements or any other factors.

Section 3.3. COMPENSATION FOR LOSS OF OTHER REVENUES

In addition to the amounts determined pursuant to Section 3.2 above, and to the extent provided in Section 6.3, the Applicant, on an annual basis, shall also indemnify and reimburse the District for the following:

- a. all non-reimbursed costs it incurred by the District in paying or otherwise crediting to the account of Applicant, any applicable tax credit to which Applicant may be entitled pursuant to Chapter 313, Subchapter D of the Texas Tax Code, and for which the District does not receive reimbursement from the State pursuant to Texas Educ. Code § 42.2515, or other similar or successor statute.
- b. all non-reimbursed costs, certified by the District's external auditor to have been incurred by the District for extraordinary education-related expenses related to the project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project.
- c. all non-reimbursed charges to the District which are attributable to the payment by Applicant to or on behalf any other third party beneficiary.

Section 3.4. 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 7.5 of this Agreement.

Section 3.5. DATA USED FOR CALCULATIONS

The calculations for payments under this Agreement shall be initially based upon the valuations placed upon the Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Chambers County 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 3.4. 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 Chambers County Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

Section 3.6. DELIVERY OF CALCULATIONS

On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 3.4 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 3.2 and/or 3.3 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 three (3) 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 3.7, if such fee is timely paid.

Section 3.7. 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 next 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 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 any total expenses under this Section in excess of Ten Thousand Dollars (\$10,000.00).

Section 3.8. RESOLUTION OF DISPUTES

Pursuant to Section 3.4 and Section 3.6, should the Applicant disagree with the certification containing the calculations, the Applicant may appeal the findings, in writing, to the Third Party within fifteen (15) days of receipt of the certification. Within fifteen (15) 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 certification containing the calculations to the District. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the Barbers Hill Independent School District Board of Trustees within fifteen (15) days of the final determination of certification containing the calculations.

Section 3.9. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT

In the event that the Taxable Value of the Applicant's Qualified Investment and/or the Applicant's Qualified Property is changed after a final appeal of the valuation or is otherwise changed, once the determination of a new value becomes final, the calculations required by Sections 3.2 and 3.3 of this Agreement will be recomputed by the Third Party using the new valuations. Upon completion of the new calculations, the Third Party shall transmit the new calculations to the Parties. The Party owing funds to the other signatories to this Agreement shall pay any amounts owed within thirty (30) days of receipt of the new calculations from the Third Party.

Section 3.10. EFFECT OF STATUTORY CHANGES

Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 5.1, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, 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, because of its participation in this Agreement, Applicant shall make payments to the District, up to the revenue protection amount limit set forth in Section 5.1, 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.

ARTICLE IV

SUPPLEMENTAL PAYMENTS

Section 4.1. AMOUNTS EXCLUSIVE OF INDEMNITY AMOUNTS

In addition to undertaking the responsibility for the payment of all of the amounts set forth under Article III, and as 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 IV. It is the express intent of the Parties that the obligation for Supplemental Payments under this Article IV are separate and independent of the obligation of the Applicant to pay the amounts described in Article III; provided, however, that payments under Articles III and IV are subject to the limitations contained in Section 5.1.

Section 4.2. SUPPLEMENTAL PAYMENTS TO THE DISTRICT

For each year of this Agreement one (Tax Year 2010) through ten (Tax Year 2019), the District shall be entitled to receive as Supplemental Payments a lump sum payment of \$419,300.00, which is based upon the following formula: One Hundred Dollars (\$100.00) times 4193, being the number of students in Average Daily Attendance (ADA) for the projection for

the base school year of 2009-10, as determined in the study conducted by Magellan Consulting in September 2009. Payments under this Section shall be due and payable in accordance with the amounts and upon the dates set forth on the following schedule:

| Tax Year | Payment Due Date | Amount |
|-----------------|-------------------------|---------------|
| 2010 | January 31, 2011 | \$419,300.00 |
| 2111 | January 31, 2012 | \$419,300.00 |
| 2012 | January, 31 2013 | \$419,300.00 |
| 2013 | January 31, 2014 | \$419,300.00 |
| 2014 | January 31, 2015 | \$419,300.00 |
| 2015 | January 31, 2016 | \$419,300.00 |
| 2016 | January 31, 2017 | \$419,300.00 |
| 2017 | January 31, 2018 | \$419,300.00 |
| 2018 | January 31, 2019 | \$419,300.00 |
| 2019 | January 31, 2020 | \$419,300.00 |

ARTICLE V

ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

SECTION 5.1. ANNUAL LIMITATION AFTER FIRST THREE YEARS

Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year during the term of this Agreement after the 2012 Tax Year, 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 III and IV 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 Section 3.4, 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 III and IV shall be reduced until such excess is eliminated.

Section 5.2. OPTION TO CANCEL AGREEMENT

In the event that any payment otherwise due from the Applicant to the District under Articles III and IV with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 5.1 above, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to cancel this Agreement by notifying the District of its election in writing not later than the July 31 of the year next following the Tax Year with respect to which a reduction under Section 5.1 is applicable. Any cancellation of this Agreement under the foregoing provisions of this Section 5.2 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. Upon such termination this Agreement shall terminate and be of no further force or effect; provided, however, that 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.

ARTICLE V

ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

SECTION 5.1. ANNUAL LIMITATION AFTER FIRST THREE YEARS

Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year during the term of this Agreement after the 2012 Tax Year, 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 Article III and Sections 4.2 and 4.3 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 Section 3.4, 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 III and IV shall be reduced until such excess is eliminated.

Section 5.2. OPTION TO CANCEL AGREEMENT

In the event that any payment otherwise due from the Applicant to the District under Article III and IV with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 5.1 above, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to cancel this Agreement by notifying the District of its election in writing not later than the July 31 of the year next following the Tax Year with respect to which a reduction under Section 5.1 is applicable. Any cancellation of this Agreement under the foregoing provisions of this Section 5.2 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. Upon such termination this Agreement shall terminate and be of no further force or effect; provided, however, that 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.

ARTICLE VI

TAX CREDITS

Section 6.1. APPLICANT'S ENTITLEMENT TO TAX CREDITS

The Applicant shall be entitled to tax credits from the District under and in accordance with the provisions of Subchapter D of the Act and Comptroller Rules, provided that the Applicant complies with the requirements under such provisions, including the filing of a completed tax credit application under Section 313.103 of the Texas Tax Code and Comptroller Rules.

Section 6.2. DISTRICT'S OBLIGATIONS WITH RESPECT TO TAX CREDITS

The District shall timely comply and shall cause the District's collector of taxes to timely comply with their obligations under Subchapter D of the Act and Comptroller Rules, including, but not limited to, such obligations set forth in Section 313.104 of the Texas Tax Code and Comptroller and Texas Education Agency Rules.

Section 6.3. COMPENSATION FOR LOSS OF TAX CREDIT PROTECTION REVENUES

If after the Applicant has actually received the benefit of a tax credit under Section 6.1, the District does not receive aid from the State pursuant to Texas Education Code § 42.2515 or other similar or successor statute with respect to all or any portion of such tax credit for reasons other than the District's failure to comply with the requirements for obtaining such aid, then the District shall notify the Applicant in writing thereof and the circumstances surrounding the State's failure to provide such aid to the District. The Applicant shall pay to the District the amount of such tax credit for which the District did not receive such aid within thirty (30)

calendar days after receipt of such notice, and such payment shall be subject to the same provisions for late payment as are set forth in Article VII. If the District receives aid from the State for all or any portion of a tax credit with respect to which the Applicant has made a payment to the District under this Section 6.3, then the District shall pay to the Applicant the amount of such aid within thirty (30) calendar days after the District's receipt thereof.

ARTICLE VII

ADDITIONAL OBLIGATIONS OF APPLICANT

Section 7.1. DATA REQUESTS

During the term of this Agreement, and upon the written request of one Party (the "Requesting Party"), the other Party shall provide the Requesting Party with all information reasonably necessary for the Requesting Party to determine whether the other Party is in compliance with its obligations under this Agreement. The Applicant shall allow authorized employees of the District and/or the Chambers County Appraisal District to have access to the Applicant's Qualified Property during the term of this Agreement, 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 and any other tangible property on the premises. All inspections will be made at a mutually agreeable time after the giving of not less than forty-eight (48) 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. 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 or the Chambers County Appraisal District with any technical or business information that is private personnel data, proprietary, a trade secret or confidential in nature or is subject to a confidentiality agreement with any third party.

Section 7.2. REPORTS TO OTHER GOVERNMENTAL AGENCIES

Applicant shall timely make any and all reports that are or may be required under the provisions of law or administrative regulation, including but not limited to the annual report or certifications that may be required to be submitted by the Applicant to the Texas Comptroller of Public Accounts under the provisions of Texas Tax Code § 313.032. Applicant shall forward a copy of all such required reports or certifications to the District contemporaneously with the filing thereof. The obligation to make all such required filings shall be a material obligation under this Agreement.

Section 7.3. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE

By entering into this Agreement, the Applicant warrants that it will Maintain Viable Presence in the District through the 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 (as hereinafter defined), provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure. Additionally, Applicant shall not be breach of this Agreement for the Failure to Maintain a Viable Presence in the District for the failure to employ the required number of Qualified Employees, so long as Applicant, in the event of such failure, tenders and pays in a timely manner, the penalty imposed by the provisions of Tex. Tax Code § 313.0275.

Section 7.4. DETERMINATION OF BREACH

Prior to making a determination that the Applicant has committed a material breach of this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the material breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, Applicant shall be given sixty (60) days to present any facts or arguments to the Board of Trustees showing that it is not in material breach of its obligations under the Agreement, or that it has cured or undertaken to cure any such material breach.

If the Board of Trustees is not satisfied with such response and/or that such breach has been cured, then the Board of Trustees shall provide the Applicant with notice of its dissatisfaction with such response or cure and, after reasonable notice to the Applicant, may 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 whether or not a material breach of this Agreement has occurred, the date such breach occurred, if any, and whether or not any such breach has been cured. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall also determine the amounts of recaptured taxes under Section 7.7 (net of all credits under Section 7.7), and the amount of any penalty and/or interest under Section 7.6 that are owed to the District.

After making its determination regarding any alleged breach, the Board of Trustees shall cause the Applicant to be notified in writing of its determination ("Determination of Breach").

Section 7.5. DISPUTE RESOLUTION

After receipt of notice of the Board of Trustee's Determination of Breach under Section 7.4, the Applicant shall have sixty (60) days in which either to (i) tender payment, (ii) submit evidence of its efforts to cure, or (iii) initiate mediation of the dispute by written notice to the

District. The Parties shall make a good faith effort to resolve the dispute without resort to litigation. The mediation shall be conducted by a mutually agreeable mediator 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 residing in Chambers 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.

If after receipt of the Board of Trustee's Determination of Breach under 7.4 Applicant (i) fails to tender payment or submit evidence of its efforts to cure within sixty (60) days, or (ii) that any mediation under this Section 7.5 is not successful in resolving the dispute, the District shall have the remedies for the collection of the amounts determined under Section 7.4 as are set forth in Texas Tax Code Chapter 33, Subchapters B and C, 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 and a tax lien on the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Texas Tax Code § 33.07 to the attorneys representing the District pursuant to Texas Tax Code § 6.30.

Subject to Section 7.9, in any event where a dispute between the District and the Applicant under this Agreement cannot be resolved by the Parties, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in any judicial proceeding, 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 covenant, agreement or undertaking made by a Party pursuant to this Agreement.

Section 7.6. CALCULATION OF PENALTY AND INTEREST

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 owed less all credits under Section 7.7 for each Tax Year during the term of this Agreement since the Commencement Date. The District shall calculate penalty or interest for each Tax Year during the term of this Agreement since the Commencement Date 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 7.7 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 Texas Tax Code § 33.01(a), or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code § 33.01(c), or its successor statute.

Section 7.7. 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 5.2, or in the event that the Applicant or its successor-in-interest fails to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, after the notice and cure period provided by Section 7.4, then the District shall be entitled to the recapture of all ad valorem tax revenue lost as a result of this Agreement together with the payment of penalty and interest, as calculated in accordance with Section 7.6, on that recaptured ad valorem tax revenue. For purposes of this recapture calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Article III. Applicant shall also be entitled to a credit for any amounts paid pursuant to Article IV.

(b) Notwithstanding Section 7. 7(a), in the event that the District determines that the Applicant has failed to Maintain Viable Presence and provides written notice of termination of the Agreement, then the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of such termination notice. 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 failure to Maintain Viable Presence 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 7.6. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Article III. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV. Upon payment of such liquidated damages, Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

Section 7.8. 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 greater of either any amounts calculated under Sections 7.4 and 7.5 above, or the monetary sum of the difference between the payments and credits due and owing to the Applicant at the time of such default and the District taxes that would have been lawfully payable to the District had this Agreement not been executed. 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 7.8 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 7.9. BINDING ON SUCCESSORS

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.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.1. INFORMATION AND NOTICES

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 transmission, with "answer back" or other "advice 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 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.

Notices to the District shall be addressed as follows:

Dr. Greg Poole, Superintendent
BARBERS HILL INDEPENDENT SCHOOL DISTRICT
P O Box 1108
Mont Belvieu, Texas 77580
Fax: (281) 576-3410

Or at such other address or to such other facsimile transmission number and to the attention of such other person as the District may designate by written notice to the Applicant.

Notices to the Applicant shall be addressed to:

ATTN: CURT TATE
ENTERPRISE PRODUCTS OPERATING LLC
P.O. Box 4018
Houston, Texas 77210-4018

1100 Louisiana Street
Houston, Texas 77002

With a copy to:

ATTN: RAYMOND ALBRECHT
ENTERPRISE PRODUCTS OPERATING LLC
P.O. Box 4018
Houston, Texas 77210-4018

1100 Louisiana Street
Houston, Texas 77002

or at such other address or to such other facsimile transmission number and to the attention of such other person as the Applicant may designate by written notice to the District.

Section 8.2. EFFECTIVE DATE, TERMINATION OF AGREEMENT

- (a) This Agreement shall be and become effective on December 14, 2009, the effective date upon which the tax limitation agreement is first made effective by the District.
- (b) The obligation to Maintain Viable Presence under this Agreement shall remain in full force and effect through the termination in full date established in Section 1.2 of this Agreement.
- (c) In the event that Applicant fails to make a Qualified Investment in the amount of Thirty Million Dollars (\$30,000,000.00), or greater, during the Qualifying Time Period, this Agreement shall become null and void on December 31, 2011.

Section 8.3. AMENDMENTS TO AGREEMENT; WAIVERS

This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties. 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. Pursuant to Comptroller's Rule 9.1055, and subject to Section 2.3, by official action of the Board of Trustees, this Agreement may be amended to include, in the Applicant's Qualified Investment, additional or replacement Qualified Property not specified in **EXHIBIT 3**, provided that the Applicant reports to the District, the Comptroller, and the Appraisal District, in the same format, style, and presentation as the Application, all relevant investment, value, and employment information that is related to the additional property. Any amendment of the Agreement adding additional or replacement Qualified Property pursuant to this Section 6.3 shall, pursuant to Comptroller's Rule 9.1055, (1) require that all property added by amendment be eligible property as defined by Tax Code, §313.024; (2) clearly distinguish the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and (3) define minimum eligibility requirements for the

recipient of limited value. This Agreement may not be amended to extend the value limitation time period.

Section 8.4. ASSIGNMENT

The Applicant may assign this Agreement, or a portion of this Agreement, to an Affiliate or a new owner or lessee of all or a portion of the Applicant's Qualified Property and/or the Applicant's Qualified Investment, provided that the Applicant shall provide written notice of such assignment to the District. Upon such assignment, Applicant's assignee will be liable to the District for outstanding taxes or other obligations arising under this Agreement. A recipient of limited value under Tax Code, Chapter 313 shall notify immediately the District, the Comptroller, and the Appraisal District in writing of any change in address or other contract information for the owner of the property subject to the limitation agreement for the purposes of Tax Code §313.032. An assignee's or its reporting entity's Texas Taxpayer Identification Number shall be included in the notification.

Section 8.5. 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 8.6. MAINTENANCE OF COUNTY APPRAISAL DISTRICT RECORDS

When appraising the Applicant's Qualified Property and the Applicant's Qualified Investment subject to a limitation on Appraised Value under this Agreement, the Chief Appraiser of the Chambers County Appraisal District shall determine the Market Value thereof and include both such Market Value and the appropriate value thereof under this Agreement in its appraisal records.

Section 8.7. 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 Chambers County, Texas.

Section 8.8. 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 8.9. 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 to the end that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 8.9, 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 8.10. 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 8.11. INTERPRETATION

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. 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. This Agreement is the joint product of the Parties and each provision of this Agreement has been subject to the mutual consultation, negotiation and agreement of each Party and shall not be construed for or against any Party.

Section 8.12. 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 8.13. 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; the approved and executed copy of this Agreement or any amendment thereto; and each application requesting tax credits under Tex. Tax Code § 313.103, as follows:

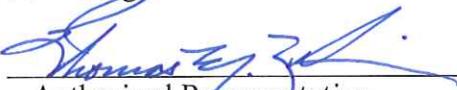
- a. Within seven days of such document, the District shall submit a copy to the Comptroller for Publication on the Comptroller's Internet website.
- b. District shall provide on its website a link to the location of those documents posted on the Comptroller's website.
- c. This Section does not require the Publication of information that is confidential under Tex. Tax Code § 313.028.

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 14th day of December, 2009.

ENTERPRISE PRODUCTS OPERATING LLC.
a Texas limited liability company

BARBERS HILL INDEPENDENT SCHOOL DISTRICT

By: Enterprise Products OLPGP, Inc.
It's Sole Manager

By: 
Authorized Representative
Enterprise Products OLPGP, Inc.

Name: Thomas M. Zulfim

Title: Sr. Vice President

By: 
FRED SKINNER
President
Board of Trustees

ATTEST:

GEORGE BARRERA
Secretary
Board of Trustees

EXHIBIT 1

DESCRIPTION OF QUALIFIED REINVESTMENT ZONE

The *Mont Belvieu Reinvestment Zone* was originally created on June 22, 2009 by action of the City Council of Mont Belvieu. The *EPOLLC Reinvestment Zone* was originally created on September 8, 2009 by action of the Commissioners Court of Chambers County. A map of the *Mont Belvieu Reinvestment Zone and EPOLLC Reinvestment Zone* is attached as the second page of this **EXHIBIT 1**.

As a result of the actions of the City Council of Mont Belvieu and the Commissioners Court of Chambers County, the *Mont Belvieu Reinvestment Zone and the EPOLLC Reinvestment Zone* includes real property within the City Limits of Mont Belvieu and unincorporated Chambers County, Texas, more specifically the property and tracts more fully described in the attached legal description.

2006 08 FEB 26
11:56 AM 339 265

167639
RETURN TO:

COMMERCE TITLE
700 ROLLINGBROOK SUITE E
BAYTOWN, TEXAS 77521

OFFICIAL PUBLIC RECORDS
CHAMBERS COUNTY, TEXAS
Susan E. Roshto, County Clerk

GENERAL WARRANTY DEED

THE STATE OF TEXAS §

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF CHAMBERS §

That I, GLENDA DEL BROWN, of Kendall County, Texas, for and in consideration of the sum of TEN AND NO/100 (\$10.00) DOLLARS and other good and valuable consideration cash to me in hand paid by ENTERPRISE PRODUCTS OPERATING L.P., the receipt of which is hereby acknowledged, have (subject to the exceptions, reservations and covenants hereinafter set forth) GRANTED, SOLD and CONVEYED, and by these presents do (subject to the exceptions, reservations and covenants hereinafter set forth) GRANT, SELL and CONVEY unto the said ENTERPRISE PRODUCTS OPERATING L.P., a Delaware Limited Partnership, whose mailing address is 2727 North Loop West, Houston, Texas 77008, all of that certain lot, tract or parcel of land described in "EXHIBIT A" attached hereto and made a part hereof for all purposes.

It is understood and agreed by and between the parties hereto that this conveyance is made subject to the exceptions set forth in "EXHIBIT B" attached hereto and made a part hereof for all purposes.

It is further understood and agreed by and between the parties hereto that this conveyance is made subject to the following any and all zoning laws, regulations and ordinances of municipal or other governmental authority, and any and all exceptions, reservations, restrictions and easements, if any, affecting the above-described property and shown of record among the Official Public Records of Chambers County, Texas, and any canals, pipelines, easements or rights-of-way

therefor physically located on the above-described property, whether documents therefor are recorded in such records or not.

TO HAVE AND TO HOLD the above-described premises (subject to the exceptions, reservations and covenants hereinabove set forth), together with all and singular the rights and appurtenances thereto in anywise belonging, unto the said ENTERPRISE PRODUCTS TEXAS OPERATING L.P., its successors and assigns, forever; and the undersigned hereby binds herself, her heirs, executors and administrators, to WARRANT and FOREVER DEFEND all and singular the said premises (subject to the exceptions, reservations and covenants hereinabove set forth), unto the said ENTERPRISE PRODUCTS TEXAS OPERATING L.P., its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

IN TESTIMONY WHEREOF, Witness my hand this the 23rd day of Jan, A.D., 2006.

Glenda Del Brown
Glenda Del Brown

THE STATE OF TEXAS §

COUNTY OF KENDALL §

This instrument was acknowledged before me on the 23RD day of JANUARY, A.D., 2006, by GLEND DEL BROWN.



Janice K. Pfeiffer
Notary Public, State of Texas
Printed Name: JANICE K. PFEIFFER
Commission Expires: 6-19-06

"EXHIBIT A"

THE STATE OF TEXAS)
COUNTY OF CHAMBERS)

FIELD NOTES of a 126.2412 acre tract of land situated in the T. & N.O.RR.Co. Survey, Section No. 1, Abstract No. 503 and the Dan Jergins Survey, Abstract No. 599; and being out of and a part of the residue of a 572.51 Acre tract of land called Second Tract from J.R. Barber to Kirby Oil and Gas Company recorded in Volume 161 at Page 598 of the Deed Records of Chambers County, Texas. This 126.2412 acre tract of land is more particularly described by metes and bounds as follows, to-wit:

NOTE: ALL BEARINGS ARE LAMBERT GRID BEARINGS AND ALL COORDINATES REFER TO THE STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE, 1927 DATUM, AS DEFINED IN ARTICLE 5300A OF THE REVISED CIVIL STATUTES OF THE STATE OF TEXAS. SCALE FACTOR = 0.9999062
ALL DISTANCES ARE ACTUAL DISTANCES. REFERENCE IS MADE TO PLAT OF EVEN DATE ACCOMPANYING THIS METES AND BOUNDS DESCRIPTION.

BEGINNING at a $\frac{1}{4}$ inch iron rod set for the Northwest corner of this tract of land and the Southwest corner of a 487.009 acre tract of land conveyed in a deed from Glenda Del Brown to Exxon Corporation dated November 1, 1978 and recorded in Volume 425 at Page 515 of the Deed Records of Chambers County, Texas and being in the East Right-of-Way line of Hatcherville Road (70' R.O.W.). This corner as a Texas State Plane Coordinate Value of X = 762,238.95 and Y = 3,293,315.08.

THENCE North 66 deg 41 min 04 sec East with the North line of this tract of land and the South line of said 487.009 acre tract of land a distance of 3,399.51 feet to a $\frac{1}{4}$ inch iron rod set for the Northeast corner of this tract of land and the Southeast corner of said 487.009 acre tract of land and being in the West Right-of-Way line of the Southern Pacific Railroad (100' R.O.W.). From this corner a found brass disk stamped "Exxon Chemical Company U.S.A." bears South 66 deg 41 min 04 sec West a distance of 2.08 feet.

THENCE South 07 deg 20 min 00 sec East with the East line of this tract of land and West Right-of-Way line of said Southern Pacific Railroad a distance of 1,458.10 feet to a $\frac{1}{4}$ inch iron rod set for the Southeast corner of this tract of land and the Northeast corner of a 117.469 acre tract of land conveyed in a deed from Glenda Del Brown to Enterprise Product Company dated December 05, 1991 and recorded in Volume 162 at Page 169 of the Official Records of Chambers County, Texas. From this corner a found $\frac{5}{8}$ inch iron rod bears North 57. deg 22 min 27 sec East a distance of 2.53 feet.

2006 EK 301 76
13676 OR 339 208

THENCE South 57 deg 22 min 27 sec West with the South line of this tract of land and the North line of said 117.469 acre tract of land a distance of 3,334.56 feet to a $\frac{1}{4}$ inch iron rod set for the Southwest corner of this tract of land and the Northwest corner of said 117.469 acre tract of land, and being in the East Right-of-Way line of said Hatcherville Road. From this corner a found $\frac{5}{8}$ inch iron rod bears North 57 deg 22 min 27 sec East a distance of 3.04 feet.

THENCE North 14 deg 47 min 39 sec West with the West line of this tract of land and the East Right-of-Way line of said Hatcherville Road a distance of 1,714.32 feet to a $\frac{1}{4}$ inch iron rod set for an angle point of this tract of land, and being in the East Right-of-Way line of said Hatcherville Road.

THENCE North 14 deg 23 min 53 sec West with the West line of this tract of land and the East Right-of-Way line of said Hatcherville Road a distance of 248.81 feet to the PLACE OF BEGINNING, containing within said boundaries 126.2412 acres of land.

"EXHIBIT B"

There are no exceptions listed as "a", "b", or "c" in this exhibit. This exhibit begins with the exception designated as "d", and ends with exception designated as "mmm".

- d. Right of Way Deed dated August 21, 1918, recorded in Volume 16 at Page 86 of the Deed Records of Chambers County, Texas from Old River Company to Dayton - Goose Creek Railway Company.
- e. Right of Way dated May 15, 1929, recorded in Volume 28 at Page 150 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Gulf Pipeline Company.
- f. Right of Way dated February 24, 1930, recorded in Volume 30 at Page 339 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Humphrey Corporation.
- g. Right of Way dated December 31, 1931, recorded in Volume 33 at Page 638 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Gulf Pipeline Company.
- h. Right of Way dated June 6, 1947, recorded in Volume 103 at Page 561 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Texas Pipeline Company
- i. Right of Way dated December 3, 1952, recorded in Volume 146 at Page 537 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Sinclair Pipeline Company.
- j. Right of Way dated June 1, 1954, recorded in Volume 158 at Page 5 of the Deed Records of Chambers County, Texas from Kirby Petroleum Company to Texas natural Gasoline Corporation.
- k. Right of Way dated February 11, 1955, recorded in Volume 165 at Page 509 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Texas Natural Gasoline Corporation.
- l. Right of Way dated December 30, 1955, recorded in Volume 172 at Page 85 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Southern Canal Corporation.
- m. Right of Way dated July 20, 1956, recorded in Volume 181 at Page 43 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Texas Butadiene & Chemical Corporation.
- n. Right of Way Deed dated February 11, 1956, recorded in Volume 183 at Page 369 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Gulf Refining Company.

- o. Right of Way dated February 18, 1958, recorded in Volume 198 at Page 577 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Chambers County Water Control and Improvement District.
- p. Right of Way dated November 11, 1959, recorded in Volume 217 at Page 497 of the Deed Records of Chambers County, Texas from J.R. Barber, et ux to Southern Canal Company.
- q. Right of Way dated November 9, 1960, recorded in Volume 225 at Page 477 of the Deed Records of Chambers County, Texas from J.R. Barber to Southern Canal Company.
- r. Right of Way dated December 19, 1961, recorded in Volume 234 at Page 255 of the Deed Records of Chambers County, Texas from Lula Barber to Southern Canal Company.
- s. Right of Way dated July 6, 1962 recorded in Volume 239 at Page 140 of the Deed Records of Chambers County, Texas from Lula Barber, et al to Colonial Pipeline Company.
- t. Right of Way dated January 29, 1966 recorded in Volume 275 at Page 373 of the Deed Records of Chambers County, Texas from Lula Barber to Sinclair Pipeline Company.
- u. Easement:
To: Southern Canal Company
Recorded: October 18, 1967 in Volume 292 at Page 469, Deed Records, Chambers County, Texas.
Purpose: Canal
- v. Easement:
To: Gulf Refining Company
Recorded: February 5, 1968 in Volume 293 at Page 665, Deed Records, Chambers County, Texas.
Purpose:
- w. Right of Way dated February 5, 1968, recorded in Volume 294 at Page 203 of the Deed Records of Chambers County, Texas from Lula Barber to Sinclair Pipeline Company.
- x. Right of Way dated , recorded in Volume 165 at Page 509 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Texas Natural Gasoline Corporation.
- y. Right of Way dated April 23, 1970, recorded in Volume 315 at Page 505 of the Deed Records of Chambers County, Texas from Lula Barber to Lo-Vaca Gathering Company.
- z. Right of Way dated May 18, 1970, recorded in Volume 315 at Page 602 of the Deed Records of Chambers County, Texas from Lula Barber to Diamond Shamrock Corporation.
- aa. Right of Way dated May 18, 1970, recorded in Volume 316 at Page 138 of the Deed Records of Chambers County, Texas from Lula Barber to Cities Service Pipeline Company.
- bb. Right of Way dated August 17, 1970, recorded in Volume 318 at Page 466 of the Deed Records of Chambers County, Texas from Lula Barber to Santa Fe Pipeline Company.
- cc. Right of Way Deed dated October 10, 1970, recorded in Volume 320 at Page 162 of the Deed Records of Chambers County, Texas from Lula Barber to Coastal Industrial Water Authority.
- dd. Right of Way dated October 8, 1970, recorded in Volume 320 at Page 337 of the Deed Records of Chambers County, Texas from Lula Barber to Explorer Pipeline Company.

- ea. Right of Way dated July 15, 1975, recorded in Volume 371 at Page 652 of the Deed Records of Chambers County, Texas from Lula Barber to Blg Three Industries, Inc..
- ff. Right of Way dated August 26, 1975, recorded in Volume 373 at Page 405 of the Deed Records of Chambers County, Texas from Delno Brown Executor of the Estate of Lula Barber and Glenda Del Brown to Colonial Pipeline Company
- gg. Right of Way dated February 22, 1977, recorded in Volume 395 at Page 291 of the Deed Records of Chambers County, Texas from Delno Brown Executor of the Estate of Lula Barber and Glenda Del Brown to ARCO Pipeline Company
- hh. Right of Way dated December 21, 1978, recorded in Volume 428 at Page 420 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Lo Vaca Gathering Company
- ii. Right of Way dated February 2, 1979, recorded in Volume 430 at Page 541 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Houston Pipeline Company
- jj. Right of Way dated February 22, 1979, recorded in Volume 431 at Page 653 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Shell Pipeline Corporation
- kk. Right of Way dated October 31, 1980, recorded in Volume 464 at Page 272 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Exxon Pipeline Corporation
- ll. Right of Way dated August 8, 1980, recorded in Volume 467 at Page 447 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Blg Three Industries, Inc..
- mm. Valve Site Lease dated January 12, 1981, recorded in Volume 467 at Page 461 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Blg Three Industries, Inc..
- nn. Right of Way dated May 1, 1981, recorded in Volume 473 at Page 156 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Exxon Pipeline Company
- oo. Right of Way dated April 22, 1981, recorded in Volume 475 at Page 710 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Matador Pipeline Inc..
- pp. Right of Way dated May 18, 1981, recorded in Volume 478 at Page 481 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Matador Pipeline Inc.
- qq. Right of Way dated October 12, 1981, recorded in Volume 485 at Page 1 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Blg Three Industries, Inc..
- rr. Easement:
To: Houston Lighting and Power Company
Recorded: July 13, 1981 in Volume 478 at Page 481 ,Deed Records,Chambers County, Texas.
Purpose: Utility
- ss. Right of Way dated February 1, 1982, recorded in Volume 493 at Page 446 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Blg Three Industries, Inc..
- tt. Right of Way Contract dated May 31, 1988, recorded in Volume 50 at Page 106 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Mustang Pipeline Company

- uu. Easement:
To: Valero Transmissson
Recorded: September 12, 1988 In Volume 56 at page 677 ,Official Public Records,Chambers County, Texas.
Purpose: Pipeline
- w. Right of Way Contract dated November 8, 1988, recorded in Volume 62 at Page 573 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Hlmont USA
- ww. Right of Way Contract dated December 5, 1991, recorded in Volume 162 at Page 177 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Enterprise Products Company
- xx. Right of Way Contract dated March 13, 1992, recorded in Volume 171 at Page 642 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Koch Pipellne Company
- yy. Right of Way Contract dated March 26, 1992, recorded in Volume 175 at Page 379 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Union Carbide Industrial Gases, Inc.
- zz. Right of Way dated August 11, 1994, recorded in Volume 248 at Page 241 of the Official Public Records of Chambers County, Texas from Exxon to City of Mount Belvleu..
- aaa. Right of Way Contract dated August 28, 1995 recorded in Volume 277 at Page 376 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Chevron USA
- bbb. Right of Way Contract dated June 27, 1995, recorded in Volume 279 at Page 591 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Exxon Pipellne Company
- ccc. Right of Way Contract dated October 29, 1996, recorded in Volume 314 at Page 345 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Mustang Pipellne Company
- ddd. Right of Way Contract dated June 9, 1997, recorded in Volume 334 at Page 362 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Koch Pipellne Company
- eee. Pipeline Right-of-Way Agreement dated July 28, 1998 and recorded in Volume 380 at Page 138 of the Official Public records of Chambers County, Texas.
- fff. Pipellne Work Space Agreement dated September 16, 1998, recorded in Volume 382 at Page 623 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Koch Pipellne Company
- ggg. Pipellne Right-of-Way Agreement dated September 5, 2003 and recorded in Volume 645 at Page 277 of the Official Public records of Chambers County, Texas.
- hhh. Easement:
To: Cobra Oil & Gas Corporatlon
Recorded: September 14, 2004 In Volume 733 at page 5 ,Official Public Records,Chambers County, Texas.
Purpose: Pipeline
- iii. Surface Agreement dated June 3, 2004 and recorded in Volume 703 at Page 644 of the Official Public records of Chambers County, Texas.

- jjj. Surface Agreement dated May 27, 2004 and recorded in Volume 733 at Page 13 of the Official Public records of Chambers County, Texas.
- kkk. Portion of subject property is in the City of Mount Belvieu, Texas, as set forth in Ordinance recorded in Volume 242, Page 324 of the Official Public Records of Chambers County, Texas.
- lll. A gravel road traversing the Southern portion of subject property as evidenced by plat prepared by Chambers Surveying & Mapping by Michael W. Chandler RPLS 5292 and dated July 12, 2005 under Job No. 05-1102
- mmm. Mineral and/or royalty interest:
 - Interest: An undivided 100%
 - Recorded: September 13, 1954 in Volume 161 at Page 598, Deed Records, Chambers County, Texas.

EXHIBIT 2

LOCATION OF QUALIFIED PROPERTY

All Qualified Property owned by Applicant and located within the boundaries of each of the Barbers Hill Independent School District, the *Mont Belvieu Reinvestment Zone* and the *EPOLLC Reinvestment Zone* will be included in and subject to this Agreement. Specifically, all Qualified Property of Applicant located in the sections of land is included in the attached legal description.

2006 08 04 06
11:24 AM 330 205

167639
RETURN TO:

COMMERCE TITLE
700 ROLLINGBROOK SUITE E
BAYTOWN, TEXAS 77521

OFFICIAL PUBLIC RECORDS
CHAMBERS COUNTY, TEXAS
Susan E. Roshto, County Clerk

GENERAL WARRANTY DEED

THE STATE OF TEXAS §
COUNTY OF CHAMBERS §

KNOW ALL MEN BY THESE PRESENTS:

That I, GLENDA DEL BROWN, of Kendall County, Texas, for and in consideration of the sum of TEN AND NO/100 (\$10.00) DOLLARS and other good and valuable consideration cash to me in hand paid by ENTERPRISE PRODUCTS OPERATING L.P., the receipt of which is hereby acknowledged, have (subject to the exceptions, reservations and covenants hereinafter set forth) GRANTED, SOLD and CONVEYED, and by these presents do (subject to the exceptions, reservations and covenants hereinafter set forth) GRANT, SELL and CONVEY unto the said ENTERPRISE PRODUCTS OPERATING L.P., a Delaware Limited Partnership, whose mailing address is 2727 North Loop West, Houston, Texas 77008, all of that certain lot, tract or parcel of land described in "EXHIBIT A" attached hereto and made a part hereof for all purposes.

It is understood and agreed by and between the parties hereto that this conveyance is made subject to the exceptions set forth in "EXHIBIT B" attached hereto and made a part hereof for all purposes.

It is further understood and agreed by and between the parties hereto that this conveyance is made subject to the following any and all zoning laws, regulations and ordinances of municipal or other governmental authority, and any and all exceptions, reservations, restrictions and easements, if any, affecting the above-described property and shown of record among the Official Public Records of Chambers County, Texas, and any canals, pipelines, easements or rights-of-way

therefor physically located on the above-described property, whether documents therefor are recorded in such records or not.

TO HAVE AND TO HOLD the above-described premises (subject to the exceptions, reservations and covenants hereinabove set forth), together with all and singular the rights and appurtenances thereto in anywise belonging, unto the said ENTERPRISE PRODUCTS TEXAS OPERATING L.P., its successors and assigns, forever; and the undersigned hereby binds herself, her heirs, executors and administrators, to WARRANT and FOREVER DEFEND all and singular the said premises (subject to the exceptions, reservations and covenants hereinabove set forth), unto the said ENTERPRISE PRODUCTS TEXAS OPERATING L.P., its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

IN TESTIMONY WHEREOF, Witness my hand this the 23rd day of Jan, A.D., 2006.

Glenda Del Brown
Glenda Del Brown

THE STATE OF TEXAS §

COUNTY OF KENDALL §

This instrument was acknowledged before me on the 23RD day of JANUARY, A.D., 2006, by GLENDA DEL BROWN.



Janice K. Pfeiffer
Notary Public, State of Texas
Printed Name: JANICE K. PFEIFFER
Commission Expires: 10-19-06

"EXHIBIT A"

THE STATE OF TEXAS)
COUNTY OF CHAMBERS)

FIELD NOTES of a 126.2412 acre tract of land situated in the T. & N.O.R.R.Co. Survey, Section No. 1, Abstract No. 503 and the Dan Jergins Survey, Abstract No. 599; and being out of and a part of the residue of a 572.51 Acre tract of land called Second Tract from J.R. Barber to Kirby Oil and Gas Company recorded in Volume 161 at Page 598 of the Deed Records of Chambers County, Texas. This 126.2412 acre tract of land is more particularly described by metes and bounds as follows, to-wit:

NOTE: ALL BEARINGS ARE LAMBERT GRID BEARINGS AND ALL COORDINATES REFER TO THE STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE, 1927 DATUM, AS DEFINED IN ARTICLE 5300A OF THE REVISED CIVIL STATUTES OF THE STATE OF TEXAS.
ALL DISTANCES ARE ACTUAL DISTANCES. SCALE FACTOR = 0.9999062
REFERENCE IS MADE TO PLAT OF EVEN DATE ACCOMPANYING THIS METES AND BOUNDS DESCRIPTION.

BEGINNING at a $\frac{1}{4}$ inch iron rod set for the Northwest corner of this tract of land and the Southwest corner of a 487.009 acre tract of land conveyed in a deed from Glenda Del Brown to Exxon Corporation dated November 1, 1978 and recorded in Volume 425 at Page 515 of the Deed Records of Chambers County, Texas and being in the East Right-of-Way line of Hatcherville Road (70' R.O.W.). This corner as a Texas State Plane Coordinate Value of X = 762,238.95 and Y = 3,293,315.08.

THENCE North 66 deg 41 min 04 sec East with the North line of this tract of land and the South line of said 487.009 acre tract of land a distance of 3,399.51 feet to a $\frac{1}{4}$ inch iron rod set for the Northeast corner of this tract of land and the Southeast corner of said 487.009 acre tract of land and being in the West Right-of-Way line of the Southern Pacific Railroad (100' R.O.W.). From this corner a found brass disk stamped "Exxon Chemical Company U.S.A." bears South 66 deg 41 min 04 sec West a distance of 2.08 feet.

THENCE South 07 deg 20 min 00 sec East with the East line of this tract of land and West Right-of-Way line of said Southern Pacific Railroad a distance of 1,458.10 feet to a $\frac{1}{4}$ inch iron rod set for the Southeast corner of this tract of land and the Northeast corner of a 117.469 acre tract of land conveyed in a deed from Glenda Del Brown to Enterprise Product Company dated December 05, 1991 and recorded in Volume 162 at Page 169 of the Official Records of Chambers County, Texas. From this corner a found $\frac{5}{8}$ inch iron rod bears North 57 deg 22 min 27 sec East a distance of 2.53 feet.

2006 EK 501 PG
11696 OR 339 208

THENCE South 57 deg 22 min 27 sec West with the South line of this tract of land and the North line of said 117.469 acre tract of land a distance of 3,334.56 feet to a $\frac{1}{4}$ inch iron rod set for the Southwest corner of this tract of land and the Northwest corner of said 117.469 acre tract of land, and being in the East Right-of-Way line of said Hatcherville Road. From this corner a found $\frac{5}{8}$ inch iron rod bears North 57 deg 22 min 27 sec East a distance of 3.04 feet.

THENCE North 14 deg 47 min 39 sec West with the West line of this tract of land and the East Right-of-Way line of said Hatcherville Road a distance of 1,714.32 feet to a $\frac{1}{4}$ inch iron rod set for an angle point of this tract of land, and being in the East Right-of-Way line of said Hatcherville Road.

THENCE North 14 deg 23 min 53 sec West with the West line of this tract of land and the East Right-of-Way line of said Hatcherville Road a distance of 248.81 feet to the PLACE OF BEGINNING, containing within said boundaries 126.2412 acres of land.

"EXHIBIT B"

There are no exceptions listed as "a", "b", or "c" in this exhibit. This exhibit begins with the exception designated as "d", and ends with exception designated as "mmm".

- d. Right of Way Deed dated August 21, 1918, recorded in Volume 16 at Page 86 of the Deed Records of Chambers County, Texas from Old River Company to Dayton - Goose Creek Railway Company.
- e. Right of Way dated May 15, 1929, recorded in Volume 28 at Page 150 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Gulf Pipeline Company.
- f. Right of Way dated February 24, 1930, recorded in Volume 30 at Page 339 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Humphrey Corporation.
- g. Right of Way dated December 31, 1931, recorded in Volume 33 at Page 638 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Gulf Pipeline Company.
- h. Right of Way dated June 6, 1947, recorded in Volume 103 at Page 561 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Texas Pipeline Company.
- i. Right of Way dated December 3, 1952, recorded in Volume 146 at Page 537 of the Deed Records of Chambers County, Texas from Kirby petroleum Company to Sinclair Pipeline Company.
- j. Right of Way dated June 1, 1954, recorded in Volume 158 at Page 5 of the Deed Records of Chambers County, Texas from Kirby Petroleum Company to Texas natural Gasoline Corporation.
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- o. Right of Way dated February 18, 1958, recorded in Volume 198 at Page 577 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Chambers County Water Control and Improvement District.
- p. Right of Way dated November 11, 1959, recorded in Volume 217 at Page 497 of the Deed Records of Chambers County, Texas from J.R. Barber, et ux to Southern Canal Company.
- q. Right of Way dated November 9, 1960, recorded in Volume 225 at Page 477 of the Deed Records of Chambers County, Texas from J.R. Barber to Southern Canal Company.
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- t. Right of Way dated January 29, 1966 recorded in Volume 275 at Page 373 of the Deed Records of Chambers County, Texas from Lula Barber to Sinclair Pipeline Company.
- u. Easement:
To: Southern Canal Company
Recorded: October 18, 1967 in Volume 292 at Page 469 ,Deed Records,Chambers County, Texas.
Purpose: Canal
- v. Easement:
To: Gulf Refining Company
Recorded: February 5, 1968 in Volume 293 at Page 665 ,Deed Records,Chambers County, Texas.
Purpose:
- w. Right of Way dated February 5, 1968, recorded in Volume 294 at Page 203 of the Deed Records of Chambers County, Texas from Lula Barber to Sinclair Pipeline Company.
- x. Right of Way dated , recorded in Volume 165 at Page 509 of the Deed Records of Chambers County, Texas from J.R. Barber and Lula Barber to Texas Natural Gasoline Corporation.
- y. Right of Way dated April 23, 1970, recorded in Volume 315 at Page 505 of the Deed Records of Chambers County, Texas from Lula Barber to Lo-Vaca Gathering Company.
- z. Right of Way dated May 18, 1970, recorded in Volume 315 at Page 602 of the Deed Records of Chambers County, Texas from Lula Barber to Diamond Shamrock Corporation.
- aa. Right of Way dated May 18, 1970, recorded in Volume 316 at Page 138 of the Deed Records of Chambers County, Texas from Lula Barber to Cities Service Pipeline Company.
- bb. Right of Way dated August 17, 1970, recorded in Volume 318 at Page 466 of the Deed Records of Chambers County, Texas from Lula Barber to Santa Fe Pipeline Company.
- cc. Right of Way Deed dated October 10, 1970, recorded in Volume 320 at Page 162 of the Deed Records of Chambers County, Texas from Lula Barber to Coastal Industrial Water Authority.
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- ee. Right of Way dated July 15, 1975, recorded in Volume 371 at Page 652 of the Deed Records of Chambers County, Texas from Lula Barber to Blg Three Industries, Inc..
- ff. Right of Way dated August 26, 1975, recorded in Volume 373 at Page 405 of the Deed Records of Chambers County, Texas from Delno Brown Executor of the Estate of Lula Barber and Glenda Del Brown to Colonial Pipeline Company
- gg. Right of Way dated February 22, 1977, recorded in Volume 395 at Page 291 of the Deed Records of Chambers County, Texas from Delno Brown Executor of the Estate of Lula Barber and Glenda Del Brown to ARCO Pipeline Company
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- qq. Right of Way dated October 12, 1981, recorded in Volume 485 at Page 1 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Blg Three Industries, Inc..
- rr. Easement:
To: Houston Lighting and Power Company
Recorded: July 13, 1981 in Volume 478 at Page 481, Deed Records, Chambers County, Texas.
Purpose: Utility
- ss. Right of Way dated February 1, 1982, recorded in Volume 493 at Page 446 of the Deed Records of Chambers County, Texas from Glenda Del Brown to Blg Three Industries, Inc..
- tt. Right of Way Contract dated May 31, 1988, recorded in Volume 50 at Page 106 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Mustang Pipeline Company

- uu. Easement:
To: Valero Transmision
Recorded: September 12, 1988 In Volume 56 at page 677 ,Official Public Records,Chambers County, Texas.
Purpose: Pipellne
- w. Right of Way Contract dated November 8, 1988, recorded In Volume 62 at Page 573 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Hilmont USA
- ww. Right of Way Contract dated December 5, 1991, recorded in Volume 162 at Page 177 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Enterprise Products Company
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- aaa. Right of Way Contract dated August 28, 1995 recorded In Volume 277 at Page 376 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Chevron USA
- bbb. Right of Way Contract dated June 27, 1995, recorded In Volume 279 at Page 591 of the Official Public Records of Chambers County, Texas from Glenda Del Brown to Exxon Pipellne Company
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- hhh. Easement:
To: Cobra Oil & Gas Corporation
Recorded: September 14, 2004 In Volume 733 at page 5 ,Official Public Records,Chambers County, Texas.
Purpose: Pipeline
- iii. Surface Agreement dated June 3, 2004 and recorded In Volume 703 at Page 644 of the Official Public records of Chambers County, Texas.

- jjj. Surface Agreement dated May 27, 2004 and recorded in Volume 733 at Page 13 of the Official Public records of Chambers County, Texas.
- kkk. Portion of subject property is in the City of Mount Belvieu, Texas, as set forth in Ordinance recorded in Volume 242, Page 324 of the Official Public Records of Chambers County, Texas.
- lll. A gravel road traversing the Southern portion of subject property as evidenced by plat prepared by Chambers Surveying & Mapping by Michael W. Chandler RPLS 5292 and dated July 12, 2005 under Job No. 05-1102
- mmm. Mineral and/or royalty interest:
 - Interest: An undivided 100%
 - Recorded: September 13, 1954 in Volume 161 at Page 598 ,Deed Records, Chambers County, Texas.

EXHIBIT 3

DESCRIPTION OF THE APPLICANT'S QUALIFIED INVESTMENT

The proposed project will consist of a new NGL fractionator. The plant Components consist of

- DeEthanizer
- DePropanizer
- DeButanizer
- Towers
- Heat Medium
- Gasoline Treater
- Compression Equipment

The facility will also require a relatively small amount of personal property. All of the property for which the Applicant is seeking a limitation on appraised value will be owned by the Applicant or a valid assignee pursuant to this Agreement.