

**FINDINGS OF THE RANKIN  
INDEPENDENT SCHOOL DISTRICT  
BOARD OF TRUSTEES  
UNDER THE  
TEXAS ECONOMIC DEVELOPMENT ACT  
ON THE  
APPLICATION SUBMITTED  
BY  
ATLAS PIPELINE MID-CONTINENT WESTTEX, LLC**



December 18, 2013

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OF THE  
RANKIN INDEPENDENT  
SCHOOL DISTRICT BOARD OF TRUSTEES  
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**DECEMBER 18, 2013**

Board Findings of the Rankin Independent School District

FINDINGS OF THE RANKIN INDEPENDENT SCHOOL  
DISTRICT BOARD OF TRUSTEES UNDER THE  
TEXAS ECONOMIC DEVELOPMENT ACT  
ON THE APPLICATION SUBMITTED BY  
ATLAS PIPELINE MID-CONTINENT WESTTEX, LLC

STATE OF TEXAS §

COUNTY OF UPTON §

On the 18<sup>th</sup> day of December, 2013, a public meeting of the Board of Trustees of the Rankin Independent School District was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the application of Atlas Pipeline Mid-Continent Westtex, LLC (Atlas Pipeline) for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. After hearing presentations from the District's administrative staff, and from consultants retained by the District to advise the Board in this matter, the Board of Trustees of the Rankin Independent School District makes the following findings with respect to the application of Atlas , and the economic impact of that application:

On August 26, 2013, the Texas Comptroller of Public Accounts received an Application from Atlas for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the revised Application is attached as **Attachment A**.

The Applicant, Atlas (Texas Taxpayer Id. 14217331074), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be in good standing with the Texas Comptroller of Public Accounts. See **Attachment B**.

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

Board Findings of the Rankin Independent School District

The Application was delivered to the Texas Comptroller's Office for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Upton County Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054.

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code § 313.026, and a favorable recommendation was issued on November 14, 2013. A copy of the Comptroller's letter is attached to the findings as **Attachment C**.

After receipt of the Application, the Texas Comptroller of Public Accounts caused to be conducted an economic impact evaluation pursuant to Texas Tax Code § 313.026 and the Board of Trustees has carefully considered such evaluation. A copy of the economic impact evaluation is attached to these findings as **Attachment D**.

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

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

After receipt of the Application, the District entered into negotiations with Atlas Pipeline, over the specific language to be included in the Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District. The proposed Agreement is attached to these findings as **Attachment G**.

After review of the Comptroller's recommendation, and in consideration of its own economic impact study the Board finds:

**Board Finding Number 1.**

**There is a strong relationship between the Applicant's industry and the types of qualifying jobs to be created by the Applicant and the long-term economic growth plan of this State as described in the strategic plan for economic development (ED Plan) submitted by the Texas Strategic Economic Development Planning Commission under Section 481.033, Texas Government Code.**

Board Findings of the Rankin Independent School District

The Texas Economic Development Plan focuses on attracting and developing industries using technology. It also identifies opportunities for existing Texas industries. The plan centers on promoting economic prosperity throughout Texas and the skilled workers that the Atlas Pipeline Midcontinent Westtexas LLC, project requires appear to be in line with the focus and themes of the plan. Texas identified manufacturing as one of six target clusters in the Texas Cluster Initiative. The plan stresses the importance of technology in all sectors of the manufacturing industry.

**Board Finding Number 2.**

**The economic condition of Rankin, Texas is in need of long-term improvement, based on the state's analysis of Upton County data.**

Based on information provided by the Comptroller's Office that focused on the county level, Upton County is the 140th largest county in the state in terms of population. Population growth in Upton is up, based on these data. The population of Upton increased by 0.5 percent between 2009 and 2010, whereas the state population increased 1.8 percent during the same period.

September 2011 employment for Upton County was up 2.1 percent from September 2010, above the state's 0.9 percent increase in total employment during the same period. The unemployment rate in Upton County was 5.0 percent in September 2011, lower than the state average of 8.5 percent.

Upton County continues to have a slightly higher per capita personal income than the state as a whole. In terms of per capita income, Rankin's \$39,336 in 2009 ranked 38th among the 254 counties in Texas, while the Texas average was \$38,609 for the same period.

The local economy in Upton County will benefit from economic activity like that associated with the Atlas project. Major capital investments like this project are beneficial to the community on a number of fronts, including direct and indirect employment, expanded opportunities for existing businesses and increased local tax bases.

**Board Finding Number 3.**

**The average salary level of qualifying jobs is expected to be at least \$50,186 per year. The review of the application by the State Comptroller's Office indicated that this amount—based on Texas Workforce Commission data—complies with the requirement that qualifying jobs must pay 110 percent of the regional average manufacturing wage. Atlas indicates that total employment will be approximately 10 new jobs, eight (8) of which will be qualifying jobs.**

In support of Finding 3, the economic impact evaluation states:

After construction, the project will create 10 new jobs when fully operational. Eight (8) jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the Permian Basin Regional Planning Commission Region, where Upton County is located was \$45,624 in 2012. The annual average manufacturing wage for 2012-2013 for Upton County is not available. That same year, the county annual average wage for all industries was \$68,120. In addition to a salary of \$50,186, each qualifying position will receive benefits: 401(k) plan with company match, medical plan, vision coverage, dental coverage, life insurance coverage, and disability coverage.

**Board Finding Number 4.**

**The level of the applicant's average investment per qualifying job over the term of the Agreement is estimated to be approximately \$11.25 million on the basis of the goal of 10 jobs, of which eight (8) will be qualifying positions for the Atlas Pipeline project.**

In support of Finding 4, the economic impact evaluation states:

The project's total investment is \$90 million, resulting in a relative level of investment per qualifying job of \$11.25 million.

**Board Finding Number 5.**

**Subsequent economic effects on the local and regional tax bases will be significant. In addition, the impact of the added infrastructure will be significant to the region.**

Board Findings of the Rankin Independent School District

Table 1 depicts Atlas Pipeline Midcontinent Westtexas LLC's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 16 years of annual investment and employment levels using software from Regional Economic Models, Inc. (REMI). The impact includes the construction period and the operating period of the project.

**Table 1: Estimated Statewide Economic Impact of Investment and Employment in Atlas Pipeline Midcontinent Westtexas LLC**

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	75	78	153	\$3,763,980	\$5,236,020	\$9,000,000
2014	85	110	195	\$4,265,844	\$7,734,156	\$12,000,000
2015	10	38	48	\$501,864	\$3,498,136	\$4,000,000
2016	10	34	44	\$501,864	\$3,498,136	\$4,000,000
2017	10	35	45	\$501,864	\$3,498,136	\$4,000,000
2018	10	29	39	\$501,864	\$3,498,136	\$4,000,000
2019	10	31	41	\$501,864	\$3,498,136	\$4,000,000
2020	10	31	41	\$501,864	\$3,498,136	\$4,000,000
2021	10	33	43	\$501,864	\$3,498,136	\$4,000,000
2022	10	33	43	\$501,864	\$3,498,136	\$4,000,000
2023	10	35	45	\$501,864	\$4,498,136	\$5,000,000
2024	10	29	39	\$501,864	\$4,498,136	\$5,000,000
2025	10	39	49	\$501,864	\$4,498,136	\$5,000,000
2026	10	35	45	\$501,864	\$4,498,136	\$5,000,000
2027	10	37	47	\$501,864	\$4,498,136	\$5,000,000
2028	10	35	45	\$501,864	\$5,498,136	\$6,000,000

Source: CPA, REMI, Atlas Pipeline Midcontinent Westtexas LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.65 billion in 2012-2013. Rankin ISD's ad valorem tax base in 2012-2013 was \$2.58 billion. The statewide average wealth per WADA was estimated at \$343,155 for fiscal 2012-2013. During that same year, Rankin ISD's estimated wealth per WADA was \$6,002,187. The impact on the facilities and finances of the district are presented in Attachment 2.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Upton County, Rankin Hospital District, Upton County Water District, and Upton Fire

Board Findings of the Rankin Independent School District

District, with all property tax incentives sought being granted using estimated market value from Atlas Pipeline Midcontinent Westtexas LLC's application. Atlas Pipeline Midcontinent Westtexas LLC has applied for both a value limitation under Chapter 313, Tax Code and a tax abatements with the county. Table 3 illustrates the estimated tax impact of Atlas Pipeline Midcontinent Westtexas LLC project on the region if all taxes are assessed.

**Table 2 Estimated Direct Ad Valorem Taxes with all property tax incentives sought**

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate <sup>1</sup>	Rankin ISD I&S Tax Levy	Rankin ISD M&O Tax Levy	M&O and I&S Tax Levies (Before Credit Credited)	Rankin ISD M&O and I&S Tax Levies (After Credit Credited)	Upton County Tax Levy	Rankin Hospital District Tax Levy	Upton County Water District Tax Levy	Upton Fire District Tax Levy	Estimated Total Property Taxes
2014	\$0	\$0	0.0400	\$0	\$1,040.00	\$0	\$0	\$1,187.20	\$0.0889	\$0.0042	\$0.0103	\$0
2015	\$30,000,000	\$30,000,000		\$12,000	\$312,000	\$324,000	\$324,000	\$11,232	\$1,667	\$1,260	\$3,090	\$341,249
2016	\$90,000,000	\$20,000,000		\$36,000	\$208,000	\$244,000	\$244,000	\$67,392	\$5,001	\$3,780	\$9,270	\$329,443
2017	\$85,500,000	\$20,000,000		\$34,200	\$208,000	\$242,200	\$227,343	\$96,034	\$4,751	\$3,591	\$8,807	\$340,525
2018	\$81,225,000	\$20,000,000		\$32,490	\$208,000	\$240,490	\$225,633	\$121,643	\$4,513	\$3,411	\$8,366	\$363,566
2019	\$77,163,750	\$20,000,000		\$30,866	\$208,000	\$238,866	\$224,008	\$144,451	\$4,287	\$3,241	\$7,948	\$383,935
2020	\$73,305,563	\$20,000,000		\$29,322	\$208,000	\$237,322	\$222,465	\$137,228	\$4,073	\$3,079	\$7,550	\$374,395
2021	\$69,640,284	\$20,000,000		\$27,856	\$208,000	\$235,856	\$220,999	\$130,367	\$3,869	\$2,925	\$7,173	\$365,333
2022	\$66,158,270	\$20,000,000		\$26,463	\$208,000	\$234,463	\$219,606	\$123,848	\$3,676	\$2,779	\$6,814	\$356,723
2023	\$62,850,357	\$20,000,000		\$25,140	\$208,000	\$233,140	\$218,283	\$117,656	\$3,492	\$2,640	\$6,474	\$348,544
2024	\$59,707,839	\$59,707,839		\$23,883	\$620,962	\$644,845	\$644,845	\$111,773	\$3,318	\$2,508	\$6,150	\$768,593
2025	\$56,722,447	\$56,722,447		\$22,689	\$589,913	\$612,602	\$612,602	\$106,184	\$3,152	\$2,382	\$5,842	\$730,163
2026	\$53,886,325	\$53,886,325		\$21,555	\$560,418	\$581,972	\$581,972	\$100,875	\$2,994	\$2,263	\$5,550	\$693,655
2027	\$51,192,008	\$51,192,008		\$20,477	\$532,397	\$552,874	\$552,874	\$95,831	\$2,844	\$2,150	\$5,273	\$658,972
2028	\$48,632,408	\$48,632,408		\$19,453	\$505,777	\$525,230	\$525,230	\$91,040	\$2,702	\$2,043	\$5,009	\$626,024
						<b>Total</b>	<b>\$5,043,860</b>	<b>\$1,455,553</b>	<b>\$50,339</b>	<b>\$38,051</b>	<b>\$93,316</b>	<b>\$6,681,120</b>

Assumes School Value Limitation and a Tax Abatement with the County.

Source: CPA, Atlas Pipeline Midcontinent Westtexas LLC

<sup>1</sup>Tax Rate per \$100 Valuation

**Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives**

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate <sup>1</sup>	Rankin ISD I&S Tax Levy	Rankin ISD M&O Tax Levy	Rankin ISD M&O and I&S Tax Levies	Upton County Tax Levy	Rankin Hospital District Tax Levy	Upton County Water District Tax Levy	Upton Fire District Tax Levy	Estimated Total Property Taxes	
2014	\$0	\$0	0.0400	\$0	\$1,040.00	\$1,040.00	\$1,187.20	\$0.0889	\$0.0042	\$0.0103	\$0	
2015	\$30,000,000	\$30,000,000		\$12,000	\$312,000	\$324,000	\$56,160	\$1,667	\$1,260	\$3,090	\$386,177	
2016	\$90,000,000	\$90,000,000		\$36,000	\$936,000	\$972,000	\$168,480	\$5,001	\$3,780	\$9,270	\$1,158,531	
2017	\$85,500,000	\$85,500,000		\$34,200	\$889,200	\$923,400	\$160,056	\$4,751	\$3,591	\$8,807	\$1,100,604	
2018	\$81,225,000	\$81,225,000		\$32,490	\$844,740	\$877,230	\$152,053	\$4,513	\$3,411	\$8,366	\$1,045,574	
2019	\$77,163,750	\$77,163,750		\$30,866	\$802,503	\$833,369	\$144,451	\$4,287	\$3,241	\$7,948	\$993,295	
2020	\$73,305,563	\$73,305,563		\$29,322	\$762,378	\$791,700	\$137,228	\$4,073	\$3,079	\$7,550	\$943,630	
2021	\$69,640,284	\$69,640,284		\$27,856	\$724,259	\$752,115	\$130,367	\$3,869	\$2,925	\$7,173	\$896,449	
2022	\$66,158,270	\$66,158,270		\$26,463	\$688,046	\$714,509	\$123,848	\$3,676	\$2,779	\$6,814	\$851,626	
2023	\$62,850,357	\$62,850,357		\$25,140	\$653,644	\$678,784	\$117,656	\$3,492	\$2,640	\$6,474	\$809,045	
2024	\$59,707,839	\$59,707,839		\$23,883	\$620,962	\$644,845	\$111,773	\$3,318	\$2,508	\$6,150	\$768,593	
2025	\$56,722,447	\$56,722,447		\$22,689	\$589,913	\$612,602	\$106,184	\$3,152	\$2,382	\$5,842	\$730,163	
2026	\$53,886,325	\$53,886,325		\$21,555	\$560,418	\$581,972	\$100,875	\$2,994	\$2,263	\$5,550	\$693,655	
2027	\$51,192,008	\$51,192,008		\$20,477	\$532,397	\$552,874	\$95,831	\$2,844	\$2,150	\$5,273	\$658,972	
2028	\$48,632,408	\$48,632,408		\$19,453	\$505,777	\$525,230	\$91,040	\$2,702	\$2,043	\$5,009	\$626,024	
						<b>Total</b>	<b>\$9,784,630</b>	<b>\$1,696,003</b>	<b>\$50,339</b>	<b>\$38,051</b>	<b>\$93,316</b>	<b>\$11,662,339</b>

Source: CPA, Atlas Pipeline Midcontinent Westtexas LLC

<sup>1</sup>Tax Rate per \$100 Valuation

**Board Finding Number 6.**

**The revenue gains that will be realized by the school district if the Application is approved will be significant in the long-term, with special reference to revenues used for supporting school district debt.**

In support of this finding, the analysis prepared by Moak, Casey & Associates projects that the project would initially add \$90 million to the tax base for debt service purposes at the peak investment level for the 2016-17 school year. The Atlas Pipeline project remains fully taxable for debt services taxes, with Rankin ISD levying a \$0.04 per \$100 I&S rate. While the value of the Atlas Pipeline project is expected to depreciate over the life of the agreement and beyond, full access to the additional value will add to the District's I&S tax base.

**Board Finding Number 7.**

**The effect of the applicant's proposal, if approved, on the number or size of needed school district instructional facilities is not expected to increase the District's facility needs, with current trends suggest little underlying enrollment growth based on the impact of the Atlas project.**

The summary of financial impact prepared by Moak, Casey & Associates, Inc., indicates that there will be little to no impact on school facilities created by the Atlas Pipeline project. This finding is confirmed by the TEA evaluation of this project's impact on the number and size of school facilities in Rankin ISD as stated in **Attachment D**.

**Board Finding Number 8.**

**The ability of the applicant to locate the proposed facility in another state or another region of this state is substantial, as a result of the highly competitive marketplace for economic development.**

In support of Finding 8, the economic impact evaluation states:

According to Atlas Pipeline Midcontinent Westtexas LLC's application, the company "currently operates and is expanding with hundreds of miles of gathering lines in multiple countries. They allocate capital investment to projects and locations that create the best economic return. The existence of a limitation on tax value is a significant factor in calculating the economic return and allocation of reserves to the

Board Findings of the Rankin Independent School District

projects. However, Atlas pipeline Midcontinent Westtexas LLC could redirect its expenditures to build the plant in the following counties: Oklahoma New Mexico.”

**Board Finding Number 9.**

**During the past two years, 13 projects in the Permian Basin Regional Planning Commission Region applied for value limitation agreements under Tax Code, Chapter 313.**

**Board Finding Number 10.**

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

**Board Finding Number 11.**

**The Board of Trustees has determined that the Tax Limitation Amount requested by Applicant is currently Twenty Million Dollars, which is consistent with the minimum values currently set out by Tax Code, § 313.054(a).**

According to the Texas Comptroller of Public Accounts’ School and Appraisal Districts’ Property Value Study 2012 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year, Attachment F, the total 2012 industrial value for Rankin ISD is \$98.5 million. Rankin ISD is categorized as Subchapter C, which applies only to a school district that has territory in a strategic investment area, as defined under Subchapter O, Chapter 171, Tax Code or in a county: (1) that has a population of less than 50,000 and (2) in which, from 1990 to 2000, according to the federal decennial census, the population: (A) remained the same; (B) decreased; or (C) increased, but at a rate of not more than three percent per annum. Rankin ISD is classified as a “rural” district due to its population characteristics. Given that the value of industrial property in Rankin ISD is between \$90 and \$200 million, it is classified as a Category II district which can offer a minimum value limitation of \$20 million.

**Board Finding Number 12.**

**The Applicant (Taxpayer Id. 14217331074) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on its “good standing” certification as a franchise-tax paying entity.**

**Board Finding Number 13.**

**The Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment G, includes adequate and appropriate revenue protection provisions for the District.**

In support of this finding, the report of Moak, Casey & Associates, Inc. shows that the District will incur revenue losses under current law in each the eight years that the value limitation is in effect without the proposed Agreement. However, with this Agreement, the negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District. Revenue protection measures are in place for the duration of the Agreement.

**Board Finding Number 14.**

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

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

Board Findings of the Rankin Independent School District

Dated the 18<sup>th</sup> day of December 2013.

RANKIN INDEPENDENT SCHOOL DISTRICT

By:   
Mike Ratliff, President, Board of Trustees

**ATTEST:**

By:   
Darren Akin, Secretary, Board of Trustees



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

December 18, 2013

President and Members  
Board of Trustees  
Rankin Independent School District  
511 W. 12<sup>th</sup> Street  
Rankin, Texas 79778

*Re: Recommendations and Findings of the firm Concerning Application of Atlas Pipeline Midcontinent Westtex LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes*

Dear President Ratliff and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Rankin Independent School District, with respect to the pending Application of Atlas Pipeline Midcontinent Westtex LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. Based upon our review we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.
4. All applicable school finance implications arising from the contemplated Agreement have been explored.
5. The proposed Agreement contains adequate revenue protection provisions to protect the interests of the District.

As a result of the foregoing it is our recommendation that the Board of Trustees approve the Application of Atlas Pipeline Midcontinent Westtex LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

A handwritten signature in blue ink that reads "Daniel T. Casey".

Daniel T. Casey

[www.moakcasey.com](http://www.moakcasey.com)

Phone 512-485-7878

400 W. 15<sup>th</sup> Street★Suite 1410★Austin, TX 78701-1648

Fax 512-485-7888

# O'HANLON, MCCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

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**KEVIN O'HANLON**  
CERTIFIED, CIVIL APPELLATE  
CERTIFIED, CIVIL TRIAL

**LESLIE MCCOLLOM**  
CERTIFIED, CIVIL APPELLATE  
CERTIFIED, LABOR AND EMPLOYMENT  
TEXAS BOARD OF LEGAL SPECIALIZATION

**JUSTIN DEMERATH**

December 18, 2013

President and Members  
Of the Board of Trustees  
Rankin Independent School District  
511 W. 12<sup>th</sup> Street  
Rankin, Texas 79778

*Re: Recommendations and Findings of the Firm Concerning Application of Atlas Pipeline Midcontinent Westtex LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, first qualifying year 2014*

Dear President Ratliff and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Rankin Independent School District, with respect to the pending Application of Atlas Pipeline Midcontinent Westtex LLC for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, to be effected by an agreement with a first qualifying time year of 2014. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. We have also negotiated an Agreement between the District and Atlas Pipeline Midcontinent Westtex LLC Based upon our review we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.

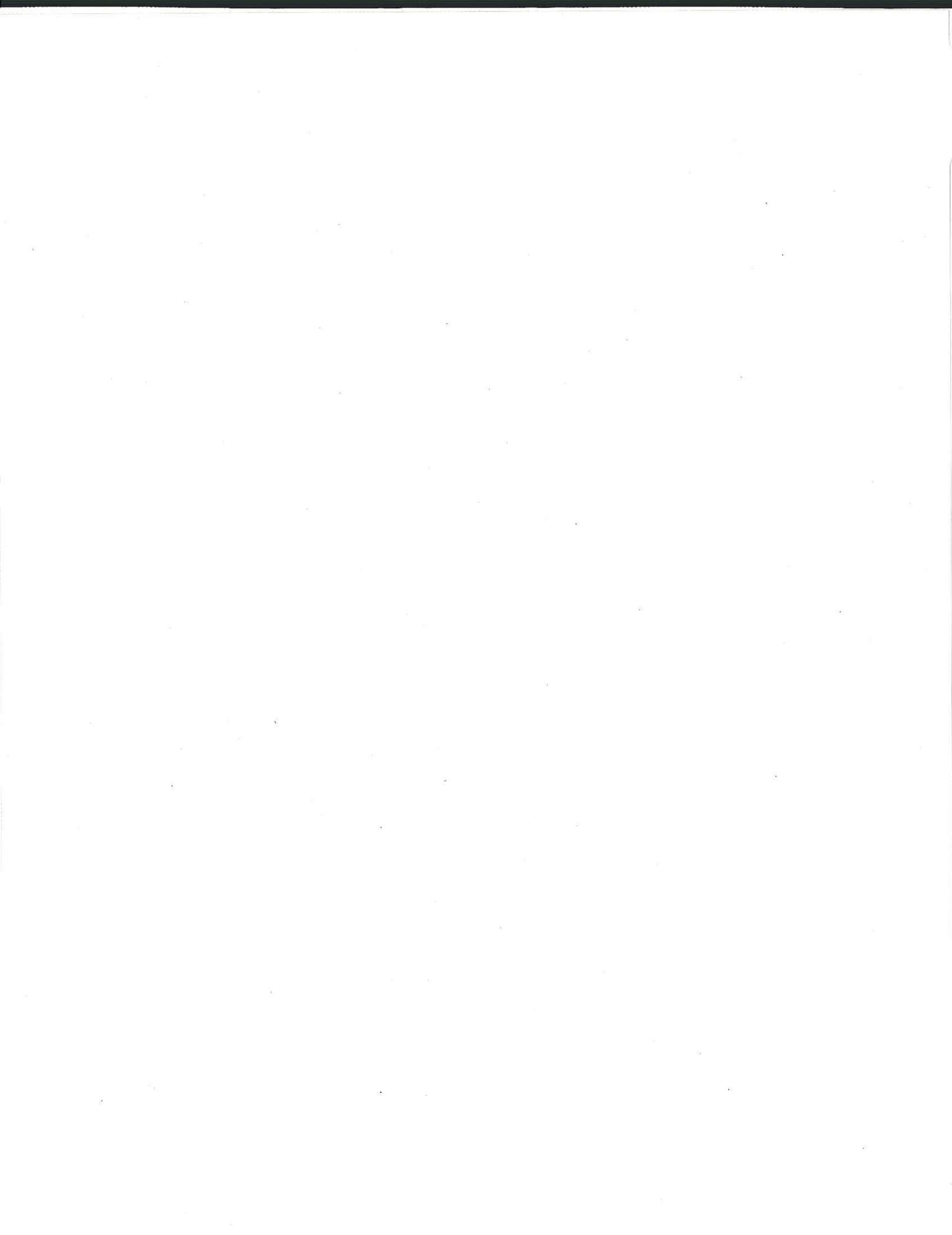
4. All applicable school finance implications arising from the contemplated Agreement have been explored.
5. The proposed Agreement contains adequate legal provisions so as to protect the interests of the District.

As a result of the foregoing conclusions it is our recommendation that the Board of Trustees approve the Application of Atlas Pipeline Midcontinent Westtex LLC for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin O'Hanlon", written in a cursive style.

Kevin O'Hanlon  
For the Firm



Attachment A

Application

July 15<sup>th</sup>, 2013

Rankin ISD  
Mr. Danny Davis  
511 W. 12<sup>th</sup> Street  
Rankin, TX 79778

**RE: Application for Section 313 – Value Limitation Agreement**

Atlas Pipeline Midcontinent Westtex, LLC is considering plans to build a 200mmscf/d gas processing plant inside Rankin ISD which will allow us the ability to process raw natural gas into useable products. The estimated investment for this project will be approximately \$90mm, with estimated completion in the 4th quarter of 2015.

The positive economic impact stretches beyond the investment by providing a number of jobs during the construction phase, and at least 10 full time local jobs once construction is complete.

Atlas Pipeline Midcontinent Westtex, LLC is committed to the growth and welfare of the community. We believe our investment in Upton County affirms our dedication to maintaining a considerable presence in the area.

Attached is our application for property tax limitation. We respectfully request this 10 year limitation under The Appraised Value Limitation on Qualified Property (Chapter 313 of the Texas Tax Code).

Please feel free to contact me if you have any questions. I can be reached via telephone 469-298-1594 or by email [mfry@keatax.com](mailto:mfry@keatax.com).

Sincerely,



Mike Fry



# Application for Appraised Value Limitation on Qualified Property

(Tax Code, Chapter 313, Subchapter B or C)

**Form 50-296**  
(Revised May 2010)

**INSTRUCTIONS:** This application must be completed and filed with the school district. In order for an application to be processed, the governing body (school board) must elect to consider an application, but — by Comptroller rule — the school board may elect to consider the application only after the school district has received a completed application. Texas Tax Code, Section 313.025 requires that any completed application and any supplemental materials received by the school district must be forwarded within seven days to the Comptroller of Public Accounts.

If the school board elects to consider the application, the school district must:

- notify the Comptroller that the school board has elected to consider the application.

This notice must include:

- the date on which the school district received the application;
- the date the school district determined that the application was complete;
- the date the school board decided to consider the application; and
- a request that the comptroller prepare an economic impact analysis of the application;
- provide a copy of the notice to the appraisal district;
- must complete the sections of the application reserved for the school district and provide information required in the Comptroller rules located at 34 Texas Administrative Code (TAC) Section 9.1054; and
- forward the original completed application to the Comptroller in a three-ring binder with tabs separating each section of the documents, in addition to an electronic copy on CD. See 34 TAC Chapter 9, Subchapter F.

The governing body may, at its discretion, allow the applicant to supplement or amend the application after the filing date, subject to the restrictions in 34 TAC Chapter 9, Subchapter F.

When the Comptroller receives the notice and required information from the school district, the Comptroller will publish all submitted application materials on its Web site. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules as explained in the Confidentiality Notice below.

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project, make a recommendation to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

The school board must approve or disapprove the application before the 151st day after the application review start date (the date the application is finally determined to be complete), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to complete the recommendation, economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's Web site to find out more about the program at <http://www.window.state.tx.us/taxinfo/proptax/hb1200/index.html>. There are links on this Web page to the Chapter 313 statute, rules and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

## SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION

**Authorized School District Representative**

Date application received by district

7/17/13

First Name

Danny

Last Name

Davis

Title

Superintendent

School District Name

Rankin ISD

Street Address

511 W 12 St

Mailing Address

PO Box 90

City

Rakin

State

TX

ZIP

79778

Phone Number

432-693-2461

Fax Number

432-693-2552

Mobile Number (optional)

E-mail Address

ddavis@rankinisd.net

I authorize the consultant to provide and obtain information related to this application.....  Yes  No

Will consultant be primary contact? .....  Yes  No



Application for Appraised Value Limitation on Qualified Property

SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized School District Consultant (If Applicable)

First Name: Kevin, Last Name: O'Hanlon, Title: Attorney, Firm Name: O'Hanlon, McCollom & Demerath, PC, Street Address: 808 West Avenue, Mailing Address: 808 West Avenue, City: Austin, State: Tx, ZIP: 78701, Phone Number: 512-494-9949, Fax Number: 512-494-9919, Mobile Number (Optional):, E-mail Address: kohanlon@808west.com

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

Signature (Authorized School District Representative): [Handwritten Signature], Date: 8-9-2013

Has the district determined this application complete? [X] Yes [ ] No

If yes, date determined complete. 8/15/13

Have you completed the school finance documents required by TAC 9.1054(c)(3)? [ ] Yes [X] No

will supplement

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

Table with 4 columns: Checklist, Page X of 16, Check Completed, and a final column for notes. Row 1: Date application received by the ISD, 1 of 16, [X]. Row 2: Certification page signed and dated by authorized school district representative, 2 of 16, [X]. Row 3: Date application deemed complete by ISD, 2 of 16, [X]. Row 4: Certification pages signed and dated by applicant or authorized business representative of applicant, 4 of 16, [X]. Row 5: Completed company checklist, 12 of 16, [X]. Row 6: School finance documents described in TAC 9.1054(c)(3) (Due within 20 days of district providing notice of completed application), 2 of 16, will supplement.



APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Business Representative (Applicant)

First Name: Jason Last Name: Duncan

Title: Controller

Organization: Atlas Pipeline Midcontinent Westtex LLC

Street Address: 110 W 7th, Suite 2300

Mailing Address:

City: Tulsa State: Oklahoma ZIP: 74119

Phone Number: (918) 574-3500 Fax Number: (918) 574-3987

Mobile Number (optional): Business e-mail Address: jduncan@atlaspipeline.com

Will a company official other than the authorized business representative be responsible for responding to future information requests? [X] Yes [ ] No

If yes, please fill out contact information for that person.

First Name: Robert W. Last Name: Karlovich

Title: CFO and CAO

Organization: Atlas Pipeline Midcontinent Westtex LLC

Street Address: 110 W 7th, Suite 2300

Mailing Address:

City: Tulsa State: Oklahoma ZIP: 74119

Phone Number: (918) 574-3500 Fax Number: 918) 574-3987

Mobile Number (optional): E-mail Address: rkarlovich@atlaspipeline.com

I authorize the consultant to provide and obtain information related to this application.. [X] Yes [ ] No

Will consultant be primary contact? [X] Yes [ ] No

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

First Name: Mike
Title: Tax Agent
Firm Name: K E Andrews
Street Address: 1900 Dalrock Road
Mailing Address: 1900 Dalrock Road
City: Rowlett
Phone Number: 469-298-1594
Business email Address: mfry@keatax.com

Last Name: Fry
State: Texas
ZIP: 75088
Fax Number: 469-298-1619

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application is true and correct to the best of my knowledge and belief. I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

Signature (Authorized Business Representative (Applicant))

[Handwritten signature]

Date

7/26/13

GIVEN under my hand and seal of office this 26th day of July, 2013



[Handwritten signature: M.K. Steele]
Notary Public, State of Oklahoma

My commission expires Aug. 14, 2013

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code § 37.10.

**FEES AND PAYMENTS**

Enclosed is proof of application fee paid to the school district.

For the purpose of this question, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.

Please answer only either A OR B:

A. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code, §13.027(i)?  Yes  No

B. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §13.027(i)?  Yes  No

**BUSINESS APPLICANT INFORMATION**

Legal Name under which application is made

**Atlas Pipeline Midcontinent Westtexas LLC**

Texas Taxpayer I.D. Number of entity subject to Tax Code, Chapter 171 (11 digits)

**1-42-1733107-4**

NAICS code

**325120**

Is the applicant a party to any other Chapter 313 agreements?  Yes  No

If yes, please list name of school district and year of agreement.

**APPLICANT BUSINESS STRUCTURE**

Registered to do business in Texas with the Texas Secretary of State?  Yes  No

Identify business organization of applicant (corporation, limited liability corporation, etc.)

**Limited Liability Corporation**

1. Is the applicant a combined group, or comprised of members of a combined group, as defined by Texas Tax Code Chapter 171.0001(7)?  Yes  No  
If so, please attach documentation of the combined group membership and contact information.

2. Is the applicant current on all tax payments due to the State of Texas?  Yes  No

3. Are all applicant members of the combined group current on all tax payments due to the State of Texas?  NA  Yes  No  
If the answer to either question is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (Use attachment if necessary.)



ELIGIBILITY UNDER TAX CODE CHAPTER 313.024

- Are you an entity to which Tax Code, Chapter 171 applies?
The property will be used as an integral part, or as a necessary auxiliary part, in one of the following activities:
(1) manufacturing
(2) research and development
(3) a clean coal project, as defined by Section 5.001, Water Code
(4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code
(5) renewable energy electric generation
(6) electric power generation using integrated gasification combined cycle technology
(7) nuclear electric power generation
(8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7)
Are you requesting that any of the land be classified as qualified investment?
Will any of the proposed qualified investment be leased under a capitalized lease?
Will any of the proposed qualified investment be leased under an operating lease?
Are you including property that is owned by a person other than the applicant?
Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment?

PROJECT DESCRIPTION

Provide a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information. (Use attachments as necessary)

See Attachment

Describe the ability of your company to locate or relocate in another state or another region of the state.

See Attachment

PROJECT CHARACTERISTICS (CHECK ALL THAT APPLY)

- New Jobs, Construct New Facility, New Business / Start-up, Expand Existing Facility, Relocation from Out-of-State, Expansion, Purchase Machinery & Equipment, Consolidation, Relocation within Texas

PROJECTED TIMELINE

Begin Construction April 2014, Begin Hiring New Employees June 2014, Construction Complete October 2015, Fully Operational October 2015, Purchase Machinery & Equipment December 2013

Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)?

Note: Improvements made before that time may not be considered qualified property. When do you anticipate the new buildings or improvements will be placed in service? October 2015

**ECONOMIC INCENTIVES**

Identify state programs the project will apply for:

State Source	Amount
N/A	N/A
Total	

Will other incentives be offered by local units of government?  Yes  No

Please use the following box for additional details regarding incentives. (Use attachments if necessary.)

Seeking abatement with Upton County with the following percentages through year 5 of the project.  
 Year 1 - 100%, Year 2 - 80%, Year 3 - 60% Year 4 - 40%, Year 5 - 20%.

**THE PROPERTY**

Identify county or counties in which the proposed project will be located Upton

Central Appraisal District (CAD) that will be responsible for appraising the property Upton

Will this CAD be acting on behalf of another CAD to appraise this property?  Yes  No

List all taxing entities that have jurisdiction for the property and the portion of project within each entity

County: Upton -100% City: N/A  
(Name and percent of project) (Name and percent of project)

Hospital District: Rankin Hospital - 100% Water District: Upton County WD - 100%  
(Name and percent of project) (Name and percent of project)

Other (describe): Upton Fire District - 100% Other (describe): N/A  
(Name and percent of project) (Name and percent of project)

Is the project located entirely within this ISD?  Yes  No

If not, please provide additional information on the project scope and size to assist in the economic analysis.



INVESTMENT

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as rural, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's Web site at www.window.state.tx.us/taxinfo/proptax/hb1200/values.html.

At the time of application, what is the estimated minimum qualified investment required for this school district? 10 Million

What is the amount of appraised value limitation for which you are applying? 10 Million

What is your total estimated qualified investment? 90 Million

NOTE: See 313.021(1) for full definition. Generally, Qualified Investment is the sum of the investment in tangible personal property and buildings and new improvements made between beginning of the qualifying time period (date of application final approval by the school district) and the end of the second complete tax year.

What is the anticipated date of application approval? November 2013

What is the anticipated date of the beginning of the qualifying time period? November 2013

What is the total estimated investment for this project for the period from the time of application submission to the end of the limitation period? 90 Million

Describe the qualified investment.[See 313.021(1).]

Attach the following items to this application:

- (1) a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021,
(2) a description of any new buildings, proposed improvements or personal property which you intend to include as part of your minimum qualified investment and
(3) a map of the qualified investment showing location of new buildings or new improvements with vicinity map.

Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or 313.053 for rural school districts) for the relevant school district category during the qualifying time period? [X] Yes [ ] No

Except for new equipment described in Tax Code §151.318(q) or (q-1), is the proposed tangible personal property to be placed in service for the first time:

(1) in or on the new building or other new improvement for which you are applying? [X] Yes [ ] No

(2) if not in or on the new building or other new improvement for which you are applying for an appraised value limitation, is the personal property necessary and ancillary to the business conducted in the new building or other new improvement? [X] Yes [ ] No

(3) on the same parcel of land as the building for which you are applying for an appraised value limitation? [X] Yes [ ] No

("First placed in service" means the first use of the property by the taxpayer.)

Will the investment in real or personal property you propose be counted toward the minimum qualified investment required by Tax Code §313.023, (or 313.053 for rural school districts) be first placed in service in this state during the applicable qualifying time period? [X] Yes [ ] No

Does the investment in tangible personal property meet the requirements of Tax Code §313.021(1)? [X] Yes [ ] No

If the proposed investment includes a building or a permanent, non-removable component of a building, does it house tangible personal property? [X] Yes [ ] No

QUALIFIED PROPERTY

Describe the qualified property. [See 313.021(2)] (If qualified investment describes qualified property exactly you may skip items (1), (2) and (3) below.)

Attach the following items to this application:

- (1) a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021,
(2) a description of any new buildings, proposed improvements or personal property which you intend to include as part of your qualified property and
(3) a map of the qualified property showing location of new buildings or new improvements - with vicinity map.

Land

Is the land on which you propose new construction or improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? [ ] Yes [X] No

If you answered "no" to the question above, what is the anticipated date on which you will submit proof of a reinvestment zone with boundaries encompassing the land on which you propose new construction or improvements? November 2013

Will the applicant own the land by the date of agreement execution? [X] Yes [ ] No

Will the project be on leased land? [ ] Yes [X] No

**QUALIFIED PROPERTY (CONTINUED)**

If the land upon which the new building or new improvement is to be built is part of the qualified property described by §313.021(2)(A), please attach complete documentation, including:

1. Legal description of the land
2. Each existing appraisal parcel number of the land on which the improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property
3. Owner
4. The current taxable value of the land. Attach estimate if land is part of larger parcel.
5. A detailed map (with a vicinity map) showing the location of the land

Attach a map of the reinvestment zone boundaries, certified to be accurate by either the governmental entity creating the zone, the local appraisal district, or a licensed surveyor. (With vicinity map)

Attach the order, resolution or ordinance establishing the zone, and the guidelines and criteria for creating the zone, if applicable.

**Miscellaneous**

Is the proposed project a building or new improvement to an existing facility?  Yes  No

Attach a description of any existing improvements and include existing appraisal district account numbers.

List current market value of existing property at site as of most recent tax year. 0 (Market Value) 2013 (Tax Year)

Is any of the existing property subject to a value limitation agreement under Tax Code 313?  Yes  No

Will all of the property for which you are requesting an appraised value limitation be free of a tax abatement agreement entered into by a school district for the duration of the limitation?  Yes  No

**WAGE AND EMPLOYMENT INFORMATION**

What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0

The last complete calendar quarter before application review start date is the:

First Quarter  Second Quarter  Third Quarter  Fourth Quarter of 2013 (year)

What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the TWC? 82

**Note:** For job definitions see TAC §9.1051(14) and Tax Code 313.021(3). If the applicant intends to apply a definition for "new job" other than TAC §9.1051(14)(C), then please provide the definition of "new job" as used in this application. N/A

Total number of new jobs that will have been created when fully operational 10

Do you plan to create at least 25 new jobs (at least 10 new jobs for rural school districts) on the land and in connection with the new building or other improvement?  Yes  No

Do you intend to request that the governing body waive the minimum new job creation requirement, as provided under Tax Code §313.025(f-1)?  Yes  No

If you answered "yes" to the question above, attach evidence documenting that the new job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards. **Note: Even if a minimum new job waiver is provided, 80% of all new jobs must be qualifying jobs pursuant to Texas Tax Code, §313.024(d).**

What is the maximum number of qualifying jobs meeting all criteria of §313.021(3) you are committing to create? 8

If this project creates more than 1,000 new jobs, the minimum required wage for this project is 110% of the average county weekly wage for all jobs as described by 313.021(3)(E)(ii).

If this project creates less than 1,000 new jobs, does this district have territory in a county that meets the demographic characteristics of 313.051(2)? (see table of information showing this district characteristic at <http://www.window.state.tx.us/taxinfo/proptax/hb1200/values.html>)

If yes, the applicant must meet wage standard described in 313.051(b) (110% of the regional average weekly wage for manufacturing)

If no, the applicant shall designate one of the wage standards set out in §§313.021(5)(A) or 313.021(5)(B).

**WAGE AND EMPLOYMENT INFORMATION (CONTINUED)**

For the following three wage calculations please include on an attachment the four most recent quarters of data for each wage calculation. Show the average and the 110% calculation. Include documentation from TWC Web site. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(7).

110% of the county average weekly wage for all jobs (all industries) in the county is \$1,441.00

110% of the county average weekly wage for manufacturing jobs in the county is Information not published

110% of the county average weekly wage for manufacturing jobs in the region is \$938.08

Please identify which Tax Code section you are using to estimate the wage standard required for this project:

§313.021(5)(A) or  §313.021(5)(B) or  §313.021(3)(E)(ii), or  §313.051(b)?

What is the estimated minimum required annual wage for each qualifying job based on the qualified property? \$50,186.40

What is the estimated minimum required annual wage you are committing to pay for each of the qualifying jobs you create on the qualified property? \$50,186.40

Will 80% of all new jobs created by the owner be qualifying jobs as defined by 313.021(3)?  Yes  No

Will each qualifying job require at least 1,600 of work a year?  Yes  No

Will any of the qualifying jobs be jobs transferred from one area of the state to another?  Yes  No

Will any of the qualifying jobs be retained jobs?  Yes  No

Will any of the qualifying jobs be created to replace a previous employee?  Yes  No

Will any required qualifying jobs be filled by employees of contractors?  Yes  No

If yes, what percent? \_\_\_\_\_

Does the applicant or contractor of the applicant offer to pay at least 80% of the employee's health insurance premium for each qualifying job?  Yes  No

Describe each type of benefits to be offered to qualifying jobholders. (Use attachments as necessary.)

# See Attachment

**ECONOMIC IMPACT**

Is an Economic Impact Analysis attached (If supplied by other than the Comptroller's office)?  Yes  No

Is Schedule A completed and signed for all years and attached?  Yes  No

Is Schedule B completed and signed for all years and attached?  Yes  No

Is Schedule C (Application) completed and signed for all years and attached?  Yes  No

Is Schedule D completed and signed for all years and attached?  Yes  No

Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.

If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, please attach a separate schedule showing the amount for each year affected, including an explanation.

**CONFIDENTIALITY NOTICE****Property Tax Limitation Agreement Applications  
Texas Government Code Chapter 313  
Confidential Information Submitted to the Comptroller**

Generally, an application for property tax value limitation, the information provided therein, and documents submitted in support thereof, are considered public information subject to release under the Texas Public Information Act.

There is an exception, outlined below, by which information will be withheld from disclosure.

The Comptroller's office will withhold information from public release if:

- 1) it describes the specific processes or business activities to be conducted or the specific tangible personal property to be located on real property covered by the application;
- 2) the information has been segregated in the application from other information in the application; and
- 3) the party requesting confidentiality provides the Comptroller's office a list of the documents for which confidentiality is sought and for each document lists the specific reasons, including any relevant legal authority, stating why the material is believed to be confidential.

All applications and parts of applications which are not segregated and marked as confidential as outlined above will be considered public information and will be posted on the internet.

Such information properly identified as confidential will be withheld from public release unless and until the governing body of the school district acts on the application, or we are directed to do so by a ruling from the Attorney General.

Other information in the custody of a school district or the comptroller submitted in connection with the application, including information related to the economic impact of a project or the essential elements of eligibility under Texas Tax Code, Chapter 313, such as

the nature and amount of the projected investment, employment, wages, and benefits, will not be considered confidential business information and will be posted on the internet.

All documents submitted to the Comptroller, as well as all information in the application once the school district acts thereon, are subject to public release unless specific parts of the application or documents submitted with the application are identified as confidential. Any person seeking to limit disclosure of such submitted records is advised to consult with their legal counsel regarding disclosure issues and also to take the appropriate precautions to safeguard copyrighted material, trade secrets, or any other proprietary information. The Comptroller assumes no obligation or responsibility relating to the disclosure or nondisclosure of information submitted by respondents. A person seeking to limit disclosure of information must submit in writing specific detailed reasons, including any relevant legal authority, stating why that person believes the material to be confidential.

The following outlines how the Comptroller's office will handle requests for information submitted under the Texas Public Information Act for application portions and submitted records appropriately identified as confidential.

- This office shall forward the request for records and a copy of the documents at issue to the Texas Attorney General's office for an opinion on whether such information may be withheld from disclosure under the Texas Public Information Act.
- The Comptroller will notify the person who submitted the application/documents when the information is forwarded to the Attorney General's office.
- Please be aware that this Office is obligated to comply with an Attorney General's decision, including release of information ruled public even if it was marked confidential.



## COMPANY CHECKLIST AND REQUESTED ATTACHMENTS

	Checklist	Page X of 16	Check Completed
1	Certification pages signed and dated by Authorized Business Representative (applicant)	4 of 16	✓
2	Proof of Payment of Application Fee (Attachment)	5 of 16	✓
3	For applicant members, documentation of Combined Group membership under Texas Tax Code 171.0001(7) (if Applicable) (Attachment)	5 of 16	✓
4	Detailed description of the project	6 of 16	✓
5	If project is located in more than one district, name other districts and list percentage in each district (Attachment)	7 of 16	✓
6	Description of Qualified Investment (Attachment)	8 of 16	✓
7	Map of qualified investment showing location of new buildings or new Improvements with vicinity map.	8 of 16	✓
8	Description of Qualified Property (Attachment)	8 of 16	✓
9	Map of qualified property showing location of new buildings or new improvements with vicinity map	8 of 16	✓
10	Description of Land (Attachment)	9 of 16	✓
11	A detailed map showing location of the land with vicinity map.	9 of 16	✓
12	A description of all existing (if any) improvements (Attachment)	9 of 16	✓
13	Request for Waiver of Job Creation Requirement (if applicable) (Attachment)	9 of 16	✓
14	Calculation of three possible wage requirements with TWC documentation. (Attachment)	10 of 16	✓
15	Description of Benefits	10 of 16	✓
16	Economic Impact (if applicable)	10 of 16	✓
17	Schedule A completed and signed	13 of 16	✓
18	Schedule B completed and signed	14 of 16	✓
19	Schedule C (Application) completed and signed	15 of 16	✓
20	Schedule D completed and signed	16 of 16	✓
21	Map of Reinvestment Zone (Attachment) (Showing the actual or proposed boundaries and size, Certified to be accurate by either the government entity creating the zone, the local appraisal district, or a licensed surveyor, with vicinity map)*	9 of 16	✓
22	Order, Resolution, or Ordinance Establishing the Zone (Attachment)*	9 of 16	✓
23	Legal Description of Reinvestment Zone (Attachment)*	9 of 16	✓
24	Guidelines and Criteria for Reinvestment Zone(Attachment)*	9 of 16	✓

\*To be submitted with application or before date of final application approval by school board.

Schedule A (Rev. May 2010): Investment

Form 50-296

Applicant Name: Atlas Pipeline Midcontinent Westflex LLC  
 ISD Name: Rankin ISD

PROPERTY INVESTMENT AMOUNTS (Estimated Investment in each year. Do not put cumulative totals.)									
	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: Tangible Personal Property The amount of new investment (original cost) placed in service during this year	Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B Qualifying investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)		
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)  Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment)  Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)  Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property)  Complete tax years of qualifying time period  Value Limitation Period  Continues to Maintain Viable Presence  Post-Settle-Up Period  Post-Settle-Up Period	1	2014	\$ 30,000,000.00	\$ 941,130	\$ 30,941,130.00		\$ 30,941,130.00		
	2	2015	\$ 54,058,870.00		\$ 54,058,870.00		\$ 54,058,870.00		
	3	2016							
	4	2017							
	5	2018							
	6	2019							
	7	2020							
	8	2021							
	9	2022							
	10	2023							
	11	2024							
	12	2025							
	13	2026							
	14	2027							
	15	2028							

Qualifying Time Period usually begins with the final board approval of the application and extends generally for the following two complete tax years  
 Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment - as defined in Tax Code §313.021(1)(A)-(D). For the purposes of investment, please list amount invested each year, not cumulative totals.

Column B: Include estimates of investment for "replacement" property that is part of original agreement but scheduled for probable replacement during limitation period. The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E)

Column D: Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value for planning, construction and operation of the facility. The most significant example for many projects would be land. Other examples may be items such as professional services, etc.  
 Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

Notes: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed. This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

  
 SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

8/15/13  
 DATE

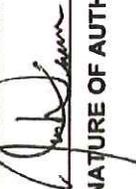
**Schedule B (Rev. May 2010): Estimated Market And Taxable Value**

Form 50-296

Applicant Name: Atlas Pipeline Midcontinent Westtex LLC  
 Rankin ISD

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Reductions from Market Value	Estimated Taxable Value	Final taxable value for 1&S - after all reductions	Final taxable value for M&C - after all reductions
			Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or 'n or on the new improvement'				
pre-year 1	2013-2014	2013							
1	2014-2015	2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	2015-2016	2015	\$ 941,130	\$ 29,058,870	\$ -	\$ -	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000
3	2016-2017	2016	\$ 903,485	\$ 89,096,515	\$ -	\$ -	\$ 90,000,000	\$ 10,000,000	\$ 10,000,000
4	2017-2018	2017	\$ 858,311	\$ 84,641,689	\$ -	\$ -	\$ 85,500,000	\$ 10,000,000	\$ 10,000,000
5	2018-2019	2018	\$ 815,395	\$ 80,409,605	\$ -	\$ -	\$ 81,225,000	\$ 10,000,000	\$ 10,000,000
6	2019-2020	2019	\$ 774,625	\$ 76,389,125	\$ -	\$ -	\$ 77,163,750	\$ 10,000,000	\$ 10,000,000
7	2020-2021	2020	\$ 735,894	\$ 72,569,668	\$ -	\$ -	\$ 73,305,563	\$ 10,000,000	\$ 10,000,000
8	2021-2022	2021	\$ 699,099	\$ 68,941,185	\$ -	\$ -	\$ 69,640,284	\$ 10,000,000	\$ 10,000,000
9	2022-2023	2022	\$ 664,144	\$ 65,494,126	\$ -	\$ -	\$ 66,158,270	\$ 10,000,000	\$ 10,000,000
10	2023-2024	2023	\$ 630,937	\$ 62,219,420	\$ -	\$ -	\$ 62,850,357	\$ 10,000,000	\$ 10,000,000
11	2024-2025	2024	\$ 599,390	\$ 59,108,449	\$ -	\$ -	\$ 59,707,839	\$ 59,707,839	\$ 59,707,839
12	2025-2026	2025	\$ 569,421	\$ 56,153,026	\$ -	\$ -	\$ 56,722,447	\$ 56,722,447	\$ 56,722,447
13	2026-2027	2026	\$ 540,950	\$ 53,345,375	\$ -	\$ -	\$ 53,886,325	\$ 53,886,325	\$ 53,886,325
14	2027-2028	2027	\$ 513,902	\$ 50,678,106	\$ -	\$ -	\$ 51,192,008	\$ 51,192,008	\$ 51,192,008
15	2028-2029	2028	\$ 488,207	\$ 48,144,201	\$ -	\$ -	\$ 48,632,408	\$ 48,632,408	\$ 48,632,408

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation. This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

  
 SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

8/15/13  
 DATE

**Schedule C- Application: Employment Information**

Applicant Name: Atlas Pipeline Midcontinent Westtex LLC  
 ISD Name: Rankin ISD

Form 50-296

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Construction		New Jobs		Qualifying Jobs	
				Column A: Number of Construction FTE's or man- hours (specify)	Column B: Average annual wage rates for construction workers	Column C: Number of new jobs applicant commits to create (cumulative)	Column D: Average annual wage rate for all new jobs.	Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs
	pre- year 1	2013-2014	2013	75 FTE	\$ 50,186.40	0	\$ -	0	\$ -
Complete tax years of qualifying time period	1	2014-2015	2014	75 FTE	\$ 50,186.40	10	\$ 50,186.40	8	\$ 50,186.40
	2	2015-2016	2015			10	\$ 50,186.40	8	\$ 50,186.40
	3	2016-2017	2016			10	\$ 50,186.40	8	\$ 50,186.40
	4	2017-2018	2017			10	\$ 50,186.40	8	\$ 50,186.40
	5	2018-2019	2018			10	\$ 50,186.40	8	\$ 50,186.40
Value Limitation Period	6	2019-2020	2019			10	\$ 50,186.40	8	\$ 50,186.40
	7	2020-2021	2020			10	\$ 50,186.40	8	\$ 50,186.40
	8	2021-2022	2021			10	\$ 50,186.40	8	\$ 50,186.40
	9	2022-2023	2022			10	\$ 50,186.40	8	\$ 50,186.40
	10	2023-2024	2023			10	\$ 50,186.40	8	\$ 50,186.40
Tax Credit Period (with 50% cap on credit)	11	2024-2025	2024			10	\$ 50,186.40	8	\$ 50,186.40
	12	2025-2026	2025			10	\$ 50,186.40	8	\$ 50,186.40
	13	2026-2027	2026			10	\$ 50,186.40	8	\$ 50,186.40
Credit Settle-Up Period	14	2027-2028	2027			10	\$ 50,186.40	8	\$ 50,186.40
	15	2028-2029	2028			10	\$ 50,186.40	8	\$ 50,186.40
Post- Settle-Up Period									

Notes: For job definitions see TAC §9.1051(14) and Tax Code §313.021(3).

This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

  
 SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

8/15/13  
 DATE

Schedule D: (Rev. May 2010): Other Tax Information

Applicant Name

Atlas Pipeline Midcontinent Westtexas LLC

ISD Name

Rankin ISD

Form 50-296

Sales Tax Information				Other Property Tax Abatements Sought			
Sales Taxable Expenditures		Franchise Tax	County	City	Hospital	Other	
Year	School Year (YYYY-YYYY)	Tax/Calendar Year YYYY	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement
	2013-2014	2013	\$ 5,000,000	\$ 62,500			
	2014-2015	2014	\$ 30,941,130	\$ 433,000	100		
	2015-2016	2015	\$ 54,058,870	\$ 500,000	80		
	2016-2017	2016	\$ -	\$ -	60		
	2017-2018	2017	\$ -	\$ -	40		
	2018-2019	2018	\$ -	\$ -	20		
	2019-2020	2019	\$ -	\$ -			
	2020-2021	2020	\$ -	\$ -			
	2021-2022	2021	\$ -	\$ -			
	2022-2023	2022	\$ -	\$ -			
	2023-2024	2023	\$ -	\$ -			
	2024-2025	2024	\$ -	\$ -			
	2025-2026	2025	\$ -	\$ -			
	2026-2027	2026	\$ -	\$ -			
	2027-2028	2027	\$ -	\$ -			
	2028-2029	2028	\$ -	\$ -			
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)							
Complete tax years of qualifying time period							
Tax Credit Period (with 50% cap on credit)							
Credit Settle-Up Period							
Post-Settle-Up Period							
Post-Settle-Up Period							

\*For planning construction and operation of the facility.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

*[Signature]*

DATE 8/15/13

**Attachment**

**A**

---

**Certification pages by Authorized Business Representative**



Application for Appraised Value Limitation on Qualified Property

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

First Name

Mike

Last Name

Fry

Title

Tax Agent

Firm Name

K E Andrews

Street Address

1900 Dalrock Road

Mailing Address

1900 Dalrock Road

City

Rowlett

State

Texas

ZIP

75088

Phone Number

469-298-1594

Fax Number

469-298-1619

Business email Address

mfry@keatax.com

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

Signature (Authorized Business Representative (Applicant))

[Handwritten signature]

Date

7/26/13

GIVEN under my hand and seal of office this 26th day of July, 2013



[Handwritten signature: M.K. Steele]
Notary Public, State of Oklahoma

My commission expires Aug. 14, 2013

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code § 37.10.

**Attachment**

**B**

---

**Proof of Payment of Application Fee**

ATLAS PIPELINE MID-CONTINENT WESTTEX, LLC  
 110 W 7th Suite 2300 Tulsa, OK 74119 (918) 574-3500

CHECK NO. **37137**

REFERENCE	INV DATE	INVOICE NO	INVOICE AMT	PRIOR PMT	DISCOUNT	AMOUNT PAID
1308-AP-3	08/07/13	REQ/BALCERA K/080713	75000.00	0.00		75000.00
VENDOR				CHECK DATE		TOTAL
22567 Rankin Independent School				08/07/13		75,000.00



THE KEY TO DOCUMENT SECURITY: HEAT ACTIVATED THUMBPRINT / ADDITIONAL SECURITY FEATURES INCLUDED - SEE BACK FOR DETAILS

**Atlas Pipeline Mid-Continent WestTEX, LLC**  
 110 W 7th  
 Suite 2300  
 Tulsa, OK 74119 (918) 574-3500

WELLS FARGO, N.A.  
 NORTH CAROLINA  
 66-156/531

No. **37137**

DATE	CONTROL NUMBER
08/07/13	27170

AMOUNT
\$*****75,000.00

PAY Seventy-five thousand dollars and 00 cents

VOID 90 DAYS AFTER ISSUE DATE

TO THE ORDER OF Rankin Independent School District  
 PO Box 90  
 Rankin, TX 79778

*Rand W. Kelly III*

⑈037637⑈ ⑈05310156⑈ ⑈2079951059346⑈

# **Attachment**

**C**

---

**Documentation of Combined Group Membership**

## **Documentation of Combined Group Membership**

**Atlas Pipeline Midcontinent Westtex LLC is the filing entity for the APL combined group that files the Texas Margin/Franchise Tax return on an annual basis. See attached extension filed which includes the Report Year 2013 (accounting year 2012) estimated liability of \$433k along with a listing of all the companies included in the combined report. The attached is based on companies owned as of 12/31/12.**

795423280761

TX2013 05-104  
Ver. 4.1 (Rev.9-11/6)

### Texas Franchise Tax Extension Request

Tcode 13258 ANNUAL

Taxpayer number 14217331074 Report year 2013 Due date 08/15/2013

Taxpayer name <b>ATLAS PIPELINE MID-CONTINENT WESTTEX, LLC</b>					Secretary of State file number or Comptroller file number	
Mailing address <b>110 WEST 7TH STREET, SUITE 2300</b>					<b>0800858817</b>	
City <b>TULSA</b>	State <b>OK</b>	Country <b>USA</b>	ZIP Code <b>74119</b>	Plus 4	Check box if the address has changed <input type="checkbox"/>	
Check box if this is a combined report <input checked="" type="checkbox"/>						

1. Check this box if you will be using your 2008 Temporary Credit for Business Loss Carryforward for the report year for which you are requesting this extension (see instructions) 1.

2. Check this box if you will begin using your 1992 Temporary Credit for the report year for which you are requesting this extension (see instructions) 2.

3. Extension payment (Dollars and cents) 3. **433596.93**

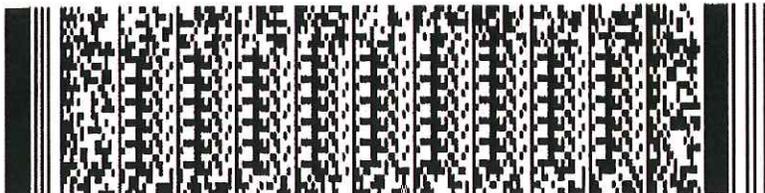
If this extension is for a combined group, you must also complete and submit Form 05-165. Note to mandatory Electronic Fund Transfer (EFT) payers: When requesting a second extension do not submit an Affiliate List Form 05-165.

Print or type name		Area code and phone number	
I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief.		<b>Mail original to:</b> Texas Comptroller of Public Accounts P.O. Box 149348 Austin, TX 78714-9348	
<b>sign here</b> 	Date		

If you have any questions regarding franchise tax, you may contact the Texas Comptroller's field office in your area or call (800) 252-1381 or (512) 463-4600. Instructions for each report year are online at [www.window.state.tx.us/taxinfo/taxforms/05-forms.html](http://www.window.state.tx.us/taxinfo/taxforms/05-forms.html).

Taxpayers who paid \$10,000 or more during the preceding fiscal year (Sept. 1 thru Aug. 31) are required to electronically pay their franchise tax. For more information visit [www.window.state.tx.us/webfile/req\\_franchise.html](http://www.window.state.tx.us/webfile/req_franchise.html).

#### Texas Comptroller Official Use Only



VE/DE				
PM Date				



## Texas Franchise Tax Extension Affiliate List

Tcode 13298

■ Reporting entity taxpayer number

■ Report year

Reporting entity taxpayer name

14217331074

2013

ATLAS PIPELINE MID-CONTINENT WESTTEX,

LEGAL NAME OF AFFILIATE	AFFILIATE'S TEXAS TAXPAYER NUMBER (If none, enter FEI number)	CHECK BOX IF AFFILIATE DOES NOT HAVE NEXUS IN TEXAS
1. ATLAS PIPELINE MID-CONTINENT, LLC	■ 13714929802	■ <input type="checkbox"/>
2. ATLAS CHANEY DELL, LLC	■ 421733101	■ <input checked="" type="checkbox"/>
3. ATLAS PIPELINE MID-CONTINENT WESTOK, LLC	■ 421733110	■ <input checked="" type="checkbox"/>
4. ATLAS MIDKIFF, LLC	■ 421733099	■ <input checked="" type="checkbox"/>
5. NOARK ENERGY SERVICES, LLC	■ 731551901	■ <input checked="" type="checkbox"/>
6. SETTING SUN PIPELINE CORPORATION	■ 17600003291	■ <input type="checkbox"/>
7. SLIDER WESTOK GATHERING LLC	■ 263063706	■ <input checked="" type="checkbox"/>
8. VELMA INTRASTATE GAS TRANSMISSION COMPANY LLC	■ 262877615	■ <input checked="" type="checkbox"/>
9. ATLAS PIPELINE NGL HOLDINGS II, LLC	■ 32044175597	■ <input type="checkbox"/>
10. ATLAS PIPELINE NGL HOLDINGS, LLC	■ 800710914	■ <input checked="" type="checkbox"/>
11. ATLAS PIPELINE MID-CONTINENT HOLDINGS LLC	■ 455528668	■ <input checked="" type="checkbox"/>
12. APL ARKOMA HOLDINGS, LLC	■ 900918336	■ <input checked="" type="checkbox"/>
13. APL ARKOMA, INC	■ 273684911	■ <input checked="" type="checkbox"/>
14. APL ARKOMA MIDSTREAM, LLC	■ 273677594	■ <input checked="" type="checkbox"/>
15. APL BARNETT, LLC	■ 452561587	■ <input checked="" type="checkbox"/>
16. APL GAS TREATING, LLC	■ 32040328208	■ <input type="checkbox"/>
17. CENTRAHOMA PROCESSING LLC	■ 261896466	■ <input checked="" type="checkbox"/>
18. PECOS PIPELINE LLC	■ 32038285220	■ <input type="checkbox"/>
19. TESUQUE PIPELINE LLC	■ 32040255062	■ <input type="checkbox"/>
20. VELMA GAS PROCESSING COMPANY LLC	■ 451543387	■ <input checked="" type="checkbox"/>
21.	■	■ <input type="checkbox"/>

Note: To file an extension request for a reporting entity and its affiliates, Form 05-164 (Texas Franchise Tax Extension Request) must be submitted with this affiliate list. The filing of this list by itself does not constitute a properly filed Extension Request.

Do not file this form when requesting a second extension.

Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>	FM	<input type="checkbox"/>
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# **Attachment**

## **D**

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### **Detailed Description of Project**

**DETAILED PROJECT DESCRIPTION OF QUALIFIED INVESTMENT**  
**RANKIN SCHOOL DISTRICT**

**Proposed Project Description**

Atlas Pipeline Midcontinent Westtex LLC proposes to build a new 200 mmscf/d Gas Processing Plant in Reeves County, Texas. This project will also be located within the Rankin Hospital, Fire and Water District.

**Edwards Gas Processing Plant**

The Edwards plant will include the installation of a refrigerated cryogenic gas plant. When completed, the Edwards Gas Processing Plant will be designed to process 200mmcf/d of gas and will include the following components, providing long-term processing, compression and residue gas takeaway:

- Pressure Vessels
- Towers
- Heat Exchangers
- Air Coolers
- Expander – Compressor
- Pumps
- Compression
- Miscellaneous Equipment

**Ability to locate or relocate:**

Atlas Pipeline Midcontinent Westtex LLC currently operates and is expanding with hundreds of miles of gathering lines in multiple counties. They allocate capital investment to projects and locations that create the best economic return. The existence of a limitation on tax value is a significant factor in calculating the economic return and allocation of reserves to the project. However, Atlas Pipeline Midcontinent Westtex LLC could redirect its expenditures to build the plant in the following counties mentioned below:

**Crane County – Texas**  
**Midland County – Texas**  
**Reagan County – Texas**

**Oklahoma**  
**New Mexico**

**Attachment**

**E**

---

**District Allocation of Project**

**District Allocation:**

**Atlas Pipeline Midcontinent Westtex LLC, Edwards Plant is located 100% in Upton County and Rankin  
ISD.**

---

**Attachment**

**F**

---

Description of Qualified Investment

**DETAILED PROJECT DESCRIPTION OF QUALIFIED INVESTMENT**  
**RANKIN SCHOOL DISTRICT**

**Proposed Project Description**

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- Expander – Compressor
- Pumps
- Compression
- Miscellaneous Equipment

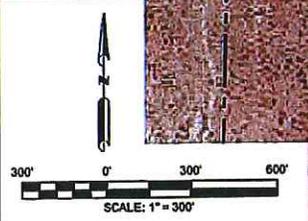
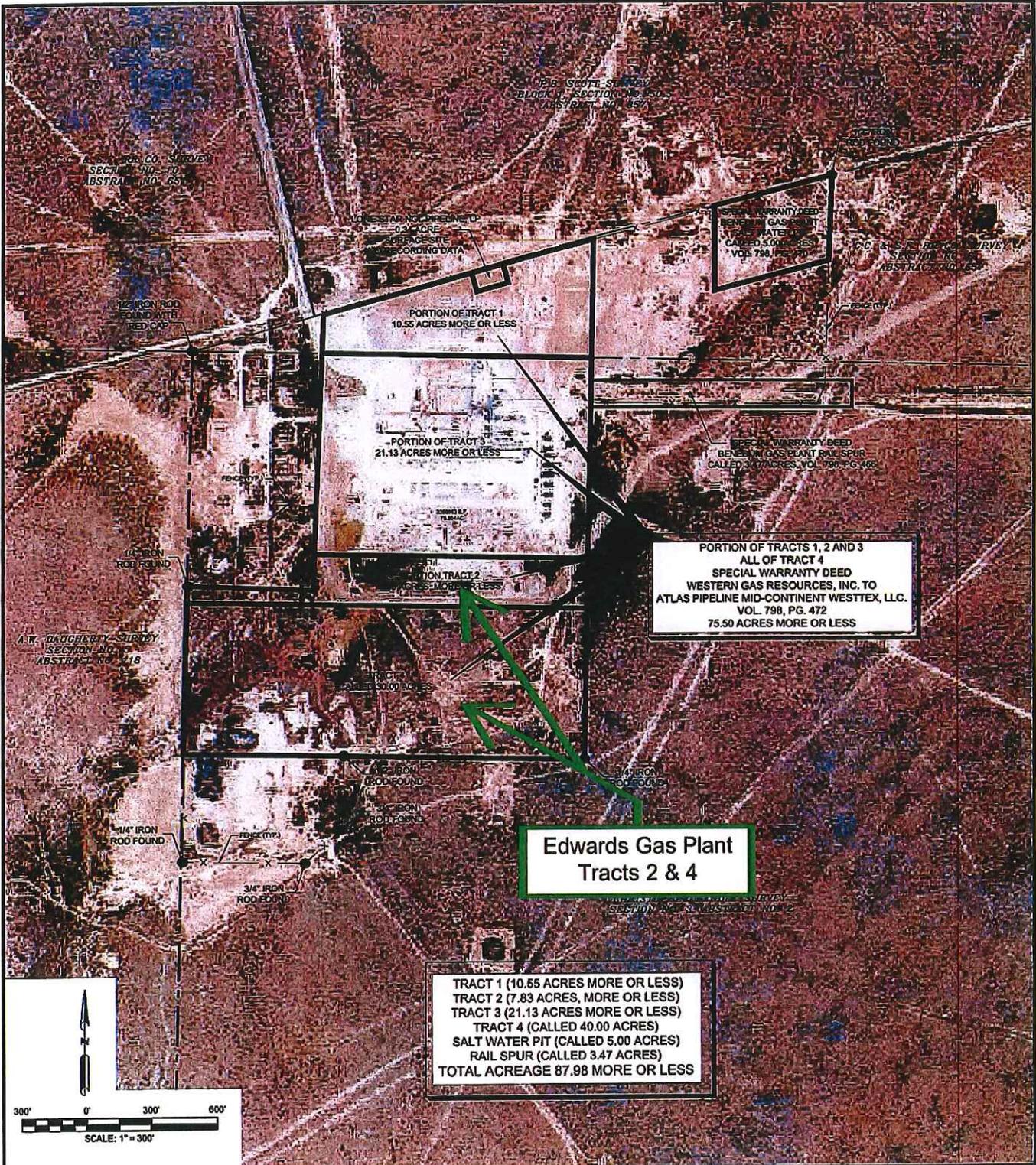
**Attachment**

**G**

---

**Map of Qualified Investment**

EXHIBIT



REV.	DATE	BY:	DESCRIPTION	CHK.
			PROJECT NO. 1305007	

8205 Camp Bowie West, Suite 204  
 Fort Worth, Texas 76116  
 (817) 386-0282 • Fax (817) 324-3277

**AtlasPipeline**

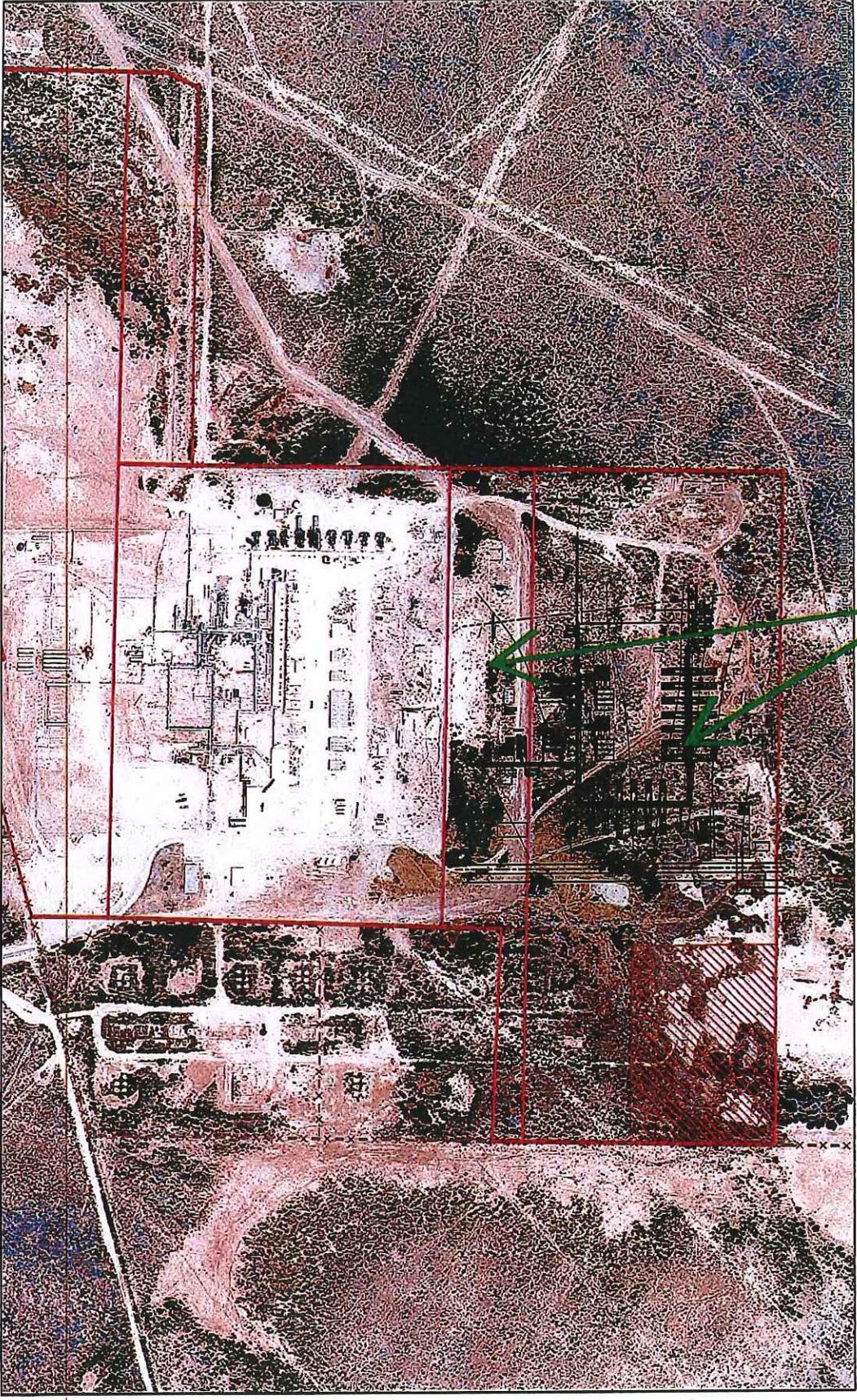
EXHIBIT

ATLAS BENEDEM FEE OWNED PROPERTY

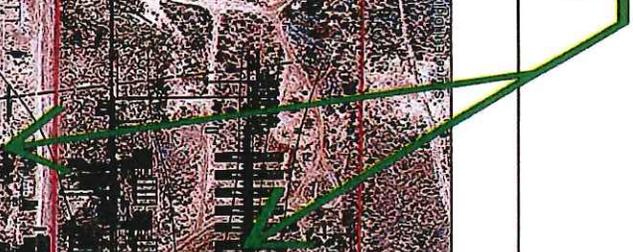
Situated in the  
 CHRISTOPHER BENDLE SURVEY, SECTION NO. 3, ABSTRACT NO. 2  
 and the G.C. & S.F. RR. CO. SURVEY, SECTION NO. 6, ABSTRACT NO. 837  
 Upton County, Texas

DRAWN BY: GG	DATE: 06-13-13	DWG. NO.	REV.
CHECKED BY: CV	DATE: 06-13-13	031714M BENEDEM FEE OWNED PROPERTY	0
SCALE: 1"=300'	AFE # 30000000X	PAGE 1 OF 1	

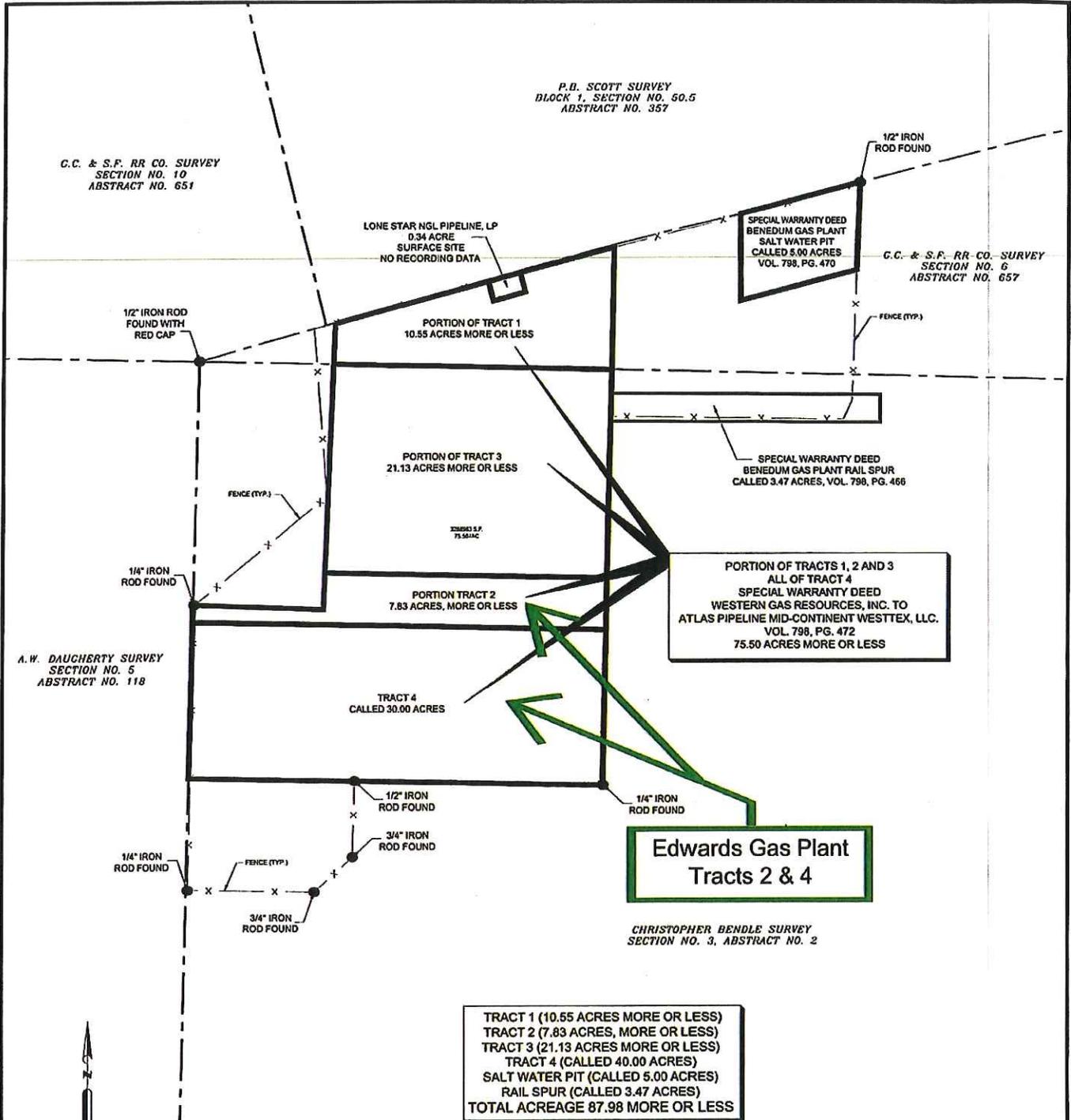
EDWARD GAS PLANT



Edwards Gas Plant  
Tract 2 & 4



EXHIBIT



REV	DATE	BY	DESCRIPTION	CHK
PROJECT NO. 1305007				
8205 Camp Bowie West, Suite 204 Fort Worth, Texas 76118 (817) 385-0882 - Fax (817) 324-3377				

**AtlasPipeline**

EXHIBIT

ATLAS BENEDUM FEE OWNED PROPERTY

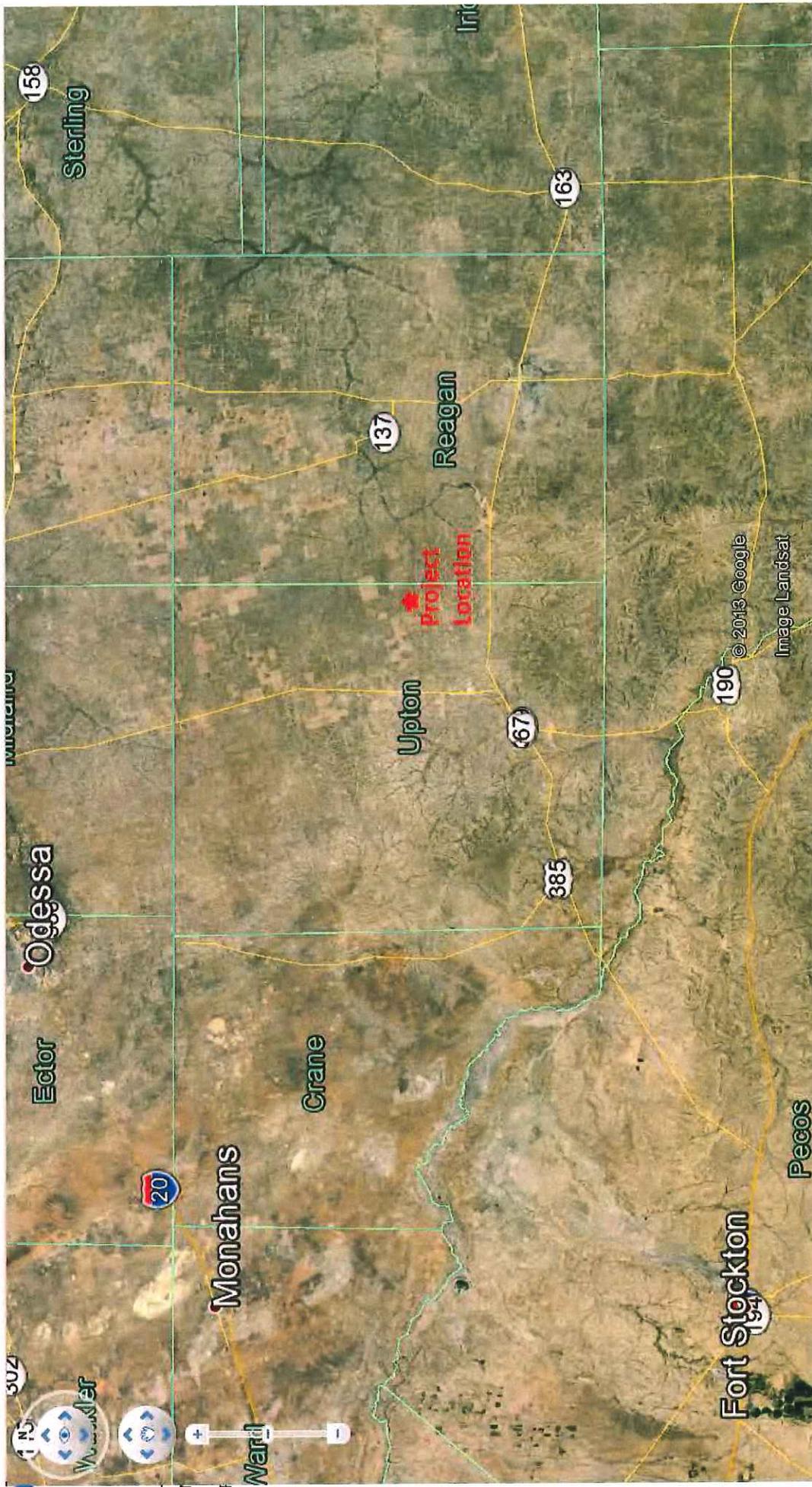
Shaded in the  
CHRISTOPHER BENDLE SURVEY, SECTION NO. 3, ABSTRACT NO. 2  
and the C.C. & S.F. RR CO. SURVEY, SECTION NO. 6, ABSTRACT NO. 657  
Upton County, Texas

DRAWN BY: GG	DATE: 06-13-13	DWG. NO.	REV.
CHECKED BY: CY	DATE: 06-13-13	000141 (BENEDUM FEE OWNED PROP)	0
SCALE: 1"=300'	A/E: # J000000000	PAGE 1 OF 1	



Google earth





VICINITY MAP

Report a problem - Maps Labs - Help  
Google Maps - ©2013 Google - Terms of Use - Privacy

Done

SPECIAL WARRANTY DEED

00143511

KNOW ALL MEN BY THESE PRESENTS THAT:

FOR VALUABLE CONSIDERATION OF TEN DOLLARS (\$10.00), and other good and valuable consideration, cash in hand paid, the receipt of and sufficiency of which is hereby acknowledged, **WESTERN GAS RESOURCES, INC.**, a Corporation organized under the laws of the state of Delaware having an address of 1099 18<sup>th</sup> Street, Denver, CO 80202, hereinafter referred to as "Grantor", does hereby grant, convey, and warrant unto **ATLAS PIPELINE MID-CONTINENT WESTTEX, LLC.**, a Limited Liability Company organized under the laws of the state of Delaware having an address of 1437 South Boulder Avenue, Suite 1500, Tulsa, OK 74119, hereinafter referred to as "Grantee", for the following lands and property together with all improvements located thereon, lying in the County of Upton, State of Texas to-wit:

TRACT 1: That part of the East portion of Section 6, W. H. Dickson Survey, contained between the South line of Lot 3, Block 50 ½ P. B. Scott Survey, and the North line of Section 3, Chris Bendle Survey, containing 12.87 acres, more or less, and bounded on the East side by an extension Northward of a line marking the East line of the West 1/4 of Section 3, C. Bendle Survey.

TRACT 2: The South 10 acres of the North 50 acres of the West 320 acres of Section 3, C. Bendle Survey, Abstract 936, Certificate 2438.

TRACT 3: The North 40 acres of the West 320 acres of Section 3, C. Bendle Survey, Abstract 936, Certificate 2438, Less and except 3.47 acres, more particularly described as follows:

A tract of land situated in the north half (N/2) of Survey No.3, Certificate No. 2438, Abstract No. 936, C. Bendle, Original Grantee, near Rankin, in Upton County, State of Texas, being more particularly described as follows: Beginning at the point of intersection of the east line of the North forty (40) acres of the West three hundred twenty (320) acres of said Survey No. 3 and a line parallel with and fifty (50) feet northerly from, measured at right angles to, the center line of spur tract No. 7 of Kansas City, Mexico and Orient Railway Company of Texas (as same is now located and constructed) to plant formerly of Texas Natural Gasoline Corporation, said point of intersection being one hundred four and five tenths (104.5) feet south of the northeast corner of the North forty (40) acres of the West three hundred twenty (320) acres of said Survey No. 3 and assuming for the purpose of this description that said spur track center line has a bearing of North eighty-nine (89)

degrees forty (40) minutes West; thence South eighty-nine (89)<sup>00.4322</sup>  
 degrees forty (40) minutes East parallel with said spur track center  
 line a distance of one thousand two hundred ten (1210) feet; thence  
 South zero (0) degrees twenty (20) minutes West at right angles to  
 last described course a distance of one hundred twenty-five (125)  
 feet to a point seventy-five (75) feet southerly from, measured at  
 right angles to, said spur track center line; thence North eighty-nine  
 (89) degrees forty (40) minutes West parallel with said spur track  
 center line a distance of one thousand two hundred ten (1210) feet to  
 point of intersection with the east line of the North forty (40) acres  
 of the West three hundred twenty (320) acres of said Survey No. 3;  
 thence North zero (0) degrees six (6) minutes West along said east  
 line a distance of one hundred twenty-five (125) feet, more or less,  
 to the point of beginning, containing an area of three and forty-  
 seven hundredths (3.47) acres, more or less.

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**TRACT 4:** A tract of land described as follows: Starting at a point in the West line of Section 3, Chris Bendle Survey, Upton County, Texas, 1166.726 feet South 2° 11' 21" West of the Northwest corner of Section 3 of the Chris Bendle Survey; thence 700.036 feet South 2° 11' 21" West along the West line of the section; thence South 87° 48' 39" East 1866.762 feet parallel to the North line of the section; thence North 2° 11' 21" East 700.036 feet parallel to the West line of the section; thence North 87° 48' 39" West 1866.762 feet to the point of beginning, and containing 30 acres, more or less;

GRANTOR excepts from the terms of this conveyance a tract of land containing 16.45 acres, more or less, out of the property described above, which 16.45 acres is described as follows:

**BEGINNING** at a stake set in a North & South fence for the Northwest corner of Survey 3, C. Bendle, and the Northwest corner of this survey;  
 Thence S. 2° 11' 21" W. along the fence 1089' to a stake set in said fence and in the West line of Survey 3, C. Bendle for the Southwest corner of this survey;  
 Thence S. 87° 48' 39" E. 590' to a stake set in the East fence line of the Slick-Urschel Oil Company tank battery area for the Southeast corner of this survey;  
 Thence N. 2° 11' 21" E. along the fence line 1293' to a stake for the Northeast corner of this survey;  
 Thence S. 76° 28' 54" W. along the North line of Survey 6, GC&SF, 753.5' to a stake at the West corner of Survey 6, GC&SF, for a corner of this survey;  
 Thence S. 87° 48' 39" E. 130.6' to the place of beginning; -  
 which said tract was formerly owned by Slick-Urschel Oil Company.

(This instrument conveys surface rights only.)



**Attachment**

**H**

---

Description of Qualified Property

**DETAILED PROJECT DESCRIPTION OF QUALIFIED INVESTMENT**  
**RANKIN SCHOOL DISTRICT**

**Proposed Project Description**

Atlas Pipeline Midcontinent Westtex LLC proposes to build a new 200 mmscf/d Gas Processing Plant in Reeves County, Texas. This project will also be located within the Rankin Hospital, Fire and Water District.

**Edwards Gas Processing Plant**

The Edwards plant will include the installation of a refrigerated cryogenic gas plant. When completed, the Edwards Gas Processing Plant will be designed to process 200mmcf/d of gas and will include the following components, providing long-term processing, compression and residue gas takeaway:

- Pressure Vessels
- Towers
- Heat Exchangers
- Air Coolers
- Expander – Compressor
- Pumps
- Compression
- Miscellaneous Equipment

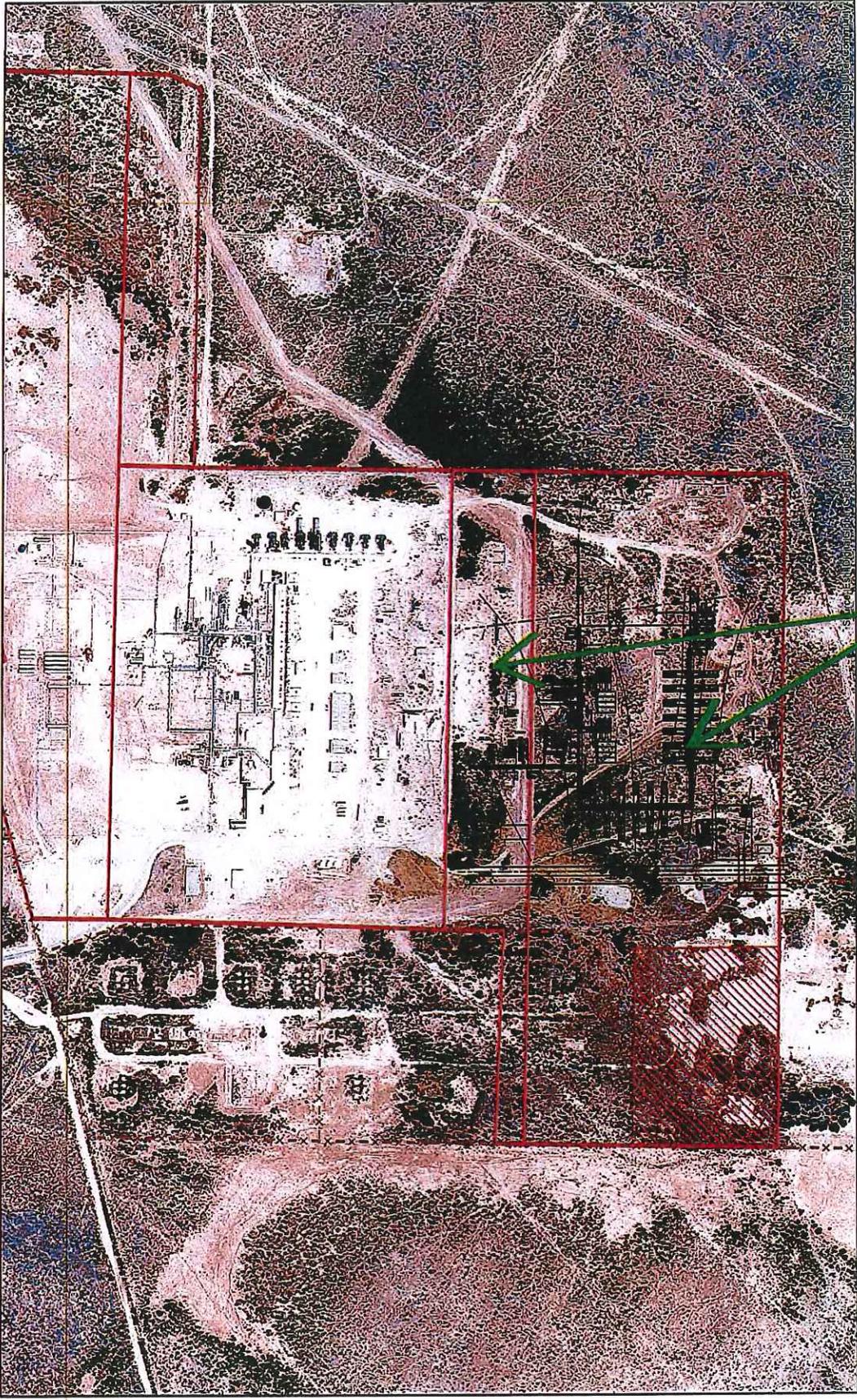
**Attachment**

**I**

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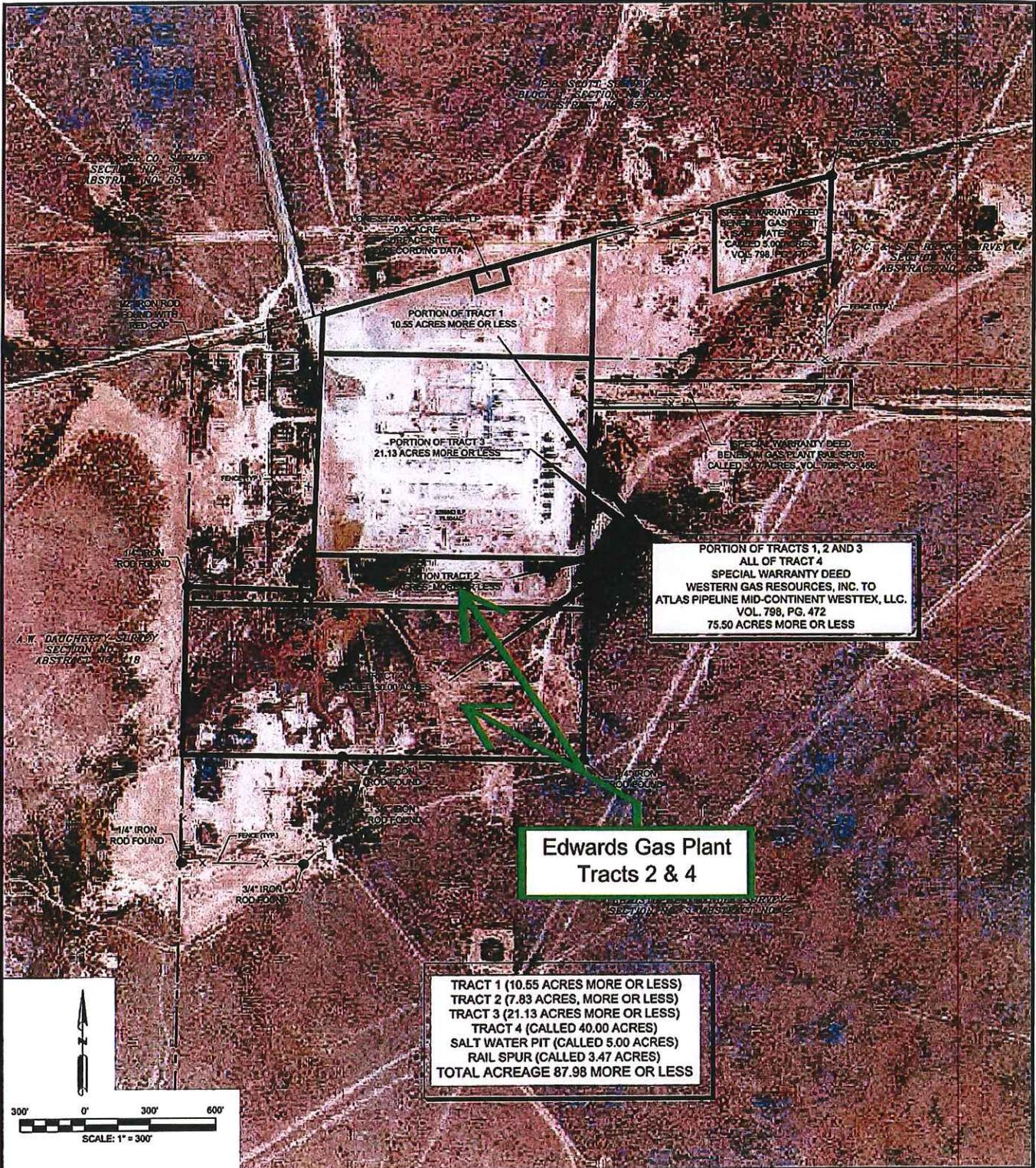
**Map of Qualified Property**

EDWARD GAS PLANT



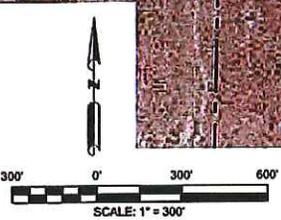
Edwards Gas Plant  
Tract 2 & 4





TRACT 1 (10.55 ACRES MORE OR LESS)  
 TRACT 2 (7.83 ACRES, MORE OR LESS)  
 TRACT 3 (21.13 ACRES MORE OR LESS)  
 TRACT 4 (CALLED 40.00 ACRES)  
 SALT WATER PIT (CALLED 5.00 ACRES)  
 RAIL SPUR (CALLED 3.47 ACRES)  
**TOTAL ACREAGE 87.98 MORE OR LESS**

PORTION OF TRACTS 1, 2 AND 3  
 ALL OF TRACT 4  
 SPECIAL WARRANTY DEED  
 WESTERN GAS RESOURCES, INC. TO  
 ATLAS PIPELINE MID-CONTINENT WESTTEX, LLC.  
 VOL. 798, PG. 472  
 75.50 ACRES MORE OR LESS



REV	DATE	BY	DESCRIPTION	CHK
PROJECT NO. 1305007				


**TRANSGLOBAL**  
 8205 Camp Bowie West, Suite 204  
 Fort Worth, Texas 76116  
 (817) 386-0062 - Fax (817) 384-3277

**AtlasPipeline**

EXHIBIT

**ATLAS BENUMD FEE OWNED PROPERTY**

Situated in the  
CHRISTOPHER B ENDLE SURVEY, SECTION NO. 3, ABSTRACT NO. 2  
and the G. C. & S. F. RIF. CO. SURVEY, SECTION NO. 8, ABSTRACT NO. 637  
Upton County, Texas

DRAWN BY: GG	DATE: 06-13-13	DWG. NO.	REV.
CHECKED BY: CV	DATE: 06-13-13	0337 (3) BENUMD FEE OWNED PROPERTY	0
SCALE: 1"=300'	A.P.E. # J0000000	PAGE 1 OF 1	

EXHIBIT

P.B. SCOTT SURVEY  
BLOCK 1, SECTION NO. 50.6  
ABSTRACT NO. 357

C.C. & S.F. RR CO. SURVEY  
SECTION NO. 10  
ABSTRACT NO. 651

LONE STAR NGL PIPELINE, LP  
0.34 ACRE  
SURFACE SITE  
NO RECORDING DATA

SPECIAL WARRANTY DEED  
BENEDUM GAS PLANT  
SALT WATER PIT  
CALLED 5.00 ACRES  
VOL. 798, PG. 470

1/2" IRON  
ROD FOUND

C.C. & S.F. RR CO. SURVEY  
SECTION NO. 6  
ABSTRACT NO. 657

1/2" IRON ROD  
FOUND WITH  
RED CAP

PORTION OF TRACT 1  
10.55 ACRES MORE OR LESS

FENCE (TYP.)

PORTION OF TRACT 3  
21.13 ACRES MORE OR LESS

SPECIAL WARRANTY DEED  
BENEDUM GAS PLANT RAIL SPUR  
CALLED 3.47 ACRES, VOL. 798, PG. 466

FENCE (TYP.)

TRACT 3 BY  
75.50 AC

PORTION TRACT 2  
7.83 ACRES, MORE OR LESS

PORTION OF TRACTS 1, 2 AND 3  
ALL OF TRACT 4  
SPECIAL WARRANTY DEED  
WESTERN GAS RESOURCES, INC. TO  
ATLAS PIPELINE MID-CONTINENT WESTTEX, LLC.  
VOL. 798, PG. 472  
75.50 ACRES MORE OR LESS

A.W. DAUGHERTY SURVEY  
SECTION NO. 5  
ABSTRACT NO. 118

1/4" IRON  
ROD FOUND

TRACT 4  
CALLED 30.00 ACRES

**Edwards Gas Plant  
Tracts 2 & 4**

CHRISTOPHER BENDLE SURVEY  
SECTION NO. 3, ABSTRACT NO. 2

1/4" IRON  
ROD FOUND

FENCE (TYP.)

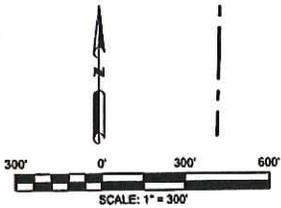
1/2" IRON  
ROD FOUND

1/4" IRON  
ROD FOUND

3/4" IRON  
ROD FOUND

3/4" IRON  
ROD FOUND

TRACT 1 (10.55 ACRES MORE OR LESS)  
TRACT 2 (7.83 ACRES, MORE OR LESS)  
TRACT 3 (21.13 ACRES MORE OR LESS)  
TRACT 4 (CALLED 40.00 ACRES)  
SALT WATER PIT (CALLED 5.00 ACRES)  
RAIL SPUR (CALLED 3.47 ACRES)  
TOTAL ACREAGE 87.98 MORE OR LESS



REV	DATE	BY	DESCRIPTION	CHK
PROJECT NO. 1303007				
8205 Camp Bowie West, Suite 204 Fort Worth, Texas 76116 (817) 386-0382 • Fax: (817) 224-2077				

<b>AtlasPipeline</b>			
EXHIBIT			
ATLAS BENEDUM FEE OWNED PROPERTY			
Shaded in the CHRISTOPHER BENDLE SURVEY, SECTION NO. 3, ABSTRACT NO. 2 and the C.C. & S.F. RR CO. SURVEY, SECTION NO. 6, ABSTRACT NO. 657 Upton County, Texas			
DRAWN BY: GG	DATE: 06-13-13	DWG. NO.	REV.
CHECKED BY: CY	DATE: 06-13-13	1337-FW-BENEDUM FEE OWNED	0
SCALE: 1"=300'	AFE: # 75000000X	PAGE 1 OF 1	



Google earth



SPECIAL WARRANTY DEED

00143311

KNOW ALL MEN BY THESE PRESENTS THAT:

FOR VALUABLE CONSIDERATION OF TEN DOLLARS (\$10.00), and other good and valuable consideration, cash in hand paid, the receipt of and sufficiency of which is hereby acknowledged, WESTERN GAS RESOURCES, INC., a Corporation organized under the laws of the state of Delaware having an address of 1099 18<sup>th</sup> Street, Denver, CO 80202, hereinafter referred to as "Grantor", does hereby grant, convey, and warrant unto ATLAS PIPELINE MID-CONTINENT WESTTEX, LLC., a Limited Liability Company organized under the laws of the state of Delaware having an address of 1437 South Boulder Avenue, Suite 1500, Tulsa, OK 74119, hereinafter referred to as "Grantee", for the following lands and property together with all improvements located thereon, lying in the County of Upton, State of Texas to-wit:

U  
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2

TRACT 1: That part of the East portion of Section 6, W. H. Dickson Survey, contained between the South line of Lot 3, Block 50 1/2 P. B. Scott Survey, and the North line of Section 3, Chris Bendle Survey, containing 12.87 acres, more or less, and bounded on the East side by an extension Northward of a line marking the East line of the West 1/4 of Section 3, C. Bendle Survey.

TRACT 2: The South 10 acres of the North 50 acres of the West 320 acres of Section 3, C. Bendle Survey, Abstract 936, Certificate 2438.

TRACT 3: The North 40 acres of the West 320 acres of Section 3, C. Bendle Survey, Abstract 936, Certificate 2438, Less and except 3.47 acres, more particularly described as follows:

A tract of land situated in the north half (N/2) of Survey No.3, Certificate No. 2438, Abstract No. 936, C. Bendle, Original Grantee, near Rankin, in Upton County, State of Texas, being more particularly described as follows: Beginning at the point of intersection of the east line of the North forty (40) acres of the West three hundred twenty (320) acres of said Survey No. 3 and a line parallel with and fifty (50) feet northerly from, measured at right angles to, the center line of spur tract No. 7 of Kansas City, Mexico and Orient Railway Company of Texas (as same is now located and constructed) to plant formerly of Texas Natural Gasoline Corporation, said point of intersection being one hundred four and five tenths (104.5) feet south of the northeast corner of the North forty (40) acres of the West three hundred twenty (320) acres of said Survey No. 3 and assuming for the purpose of this description that said spur track center line has a bearing of North eighty-nine (89)

degrees forty (40) minutes West; thence South eighty-nine (89) <sup>DEGREES</sup> degrees forty (40) minutes East parallel with said spur track center line a distance of one thousand two hundred ten (1210) feet; thence South zero (0) degrees twenty (20) minutes West at right angles to last described course a distance of one hundred twenty-five (125) feet to a point seventy-five (75) feet southerly from, measured at right angles to, said spur track center line; thence North eighty-nine (89) degrees forty (40) minutes West parallel with said spur track center line a distance of one thousand two hundred ten (1210) feet to point of intersection with the east line of the North forty (40) acres of the West three hundred twenty (320) acres of said Survey No. 3; thence North zero (0) degrees six (6) minutes West along said east line a distance of one hundred twenty-five (125) feet, more or less, to the point of beginning, containing an area of three and forty-seven hundredths (3.47) acres, more or less.

TRACT 4: A tract of land described as follows: Starting at a point in the West line of Section 3, Chris Bendle Survey, Upton County, Texas, 1166.726 feet South 2° 11' 21" West of the Northwest corner of Section 3 of the Chris Bendle Survey; thence 700.036 feet South 2° 11' 21" West along the West line of the section; thence South 87° 48' 39" East 1866.762 feet parallel to the North line of the section; thence North 2° 11' 21" East 700.036 feet parallel to the West line of the section; thence North 87° 48' 39" West 1866.762 feet to the point of beginning, and containing 30 acres, more or less;

GRANTOR excepts from the terms of this conveyance a tract of land containing 16.45 acres, more or less, out of the property described above, which 16.45 acres is described as follows:

BEGINNING at a stake set in a North & South fence for the Northwest corner of Survey 3, C. Bendle, and the Northwest corner of this survey; Thence S. 2° 11' 21" W. along the fence 1089' to a stake set in said fence and in the West line of Survey 3, C. Bendle for the Southwest corner of this survey; Thence S. 87° 48' 39" E. 590' to a stake set in the East fence line of the Slick-Urschel Oil Company tank battery area for the Southeast corner of this survey; Thence N. 2° 11' 21" E. along the fence line 1293' to a stake for the Northeast corner of this survey; Thence S. 76° 28' 54" W. along the North line of Survey 6, GC&SF, 753.5' to a stake at the West corner of Survey 6, GC&SF, for a corner of this survey; Thence S. 87° 48' 39" E. 130.6' to the place of beginning; - which said tract was formerly owned by Slick-Urschel Oil Company.

(This instrument conveys surface rights only.)



**Attachment**

**J**

---

**Description of Land**

## Property Search Results &gt; 1 - 6 of 6 for Year 2012

Click the "Details" or "Map" link to view more information about the property or click the checkbox next to each property and click "View Selected on Map" to view the properties on a single map.

 Property Address
  Legal Description

Property ID	Geographic ID	Type	Property Address	Owner Name	Appraised Value				
<input type="checkbox"/> 9193	0003PP-000-000-415	Real	WILSHIRE PLNT BLK E, SEC 135, TX	ATLAS PIPELINE MID- CONTINENT WESTTEX, LLC	\$16,170		<a href="#">View Details</a>		<a href="#">View Map</a>
<input type="checkbox"/> 4281	1006BD-000-003-050	Real	TX	ATLAS PIPELINE MID- CONTINENT WESTTEX, LLC	\$19,070		<a href="#">View Details</a>		<a href="#">View Map</a>
<input type="checkbox"/> 5255	2597GC-00G-008-100	Real		ATLAS PIPELINE MID- CONTINENT WESTTEX, LLC	\$29,220		<a href="#">View Details</a>		<a href="#">View Map</a>
<input type="checkbox"/> 5069	2470GC-000-006-090	Real		ATLAS PIPELINE MID- CONTINENT WESTTEX, LLC	\$3,480		<a href="#">View Details</a>		<a href="#">View Map</a>
<input type="checkbox"/> 4858	2350DE-00X-001-010	Real	TX	ATLAS PIPELINE MID- CONTINENT WESTTEX, LLC	\$32,000		<a href="#">View Details</a>		<a href="#">View Map</a>
<input type="checkbox"/> 4796	2291DW-00D-002-010	Real	TX	ATLAS PIPELINE MID- CONTINENT WESTTEX, LLC	\$6,000		<a href="#">View Details</a>		<a href="#">View Map</a>

Page: 1

Questions Please Call (432) 652-3221

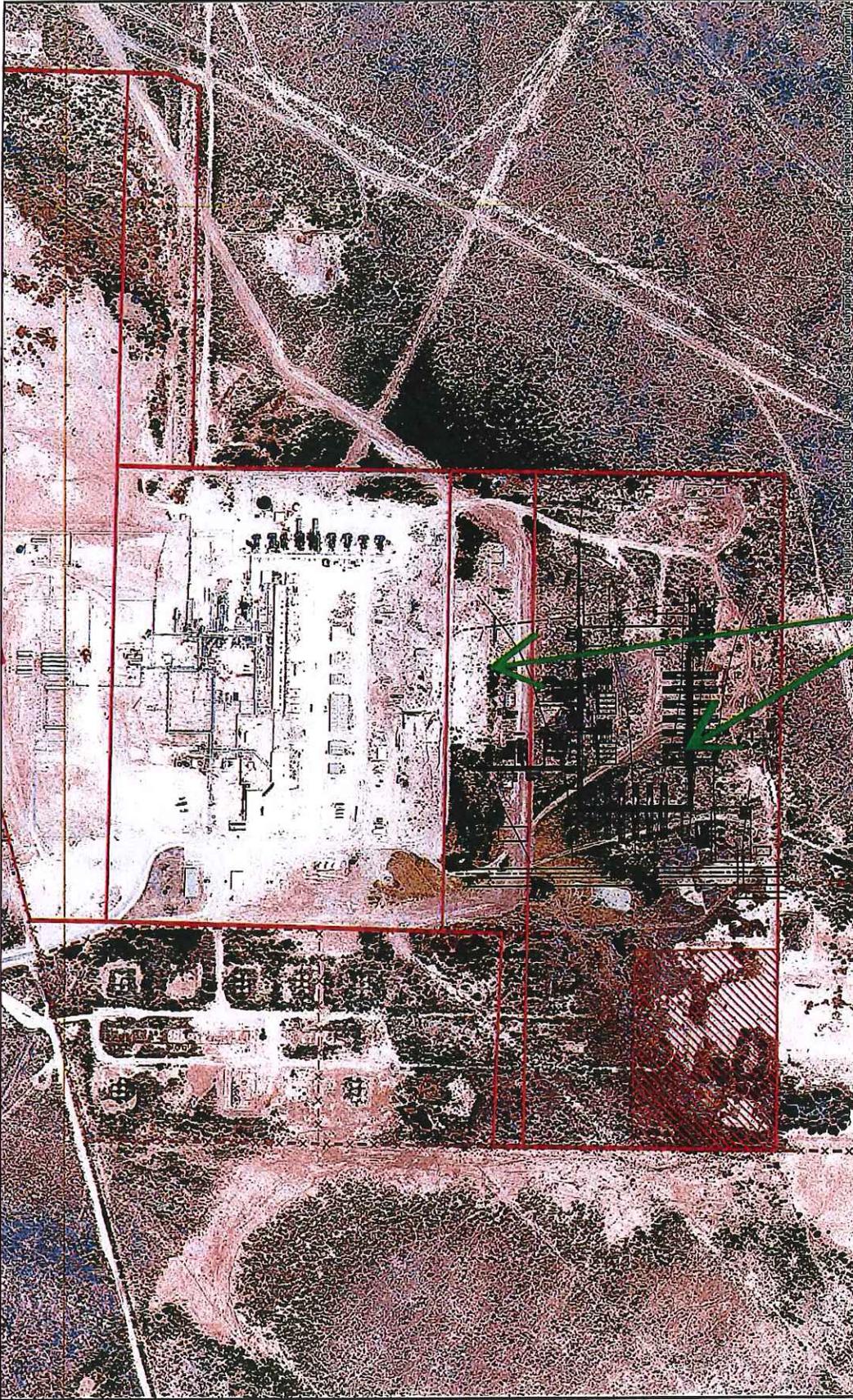
Website version: 1.2.2.2

Database last updated on: 7/15/2013 6:35 PM

© 2013 True Automation, Inc. All Rights Reserved. Privacy Notice

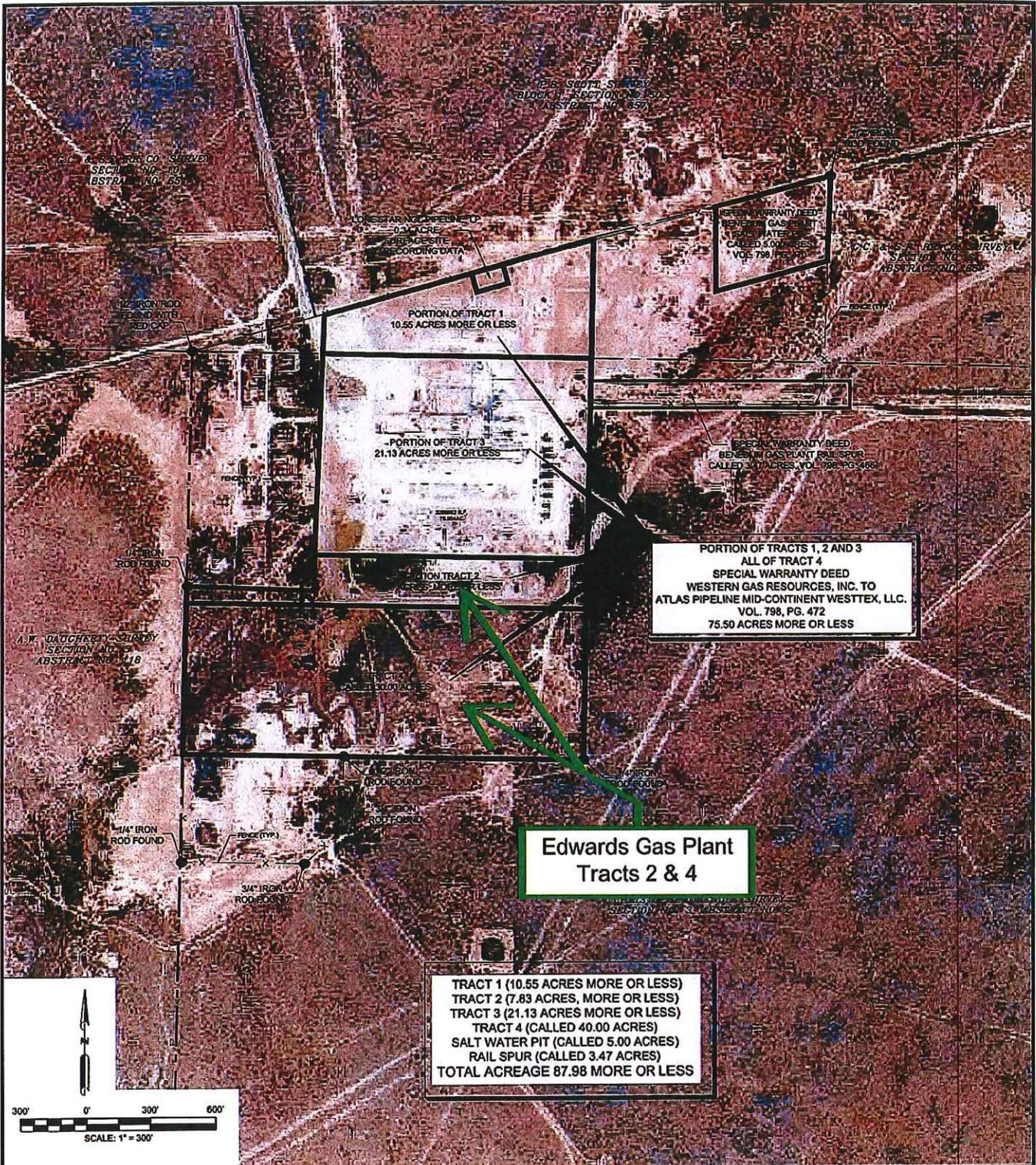
This site only supports Internet Explorer 6+, Netscape 7+ and Firefox 1.5+.

EDWARD GAS PLANT



Edwards Gas Plant  
Tract 2 & 4

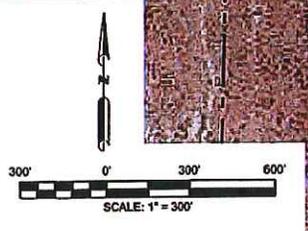




TRACT 1 (10.55 ACRES MORE OR LESS)  
 TRACT 2 (7.83 ACRES, MORE OR LESS)  
 TRACT 3 (21.13 ACRES MORE OR LESS)  
 TRACT 4 (CALLED 40.00 ACRES)  
 SALT WATER PIT (CALLED 5.00 ACRES)  
 RAIL SPUR (CALLED 3.47 ACRES)  
**TOTAL ACREAGE 87.98 MORE OR LESS**

**Edwards Gas Plant  
 Tracts 2 & 4**

**PORTION OF TRACTS 1, 2 AND 3  
 ALL OF TRACT 4  
 SPECIAL WARRANTY DEED  
 WESTERN GAS RESOURCES, INC. TO  
 ATLAS PIPELINE MID-CONTINENT WESTTEX, LLC.  
 VOL. 798, PG. 472  
 75.50 ACRES MORE OR LESS**



REV.	DATE	BY:	DESCRIPTION	CHK.
			PROJECT NO. 1305907	

**TRANSGLOBAL**  
 8205 Camp Bowie West, Suite 204  
 Fort Worth, Texas 76116  
 (817) 365-0302 • Fax (817) 324-3377

**AtlasPipeline**

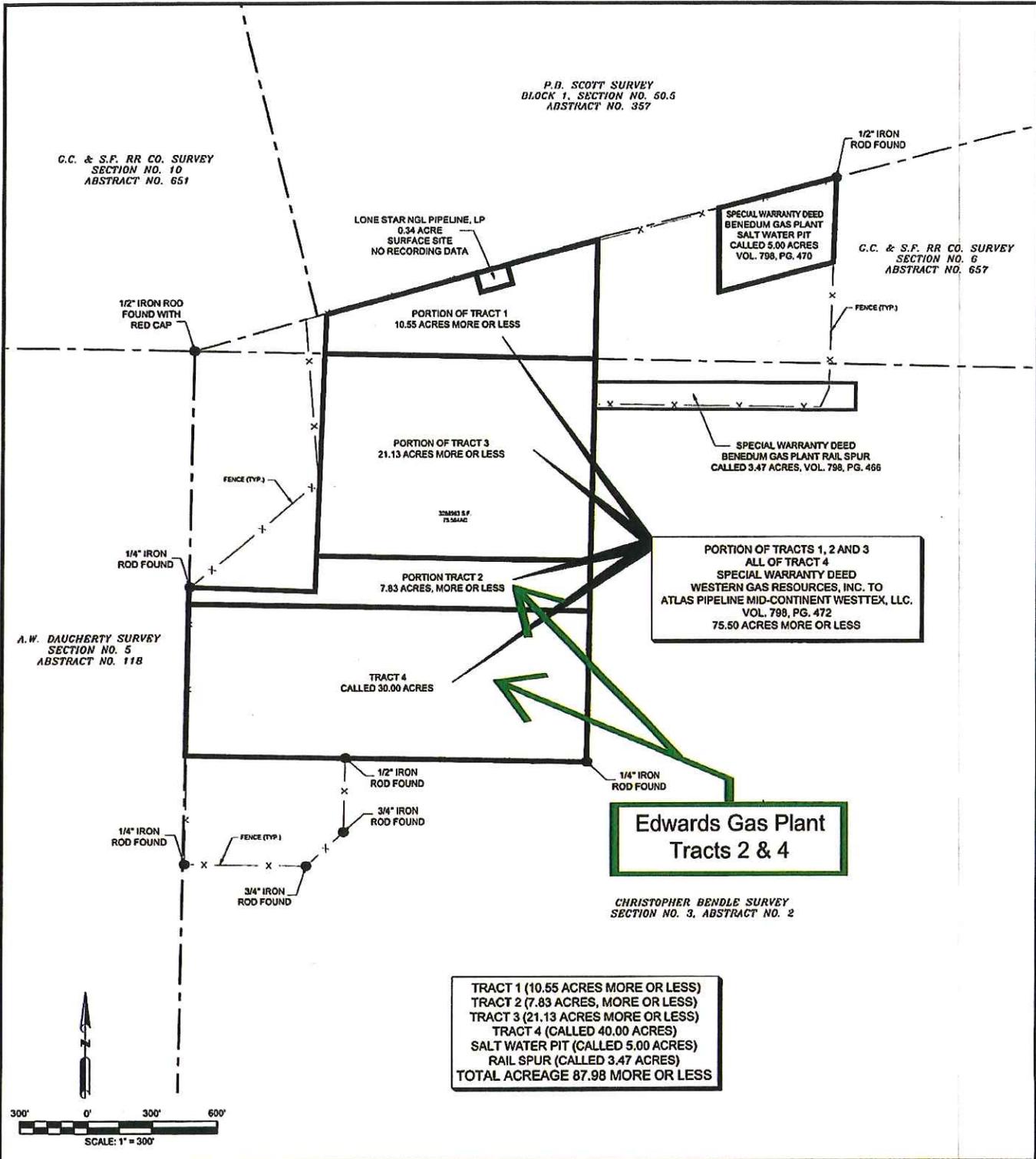
EXHIBIT

**ATLAS BENEDUM FEE OWNED PROPERTY**

Shaded in the  
 CHRISTOPHER B ENDLE SURVEY, SECTION NO. 3, ABSTRACT NO. 2  
 and the G.C. & S.F. RR. CO. SURVEY, SECTION NO. 8, ABSTRACT NO. 657  
 Upton County, Texas

DRAWN BY: GG	DATE: 06-13-13	DWG. NO.	REV.
CHECKED BY: CY	DATE: 06-13-13	031713A1 BENEUM FEE OWNED PROPERTY	0
SCALE: 1"=300'	DATE: 06-13-13	DATE: 06-13-13	PAGE 1 OF 1

EXHIBIT



REV	DATE	BY	DESCRIPTION	CHK
PROJECT NO. 1305007				

**TRANSGLORAL**  
8205 Camp Bowie West, Suite 204  
Fort Worth, Texas 76118  
(817) 386-0082 - Fax (817) 224-3377

EXHIBIT

**ATLAS BENEDUM FEE OWNED PROPERTY**

Situated on the  
CHRISTOPHER BENDLE SURVEY, SECTION NO. 3, ABSTRACT NO. 2  
and the G.C. & S.F. RR CO. SURVEY, SECTION NO. 6, ABSTRACT NO. 657  
Upton County, Texas

DRAWN BY: GC	DATE: 06-13-13	DWG. NO.	REV.
CHECKED BY: CY	DATE: 06-13-13	SELF-PLANNED	0
SCALE: 1"=300'	APP. # X0000000	PAGE 1 OF 1	

**SPECIAL WARRANTY DEED**

00143311

**KNOW ALL MEN BY THESE PRESENTS THAT:**

FOR VALUABLE CONSIDERATION OF TEN DOLLARS (\$10.00), and other good and valuable consideration, cash in hand paid, the receipt of and sufficiency of which is hereby acknowledged, **WESTERN GAS RESOURCES, INC.**, a Corporation organized under the laws of the state of Delaware having an address of 1099 18<sup>th</sup> Street, Denver, CO 80202, hereinafter referred to as "Grantor", does hereby grant, convey, and warrant unto **ATLAS PIPELINE MID-CONTINENT WESTTEX, LLC.**, a Limited Liability Company organized under the laws of the state of Delaware having an address of 1437 South Boulder Avenue, Suite 1500, Tulsa, OK 74119, hereinafter referred to as "Grantee", for the following lands and property together with all improvements located thereon, lying in the County of Upton, State of Texas to-wit:

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(This instrument conveys surface rights only.)



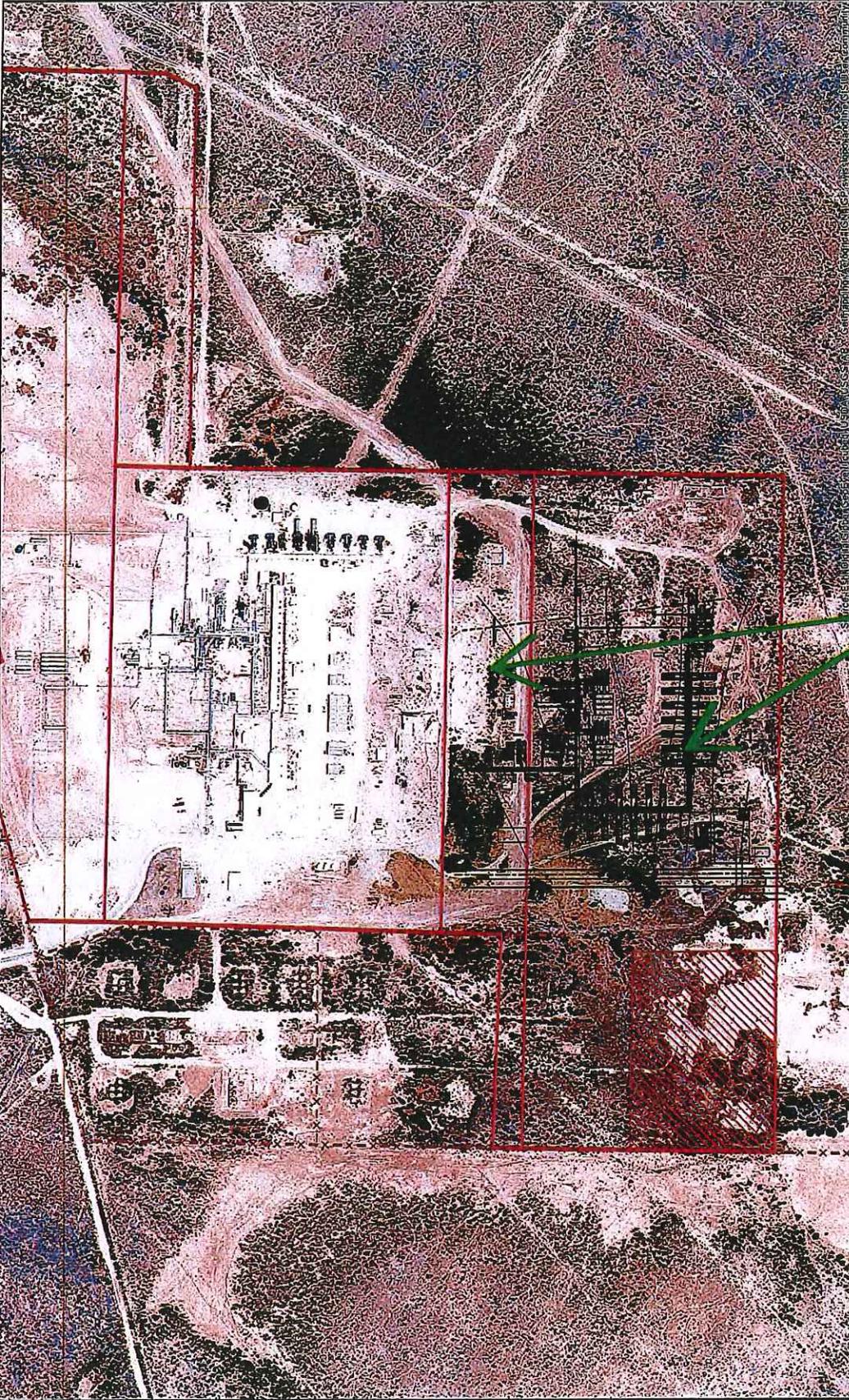
# **Attachment**

**K**

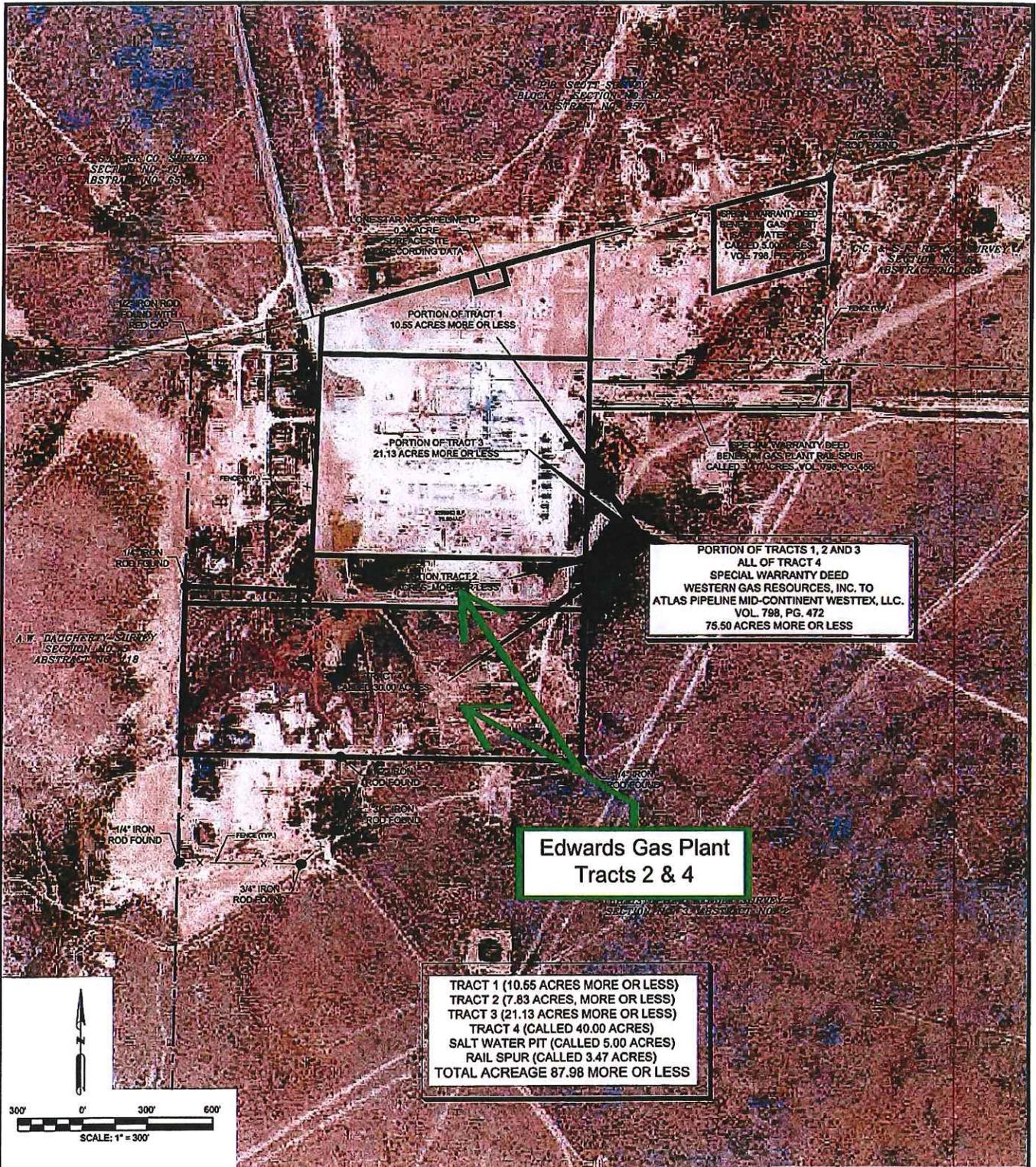
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**Detailed Map Showing Location of Land**

EDWARD GAS PLANT



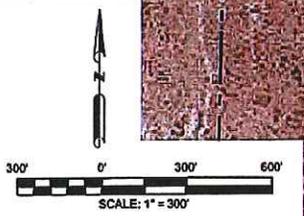
Edwards Gas Plant  
Tract 2 & 4



TRACT 1 (10.55 ACRES MORE OR LESS)  
 TRACT 2 (7.83 ACRES, MORE OR LESS)  
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PORTION OF TRACTS 1, 2 AND 3  
 ALL OF TRACT 4  
 SPECIAL WARRANTY DEED  
 WESTERN GAS RESOURCES, INC. TO  
 ATLAS PIPELINE MID-CONTINENT WESTTEX, LLC.  
 VOL. 798, PG. 472  
 75.50 ACRES MORE OR LESS



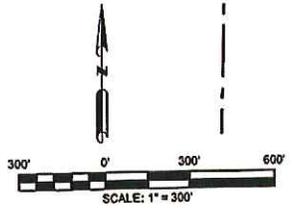
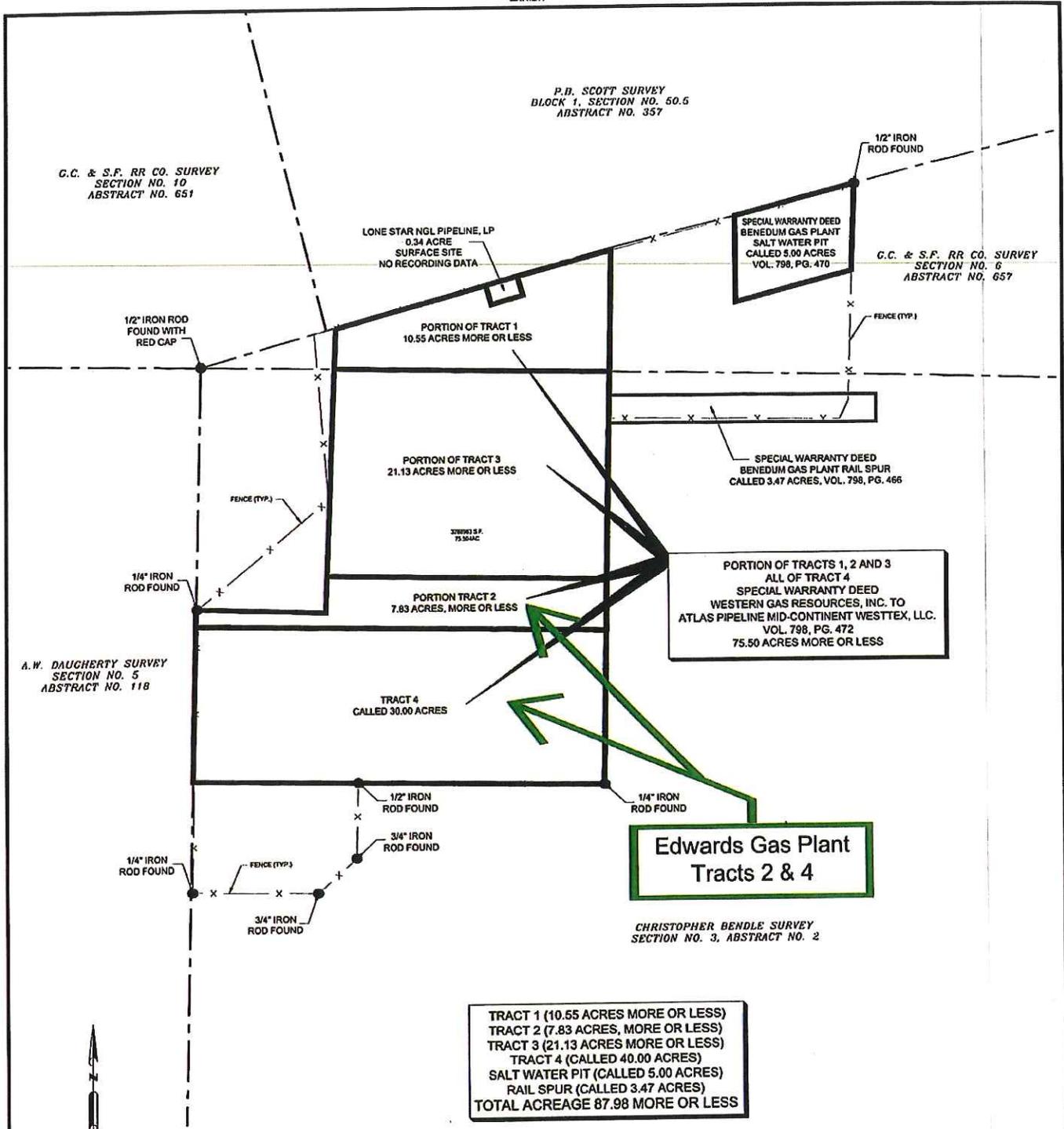
REV.	DATE	BY	DESCRIPTION	CHK
PROJECT NO. 1305007				

**TRANSGLOBAL**  
 8205 Camp Bowie West, Suite 204  
 Fort Worth, Texas 76118  
 (817) 386-0002 • Fax (817) 324-3377

**AtlasPipeline**  
 EXHIBIT  
 ATLAS BENEDEM FEE OWNED PROPERTY

Situated in the  
 CHRISTOPHER BENDLE SURVEY, SECTION NO. 3, ABSTRACT NO. 2  
 and the G.C. & S.F. R.R. CO. SURVEY, SECTION No. 8, ABSTRACT NO. 857  
 Upton County, Texas

DRAWN BY: GG	DATE: 06-13-13	DWG. NO.	REV.
CHECKED BY: CY	DATE: 06-13-13		0
SCALE: 1"=300'	A/E # 20000000X		PAGE 1 OF 1



REV.	DATE	BY	DESCRIPTION	CHK

PROJECT NO. 1305007

**TRANSGLOBAL SERVICES LLC**  
 8205 Campo Bowie West, Suite 204  
 Fort Worth, Texas 76116  
 (817) 366-0882 - Fax (882) 224-3377

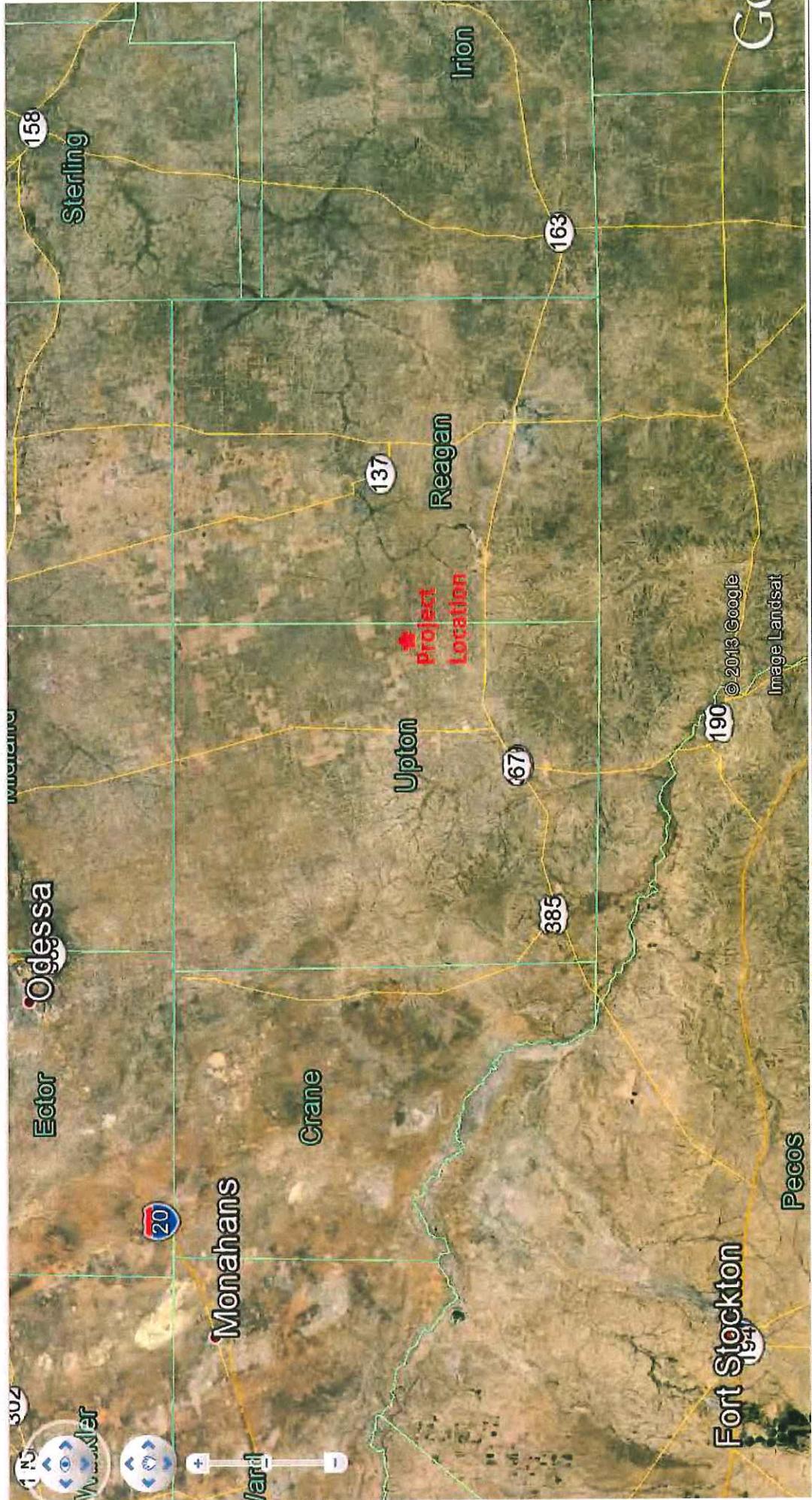
**AtlasPipeline**

EXHIBIT

ATLAS BENEDUM FEE OWNED PROPERTY

Shaded in Red  
 CHRISTOPHER BENDLE SURVEY, SECTION NO. 3, ABSTRACT NO. 2  
 and the C.C. & S.F. RR CO. SURVEY, SECTION NO. 6, ABSTRACT NO. 657  
 Upton County, Texas

DRAWN BY: GG	DATE: 06-13-13	DWG. NO.	REV.
CHECKED BY: CV	DATE: 06-13-13	(3237) ATLAS BENEDUM FEE OWNED PROPERTY	0
SCALE: 1"=300'	AFL # 000000000		PAGE 1 OF 1



VICINITY MAP

SPECIAL WARRANTY DEED

00143311

KNOW ALL MEN BY THESE PRESENTS THAT:

FOR VALUABLE CONSIDERATION OF TEN DOLLARS (\$10.00), and other good and valuable consideration, cash in hand paid, the receipt of and sufficiency of which is hereby acknowledged, WESTERN GAS RESOURCES, INC., a Corporation organized under the laws of the state of Delaware having an address of 1099 18<sup>th</sup> Street, Denver, CO 80202, hereinafter referred to as "Grantor", does hereby grant, convey, and warrant unto ATLAS PIPELINE MID-CONTINENT WESTTEX, LLC., a Limited Liability Company organized under the laws of the state of Delaware having an address of 1437 South Boulder Avenue, Suite 1500, Tulsa, OK 74119, hereinafter referred to as "Grantee", for the following lands and property together with all improvements located thereon, lying in the County of Upton, State of Texas to-wit:

0  
0  
7  
9  
8  
0  
0  
4  
7  
2

**TRACT 1:** That part of the East portion of Section 6, W. H. Dickson Survey, contained between the South line of Lot 3, Block 50 1/2 P. B. Scott Survey, and the North line of Section 3, Chris Bendle Survey, containing 12.87 acres, more or less, and bounded on the East side by an extension Northward of a line marking the East line of the West 1/4 of Section 3, C. Bendle Survey.

**TRACT 2:** The South 10 acres of the North 50 acres of the West 320 acres of Section 3, C. Bendle Survey, Abstract 936, Certificate 2438.

**TRACT 3:** The North 40 acres of the West 320 acres of Section 3, C. Bendle Survey, Abstract 936, Certificate 2438, Less and except 3.47 acres, more particularly described as follows:

A tract of land situated in the north half (N/2) of Survey No. 3, Certificate No. 2438, Abstract No. 936, C. Bendle, Original Grantee, near Rankin, in Upton County, State of Texas, being more particularly described as follows: Beginning at the point of intersection of the east line of the North forty (40) acres of the West three hundred twenty (320) acres of said Survey No. 3 and a line parallel with and fifty (50) feet northerly from, measured at right angles to, the center line of spur tract No. 7 of Kansas City, Mexico and Orient Railway Company of Texas (as same is now located and constructed) to plant formerly of Texas Natural Gasoline Corporation, said point of intersection being one hundred four and five tenths (104.5) feet south of the northeast corner of the North forty (40) acres of the West three hundred twenty (320) acres of said Survey No. 3 and assuming for the purpose of this description that said spur track center line has a bearing of North eighty-nine (89)

degrees forty (40) minutes West; thence South eighty-nine (89) degrees forty (40) minutes East parallel with said spur track center line a distance of one thousand two hundred ten (1210) feet; thence South zero (0) degrees twenty (20) minutes West at right angles to last described course a distance of one hundred twenty-five (125) feet to a point seventy-five (75) feet southerly from, measured at right angles to, said spur track center line; thence North eighty-nine (89) degrees forty (40) minutes West parallel with said spur track center line a distance of one thousand two hundred ten (1210) feet to point of intersection with the east line of the North forty (40) acres of the West three hundred twenty (320) acres of said Survey No. 3; thence North zero (0) degrees six (6) minutes West along said east line a distance of one hundred twenty-five (125) feet, more or less, to the point of beginning, containing an area of three and forty-seven hundredths (3.47) acres, more or less.

TRACT 4: A tract of land described as follows: Starting at a point in the West line of Section 3, Chris Bendle Survey, Upton County, Texas, 1166.726 feet South 2° 11' 21" West of the Northwest corner of Section 3 of the Chris Bendle Survey; thence 700.036 feet South 2° 11' 21" West along the West line of the section; thence South 87° 48' 39" East 1866.762 feet parallel to the North line of the section; thence North 2° 11' 21" East 700.036 feet parallel to the West line of the section; thence North 87° 48' 39" West 1866.762 feet to the point of beginning, and containing 30 acres, more or less;

GRANTOR excepts from the terms of this conveyance a tract of land containing 16.45 acres, more or less, out of the property described above, which 16.45 acres is described as follows:

BEGINNING at a stake set in a North & South fence for the Northwest corner of Survey 3, C. Bendle, and the Northwest corner of this survey;  
 Thence S. 2° 11' 21" W. along the fence 1089' to a stake set in said fence and in the West line of Survey 3, C. Bendle for the Southwest corner of this survey;  
 Thence S. 87° 48' 39" E. 590' to a stake set in the East fence line of the Slick-Urschel Oil Company tank battery area for the Southeast corner of this survey;  
 Thence N. 2° 11' 21" E. along the fence line 1293' to a stake for the Northeast corner of this survey;  
 Thence S. 76° 28' 54" W. along the North line of Survey 6, GC&SF, 753.5' to a stake at the West corner of Survey 6, GC&SF, for a corner of this survey;  
 Thence S. 87° 48' 39" E. 130.6' to the place of beginning; -  
 which said tract was formerly owned by Slick-Urschel Oil Company.

(This instrument conveys surface rights only.)



## **Attachment**

### **L**

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#### **Description of Existing Improvements**

##### **No Existing Improvements**

The project is being built on vacant land. There are adjacent facilities owned by applicant that are no part of this application. The appraisal account information for the existing Plant I and II on the adjacent parcel of land has been provided by the applicant on the following pages.

This is NOT a Tax Statement

# 2013 Notice Of Appraised Value

Do Not Pay From This Notice

UPTON COUNTY APPRAISAL DISTRICT  
PO BOX 1110  
MCCAMEY, TX 79752

Property ID: 11690  
Ownership %: 100.00  
Geo ID:  
DBA:  
Legal: BENEDUM CRYOGENIC PLANT

Phone: 432-652-3221 Fax: 432-652-3372  
DATE OF NOTICE: May 15, 2013

Legal Acres:  
Situs:  
Appraiser:  
Owner ID: 32748

A copy of this notice has been sent to your agent.

Property ID: 11690 -  
ATLAS PIPELINE MID-CONTINENT -  
K E ANDREWS  
1900 DALROCK RD  
ROWLETT, TX 75088

Dear Property Owner,  
We have appraised the property listed above for the tax year 2013. As of January 1, our appraisal is outlined below:

Appraisal Information		Last Year - 2012	Proposed - 2013
Structure / Improvement Market Value		0	0
Market Value of Non Ag/Timber Land		0	0
Market Value of Ag/Timber Land		12,974,150	12,412,800
Market Value of Personal Property/Minerals		12,974,150	12,412,800
Total Market Value		0	0
Productivity Value of Ag/Timber Land		12,974,150	12,412,800
Appraised Value * (Possible Homestead Limitations, see asterisk below)		0	0
Homestead Cap Value excluding Non-Homesite Value (i.e. Ag, Commercial)		0	0

2012 Taxable Value	2013 Proposed Appraised Value	2013 Exemption Amount	2013 Taxable Value	2012 Tax Rate	2013 Estimated Taxes	2013 Freeze Year and Tax Ceiling**
12,974,150	12,412,800	0	12,412,800	0.010300	1,278.52	
12,974,150	12,412,800	0	12,412,800	0.187200	23,236.76	
12,974,150	12,412,800	0	12,412,800	0.088900	11,034.98	
12,974,150	12,412,800	0	12,412,800	1.080000	134,058.24	
12,974,150	12,412,800	0	12,412,800	0.004200	521.34	
12,974,150	12,412,800	0	12,412,800	0.000000	0.00	

Do NOT Pay From This Notice

Total Estimated Tax: \$170,129.84

The difference between the 2008 appraised value and the proposed 2013 appraised value is 10.82%. This percentage information is required by Tax Code section 25.19(b-1).  
The Texas Legislature does not set the amount of your local taxes. Your property tax burden is decided by your locally elected officials and all inquiries concerning your taxes should be directed to those officials.

The above tax estimates use last year's tax rates for the taxing units shown. The governing body of each unit (school board, county commissioners, and so forth) decides whether property taxes increase. The appraisal district only determines your property value. The taxing units will set tax rates later this year.  
\* Your residence homestead is protected from future appraisal value increases in excess of 10% per year from the date of the last appraisal PLUS the value of any new improvements.

\*\* If you are 65 years of age or older and received the \$10,000 school tax exemption on your home last year from the school listed above, your school taxes for this year will not be higher than when you first received the exemption on this home. If you are disabled and received the \$10,000 school tax exemption on your home last year from the school listed above, your school taxes for this year will not be higher than the 2003 taxes or the first year you received the exemption, whichever is later. If your county, city, or junior college has approved a limitation on your taxes in the preceding year, your county, city, or junior college taxes will not be higher than the first year your county, city, or junior college approved the limitation or the first year you qualified for the limitation. If you improved your property (by adding rooms or buildings), your school, county, city, or junior college ceiling may increase for these improvements. If you are a surviving spouse, age 55 or older, you may retain the school, county, city, or junior college tax ceiling.

Contact the appraisal office if you disagree with this year's proposed value for your property or if you have any problem with the property description or address information. If the problem cannot be resolved, you have the right to appeal to the appraisal review board (ARB).

To appeal, you must file a written protest with the ARB before the deadline date:

Deadline for filing a protest: June 24, 2013  
Location of hearings: 700 East 3rd Street, McCamey, Texas  
ARB will begin hearings: July 10, 2013

Enclosed is a protest form to send the appraisal district office if you intend to appear and present evidence before the ARB. The ARB will notify you of the date, time, and place of your scheduled hearing. Enclosed, also, is information to help you in preparing your protest. You do not need to use the enclosed form to file your protest. You may protest by letter, if it includes your name, your property's description, and your reason for protesting.

If you have any questions or need more information, please contact the appraisal district office at 432-652-3221 or at the address shown above.

Sincerely,

SHERI STEPHENS  
Chief Appraiser

**Attachment**

**M**

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**Request for Waiver of Job Creation Requirement**

**N/A**

**Attachment**

**N**

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**Calculation of Wage Requirements**

**Calculation of Wage Information - Based on Most Recent Data Available**

**110% of County Average Weekly Wage for all Jobs**

2013	1Q	\$ 1,433
2012	4Q	\$ 1,588
2012	3Q	\$ 1,110
2012	2Q	\$ 1,109

$$\begin{aligned} & \$ 5,240 /4 = & \$ 1,310 \text{ average weekly salary} \\ & & \underline{\times 1.1 (110\%)} \\ & & \$ 1,441.00 \end{aligned}$$

**110% of County Average Weekly Wage for Manufacturing Jobs in County**

2012	1Q	\$ -
2012	2Q	\$ -
2012	3Q	\$ -
2012	4Q	\$ -

**Information Not Available**

$$\begin{aligned} & \$ - /4 = & \$ - \text{ average weekly salary} \\ & & \underline{\times 1.1 (110\%)} \\ & & \$ - \end{aligned}$$

**110% of County Average Weekly Wage for Manufacturing Jobs in Region**

\$21.93 per hour

X 40 hr per week

\$877 average weekly salary

X1.10 (110%)

\$965.12

X 52 weeks

\$50,186.40

## Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

<input type="text" value="2013"/>	<input type="text" value="1st Qtr"/>	<input type="text" value="Upton County"/>	<input type="text" value="Private"/>	<input type="text" value="00"/>	<input type="text" value="0"/>	<input type="text" value="10"/>	<input type="text" value="Total, All Industries"/>	<input type="text" value="\$1,433"/>
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### Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

<input type="text" value="2012"/> Year	<input type="text" value="2nd Qtr"/> Period	<input type="text" value="Upton County"/> Area	<input type="text" value="Private"/> Ownership	<input type="text" value="00"/> Division	<input type="text" value="0"/> Level	<input type="text" value="10"/> Ind Code	<input type="text" value="Total, All Industries"/> Industry	<input type="text" value="\$1,109"/> Avg Weekly Wages
2012	2nd Qtr	Upton County	Private	00	0	10	Total, All Industries	\$1,109
2012	3rd Qtr	Upton County	Private	00	0	10	Total, All Industries	\$1,110
2012	4th Qtr	Upton County	Private	00	0	10	Total, All Industries	\$1,588

**2012 Manufacturing Wages by Council of Government Region  
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
<b>Texas</b>	<b>\$23.56</b>	<b>\$48,996</b>
<u>1. Panhandle Regional Planning Commission</u>	\$20.12	\$41,850
<u>2. South Plains Association of Governments</u>	\$16.18	\$33,662
<u>3. NORTEX Regional Planning Commission</u>	\$17.83	\$37,076
<u>4. North Central Texas Council of Governments</u>	\$24.68	\$51,333
<u>5. Ark-Tex Council of Governments</u>	\$16.84	\$35,032
<u>6. East Texas Council of Governments</u>	\$19.61	\$40,797
<u>7. West Central Texas Council of Governments</u>	\$18.24	\$37,941
<u>8. Rio Grande Council of Governments</u>	\$16.17	\$33,631
<u>9. Permian Basin Regional Planning Commission</u>	\$21.93	\$45,624
<u>10. Concho Valley Council of Governments</u>	\$16.33	\$33,956
<u>11. Heart of Texas Council of Governments</u>	\$19.07	\$39,670
<u>12. Capital Area Council of Governments</u>	\$26.03	\$54,146
<u>13. Brazos Valley Council of Governments</u>	\$16.55	\$34,424
<u>14. Deep East Texas Council of Governments</u>	\$16.20	\$33,698
<u>15. South East Texas Regional Planning Commission</u>	\$29.38	\$61,118
<u>16. Houston-Galveston Area Council</u>	\$26.59	\$55,317
<u>17. Golden Crescent Regional Planning Commission</u>	\$21.03	\$43,742
<u>18. Alamo Area Council of Governments</u>	\$18.40	\$38,280
<u>19. South Texas Development Council</u>	\$13.54	\$28,170
<u>20. Coastal Bend Council of Governments</u>	\$22.97	\$47,786
<u>21. Lower Rio Grande Valley Development Council</u>	\$16.33	\$33,961
<u>22. Texoma Council of Governments</u>	\$22.57	\$46,949
<u>23. Central Texas Council of Governments</u>	\$17.16	\$35,689
<u>24. Middle Rio Grande Development Council</u>	\$18.93	\$39,380

Source: Texas Occupational Employment and Wages

Data published: July 2013

Data published annually, next update will be July 31, 2014

Note: Data is not supported by the Bureau of Labor Statistics (BLS).

Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.

Data intended for TAC 313 purposes only.

# Attachment

## 0

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### Description of Benefits

**Atlas Pipeline Midcontinent Westtexas LLC offers:**

**401(k) plan with company match**

**Medical Plan**

**Vision Coverage**

**Dental Coverage**

**Life Insurance Coverage**

**Disability Coverage**

**Attachment**

**P**

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**Economic Impact**

**N/A**

**Attachment**

**Q**

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**Schedule A**

Schedule A (Rev. May 2010): Investment

Form 50-296

Applicant Name: Atlas Pipeline Midcontinent Westtex LLC  
 ISD Name: Rankin ISD

PROPERTY INVESTMENT AMOUNTS

(Estimated investment in each year. Do not put cumulative totals.)

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: Tangible Personal Property (original cost) placed in service of building during this year	Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B Qualifying Investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)  Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment)  Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)  Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property)  Complete tax years of qualifying time period  Value Limitation Period  Continue to Maintain Viable Presence  Post-Settle-Up Period  Post-Settle-Up Period	1	2014-2015	2014	\$ 941,130	\$ 30,941,130.00		\$ 30,941,130.00
	2	2015-2016	2015	\$ 54,058,870.00	\$ 54,058,870.00		\$ 54,058,870.00
	3	2016-2017	2016				
	4	2017-2018	2017				
	5	2018-2019	2018				
	6	2019-2020	2019				
	7	2020-2021	2020				
	8	2021-2022	2021				
	9	2022-2023	2022				
	10	2023-2024	2023				
	11	2024-2025	2024				
	12	2025-2026	2025				
	13	2026-2027	2026				
	14	2027-2028	2027				
	15	2028-2029	2028				

Qualifying Time Period usually begins with the final board approval of the application and extends generally for the following two complete tax years.

Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment - as defined in Tax Code §313.021(1)(A)-(D). For the purposes of investment, please list amount invested each year, not cumulative totals.

Column B: Include estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period. The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).

Column C: Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value-for planning, construction and operation of the facility. The most significant example for many projects would be land. Other examples may be items such as professional services, etc.

Column D: Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

Notes: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed. This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE:  DATE: 8/15/13

**Attachment**

**R**

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**Schedule B**

**Schedule B (Rev. May 2010): Estimated Market And Taxable Value**

Form 50-296

Applicant Name: Atlas Pipeline Midcontinent Westtext LLC  
 ISD Name: Rankin ISD

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Reductions from Market Value	Estimated Taxable Value
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or in or on the new improvement		
	pre-year 1	2013-2014	2013					
Tax Credit Period (with 50% cap on credit)	1	2014-2015	2014	\$ -	\$ -	\$ -	\$ -	\$ -
	2	2015-2016	2015	\$ 941,130	\$ 29,058,870	\$ -	\$ 30,000,000	\$ 30,000,000
	3	2016-2017	2016	\$ 903,485	\$ 89,096,515	\$ -	\$ 90,000,000	\$ 10,000,000
	4	2017-2018	2017	\$ 858,311	\$ 84,641,689	\$ -	\$ 85,500,000	\$ 10,000,000
	5	2018-2019	2018	\$ 815,395	\$ 80,409,605	\$ -	\$ 81,225,000	\$ 10,000,000
	6	2019-2020	2019	\$ 774,625	\$ 76,389,125	\$ -	\$ 77,163,750	\$ 10,000,000
	7	2020-2021	2020	\$ 735,894	\$ 72,569,668	\$ -	\$ 73,305,563	\$ 10,000,000
	8	2021-2022	2021	\$ 699,099	\$ 68,941,185	\$ -	\$ 69,640,284	\$ 10,000,000
	9	2022-2023	2022	\$ 664,144	\$ 65,494,126	\$ -	\$ 66,158,270	\$ 10,000,000
	10	2023-2024	2023	\$ 630,937	\$ 62,219,420	\$ -	\$ 62,850,357	\$ 10,000,000
	11	2024-2025	2024	\$ 599,390	\$ 59,108,449	\$ -	\$ 59,707,839	\$ 59,707,839
	12	2025-2026	2025	\$ 569,421	\$ 56,153,026	\$ -	\$ 56,722,447	\$ 56,722,447
	13	2026-2027	2026	\$ 540,950	\$ 53,345,375	\$ -	\$ 53,886,325	\$ 53,886,325
	14	2027-2028	2027	\$ 513,902	\$ 50,678,106	\$ -	\$ 51,192,008	\$ 51,192,008
	15	2028-2029	2028	\$ 488,207	\$ 48,144,201	\$ -	\$ 48,632,408	\$ 48,632,408
Credit Settle-Up Period								
Post-Settle-Up Period								

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation. This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

\_\_\_\_\_  
 SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

8/15/13  
 DATE

**Attachment**

**S**

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**Schedule C**

**Schedule C- Application: Employment Information**

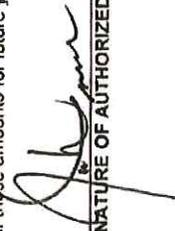
Applicant Name **Atlas Pipeline Midcontinent Westtexas LLC**  
 ISD Name **Rankin ISD**

Form 50-296

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Construction		New Jobs		Qualifying Jobs	
				Column A: Number of Construction FTE's or man- hours (specify)	Column B: Average annual wage rates for construction workers	Column C: Number of new jobs applicant commits to create (cumulative)	Column D: Average annual wage rate for all new jobs	Column E: Number of qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column F: Average annual wage of qualifying jobs
	pre-year 1	2013-2014	2013	75 FTE	\$ 50,186.40	0	\$ -	0	\$ -
	1	2014-2015	2014	75 FTE	\$ 50,186.40	10	\$ 50,186.40	8	\$ 50,186.40
	2	2015-2016	2015			10	\$ 50,186.40	8	\$ 50,186.40
	3	2016-2017	2016			10	\$ 50,186.40	8	\$ 50,186.40
	4	2017-2018	2017			10	\$ 50,186.40	8	\$ 50,186.40
	5	2018-2019	2018			10	\$ 50,186.40	8	\$ 50,186.40
	6	2019-2020	2019			10	\$ 50,186.40	8	\$ 50,186.40
	7	2020-2021	2020			10	\$ 50,186.40	8	\$ 50,186.40
	8	2021-2022	2021			10	\$ 50,186.40	8	\$ 50,186.40
	9	2022-2023	2022			10	\$ 50,186.40	8	\$ 50,186.40
	10	2023-2024	2023			10	\$ 50,186.40	8	\$ 50,186.40
	11	2024-2025	2024			10	\$ 50,186.40	8	\$ 50,186.40
	12	2025-2026	2025			10	\$ 50,186.40	8	\$ 50,186.40
	13	2026-2027	2026			10	\$ 50,186.40	8	\$ 50,186.40
	14	2027-2028	2027			10	\$ 50,186.40	8	\$ 50,186.40
	15	2028-2029	2028			10	\$ 50,186.40	8	\$ 50,186.40
Complete tax years of qualifying time period									
Value Limitation Period									
Tax Credit Period (with 50% cap on credit)									
Credit Settle-Up Period									
Post-Settle-Up Period									
Post-Settle-Up Period									

Notes: For job definitions see TAC §9.1051(14) and Tax Code §313.021(3).

This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter these amounts for future years.

  
 SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

8/15/13  
 DATE

**Attachment**

**T**

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**Schedule D**

Schedule D: (Rev. May 2010): Other Tax Information

Applicant Name

Atlas Pipeline Midcontinent Westtexas LLC

Rankin ISD

Form 50-296

Sales Tax Information				Other Property Tax Abatements Sought			
Sales Taxable Expenditures		Franchise Tax	County	City	Hospital	Other	
Year	School Year (YYYY-YYYY)	Tax/Calendar Year YYYY	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	Fill in percentage exemption requested or granted in each year of the Agreement	Fill in percentage exemption requested or granted in each year of the Agreement
	2013-2014	2013	\$ 5,000,000	\$ 62,500			
Complete tax years of qualifying time period	1	2014-2015	\$ 30,941,130	\$ 433,000	100		
	2	2015-2016	\$ 54,058,870	\$ 500,000	80		
	3	2016-2017	\$ -	\$ -	60		
	4	2017-2018	\$ -	\$ -	40		
	5	2018-2019	\$ -	\$ -	20		
	6	2019-2020	\$ -	\$ -			
	7	2020-2021	\$ -	\$ -			
	8	2021-2022	\$ -	\$ -			
	9	2022-2023	\$ -	\$ -			
	10	2023-2024	\$ -	\$ -			
Value Limitation Period	11	2024-2025	\$ -	\$ -			
	12	2025-2026	\$ -	\$ -			
	13	2026-2027	\$ -	\$ -			
Credit Settle-Up Period	14	2027-2028	\$ -	\$ -			
	15	2028-2029	\$ -	\$ -			

\*For planning construction and operation of the facility.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE



8/15/13  
DATE

**Attachment**

**U**

---

**Map of Reinvestment Zone**

**Attachment**

**V**

---

**Order, Resolution or Ordinance Establishing Zone**

**Attachment**

**W**

---

Legal Description of Reinvestment Zone

**Attachment**

**X**

---

**Guidelines and Criteria for Reinvestment Zone**

**Attachment**

**Y**

---

**Certificate of Account Status**



## Franchise Tax Account Status

As of: 07/24/2013 11:38:06 AM

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

### ATLAS PIPELINE MID-CONTINENT WESTTEX, LLC

Texas Taxpayer Number 14217331074

Mailing Address 110 W 7TH ST STE 2300  
TULSA, OK 74119-1017

Right to Transact Business in ACTIVE  
Texas

State of Formation DE

Effective SOS Registration 08/16/2007  
Date

Texas SOS File Number 0800858817

Registered Agent Name C T CORPORATION SYSTEM

Registered Office Street 350 NORTH ST. PAUL ST., STE. 2900  
Address DALLAS, TX 75201

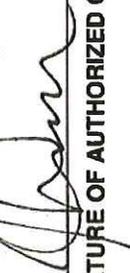
**Schedule B (Rev. May 2010): Estimated Market And Taxable Value**

Applicant Name **Atlas Pipeline Midcontinent Westtexas LLC**  
 Rankin ISD

Form 50-296

Tax Credit Period (with 50% cap on credit)	Credit Settle-Up Period	Post-Settle-Up Period	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Reductions from Market Value	Estimated Taxable Value	Final taxable value for M&O--after all reductions
						Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"			
			pre-year 1	2013-2014	2013						
	Complete tax years of qualifying time period		1	2014-2015	2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			2	2015-2016	2015	\$ 941,130	\$ 29,058,870	\$ -	\$ -	\$ 30,000,000	\$ 30,000,000
			3	2016-2017	2016	\$ 903,485	\$ 89,096,515	\$ -	\$ -	\$ 90,000,000	\$ 20,000,000
			4	2017-2018	2017	\$ 858,311	\$ 84,641,689	\$ -	\$ -	\$ 85,500,000	\$ 20,000,000
			5	2018-2019	2018	\$ 815,395	\$ 80,409,605	\$ -	\$ -	\$ 81,225,000	\$ 20,000,000
			6	2019-2020	2019	\$ 774,625	\$ 76,389,125	\$ -	\$ -	\$ 77,163,750	\$ 20,000,000
			7	2020-2021	2020	\$ 735,894	\$ 72,569,668	\$ -	\$ -	\$ 73,305,563	\$ 20,000,000
			8	2021-2022	2021	\$ 699,099	\$ 68,941,185	\$ -	\$ -	\$ 69,640,284	\$ 20,000,000
			9	2022-2023	2022	\$ 664,144	\$ 65,494,126	\$ -	\$ -	\$ 66,158,270	\$ 20,000,000
			10	2023-2024	2023	\$ 630,937	\$ 62,219,420	\$ -	\$ -	\$ 62,850,357	\$ 20,000,000
			11	2024-2025	2024	\$ 599,390	\$ 59,108,449	\$ -	\$ -	\$ 59,707,839	\$ 59,707,839
			12	2025-2026	2025	\$ 569,421	\$ 56,153,026	\$ -	\$ -	\$ 56,722,447	\$ 56,722,447
			13	2026-2027	2026	\$ 540,950	\$ 53,345,375	\$ -	\$ -	\$ 53,886,325	\$ 53,886,325
			14	2027-2028	2027	\$ 513,902	\$ 50,678,106	\$ -	\$ -	\$ 51,192,008	\$ 51,192,008
			15	2028-2029	2028	\$ 488,207	\$ 48,144,201	\$ -	\$ -	\$ 48,632,408	\$ 48,632,408

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation. This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those figures for future years.



SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

8/26/13

DATE



## Attachment B

### Certificate of Account Status



## Franchise Tax Account Status

As of: 12/04/2013 03:11:43 PM

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

ATLAS PIPELINE MID-CONTINENT WESTTEX, LLC	
Texas Taxpayer Number	14217331074
Mailing Address	110 W 7TH ST STE 2300 TULSA, OK 74119-1017
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	08/16/2007
Texas SOS File Number	0800858817
Registered Agent Name	C T CORPORATION SYSTEM
Registered Office Street Address	350 NORTH ST. PAUL ST., STE. 2900 DALLAS, TX 75201



# Attachment C

## State Comptroller's Recommendation

S U S A N  
C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

P.O. Box 13528 • AUSTIN, TX 78711-3528



November 14, 2013

Danny Davis  
Superintendent  
Rankin Independent School District  
P. O. Box 90  
Rankin, Texas 79778

Dear Superintendent Davis:

On August 26, 2013, the Comptroller received the completed application (Application # 340) for a limitation on appraised value under the provisions of Tax Code Chapter 313<sup>1</sup>. This application was originally submitted in July 2013 to the Rankin Independent School District (the school district) by Atlas Pipeline Midcontinent Westtex LLC (the applicant). This letter presents the results of the Comptroller's review of the application:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to make a recommendation to the governing body of the school district as to whether the application should be approved or disapproved using the criteria set out by Section 313.026.

The school district is currently classified as a rural school district in Category 2 according to the provisions of Chapter 313. Therefore, the applicant properly applied under the provisions of Subchapter C, applicable to rural school districts. The amount of proposed qualified investment (\$90 million) is consistent with the proposed appraised value limitation sought (\$20 million). The property value limitation amount noted in this recommendation is based on property values available at the time of application and may change prior to the execution of any final agreement.

The applicant is an active franchise taxpayer in good standing, as required by Section 313.024(a), and is proposing the construction of a manufacturing facility in Upton County, an eligible property use under Section 313.024(b). The Comptroller has determined that the property, as described in the application, meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

After reviewing the application using the criteria listed in Section 313.026, and the information provided by the applicant, the Comptroller's recommendation is that this application under Tax Code Chapter 313 be approved.

Our review of the application assumes the truth and accuracy of the statements in the application and that, if the application is approved, the applicant would perform according to the provisions of the agreement reached with the school district. Our recommendation does not address whether the applicant has complied with all Chapter 313 requirements; the school district is responsible for verifying that all requirements of the statute have been fulfilled. Additionally, Section 313.025 requires the school district to only approve an application if the school district finds that the information in the application is true and

<sup>1</sup> All statutory references are to the Texas Tax Code, unless otherwise noted.

correct, finds that the applicant is eligible for a limitation and determines that granting the application is in the best interest of the school district and this state. As stated above, the Comptroller's recommendation is prepared by generally reviewing the application and supporting documentation in light of the Section 313.026 criteria.

Note that any new building or other improvement existing as of the application review start date of Aug. 26, 2013, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2).

The Comptroller's recommendation is based on the application submitted by the school district and reviewed by the Comptroller. The recommendation may not be used by the school district to support its approval of the property value limitation agreement if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this recommendation is contingent on future compliance with the Chapter 313 and the Texas Administrative Code, with particular reference to the following requirements related to the execution of the agreement:

- 1) The applicant must provide the Comptroller a copy of the proposed limitation on appraised value agreement no later than ten (10) days prior to the meeting scheduled by the school district to consider approving the agreement, so that the Comptroller may review it for compliance with the statutes and the Comptroller's rules as well as consistency with the application;
- 2) The Comptroller must confirm that it received and reviewed the draft agreement and affirm the recommendation made in this letter;
- 3) The school district must approve and execute a limitation agreement that has been reviewed by the Comptroller within a year from the date of this letter; and
- 4) The school district must provide a copy of the signed limitation agreement to the Comptroller within seven (7) days after execution, as required by Section 313.025.

Should you have any questions, please contact Robert Wood, director of Economic Development & Analysis Division, by email at [robert.wood@cpa.state.tx.us](mailto:robert.wood@cpa.state.tx.us) or by phone at 1-800-531-5441, ext. 3-3973, or direct in Austin at 512-463-3973.

Sincerely,



Martin A. Hubert  
Deputy Comptroller

Enclosure

cc: Robert Wood



Attachment D

Economic Analysis

**Economic Impact for Chapter 313 Project**

Applicant	Atlas Pipeline Midcontinent Westtex LLC
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Rankin
2011-12 Enrollment in School District	236
County	Upton
Total Investment in District	\$90,000,000
Qualified Investment	\$90,000,000
Limitation Amount	\$20,000,000
Number of total jobs committed to by applicant	10
Number of qualifying jobs committed to by applicant	8
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$965
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$965
Minimum Annual Wage committed to by applicant for qualified jobs	\$50,186
Investment per Qualifying Job	\$11,250,000
Estimated 15 year M&O levy without any limit or credit:	\$9,422,236
Estimated gross 15 year M&O tax benefit	\$4,740,770
Estimated 15 year M&O tax benefit ( <i>after</i> deductions for estimated school district revenue protection--but not including any deduction for supplemental payments or extraordinary educational expenses):	\$4,486,255
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$104,000
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$4,935,981
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	47.6%
Percentage of tax benefit due to the limitation	97.8%
Percentage of tax benefit due to the credit	2.2%

This presents the Comptroller's economic impact evaluation of Atlas Pipeline Midcontinent Westtex LLC (the project) applying to Rankin Independent School District (the district), as required by Tax Code, 313.026. This evaluation is based on information provided by the applicant and examines the following criteria:

- (1) the recommendations of the comptroller;
- (2) the name of the school district;
- (3) the name of the applicant;
- (4) the general nature of the applicant's investment;
- (5) the relationship between the applicant's industry and the types of qualifying jobs to be created by the applicant to the long-term economic growth plans of this state as described in the strategic plan for economic development submitted by the Texas Strategic Economic Development Planning Commission under Section 481.033, Government Code, as that section existed before February 1, 1999;
- (6) the relative level of the applicant's investment per qualifying job to be created by the applicant;
- (7) the number of qualifying jobs to be created by the applicant;
- (8) the wages, salaries, and benefits to be offered by the applicant to qualifying job holders;
- (9) the ability of the applicant to locate or relocate in another state or another region of this state;
- (10) the impact the project will have on this state and individual local units of government, including:
  - (A) tax and other revenue gains, direct or indirect, that would be realized during the qualifying time period, the limitation period, and a period of time after the limitation period considered appropriate by the comptroller; and
  - (B) economic effects of the project, including the impact on jobs and income, during the qualifying time period, the limitation period, and a period of time after the limitation period considered appropriate by the comptroller;
- (11) the economic condition of the region of the state at the time the person's application is being considered;
- (12) the number of new facilities built or expanded in the region during the two years preceding the date of the application that were eligible to apply for a limitation on appraised value under this subchapter;
- (13) the effect of the applicant's proposal, if approved, on the number or size of the school district's instructional facilities, as defined by Section 46.001, Education Code;
- (14) the projected market value of the qualified property of the applicant as determined by the comptroller;
- (15) the proposed limitation on appraised value for the qualified property of the applicant;
- (16) the projected dollar amount of the taxes that would be imposed on the qualified property, for each year of the agreement, if the property does not receive a limitation on appraised value with assumptions of the projected appreciation or depreciation of the investment and projected tax rates clearly stated;
- (17) the projected dollar amount of the taxes that would be imposed on the qualified property, for each tax year of the agreement, if the property receives a limitation on appraised value with assumptions of the projected appreciation or depreciation of the investment clearly stated;
- (18) the projected effect on the Foundation School Program of payments to the district for each year of the agreement;
- (19) the projected future tax credits if the applicant also applies for school tax credits under Section 313.103; and
- (20) the total amount of taxes projected to be lost or gained by the district over the life of the agreement computed by subtracting the projected taxes stated in Subdivision (17) from the projected taxes stated in Subdivision (16).

**Wages, salaries and benefits [313.026(6-8)]**

After construction, the project will create 10 new jobs when fully operational. 8 jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the Permian Basin Regional Planning Commission Region, where Upton County is located was \$45,624 in 2012. The annual average manufacturing wage for 2012-2013 for Upton County is not available. That same year, the county annual average wage for all industries was \$68,120. In addition to a salary of \$50,186, each qualifying position will receive benefits: 401(k) plan with company match, medical plan, vision coverage, dental coverage, life insurance coverage, and disability coverage. The project's total investment is \$90 million, resulting in a relative level of investment per qualifying job of \$11.25 million.

**Ability of applicant to locate to another state and [313.026(9)]**

According to Atlas Pipeline Midcontinent Westtex LLC's application, the company "currently operates and is expanding with hundreds of miles of gathering lines in multiple countries. They allocate capital investment to projects and locations that create the best economic return. The existence of a limitation on tax value is a significant factor in calculating the economic return and allocation of reserves to the projects. However, Atlas pipeline Midcontinent Westtex LLC could redirect its expenditures to build the plant in the following counties mentioned below:

.....  
Oklahoma  
New Mexico."

**Number of new facilities in region [313.026(12)]**

During the past two years, 13 projects in the Permian Basin Regional Planning Commission Region applied for value limitation agreements under Tax Code, Chapter 313.

**Relationship of applicant's industry and jobs and Texas's economic growth plans [313.026(5)]**

The Texas Economic Development Plan focuses on attracting and developing industries using technology. It also identifies opportunities for existing Texas industries. The plan centers on promoting economic prosperity throughout Texas and the skilled workers that the Atlas Pipeline Midcontinent Westtex LLC, project requires appear to be in line with the focus and themes of the plan. Texas identified manufacturing as one of six target clusters in the Texas Cluster Initiative. The plan stresses the importance of technology in all sectors of the manufacturing industry.

**Economic Impact [313.026(10)(A), (10)(B), (11), (13-20)]**

Table 1 depicts Atlas Pipeline Midcontinent Westtex LLC's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 16 years of annual investment and employment levels using software from Regional Economic Models, Inc. (REMI). The impact includes the construction period and the operating period of the project.

**Table 1: Estimated Statewide Economic Impact of Investment and Employment in Atlas Pipeline Midcontinent Westtex LLC**

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	75	78	153	\$3,763,980	\$5,236,020	\$9,000,000
2014	85	110	195	\$4,265,844	\$7,734,156	\$12,000,000
2015	10	38	48	\$501,864	\$3,498,136	\$4,000,000
2016	10	34	44	\$501,864	\$3,498,136	\$4,000,000
2017	10	35	45	\$501,864	\$3,498,136	\$4,000,000
2018	10	29	39	\$501,864	\$3,498,136	\$4,000,000
2019	10	31	41	\$501,864	\$3,498,136	\$4,000,000
2020	10	31	41	\$501,864	\$3,498,136	\$4,000,000
2021	10	33	43	\$501,864	\$3,498,136	\$4,000,000
2022	10	33	43	\$501,864	\$3,498,136	\$4,000,000
2023	10	35	45	\$501,864	\$4,498,136	\$5,000,000
2024	10	29	39	\$501,864	\$4,498,136	\$5,000,000
2025	10	39	49	\$501,864	\$4,498,136	\$5,000,000
2026	10	35	45	\$501,864	\$4,498,136	\$5,000,000
2027	10	37	47	\$501,864	\$4,498,136	\$5,000,000
2028	10	35	45	\$501,864	\$5,498,136	\$6,000,000

Source: CPA, REMI, Atlas Pipeline Midcontinent Westtex LLC

The statewide average ad valorem tax base for school districts in Texas was \$1.65 billion in 2012-2013. Rankin ISD's ad valorem tax base in 2012-2013 was \$2.58 billion. The statewide average wealth per WADA was estimated at \$343,155 for fiscal 2012-2013. During that same year, Rankin ISD's estimated wealth per WADA was \$6,002,187. The impact on the facilities and finances of the district are presented in Attachment 2.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Upton County, Rankin Hospital District, Upton County Water District, and Upton Fire District, with all property tax incentives sought being granted using estimated market value from Atlas Pipeline Midcontinent Westtex LLC's application. Atlas Pipeline Midcontinent Westtex LLC has applied for both a value limitation under Chapter 313, Tax Code and a tax abatements with the county. Table 3 illustrates the estimated tax impact of Atlas Pipeline Midcontinent Westtex LLC project on the region if all taxes are assessed.



Attachment 1 includes schedules A, B, C, and D provided by the applicant in the application. Schedule A shows proposed investment, Schedule B is the projected market value of the qualified property, Schedule C contains employment information, and Schedule D contains tax expenditures and other tax abatement information.

Attachment 2, provided by the district and reviewed by the Texas Education Agency, contains information relating to the financial impact of the proposed project on the finances of the district as well as the tax benefit of the value limitation. "Table 5" in this attachment shows the estimated 15 year M&O tax levy without the value limitation agreement would be \$9,422,236. The estimated gross 15 year M&O tax benefit, or levy loss, is \$4,740,770.

Attachment 3 is an economic overview of Upton County.

**Disclaimer:** This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.



TEXAS EDUCATION AGENCY

1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • [www.tea.state.tx.us](http://www.tea.state.tx.us)

Michael Williams  
Commissioner

October 30, 2013

Mr. Robert Wood  
Director, Economic Development and Analysis  
Texas Comptroller of Public Accounts  
Lyndon B. Johnson State Office Building  
111 East 17th Street  
Austin, Texas 78774

Dear Mr. Wood:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Atlas Pipeline Midcontinent Westex LLC project on the number and size of school facilities in Rankin Independent School District (RISD). Based on the analysis prepared by Moak, Casey and Associates for the school district and a conversation with the RISD superintendent, Danny Davis, the TEA has found that the Atlas Pipeline Midcontinent Westex LLC project would not have a significant impact on the number or size of school facilities in RISD.

Please feel free to contact me by phone at (512) 463-9186 or by email at [al.mckenzie@tea.state.tx.us](mailto:al.mckenzie@tea.state.tx.us) if you need further information about this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Al McKenzie".

Al McKenzie, Manager  
Foundation School Program Support

AM/rk

## Upton County

### Population

- Total county population in 2010 for Upton County: 3,154 , up 0.5 percent from 2009. State population increased 1.8 percent in the same time period.
- Upton County was the state's 221th largest county in population in 2010 and the 140 th fastest growing county from 2009 to 2010.
- Upton County's population in 2009 was 45.9 percent Anglo (below the state average of 46.7 percent), 2.0 percent African-American (below the state average of 11.3 percent) and 50.2 percent Hispanic (above the state average of 36.9 percent).
- 2009 population of the largest cities and places in Upton County:

McCamey:	1,631	Rankin:	744
----------	-------	---------	-----

### Economy and Income

#### *Employment*

- September 2011 total employment in Upton County: 1,852 , up 2.1 percent from September 2010. State total employment increased 0.9 percent during the same period.  
(October 2011 employment data will be available November 18, 2011).
- September 2011 Upton County unemployment rate: 5.0 percent, up from 4.6 percent in September 2010. The statewide unemployment rate for September 2011 was 8.5 percent, up from 8.2 percent in September 2010.
- September 2011 unemployment rate in the city of:

(Note: County and state unemployment rates are adjusted for seasonal fluctuations, but the Texas Workforce Commission city unemployment rates are not. Seasonally-adjusted unemployment rates are not comparable with unadjusted rates).

#### *Income*

- Upton County's ranking in per capita personal income in 2009: 38th with an average per capita income of \$39,336, down 7.5 percent from 2008. Statewide average per capita personal income was \$38,609 in 2009, down 3.1 percent from 2008.

#### *Industry*

- Agricultural cash values in Upton County averaged \$11.88 million annually from 2007 to 2010. County total agricultural values in 2010 were up 23.3 percent from 2009. Major agriculture related commodities in Upton County during 2010 included:
  - Other Beef
  - Hunting
  - Cottonseed
  - Sorghum
  - Cotton
- 2011 oil and gas production in Upton County: 11.6 million barrels of oil and 54.4 million Mcf of gas. In September 2011, there were 3505 producing oil wells and 361 producing gas wells.

### Taxes

#### *Sales Tax - Taxable Sales*

(County and city taxable sales data for 1st quarter 2011 is currently targeted for release in mid-September 2011).

*Quarterly (September 2010 through December 2010)*

- Taxable sales in Upton County during the fourth quarter 2010: \$5.39 million, up 42.8 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

McCamey:	\$3.53 million, up 52.5 percent from the same quarter in 2009.
Rankin:	\$962,667.00, up 9.1 percent from the same quarter in 2009.

*Taxable Sales through the end of 4th quarter 2010 (January 2010 through December 30, 2010)*

- Taxable sales in Upton County through the fourth quarter of 2010: \$20.52 million, up 48.7 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

McCamey:	\$13.49 million, up 62.2 percent from the same period in 2009.
Rankin:	\$4.08 million, up 15.4 percent from the same period in 2009.

*Annual (2010)*

- Taxable sales in Upton County during 2010: \$20.52 million, up 48.7 percent from 2009.
- Upton County sent an estimated \$1.28 million (or 0.01 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.
- Taxable sales during 2010 in the city of:
 

McCamey:	\$13.49 million, up 62.2 percent from 2009.
Rankin:	\$4.08 million, up 15.4 percent from 2009.

**Sales Tax – Local Sales Tax Allocations**

(The release date for sales tax allocations to cities for the sales activity month of September 2011 is currently scheduled for November 9, 2011.)

**Monthly**

- Statewide payments based on the sales activity month of August 2011: \$505.22 million, up 13.9 percent from August 2010.
- Payments to all cities in Upton County based on the sales activity month of August 2011: \$41,148.18, up 12.2 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:
 

McCamey:	\$31,397.05, up 14.5 percent from August 2010.
Rankin:	\$9,751.13, up 5.2 percent from August 2010.

**Fiscal Year**

- Statewide payments based on sales activity months from September 2010 through August 2011: \$6.08 billion, up 8.0 percent from the same period in 2010.
- Payments to all cities in Upton County based on sales activity months from September 2010 through August 2011: \$414,958.08, up 1.5 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:
 

McCamey:	\$314,081.42, up 1.5 percent from fiscal 2010.
Rankin:	\$100,876.66, up 1.5 percent from fiscal 2010.

**January 2011 through August 2011 (Sales Activity Year-To-Date)**

- Statewide payments based on sales activity months through August 2011: \$3.99 billion, up 8.3 percent from the same period in 2010.
- Payments to all cities in Upton County based on sales activity months through August 2011: \$275,682.12, unchanged 0.0 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:
 

McCamey:	\$205,497.73, down 1.3 percent from the same period in 2010.
Rankin:	\$70,184.39, up 4.0 percent from the same period in 2010.

**12 months ending in August 2011**

- Statewide payments based on sales activity in the 12 months ending in August 2011: \$6.08 billion, up 8.0 percent from the previous 12-month period.
- Payments to all cities in Upton County based on sales activity in the 12 months ending in August 2011: \$414,958.08, up 1.5 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:
 

McCamey:	\$314,081.42, up 1.5 percent from the previous 12-month period.
Rankin:	\$100,876.66, up 1.5 percent from the previous 12-month period.

**City Calendar Year-To-Date (RJ 2011)**

- Payment to the cities from January 2011 through October 2011:
 

McCamey:	\$254,691.96, down 3.7 percent from the same period in 2010.
Rankin:	\$85,567.80, up 6.3 percent from the same period in 2010.

**Annual (2010)**

- Statewide payments based on sales activity months in 2010: \$5.77 billion, up 3.3 percent from 2009.
- Payments to all cities in Upton County based on sales activity months in 2010: \$414,931.66, up 11.4 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:
 

McCamey:	\$316,781.40, up 8.3 percent from 2009.
Rankin:	\$98,150.26, up 23.0 percent from 2009.

**Property Tax**

- As of January 2009, property values in Upton County: \$3.54 billion, up 1.2 percent from January 2008 values. The property tax base per person in Upton County is \$1,131,406, above the statewide average of \$85,809. About 91.3 percent of the property tax base is derived from oil, gas and minerals.

**State Expenditures**

- Upton County's ranking in state expenditures by county in fiscal year 2010: 238th. State expenditures in the county for FY2010: \$8.34 million, down 0.1 percent from FY2009.
- In Upton County, 5 state agencies provide a total of 19 jobs and \$144,318.00 in annualized wages (as of 1st quarter 2011).

■ Major state agencies in the county (as of first quarter 2011):

- Department of Transportation
- Health & Human Services Commission
- AgriLife Extension Service
- Department of Public Safety

**Higher Education**

■ Community colleges in Upton County fall 2010 enrollment:

- None.

■ Upton County is in the service area of the following:

- Odessa College with a fall 2010 enrollment of 5,211 . Counties in the service area include:
  - Andrews County
  - Brewster County
  - Crane County
  - Culberson County
  - Ector County
  - Gaines County
  - Jeff Davis County
  - Loving County
  - Presidio County
  - Reeves County
  - Upton County
  - Ward County
  - Winkler County

■ Institutions of higher education in Upton County fall 2010 enrollment:

- None.

**School Districts**

■ Upton County had 2 school districts with 5 schools and 714 students in the 2009-10 school year.

(Statewide, the average teacher salary in school year 2009-10 was \$48,263. The percentage of students, statewide, meeting the 2010 TAKS passing standard for all 2009-10 TAKS tests was 77 percent.)

- McCamey ISD had 477 students in the 2009-10 school year. The average teacher salary was \$47,828. The percentage of students meeting the 2010 TAKS passing standard for all tests was 67 percent.
- Rankin ISD had 237 students in the 2009-10 school year. The average teacher salary was \$46,839. The percentage of students meeting the 2010 TAKS passing standard for all tests was 68 percent.

# Attachment E

## Summary of Financial Impact

**SUMMARY OF FINANCIAL IMPACT OF THE PROPOSED ATLAS  
PIPELINE MIDCONTINENT WESTTEX LLC PROJECT ON THE  
FINANCES OF THE RANKIN INDEPENDENT SCHOOL DISTRICT  
UNDER A REQUESTED CHAPTER 313 PROPERTY VALUE  
LIMITATION**

**August 27, 2013**

**Final Report**

**PREPARED BY**



# **Estimated Impact of the Proposed Atlas Pipeline Midcontinent Westtex LLC Project on the Finances of the Rankin Independent School District under a Requested Chapter 313 Property Value Limitation**

## **Introduction**

Atlas Pipeline Midcontinent Westtex LLC (Atlas Pipeline) has requested that the Rankin Independent School District (RISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to RISD on July 17, 2013, Atlas Pipeline proposes to invest \$90 million to construct a new natural gas processing plant in RISD.

The Atlas Pipeline project is consistent with the state's goal to "encourage large scale capital investments in this state." When enacted as House Bill 1200 in 2001, Chapter 313 of the Tax Code granted eligibility to companies engaged in manufacturing, research and development, and renewable electric energy production to apply to school districts for property value limitations. Subsequent legislative changes expanded eligibility to clean coal projects, nuclear power generation and data centers, among others.

Under the provisions of Chapter 313, RISD may offer a minimum value limitation of \$20 million, based on the results of the final 2012 state property value study. The provisions of Chapter 313 call for the project to be fully taxable in the 2014-15 and 2015-16 school years, unless the District and the Company agree to an extension of the start of the two-year qualifying time period. For the purpose of this analysis, it is assumed that the qualifying time period will be the 2014-15 and 2015-16 school years. Beginning with the 2016-17 school year, the project would go on the local tax roll at \$20 million and remain at that level of taxable value for eight years for maintenance and operations (M&O) taxes.

The full taxable value of the project would be assessed for debt service taxes on voter-approved bond issues throughout the limitation period, with RISD currently levying a \$0.04 per \$100 I&S tax rate. The full taxable value of the investment is anticipated to reach \$90 million in the 2016-17 school year, with depreciation expected to reduce the taxable value of the project over the course of the value limitation agreement. The project will result in a modest gain to RISD's I&S tax base.

In the case of the Atlas Pipeline project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. Under current law, RISD would experience a revenue loss as a result of the implementation of the value limitation in the 2016-17 school year (-\$42,239). Similar losses are expected in the out-years, with the total revenue losses estimated to reach \$254,514 in the limitation years under the agreement.

Under the assumptions outlined below, the potential tax benefits under a Chapter 313 agreement could reach an estimated \$4.5 million over the course of the agreement. This amount is net of any anticipated revenue losses for the District.

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## School Finance Mechanics

Under the current school finance system, the property values established by the Comptroller's Office that are used to calculate state aid and recapture lag by one year, a practical consequence of the fact that the Comptroller's Office needs this time to conduct its property value study and the audits of appraisal district operations in alternating years. A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 3-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation period (and thereafter). The school funding formulas use the Comptroller's property values that reflect a reduction due to the property value limitation in years 4-11 as a result of the one-year lag in property values.

The third year is often problematical financially for a school district that approves a Chapter 313 value limitation. The implementation of the value limitation often results in a revenue loss to the school district in the third year of the agreement that would not be reimbursed by the state, but require some type of compensation from the applicant under the revenue protection provisions of the agreement. In years 4-10, smaller revenue losses would be anticipated when the state M&O property values are aligned at the minimum value established by the Board on both the local tax roll and the corresponding state property value study.

Under the HB 1 system adopted in 2006, most school districts received additional state aid for tax reduction (ASATR) that was used to maintain their target revenue amounts established at the revenue levels under old law for the 2005-06 or 2006-07 school years, whichever was highest. In terms of new Chapter 313 property value limitation agreements, adjustments to ASATR funding often moderated the impact of the reduced M&O collections as a result of the limitation, in contrast with the earlier formula-driven finance system.

House Bill 3646 as enacted in 2009 created more "formula" school districts that were less dependent on ASATR state aid than had been the case previously. The formula reductions enacted during the First Called Session in 2011 made \$4 billion in reductions to the existing school funding formulas for the 2011-12 and 2012-13 school years. For the 2011-12 school year, across-the-board reductions were made that reduced each district's WADA count and resulted in an estimated 781 school districts still receiving ASATR to maintain their target revenue funding levels, while an estimated 243 districts operated directly on the state formulas. For the 2012-13 school year, the changes called for smaller across-the-board reductions and funding ASATR-receiving target revenue districts at 92.35 percent of the level provided for under the existing funding formula, with 689 districts operating on formula and 335 districts still receiving ASATR funding.

Senate Bill 1 and House Bill 1025 as passed by the 83<sup>rd</sup> Legislature made significant increases to the basic allotment and other formula changes by appropriation. The ASATR reduction percentage is increased slightly to 92.63 percent, while the basic allotment is increased by \$325 and \$365, respectively, for the 2013-14 and 2014-15 school years. A slight increase in the guaranteed yield for the 6 cents above compressed—known as the Austin yield—is also included. With the basic allotment increase, it is estimated that approximately 300 school districts will still receive ASATR in the 2013-14 school year and 273 districts would do so in the 2014-15 school year. Current state policy calls for ASATR funding to be eliminated by the 2017-18 school year.

RISD has a relatively high target-revenue level per WADA and is classified as a hold-harmless district through the 2016-17 school year, which is the last year that ASATR will be funded under

current law. All districts are expected to be operating on formula funding by the 2017-18 school year, based on the scheduled expiration of ASATR funding.

One concern in projecting into the future is that the underlying state statutes in the Education Code were not changed in order to provide these funding increases. All of the major formula changes were made by appropriation, which gives them only a two-year lifespan unless renewed in the 2015 legislative session. Despite this uncertainty, it is assumed that these changes will remain in effect for the forecast period for the purpose of these estimates, assuming a continued legislative commitment to these funding levels in future years.

A key element in any analysis of the school finance implications is the provision for revenue protection in the agreement between the school district and the applicant. In the case of the Atlas Pipeline project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. This meets the statutory requirement under Section 313.027(f)(1) of the Tax Code to provide school district revenue protection language in the agreement.

### **Underlying Assumptions**

There are several approaches that can be used to analyze the future revenue stream of a school district under a value limitation. Whatever method is used, a reasonable analysis requires the use of a multi-year forecasting model that covers the years in which the agreement is in effect. The Chapter 313 application now requires 15 years of data and analysis on the project being considered for a property value limitation.

The general approach used here is to maintain static enrollment and underlying base property values in order to isolate the effects of the value limitation under the school finance system. The SB 1 basic allotment increases are reflected in the underlying models. With regard to ASATR funding the 92.63 percent reduction enacted for the 2013-14 school year and thereafter, until the 2017-18 school year. A statement of legislative intent was adopted in 2011 to no longer fund target revenue by the 2017-18 school year, so that change is reflected in the estimates presented below.

The projected taxable values of the Atlas Pipeline project are factored into the base model used here in order to simulate the fiscal impact of constructing the project in the absence of a value limitation agreement. In addition, a previously-approved value limitation agreement is included in the assumptions for both the base and limitation models. The impact of the limitation value for the proposed Atlas Pipeline project is isolated separately and the focus of this analysis.

Student enrollment counts are held constant at 251 students in average daily attendance (ADA) in analyzing the effects of the Atlas Pipeline project on the finances of RISD. The District's local tax base reached \$3.6 billion for the 2012 tax year and is maintained at that level for the forecast period in order to isolate the effects of the property value limitation. An M&O tax rate of \$1.04 per \$100 is used throughout this analysis. RISD has estimated state property wealth per weighted ADA or WADA of approximately \$7.6 million for the 2013-14 school year. The enrollment and property value assumptions for the 15 years that are the subject of this analysis are summarized in Table 1.

## School Finance Impact

School finance models were prepared for RISD under the assumptions outlined above through the 2028-29 school year. Beyond the 2014-15 school year, no attempt was made to forecast the 88<sup>th</sup> percentile or Austin yield that influence future state funding beyond the projected level for that school year. In the analyses for other districts and applicants on earlier projects, these changes appeared to have little impact on the revenue associated with the implementation of the property value limitation, since the baseline and other models incorporate the same underlying assumptions. This is not a factor for RISD, since it benefits exclusively from the absence of recapture for the six cents of tax effort in excess of the compressed M&O tax rate.

Under the proposed agreement, a model is established to make a calculation of the “Baseline Revenue” by adding the value of the proposed Atlas Pipeline facility to the model, but without assuming that a value limitation is approved. The results of the model are shown in Table 2.

A second model is developed which adds the Atlas Pipeline value but imposes the proposed property value limitation effective in the third year, which in this case is the 2016-17 school year. The results of this model are identified as “Value Limitation Revenue Model” under the revenue protection provisions of the proposed agreement (see Table 3). A summary of the differences between these models is shown in Table 4.

Under these assumptions, RISD would experience a revenue loss as a result of the implementation of the value limitation in the 2016-17 school year (-\$42,239). The revenue reduction results from the mechanics of the up to six cents beyond the compressed M&O tax rate that are not subject to recapture.

As noted previously, no attempt was made to forecast further reductions in ASATR funding beyond the 92.63 percent adjustment adopted for the 2013-14 school year. It is assumed that ASATR will be eliminated beginning in the 2017-18 school year, based on the 2011 statement of legislative intent.

The formula loss of \$42,239 cited above between the base and the limitation models for the 2016-17 school year is based on an assumption that Atlas Pipeline would realize M&O tax savings of \$728,000 when the \$20 million limitation is implemented. Under the estimates presented here and highlighted in Table 4, reduced recapture costs of approximately \$639,000 offset most of the reduction in M&O tax collections. This pattern holds for the remaining seven limitation years under current law.

The Comptroller’s state property value study influences these calculations, as noted previously. At the school-district level, a taxpayer benefiting from a property value limitation has two property values assigned by the local appraisal district for their property covered by the limitation: (1) a reduced value for M&O taxes, and (2) the full taxable value for I&S taxes. This situation exists for the eight years that the value limitation is in effect. Two state-assigned value determinations are made for school districts granting Chapter 313 agreements, consistent with local practice. A consolidated single state property value had been provided previously.

## Impact on the Taxpayer

Table 5 summarizes the impact of the proposed property value limitation in terms of the potential tax savings under the property value limitation agreement. The focus of this table is on the M&O

tax rate only. As noted previously, the property is fully taxable in the first two years under the agreement. A \$1.04 per \$100 of taxable value M&O rate is assumed in 2013-14 and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total \$4.6 million over the life of the agreement. In addition, Atlas Pipeline would be eligible for a tax credit for M&O taxes paid on value in excess of the value limitation in each of the first two qualifying years. The credit amount is paid out slowly through years 4-10 due to statutory limits on the scale of these payments over these seven years, with catch-up payments permitted in years 11-13. The tax credits are expected to total approximately \$0.1 million, with no unpaid tax credits anticipated. The school district is to be reimbursed by the Texas Education Agency for the cost of these credits.

The key RISD revenue losses are expected to total approximately \$254,514 over the course of the agreement. The total potential net tax benefits (inclusive of tax credits but after hold-harmless payments are made) are estimated to reach \$4.5 million over the life of the agreement.

### **Facilities Funding Impact**

The Atlas Pipeline project remains fully taxable for debt services taxes, with RISD currently levying a \$0.04 per \$100 I&S rate. While the value of the Atlas Pipeline project is expected to depreciate over the life of the agreement and beyond, the additional taxable value will provide a modest increase in I&S tax collections that will assist the District in meeting its debt service requirements.

The Atlas Pipeline project is not expected to affect RISD in terms of enrollment. The Company anticipates 10 full-time positions once the plant begins operation. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.

### **Conclusion**

The proposed Atlas Pipeline natural gas processing plant enhances the tax base of RISD. It reflects continued capital investment in keeping with the goals of Chapter 313 of the Tax Code.

Under the assumptions outlined above, the potential tax savings for the applicant under a Chapter 313 agreement could reach an estimated \$4.5 million. (This amount is net of any anticipated revenue losses for the District.) The additional taxable value also enhances the tax base of RISD in meeting its future debt service obligations.

**Table 1 – Base District Information with Atlas Pipeline Midcontinent Westtex LLC Project Value and Limitation Values\***

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
Pre-Year 1	2013-14	250.87	475.30	\$1.0400	\$0.0400	\$3,722,758,048	\$3,722,758,048	\$3,630,428,086	\$3,630,428,086	\$7,638,206	\$7,638,206
1	2014-15	250.87	476.45	\$1.0400	\$0.0400	\$3,640,405,468	\$3,640,405,468	\$3,722,757,086	\$3,722,757,086	\$7,813,468	\$7,813,468
2	2015-16	250.87	492.16	\$1.0400	\$0.0400	\$3,670,405,468	\$3,670,405,468	\$3,640,404,506	\$3,640,404,506	\$7,396,845	\$7,396,845
3	2016-17	250.87	497.08	\$1.0400	\$0.0400	\$3,730,405,468	\$3,660,405,468	\$3,670,404,506	\$3,670,404,506	\$7,383,890	\$7,383,890
4	2017-18	250.87	502.35	\$1.0400	\$0.0400	\$3,725,905,468	\$3,660,405,468	\$3,730,404,506	\$3,660,404,506	\$7,425,972	\$7,286,626
5	2018-19	250.87	507.94	\$1.0400	\$0.0400	\$3,721,630,468	\$3,660,405,468	\$3,725,904,506	\$3,660,404,506	\$7,335,294	\$7,206,342
6	2019-20	250.87	507.94	\$1.0400	\$0.0400	\$3,717,569,218	\$3,660,405,468	\$3,721,629,506	\$3,660,404,506	\$7,326,877	\$7,206,342
7	2020-21	250.87	507.94	\$1.0400	\$0.0400	\$3,713,711,031	\$3,660,405,468	\$3,717,568,256	\$3,660,404,506	\$7,318,882	\$7,206,342
8	2021-22	250.87	507.94	\$1.0400	\$0.0400	\$3,710,045,752	\$3,660,405,468	\$3,713,710,069	\$3,660,404,506	\$7,311,286	\$7,206,342
9	2022-23	250.87	507.94	\$1.0400	\$0.0400	\$3,748,483,918	\$3,702,325,648	\$3,710,044,790	\$3,660,404,506	\$7,304,070	\$7,206,342
10	2023-24	250.87	507.94	\$1.0400	\$0.0400	\$3,742,072,505	\$3,699,222,148	\$3,748,482,956	\$3,702,324,686	\$7,379,745	\$7,288,871
11	2024-25	250.87	507.94	\$1.0400	\$0.0400	\$3,736,012,187	\$3,736,012,187	\$3,742,071,543	\$3,699,221,186	\$7,367,122	\$7,282,762
12	2025-26	250.87	507.94	\$1.0400	\$0.0400	\$3,730,283,695	\$3,730,283,695	\$3,736,011,225	\$3,736,011,225	\$7,355,191	\$7,355,191
13	2026-27	250.87	507.94	\$1.0400	\$0.0400	\$3,724,868,573	\$3,724,868,573	\$3,730,282,733	\$3,730,282,733	\$7,343,913	\$7,343,913
14	2027-28	250.87	507.94	\$1.0400	\$0.0400	\$3,719,749,378	\$3,719,749,378	\$3,724,867,611	\$3,724,867,611	\$7,333,252	\$7,333,252
15	2028-29	250.87	507.94	\$1.0400	\$0.0400	\$3,714,909,811	\$3,714,909,811	\$3,719,748,416	\$3,719,748,416	\$7,323,174	\$7,323,174

\*Basic Allotment: \$5,040; AISD Yield: \$61.86; Equalized Wealth: \$504,000 per WADA

**Table 2– “Baseline Revenue Model”--Project Value Added with No Value Limitation\***

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2013-14	\$35,716,388	\$82,139	\$1,133,275	-\$33,352,266	\$2,329,760	\$0	-\$122,495	\$5,786,801
1	2014-15	\$34,928,447	\$84,026	\$1,203,515	-\$32,627,777	\$2,278,363	\$0	-\$119,917	\$5,746,657
2	2015-16	\$35,215,484	\$84,883	\$1,172,005	-\$32,766,261	\$2,297,087	\$0	-\$120,596	\$5,882,602
3	2016-17	\$35,803,226	\$85,801	\$1,162,520	-\$33,308,447	\$2,335,425	\$0	-\$122,597	\$5,955,929
4	2017-18	\$35,759,292	\$86,754	\$0	-\$33,280,070	\$2,332,559	\$0	-\$122,477	\$4,776,057
5	2018-19	\$35,717,554	\$87,752	\$0	-\$33,209,822	\$2,329,836	\$0	-\$122,261	\$4,803,059
6	2019-20	\$35,677,904	\$87,752	\$0	-\$33,170,080	\$2,327,250	\$0	-\$122,119	\$4,800,707
7	2020-21	\$35,640,235	\$87,752	\$0	-\$33,132,324	\$2,324,793	\$0	-\$121,984	\$4,798,472
8	2021-22	\$35,604,452	\$87,752	\$0	-\$33,096,457	\$2,322,459	\$0	-\$121,855	\$4,796,350
9	2022-23	\$35,971,543	\$87,752	\$0	-\$33,435,762	\$2,346,404	\$0	-\$123,106	\$4,846,831
10	2023-24	\$35,909,554	\$87,752	\$0	-\$33,403,492	\$2,342,360	\$0	-\$122,954	\$4,813,220
11	2024-25	\$35,843,202	\$87,752	\$0	-\$33,337,479	\$2,338,032	\$0	-\$122,717	\$4,808,791
12	2025-26	\$35,788,392	\$87,752	\$0	-\$33,282,447	\$2,334,457	\$0	-\$122,520	\$4,805,635
13	2026-27	\$35,736,581	\$87,752	\$0	-\$33,230,425	\$2,331,077	\$0	-\$122,333	\$4,802,652
14	2027-28	\$35,687,601	\$87,752	\$0	-\$33,181,246	\$2,327,883	\$0	-\$122,157	\$4,799,832
15	2028-29	\$35,641,297	\$87,752	\$0	-\$33,134,752	\$2,324,862	\$0	-\$121,991	\$4,797,167

\*Basic Allotment: \$5,040; AISD Yield: \$61.86; Equalized Wealth: \$504,000 per WADA

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

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
<b>Pre-Year 1</b>	2013-14	\$35,716,388	\$82,139	\$1,133,275	-\$33,352,266	\$2,329,760	\$0	-\$122,495	\$5,786,801
<b>1</b>	2014-15	\$34,928,447	\$84,026	\$1,203,515	-\$32,627,777	\$2,278,363	\$0	-\$119,917	\$5,746,657
<b>2</b>	2015-16	\$35,215,484	\$84,883	\$1,172,005	-\$32,766,261	\$2,297,087	\$0	-\$120,596	\$5,882,602
<b>3</b>	2016-17	\$35,119,805	\$85,801	\$1,209,192	-\$32,671,698	\$2,290,846	\$0	-\$120,256	\$5,913,690
<b>4</b>	2017-18	\$35,119,805	\$86,754	\$0	-\$32,638,401	\$2,290,846	\$0	-\$120,179	\$4,738,824
<b>5</b>	2018-19	\$35,119,805	\$87,752	\$0	-\$32,609,961	\$2,290,846	\$0	-\$120,113	\$4,768,328
<b>6</b>	2019-20	\$35,119,805	\$87,752	\$0	-\$32,609,961	\$2,290,846	\$0	-\$120,113	\$4,768,328
<b>7</b>	2020-21	\$35,119,805	\$87,752	\$0	-\$32,609,961	\$2,290,846	\$0	-\$120,113	\$4,768,328
<b>8</b>	2021-22	\$35,119,805	\$87,752	\$0	-\$32,609,961	\$2,290,846	\$0	-\$120,113	\$4,768,328
<b>9</b>	2022-23	\$35,520,893	\$87,752	\$0	-\$32,982,965	\$2,317,008	\$0	-\$121,485	\$4,821,202
<b>10</b>	2023-24	\$35,491,199	\$87,752	\$0	-\$32,983,488	\$2,315,071	\$0	-\$121,450	\$4,789,084
<b>11</b>	2024-25	\$35,843,202	\$87,752	\$0	-\$33,309,042	\$2,338,032	\$0	-\$122,650	\$4,837,295
<b>12</b>	2025-26	\$35,788,392	\$87,752	\$0	-\$33,282,447	\$2,334,457	\$0	-\$122,520	\$4,805,635
<b>13</b>	2026-27	\$35,736,581	\$87,752	\$0	-\$33,230,425	\$2,331,077	\$0	-\$122,333	\$4,802,652
<b>14</b>	2027-28	\$35,687,601	\$87,752	\$0	-\$33,181,246	\$2,327,883	\$0	-\$122,157	\$4,799,832
<b>15</b>	2028-29	\$35,641,297	\$87,752	\$0	-\$33,134,752	\$2,324,862	\$0	-\$121,991	\$4,797,167

\*Basic Allotment: \$5,040; AISD Yield: \$61.86; Equalized Wealth: \$504,000 per WADA

**Table 4 – Value Limit less Project Value with No Limit\***

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
<b>Pre-Year 1</b>	2013-14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>1</b>	2014-15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>2</b>	2015-16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>3</b>	2016-17	-\$683,421	\$0	\$46,672	\$636,749	-\$44,579	\$0	\$2,340	-\$42,239
<b>4</b>	2017-18	-\$639,487	\$0	\$0	\$641,669	-\$41,713	\$0	\$2,298	-\$37,233
<b>5</b>	2018-19	-\$597,749	\$0	\$0	\$599,861	-\$38,991	\$0	\$2,148	-\$34,732
<b>6</b>	2019-20	-\$558,099	\$0	\$0	\$560,119	-\$36,405	\$0	\$2,006	-\$32,379
<b>7</b>	2020-21	-\$520,430	\$0	\$0	\$522,362	-\$33,947	\$0	\$1,870	-\$30,145
<b>8</b>	2021-22	-\$484,647	\$0	\$0	\$486,496	-\$31,613	\$0	\$1,742	-\$28,022
<b>9</b>	2022-23	-\$450,650	\$0	\$0	\$452,796	-\$29,396	\$0	\$1,621	-\$25,629
<b>10</b>	2023-24	-\$418,355	\$0	\$0	\$420,004	-\$27,289	\$0	\$1,504	-\$24,136
<b>11</b>	2024-25	\$0	\$0	\$0	\$28,437	\$0	\$0	\$67	\$28,504
<b>12</b>	2025-26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>13</b>	2026-27	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>14</b>	2027-28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>15</b>	2028-29	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

\*Basic Allotment: \$5,040; AISD Yield: \$61.86; Equalized Wealth: \$504,000 per WADA

**Table 5 - Estimated Financial Impact of the Atlas Pipeline Midcontinent Westtex LLC Project Property Value Limitation Request Submitted to RISD at \$1.04 M&O Tax Rate**

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	Tax Credits for First Two Years Above Limit	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits
Pre-Year 1	2013-14	\$0	\$0	\$0	\$1.040	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	2014-15	\$0	\$0	\$0	\$1.040	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	2015-16	\$30,000,000	\$30,000,000	\$0	\$1.040	\$312,000	\$312,000	\$0	\$0	\$0	\$0	\$0
3	2016-17	\$90,000,000	\$20,000,000	\$70,000,000	\$1.040	\$936,000	\$208,000	\$728,000	\$0	\$728,000	-\$42,239	\$685,761
4	2017-18	\$85,500,000	\$20,000,000	\$65,500,000	\$1.040	\$889,200	\$208,000	\$681,200	\$14,857	\$696,057	-\$37,233	\$658,824
5	2018-19	\$81,225,000	\$20,000,000	\$61,225,000	\$1.040	\$844,740	\$208,000	\$636,740	\$14,857	\$651,597	-\$34,732	\$616,866
6	2019-20	\$77,163,750	\$20,000,000	\$57,163,750	\$1.040	\$802,503	\$208,000	\$594,503	\$14,857	\$609,360	-\$32,379	\$576,981
7	2020-21	\$73,305,563	\$20,000,000	\$53,305,563	\$1.040	\$762,378	\$208,000	\$554,378	\$14,857	\$569,235	-\$30,145	\$539,090
8	2021-22	\$69,640,284	\$20,000,000	\$49,640,284	\$1.040	\$724,259	\$208,000	\$516,259	\$14,857	\$531,116	-\$28,022	\$503,094
9	2022-23	\$66,158,270	\$20,000,000	\$46,158,270	\$1.040	\$688,046	\$208,000	\$480,046	\$14,857	\$494,903	-\$25,629	\$469,274
10	2023-24	\$62,850,357	\$20,000,000	\$42,850,357	\$1.040	\$653,644	\$208,000	\$445,644	\$14,857	\$460,501	-\$24,136	\$436,365
11	2024-25	\$59,707,839	\$59,707,839	\$0	\$1.040	\$620,962	\$620,962	\$0	\$0	\$0	\$0	\$0
12	2025-26	\$56,722,447	\$56,722,447	\$0	\$1.040	\$589,913	\$589,913	\$0	\$0	\$0	\$0	\$0
13	2026-27	\$53,886,325	\$53,886,325	\$0	\$1.040	\$560,418	\$560,418	\$0	\$0	\$0	\$0	\$0
14	2027-28	\$51,192,008	\$51,192,008	\$0	\$1.040	\$532,397	\$532,397	\$0	\$0	\$0	\$0	\$0
15	2028-29	\$48,632,408	\$48,632,408	\$0	\$1.040	\$505,777	\$505,777	\$0	\$0	\$0	\$0	\$0
						\$9,422,236	\$4,785,467	\$4,636,770	\$104,000	\$4,740,770	-\$254,514	\$4,486,255

Tax Credit for Value Over Limit in First 2 Years	Year 1	Year 2	Max Credits
	\$0	\$104,000	\$104,000
Credits Earned			\$104,000
Credits Paid			\$104,000
Excess Credits Unpaid			\$0

**\*Note:** School District Revenue-Loss estimates are subject to change based on numerous factors, including legislative and Texas Education Agency administrative changes to school finance formulas, year-to-year appraisals of project values, and changes in school district tax rates. One of the most substantial changes to the school finance formulas related to Chapter 313 revenue-loss projections could be the treatment of Additional State Aid for Tax Reduction (ASATR). Legislative intent is to end ASATR in 2017-18 school year. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.



# Attachment F

## Taxable Value of Property



# Window on State Government

Susan Combs Texas Comptroller of Public Accounts

## 2012 ISD Summary Worksheet

231/Upton

231-902/Rankin ISD

Category	Local Tax Roll Value	2012 WTD Mean Ratio	2012 PTAD Value Estimate	2012 Value Assigned
A. Single-Family Residences	12,264,870	.7804	15,716,133	12,264,870
B. Multi-Family Residences	0	N/A	0	0
C. Vacant Lots	452,471	N/A	452,471	452,471
D. Rural Real(Taxable)	10,580,580	.6350	16,661,184	10,580,580
F1. Commercial Real	2,456,010	N/A	2,456,010	2,456,010
F2. Industrial Real	525,650	N/A	525,650	525,650
G. Oil, Gas, Minerals	3,401,750,004	1.0354	3,285,445,242	3,401,750,004
J. Utilities	108,003,530	N/A	108,003,530	108,003,530
L1. Commercial Personal	5,254,690	N/A	5,254,690	5,254,690
L2. Industrial Personal	97,974,520	N/A	97,974,520	97,974,520
M. Other Personal	529,840	N/A	529,840	529,840
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	0	N/A	0	0

S. Special Inventory	0	N/A	0	0
Subtotal	3,639,792,165		3,533,019,270	3,639,792,165
Less Total Deductions	9,364,079		10,947,909	9,364,079
Total Taxable Value	3,630,428,086		3,522,071,361	3,630,428,086 T2

Category D Detail	Local Tax Roll	Ratio	PTAD Value
Market Value Non-Qualified Acres And Farm/Ranch Imp	7,494,454	N/A	7,494,454
Prod Value Qualified Acres	3,086,126	.3367	9,166,730
Taxable Value	10,580,580		16,661,184

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T6 will be the same as T7 through T12.

**Value Taxable For M&O Purposes**

T1	T2	T3	T4	T5	T6
3,632,730,966	3,630,428,086	3,632,730,966	3,630,428,086	3,630,428,086	3,630,428,086

<b>Loss To the Additional \$10,000 Homestead Exemption</b>	<b>50% of the loss to the Local Optional Percentage Homestead Exemption</b>
2,302,880	0

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

exemption

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

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

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

T5 = T2 before the loss to the tax ceiling reduction

T6 = T5 minus 50% of the loss to the local optional percentage homestead exemption

**Value Taxable For I&S Purposes**

T7	T8	T9	T10	T11	T12
3,632,730,966	3,630,428,086	3,632,730,966	3,630,428,086	3,630,428,086	3,630,428,086

T7 = School district taxable value for I&S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I&S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50% of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50% of the loss to the local optional percentage homestead exemption

T11 = T8 before the loss to the tax ceiling reduction

T12 = T11 minus 50% of the loss to the local optional percentage homestead exemption

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



# Attachment G

## Participation Agreement

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

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by and between

**RANKIN INDEPENDENT SCHOOL DISTRICT**

and

**ATLAS PIPELINE MID-CONTINENT WESTTEX, LLC**

*(Texas Taxpayer ID # 14217331074)*

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TEXAS COMPTROLLER APPLICATION NUMBER 340

Dated

December 18, 2013

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

*STATE OF TEXAS* §

*COUNTY OF UPTON* §

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 the **RANKIN 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 **ATLAS PIPELINE MID-CONTINENT WESTTEX, LLC**, limited liability company (Texas Taxpayer Identification Number 14217331074), hereinafter referred to as the "Applicant." The Applicant and the District are each 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 July 15, 2013, the Superintendent of Schools of the Rankin Independent School District (the "Superintendent"), 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 (the "Application"), pursuant to Chapter 313 of the Texas Tax Code; and,

**WHEREAS**, on July 17, 2013, the Board of Trustees authorized the Superintendent to accept, on behalf of the District, the Application from Atlas Pipeline Mid-Continent Westtex, LLC; and,

**WHEREAS**, on August 15, 2013, the Superintendent acknowledged receipt of the Application and the requisite application fee, pursuant to Texas Tax Code §313.025(a)(1) and Local District Policy CCG (Local) and determined the Application to be complete; and,

**WHEREAS**, the Application was delivered to the office of the Texas Comptroller of Public Accounts (the "Comptroller") for review pursuant to Texas Tax Code §313.025(d); and,

**WHEREAS**, the Comptroller established August 26, 2013 as the completed Application date; and,

**WHEREAS**, pursuant to 34 Texas Administrative Code §9.1054, the Application was delivered for review to the Appraisal District established in Upton County, Texas (the "Appraisal District"), pursuant to Texas Tax Code §6.01; and,

**WHEREAS**, the Comptroller, pursuant to Texas Tax Code §313.025(d), reviewed the Application, and on November 14, 2013, via letter, recommended that the Application be approved; and,

**WHEREAS**, the Comptroller conducted an economic impact evaluation pursuant to Texas Tax Code §313.026, which was presented to the Board of Trustees at the December 18, 2013 public hearing held in connection with the Board of Trustees' consideration of the Application; and,

**WHEREAS**, the Board of Trustees carefully reviewed the economic impact evaluation and carefully considered the Comptroller's positive recommendation for the project; and,

**WHEREAS**, on December 18, 2013, 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 18, 2013, 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 referenced in Texas Tax Code §313.025(e) has been met; and,

**WHEREAS**, the Rankin Independent School District qualifies as a rural school district under the provisions of Texas Tax Code §313.051(a)(2); and,

**WHEREAS**, on December 18, 2013, the Board of Trustees determined that the Tax Limitation Amount requested by the Applicant, and as defined in Sections 1.2 and 1.3, below, is consistent with the minimum values set out by Texas Tax Code, §313.052, as such Tax Limitation Amount was computed as of the date of this Agreement; and,

**WHEREAS**, the District received written notification, pursuant to 34 Texas Administrative Code §9.1055(e)(2)(A), that the Comptroller reviewed this Agreement and reaffirmed the recommendation previously made on November 14, 2013 that the Application be approved; and,

**WHEREAS**, on December 18, 2013, the Board of Trustees approved the form of this Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the President and Secretary of the Board of Trustees to execute and deliver such Agreement to the Applicant;

**NOW, THEREFORE**, for and in consideration of the stated 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 on the Commencement Date, as defined in Section 1.3, below. In the event that the Applicant makes a Qualified Investment in the amount defined in Section 2.6 below between the Commencement Date and the end of the Qualifying Time Period, the Applicant will be entitled to the Tax Limitation Amount defined in Section 1.3 below, for the following Tax Years: 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023. The limitation on the local ad valorem property values for Maintenance and Operations purposes shall commence with the property valuations made as of January 1, 2016, the appraisal date for the third full Tax Year following the Commencement Date.

The period beginning with the Commencement Date of December 18, 2013 and ending on December 31, 2015 will be referred to herein as the "Qualifying Time Period," as that term is defined in Texas Tax Code §313.021(4). The Applicant shall not be entitled to a tax limitation during the Qualifying Time Period.

Unless sooner terminated as provided herein, the limitation on the local ad valorem property values shall terminate on December 31, 2023. Except as otherwise provided herein, this Agreement will terminate in full on the Final Termination Date. 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 is 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):

Full Tax Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions
Partial Year (Commencing December 18, 2013)	January 1, 2013	2013-14	2013	Start of Qualifying Time Period beginning on Commencement Date. No limitation on value. First year for computation of Annual Limit.
1	January 1, 2014	2014-15	2014	Qualifying Time Period. No limitation on value. Possible tax credit in future years.
2	January 1, 2015	2015-16	2015	Qualifying Time Period. No limitation on value. Possible tax credit in future years.
3	January 1, 2016	2016-17	2016	\$ 10 Million property value limitation.
4	January 1, 2017	2017-18	2017	\$ 10 Million property value limitation. Possible tax credit due to Applicant.
5	January 1, 2018	2018-19	2018	\$ 10 Million property value limitation. Possible tax credit due to Applicant.
6	January 1, 2019	2019-20	2019	\$ 10 Million property value limitation. Possible tax credit due to Applicant.
7	January 1, 2020	2020-21	2020	\$ 10 Million property value limitation. Possible tax credit due to Applicant.
8	January 1, 2021	2021-22	2021	\$ 10 Million property value limitation. Possible tax credit due to Applicant.
9	January 1, 2022	2022-23	2022	\$ 10 Million property value limitation. Possible tax credit due to Applicant.

Full Tax Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions
10	January 1, 2023	2023-24	2023	\$ 10 Million property value limitation. Possible tax credit due to Applicant.
11	January 1, 2024	2024-25	2024	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
12	January 1, 2025	2025-26	2025	No tax limitation. Possible tax credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
13	January 1, 2026	2026-27	2026	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 percent (50%) 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.

“*Aggregate Limit*” means, for any Tax Year of this Agreement, the cumulative total of the Annual Limit amount for such Tax Year and all previous years of the Agreement.

“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.

“Annual Limit” means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Texas Tax Code §313.027(i). For purposes of this Agreement, the amount of the Annual Limit shall be calculated for each year by multiplying the District’s Average Daily Attendance for the applicable school year, as calculated pursuant to Texas Education Code §42.005, times the greater of \$100, or any larger amount in Texas Tax Code §313.027(i), if such limit amount is increased for any future year of this Agreement. The Annual Limit shall first be computed for tax year 2013, which, by virtue of the Commencement Date is the first year of the Qualifying Time Period under this Agreement.

“Applicant” means Atlas Pipeline Mid-Continent Westtex, LLC, (Texas Taxpayer ID #14217331074), the company listed in the Preamble of this Agreement who, on July 15, 2013, filed with the District an Application 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, and their direct and indirect subsidiaries.

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

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C, of the Texas Tax Code) filed with the District by the Applicant on July 15, 2013 which constitutes a complete final Application as of the date of August 26, 2013. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant to the District or the Comptroller for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

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

“Appraisal District” means the Upton County Appraisal District.

“Board of Trustees” means the Board of Trustees of the Rankin Independent School District.

"Commencement Date" means December 18, 2013, the date upon which this Agreement was approved by the District's Board of Trustees.

"Comptroller" means the Texas Comptroller of Public Accounts, or the designated representative of the Texas Comptroller of Public Accounts acting on behalf of the Comptroller.

"Comptroller's Rules" means the applicable rules and regulations of the Comptroller set forth at Title 34 Texas Administrative Code, Chapter 9, Subchapter D, together with any court or administrative decisions interpreting same.

"County" means Upton County, Texas.

"Determination of Breach" shall have the meaning assigned to such term in Section 7.8 of the Agreement

"District" or "School District" means the Rankin 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.

"Final Termination Date" means December 31, 2026. However, any payment obligations of any Party arising under this Agreement prior to the Final Termination Date will survive until paid by the Party owing same.

"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 Applicant's performance of its obligations under this Agreement.

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

"Maintain Viable Presence" means, after the development and construction of the project described in the Application and in the description of the Applicant's Qualified Investment and Qualified Property as set forth in Section 2.3, below, (i) 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; (ii) the maintenance of at least the number of New Jobs required by Chapter 313 of the Texas Tax Code from the time they are created until the Final Termination Date; and (iii) the maintenance of at least the number of Qualifying Jobs set forth in the Application from the time they are created until the Final Termination Date.

"M&O Amount" shall have the meaning assigned to such term in Section 3.2 of the Agreement.

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

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

"Net Aggregate Limit" means, for any Tax Year of this Agreement, the cumulative total of the Annual Limit amount for such Tax Year and all previous years of the Agreement, less all amounts previously paid by the Applicant to or on behalf of the District under Article IV, below.

"Net Tax Benefit" means, (i) the amount of maintenance and operations *ad valorem* taxes that the Applicant would have paid to the District for all Tax Years if this Agreement had not been entered into by the Parties, (ii) adding to the amount determined under clause (i) all Tax Credits received by the Applicant under Chapter 313, Texas Tax Code, and (iii) subtracting from the sum of the amounts determined under clauses (i) and (ii) the sum of (A) all maintenance and operations *ad valorem* school taxes actually due to the District or any other governmental entity,

including the State of Texas, for all Tax Years of this Agreement, plus (B) any payments due to the District under Article III under this Agreement.

"New Jobs" means the total number of jobs, defined by 34 Texas Administrative Code §9.1051, which the Applicant will create in connection with the project which is the subject of its Application. In accordance with the requirements of Texas Tax Code §313.024(d), Eighty Percent (80%), of all New Jobs created by the Applicant on the project shall also be Qualifying Jobs, as defined below.

"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.

"Qualifying Jobs" means the number of New Jobs the Applicant will create in connection with the project that is the subject of its Application, which meet the requirements of Texas Tax Code §313.021(3).

"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 Commencement Date of December 18, 2013 and ends on December 31, 2015.

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

"State" means the State of Texas.

"Substantive Document" means a document or other information or data in electronic media determined by the Comptroller to substantially involve or include information or data significant to the Application, the evaluation or consideration of the Application, or this Agreement or implementation of this Agreement for Limitation of Appraised Value pursuant to Chapter 313 of the Texas Tax Code. The term includes, but is not limited to, the Application and any amendments or supplements, any economic impact evaluation made in connection with the Application, this Agreement between the Applicant and the District and any subsequent amendments or assignments, any school district written finding or report filed with the Comptroller as required by Comptroller's Rule, and any application requesting school tax credits under Texas Tax Code, §313.103.

"Tax Credit" means the tax credit, either to be paid by the District to the Applicant, or to be applied against any taxes that the District imposes on 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 the 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: 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023, 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) Ten Million Dollars (\$10,000,000.00).

The Tax Limitation Amount set forth in the immediately preceding Subsection (b) 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 Texas 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 of the Texas Tax Code, which are set forth at Title 19 – Part 2, Texas Administrative Code, together with any court or administrative decisions interpreting same.

## ARTICLE II

### PROPERTY DESCRIPTION

#### **Section 2.1. LOCATION WITHIN A QUALIFIED REINVESTMENT ZONE**

The Applicant’s Qualified Property and the Applicant’s Qualified Investment will be located is within an area designated as a reinvestment zone under Chapter 312 of the Texas Tax Code. The legal description of the reinvestment 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 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 the configuration described in **EXHIBIT 2** without the express authorization of each of the Parties.

## **Section 2.3. DESCRIPTION OF QUALIFIED INVESTMENT AND QUALIFIED PROPERTY**

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").

Qualified Investment shall be that property, described in **EXHIBIT 3** which is placed in service under the terms of the Application, during the Qualifying Time Period described in both Section 1.2 above, and the definition of Qualifying Time Period set forth in Section 1.3, above.

Qualified Property shall be all property, described in **EXHIBIT 3**, including, but not limited to the Applicant's Qualified Investment, together with the land described in **EXHIBIT 2** which: 1) is owned by the Applicant; 2) was first placed in service after August 26, 2013, the completed Application date established by the Comptroller; and 3) is used in connection with the activities described in the Application. 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 or Qualified Property 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 and/or Qualified Property for purposes of this Agreement.

Property owned by the Applicant which is not described on **EXHIBIT 3** may not be considered to be Qualified Property unless the Applicant:

- (a) submits to the District and the Comptroller a written request to add property to the limitation agreement, which request shall include a specific description of the additional property to which the Applicant requests that the limitation apply;
- (b) notifies the District and the Comptroller of any other changes to the information that was provided in the Application approved by the District; and,
- (c) provides any additional information reasonably requested by the District or the Comptroller necessary to re-evaluate the economic impact analysis for the new or changed conditions.

## **Section 2.4. APPLICANT'S OBLIGATIONS TO PROVIDE CURRENT INVENTORY OF QUALIFIED PROPERTY**

At the end of the Qualifying Time Period, or at any other time when there is a material change in the Qualified Property located on the land described in **EXHIBIT 2**, upon a reasonable request of the District, the Comptroller, or the Appraisal District, the Applicant shall provide to the District, the Comptroller, and the Appraisal District a specific and detailed description of the tangible personal property, buildings, or permanent, nonremovable building components (including any affixed to or incorporated into real property) to which the value limitation applies, including maps or surveys of sufficient detail and description to locate all such described property within the boundaries of the real property which is subject to the Agreement.

#### **Section 2.5. 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 2.6. LIMITATION ON APPRAISED VALUE**

So long as the Applicant makes a Qualified Investment in the amount Ten Million Dollars (\$10,000,000.00), 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: 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023, the Appraised Value of the Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

- (a) The Market Value of the Applicant's Qualified Investment; or
- (b) Ten Million Dollars (\$10,000,000.00).

The Tax Limitation Amount set forth in the immediately preceding Subsection(b) 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 Texas 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 accordance with the provisions of Texas Tax Code §313.027(f)(1), be compensated by the Applicant for: any loss that the District incurs in its Maintenance and Operations Revenue; or for any new uncompensated operating cost incurred as a result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement. Such payments shall be independent of, and in addition to, all such other payments as are set forth in Article IV. Subject only 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, and paid by the Applicant to the District in addition to any and all payments due under Article IV.

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

Subject to the applicable 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 (the "M&O Amount") 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 at the tax rate actually adopted by the District for the applicable year.
- ii. "New M&O Revenue" means the total State and local Maintenance & Operations Revenue that the District actually received for such school year, after all adjustments have been made to Maintenance and Operations Revenue because of any portion of this agreement.

In making the calculations required by this Section 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 the full M & O revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements, or on account of any other factors not contained in this Agreement.

### **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 incurred by the District in paying or otherwise crediting to the account of the Applicant, any applicable tax credit to which the 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 Education 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 increases in District costs paid to the Appraisal District caused by increased appraised values arising solely from the project described in the Application.
- (d) Any other loss of District revenues which are, or may be attributable to the payment by the Applicant to or on behalf of 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") approved each year by the District.

### **Section 3.5. DATA USED FOR CALCULATIONS**

The calculations under this Agreement shall be initially based upon the valuations that are placed upon all taxable property in the District, including Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal District in its annual certified tax roll submitted to the District pursuant to Texas Tax Code §26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party selected under Section 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 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 selected 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 and Article IV, or under Section 5.1 of this Agreement, in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's offices, personnel, books, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation and fee for a period of five (5) years after payment. The Applicant shall not be liable for any of Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement or the fee paid by the Applicant to the Third Party pursuant to Section 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 of the year 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 for all calculations under this Agreement under Section 3.6, above, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or tax credit or other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement. In no year shall

the Applicant be responsible for the payment of any total expenses under this Section and Section 3.6, above, 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 thirty (30) days of receipt of the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of the certification containing the calculations to the District's Board of Trustees. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the District's Board of Trustees within thirty (30) days of the final determination of the certification containing the calculations.

### **Section 3.9. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT**

In the event that, at the time the Third Party selected under Section 3.4 makes its calculations under this Agreement, the Applicant has appealed the taxable values placed by the Appraisal District on the Qualified Property, and the appeal of the appraised values are unresolved, the Third Party shall base its calculations upon the values initially placed upon the Qualified Property by the Appraisal District.

In the event that the result of an appraisal appeal or for any other reason, the Taxable Value of the Applicant's Qualified Investment and/or the Applicant's Qualified Property is changed, once the determination of a new value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations for the applicable year or years. In the event the new calculations result in the change of any amount payable by the Applicant under this Agreement, the party from whom the adjustment is payable shall remit such amounts to the counter-party within thirty (30) days of the receipt of the new calculations from the Third Party.

### **Section 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, or to other governmental entities including the Appraisal District, because of its participation in this Agreement, the Applicant shall make payments to the District, up to the 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**

### **Section 4.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS**

In interpreting the provisions of Article IV, the Parties agree as follows:

(a) **Amounts Exclusive of Indemnity Amounts**

In addition to undertaking the responsibility for the payment of all of the amounts set forth under Article III, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the Supplemental Payments set forth in this Article IV. The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 of the Texas Tax Code, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the obligation for Supplemental Payments under this Article IV are separate and independent of the obligation of the Applicant to pay the amounts described in Article III; provided, however, that all payments under Articles III and IV are subject to such limitations as are contained in Section 5.1, and that all payments under Article IV are subject to the separate limitations contained in Section 4.4.

(b) **Adherence to Statutory Limits on Supplemental Payments**

It is the express intent of the parties that any Supplemental Payments made to or on behalf of the District by the Applicant, under this Article IV, shall not exceed the limit imposed by the provisions of Texas Tax Code 313.027(i) unless that limit is increased by the Legislature at a future date, in which case all references to statutory limits in this Agreement will be automatically adjusted to reflect the new, higher limits, but only if, and to the extent that such increases are authorized by law.

### **Section 4.2. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO NET AGGREGATE LIMIT**

In any year during the term of this Agreement, the District shall not be entitled to receive Supplemental Payments that exceed the lesser of:

- (a) the Applicant's Stipulated Supplemental Payment Amount, defined as Forty Percent (40%) of the Applicant's Net Tax Benefit, as the term is defined in Section 1.3, above; or,

(b) the Net Aggregate Limit, as the term is defined in Section 1.3, above.

**Section 4.3. ANNUAL CALCULATION OF STIPULATED SUPPLEMENTAL PAYMENT AMOUNT**

The Parties agree that for each Tax Year of this Agreement, beginning with the third full year (Tax Year 2016), the Stipulated Supplemental Payment amount described in Section 4.2 will annually be calculated based upon the then most current estimate of tax savings to the Applicant, which will be made, based upon assumptions of student counts, tax collections, and other applicable data, in accordance with the following formula:

Taxable Value of the Applicant's Qualified Property for such Tax Year had this Agreement not been entered into by the Parties (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's interest and sinking fund tax purposes for such Tax Year, or school taxes due to any other governmental entity, including the State of Texas, for such Tax Year);

*Minus,*

The Taxable Value of the Applicant's Qualified Property for such Tax Year after giving effect to this Agreement (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's maintenance and operations tax purposes for such Tax Year, or school taxes due to any other governmental entity, including the State of Texas, for such Tax Year);

*Multiplied by,*

The District's maintenance and operations tax rate for such Tax Year, or the school tax rate of any other governmental entity, including the State of Texas, for such Tax Year;

*Plus,*

Any Tax Credit received by the Applicant with respect to such Tax Year;

*Minus,*

Any amounts previously paid to the District under Article III for such Tax Year;

*Multiplied by,*

The number 0.4;

*Minus,*

Any amounts previously paid to the District under Sections 4.2 and 4.3 with respect to such Tax Year.

In the event that there are changes in the data upon which the calculations set forth herein are made, the Third Party described in Section 3.4, above, shall adjust the Stipulated Supplemental Payment amount calculation to reflect any changes in the data.

**Section 4.4. CALCULATION OF ANNUAL SUPPLEMENTAL PAYMENTS TO THE DISTRICT AND APPLICATION OF NET AGGREGATE LIMIT**

For each year of this Agreement, beginning with year three (Tax Year 2016) and continuing thereafter through year thirteen (Tax Year 2026), the District, or its Successor Beneficiary should one be designated under Section 4.6, below, shall not be entitled to receive Supplemental Payments, computed under Sections 4.2 and 4.3, above, that exceed the Net Aggregate Limit, defined in Section 1.3, above.

If, for any year of this Agreement, the payment of the Applicant's Stipulated Supplemental Payment amount, calculated under sections 4.2 and 4.3, above, exceeds the Net Aggregate Limit for that year, the difference between the Stipulated Supplemental Payment amount and the Net Aggregate Limit, shall be carried forward from year-to-year into subsequent years of this Agreement, and to the extent not limited by the Net Aggregate Limit in any subsequent year of this Agreement, shall be paid to the District.

Any Stipulated Supplemental Payment amount, which cannot be made to the District prior to the end of year thirteen (Tax Year 2026), because such payment would exceed the Net Aggregate Limit, will be deemed to have been cancelled by operation of law.

**Section 4.5. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS**

- (a) All calculations required by this Article, including but not limited to: (i) the calculation of the Stipulated Supplemental Payment amount; (ii) the determination of both the Annual Limit, the Aggregate Limit, and the Net Aggregate Limit; (iii) the effect, if any, of the Net Aggregate Limit upon the actual amount of Supplemental Payments eligible to be paid to the District by the Applicant; and, (iv) the carry forward and accumulation of any Stipulated Supplemental Payment amounts unpaid by the Applicant due to the Net Aggregate Limit in previous years, shall be calculated by the Third Party selected pursuant to Section 3.4.
- (b) The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 3.6.

- (c) The payment of all amounts due under this Article shall be made at the time set forth in Section 3.7.

#### **Section 4.6. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY**

At any time during this Agreement, the District's Board of Trustees may, in its sole discretion, so long as such decision does not result in additional costs to the Applicant under this Agreement, direct that the Applicant's payment obligations under this Article IV be made to its educational foundation, or to a similar entity. The alternative entity may only use such funds received under this Article to support the educational mission of the District and its students. Any designation of an alternative entity must be made by recorded vote of the District's Board of Trustees at a properly posted public Board meeting. Any such designation will become effective after public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 6.1, below. Such designation may be rescinded, with respect to future payments only, by action of the District's Board of Trustees at any time.

Any designation of a successor beneficiary under this Section shall not alter the Aggregate Limit or the Net Aggregate Limit or the Supplemental Payments described in Section 4.4, above.

### **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 beginning after the 2016 Tax Year and ending on the Final Termination Date, 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 current Tax Year and all preceding Tax Years of this Agreement, 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 Section 3.6, 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/or Section 4.2 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 June 30 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 timely 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 either Comptroller and/or 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 Section 7.4 and 7.5. 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 or by the Comptroller (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, including any employment obligations which may arise under this Agreement. The Applicant shall allow authorized employees of the District, the Comptroller, and/or the Appraisal District to have access to the Applicant's Qualified Property and/or business records, in accordance with Texas Tax Code §22.07, during the term of this Agreement, in order to inspect the project to determine compliance with the terms hereof. 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, the Comptroller, or the 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

The 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 Comptroller under the provisions of Texas Tax Code §313.032. The 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:

- (a) it will abide by all of the terms of the Agreement;
- (b) it will Maintain Viable Presence in the District through the Final Termination Date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of, and shall not be subject to

any liability for failure to Maintain Viable Presence, to the extent such failure is caused by Force Majeure (as hereinafter defined), provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure; and,

- (c) it will meet minimum eligibility requirements under Texas Tax Code, Chapter 313 throughout the value limitation and tax-credit settle-up periods.

#### **Section 7.4. CONSEQUENCES OF EARLY TERMINATION OR OTHER BREACH BY APPLICANT**

(a) In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 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 7.8, 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 7.5, 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, as of the date upon which such payments were made to the District. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV, as of the date upon which such payments were made to the District.

(b) Notwithstanding Section 7.4(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 default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 7.5. 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, as of the date upon which such payments were made to the District. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV, as of the date upon which such payments were made to the District. Upon payment of such liquidated damages, the Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

#### **Section 7.5. 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 7.4 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 7.4 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 7.6 MATERIAL BREACH OF AGREEMENT**

The Applicant shall be in Material Breach of this Agreement if it commits one or more of the following acts or omissions:

- (a) Applicant is determined to have failed to meet its obligations to have made accurate representations of fact in submission of its Application as is required by Section 8.13, below.
- (b) Applicant fails to Maintain Viable Presence in the District, as required by Section 7.3 of this Agreement, through the Final Termination Date of this Agreement.
- (c) Applicant fails to make any payment required under Articles III or IV of this Agreement on or before its due date.
- (d) Applicant fails to make any payment required by this Agreement, or by the State or its agencies where such payment is authorized or required by the Act or by rules adopted thereunder.
- (e) Applicant fails to create and maintain at least the number of New Jobs set forth it committed to create and maintain on Schedule C, Column C of its Application.
- (f) Applicant fails to create and maintain at least the number of Qualifying Jobs set forth it committed to create and maintain on Schedule C, Column E of its Application.
- (g) Applicant fails to create and maintain at least Eighty Percent (80%) of all New Jobs created by the Applicant on the project as Qualifying Jobs.
- (h) Applicant makes any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313, Texas Tax Code, in excess of the amounts set forth in Articles III and IV, above. Voluntary donations made by the Applicant to the District after the date of execution of this Agreement, and not mandated by this Agreement or made in recognition of consideration for this

Agreement for limitation on appraised value made pursuant to Chapter 313 are not barred by this provision.

- (i) Applicant fails to comply with any other term of this Agreement, or the Applicant fails to meet its obligations under the applicable Comptroller's Rules, and under the Act, including but not limited to the filing of all required reports.

#### **Section 7.7 LIMITED STATUTORY CURE OF MATERIAL BREACH**

In accordance with the provisions of Texas Tax Code §313.0275, for any full tax year which commences after the project has become operational, the Applicant may cure the Material Breaches of this Agreement, defined in Sections 7.6(d) and 7.6(e) or 7.6(f), above, without the termination of the remaining term of this Agreement. In order to cure its non-compliance with Sections 7.6(d) and 7.6(e) or 7.6(f) for the particular Tax Year of non-compliance only, the Applicant may make the liquidated damages payment required by Texas Tax Code §313.0275(b), in accordance with the provisions of Texas Tax Code §313.0275(c).

#### **Section 7.8. DETERMINATION OF MATERIAL BREACH AND TERMINATION OF AGREEMENT**

Prior to making a determination that the Applicant has committed a material breach of this Agreement, such as making a misrepresentation in the Application, failing to Maintain Viable Presence in the District as required by Section 7.3 of this Agreement, failing to make any payment required under this Agreement when due, or has otherwise committed a Material Breach of this Agreement as defined in Section 7.6, above, the District shall provide the Applicant with a written notice of the facts that 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, the Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that it is not in 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, after reasonable notice to the Applicant, conduct a hearing called and held for the purpose of determining whether such Breach has occurred and, if so, whether such Breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to 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 terminate the Agreement and determine the amount of recaptured taxes under Section 7.4 (net of all credits under Section 7.4), and the amount of any penalty and/or interest under Section 7.5 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 (a "Determination of Breach and Notice of Contract Termination.").

#### **Section 7.9. DISPUTE RESOLUTION**

After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 7.8, the Applicant shall have sixty (60) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within sixty (60) days after the Applicant's receipt of notice of the Board of Trustee's Determination of under Section 7.8, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Upton County, Texas. The Parties agree to sign a document that provides that 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.

In the event that any mediation is not successful in resolving the dispute or that payment is not received before the expiration of such sixty (60) days, the District shall have the remedies for the collection of the amounts determined under Section 7.8 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 lien and/or 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.

In any event where a dispute between the District and the Applicant under this Agreement cannot be resolved by the Parties, after completing the procedures required above in this Section, 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 7.10. 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 7.10 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

#### **Section 7.11. 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 to the District's Authorized Representative as follows:

Danny Davis, Superintendent  
**RANKIN INDEPENDENT SCHOOL DISTRICT**  
P.O. BOX 90  
Rankin, Texas 79778-0090  
Fax: (432) 693-2353  
Email: [ddavis@rankinisd.net](mailto:ddavis@rankinisd.net)

*With a copy to:*

Kevin O'Hanlon  
O'Hanlon, McCollom & Demerath  
808 West Avenue  
Austin, Texas 78701

or at such other address or to such other facsimile and/or electronic mail 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:

Jason Duncan  
Controller  
**ATLAS PIPELINE MID-CONTINENT WESTTEX, LLC**  
110 W. 7<sup>th</sup>, Suite 2300  
Tulsa, Oklahoma 74119  
Fax: (918) 574-2987  
Email: [jduncan@atlaspipeline.com](mailto:jduncan@atlaspipeline.com)

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 the date of final approval of this Agreement by the District's Board of Trustees,
- (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 the Applicant fails to make a Qualified Investment in the amount of Ten Million Dollars (\$10,000,000.00), or greater, during the Qualifying Time Period, this Agreement shall become null and void on December 31, 2015.

#### **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. 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 8.3 shall, (1) require that all property added by amendment be eligible property as defined by Texas

Tax Code, §313.024; (2) clearly identify 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 beyond its eight year statutory term.

#### **Section 8.4. ASSIGNMENT**

Unless otherwise prohibited by law, 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, the 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 Texas Tax Code, Chapter 313 shall notify immediately the District, the Comptroller, and the Appraisal District in writing of any change in address or other contact information for the owner of the property subject to the limitation agreement for the purposes of Texas Tax Code §313.032. The 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 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 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 Upton 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. ACCURACY OF REPRESENTATIONS CONTAINED IN APPLICATION**

The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application. The Applicant warrants that all information, facts, and representations contained therein are true and correct. The parties further agree that the Application and all the attachments thereto are included by reference into this Agreement as if set forth herein in full.

In the event that the Board of Trustees, after completing the procedures required by Sections 7.8 and 7.9 of this Agreement, makes a written determination that the Application was either incomplete or inaccurate as to any material representation, information, or fact, the Agreement shall be invalid and void except for the enforcement of the provisions required by 34 Texas Administrative Code §9.1053(f)(2)(K).

**Section 8.14. PUBLICATION OF DOCUMENTS**

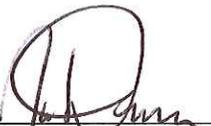
The Parties acknowledge that the District is required to publish all Substantive Documents including the Application and its required schedules, or any amendment thereto; all economic analyses of the proposed project submitted to the District; the approved and executed copy of this Agreement or any amendment thereto; and each application requesting tax credits under Texas Tax Code §313.103, as follows:

- a. Within seven days of such document, the school 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 Texas Tax Code §313.028.

***[SIGNATURES ON FOLLOWING PAGE]***

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 18<sup>th</sup> day of December, 2013.

**ATLAS PIPELINE MID-CONTINENT  
WESTTEX, LLC**

By:   
Authorized Representative

Name: James Dawson

Title: CONTROLLER

**RANKIN INDEPENDENT SCHOOL  
DISTRICT**

By:   
**MIKE RATLIFF**  
President  
Board of Trustees

Attest:  
By:   
**DARREN AKIN**  
Secretary  
Board of Trustees

## **EXHIBIT 1**

### **DESCRIPTION OF QUALIFIED REINVESTMENT ZONE**

The *Atlas Mid-Continent Zone* was originally created on December 18, 2013 by action of the Rankin Independent School District Board of Trustees. A map of the Reinvestment Zone is attached as the last page of this **EXHIBIT 1**.

As a result, the *Atlas Mid-Continent Reinvestment Zone* includes all the following real property within the boundaries of the Rankin Independent School District and Upton County, Texas, more specifically described by the legal description and map also attached to this **EXHIBIT 1**.

## LEGAL DESCRIPTION

321.429 Acres situated in the P.B. SCOTT SURVEY, SECTION 50 1/2, BLOCK 1, ABSTRACT NO. 357, Upton County, Texas, being all of that certain tract of land described in deed as Lot No.3, to Herman W. Standifer, et al, recorded in Volume 46, Page 87, Deed Records, Upton County, Texas, said 321.429 Acres being more particularly described as follows:

BEGINNING at a 1/2" capped iron rod set stamped "Transglobal" at the northeast corner of said Lot No.3, the southeast corner of that certain tract of land described in deed to Dan Youngbloom, described in deed as the Northwest 1/4 of said SECTION 50 1/2, (also known as Lot No.2), recorded in Volume 764, Page 838, Deed Records, Upton

County, Texas, said point also being the northwest corner of that certain tract of land described in deed to Bruce P. Sadler, et al, described in deed as Lot No.4, recorded in Volume 779, Page 626, Deed Records, Upton County, Texas, from said Beginning Point a

5/8" capped iron rod found at the called northeast corner of said Lot No. 2, in the called north line of said SECTION 50 1/2 bears N 13°59'21" W, a distance of 2637.09 feet; THENCE S 13°59'21" E, along the common line of said Lot NO.3 and said Lot No.4, a distance of 2638.58 feet to a 1/2" capped iron rod set stamped "Transglobal" in the called

south line of said SECTION 50 1/2, at the southeast corner of said Lot No.3 and the southwest corner of said Lot No. 4, from which a set stone found at the called southeast corner of said SECTION 50 1/2 bears N 75°24'40" E, a distance of 5295.27 feet, from said

set stone a 1" iron pipe found bears N 51 °24'36" W, a distance of 16.26 feet, said 1/2" capped iron rod set being in the called north line of the P.B. SCOTT SURVEY, G.C. & S.F. RR. CO. (Grantee), SECTION 5, ABSTRACT NO. 225, Upton County;

THENCE S 75°24'40" W, along the called south line of said SECTION 50 1/2 and the called north line of said SECTION 5, and along the south line of said Lot No.3, a distance of 1228.03 feet to a 2" iron pipe found at the northwest corner of said SECTION 5 and the northeast corner of the G.C. & S.F. RR. CO. SURVEY, J .T. MOSLEY (Grantee), SECTION 6, ABSTRACT NO. 657, Upton County, Texas; THENCE S 75°25'30" W, continuing along the called south line of said SECTION 50 1/2, along the south line of said Lot NO.3 and along the called north line of said SECTION 6, a distance of 4080.20 feet to a 1/2" capped iron rod set stamped "Transglobal" at the southwest corner of said Lot No.3, from which a 1/2" iron rod with a red plastic cap found at the west corner of said SECTION 6 bears S 71 °01 '04" W, a distance of 468.65 feet; THENCE N 13°55'28" W, along the west line of said Lot NO.3 a distance of 2638.35 feet to a 1/2" capped iron rod set stamped "Transglobal" at the northwest

corner of said Lot No.3 and the southwest corner of said Youngbloom tract, (also known as Lot No.2); THENCE N 75°25'08" E, along the common line of said Lot NO. 3 and said Youngbloom tract (also known as Lot No.2), a distance of 5305.25 feet to the POINT OF BEGINNING and containing 321.429 acres of land, more or less.

BEING 84.416 Acres in Two Tracts Situated in the CHRISTOPHER BENDLE SURVEY, SECTION 3, ABSTRACT NO.2 and the G.C. S.F. RR. CO. SURVEY (J .T. MOSLEY, Grantee) SECTION 6, ABSTRACT NO. 657, Upton County, Texas, being a portion of those certain tracts of land described in deed as Tract 1 thru 3, and all of Tract 4 to Atlas Pipeline Mid-Continent Westtexas, LLC, recorded in Volume 798, 472, Deed Records, Upton County, Texas, all of that certain tract of land described in deed to Atlas Pipeline Mid-Continent Westtexas, LLC, recorded in Volume 798, Page 470, Deed Records, Upton County, Texas and all of that certain tract of land described in deed to Atlas Pipeline Mid-Continent Westtexas, LLC, recorded in Volume 798, Page 466, Deed Records, Upton County, Texas, said 84.418, in Two Tract, being more particularly described as follows:

TRACT ONE

BEING 79.416 Acres of land situated in the CHRISTOPHER BENDLE SURVEY, SECTION 3, ABSTRACT NO.2 and the G.C. S.F. RR. CO. SURVEY (J.T. MOSLEY, Grantee) SECTION 6, ABSTRACT NO. 657, Upton County, Texas, being a portion of those certain tracts of land described in deed as Tract 1 thru 3, and all of Tract 4 to Atlas Pipeline Mid-Continent Westtexas, LLC, recorded in Volume 798, 472, Deed Records, Upton County, Texas and all of that certain tract of land described in deed to Atlas Pipeline Mid-Continent Westtexas, LLC, recorded in Volume 798, Page 466, Deed Records, Upton County, Texas, said 79.418 Acres being more particularly described as follows:

COMMENCING at a 2" pipe found at the northeast corner of said SECTION 6,  
THENCE

S 75°25'30" W, along the north line of said SECTION 6, a distance of 2599.37 feet to a 1/2" iron rod found at the POINT OF BEGINNING of the herein described 79.418 Acre tract, said point also being the northeast corner of said Tract 1, recorded in Volume 798, Page 472;

THENCE S 01°02'10" W, along the east line of said Tract 1, recorded in Volume 798, Page 472, passing the common line of said SECTIONS 3 and 6, passing the southeast corner of said Tract 1, recorded in Volume 798, Page 472 and the northeast corner of said Tract 3, recorded in Volume 798, Page 472, and continuing, in all, along the east line of said Tract 3, recorded in Volume 798, Page 472, a distance of 669.29 feet to a point at the northwest corner of said Tract recorded in Volume 798, Page 466;

THENCE S 89°40'00" E, along the north line of said Tract recorded in Volume 798, Page 466, a distance of 1210.00 feet to its northeast corner;

THENCE S 00°20'00" W, along the east line of said Tract recorded in Volume 798, Page 466, a distance of 125.00 feet to its southeast corner;

THENCE N 89°40'00" W, along the south line of said Tract recorded in Volume 798, Page 466, a distance of 1211.45 feet to a point at its southwest corner, in the east line of said Tract 3, recorded in Volume 798, Page 472;

THENCE S 01°02'10" W, along the east line said Tract 2,3 and 4, recorded in Volume 798, Page 472, a distance of 1630.79 feet to a 1/2" iron rod found at the southeast corner of said Tract 4, recorded in Volume 798, Page 472;

THENCE N 89°00'08" W, along the south line of said Tract 4, recorded in Volume 798, Page 472, a distance of 1866.70 feet to a point in the west line of said SECTION 3, at the southwest corner of said Tract 4, recorded in Volume 798, Page 472, from which a 1/2" iron rod found bears S 01°02'28" W, a distance of 498.92 feet;

THENCE N 01 °02'28" E, along the west line of said SECTION 3 and the west line of said Tract 4, recorded in Volume 798, Page 472, passing the northwest corner of said Tract 4, recorded in Volume 798, Page 472 and the southwest corner of said Tract 2, recorded in Volume 798, Page 472 and continuing, along the west line of said SECTION 3 and along the west line of said Tract 2, recorded in Volume 798, Page 472, in all, a distance of 778.70 feet to a point at the westerly northwest corner of the herein described 79.416 Acre tract and the southwest corner of a Grantors Save and Except Tract as mention in said Volume 798, Page 472;

THENCE S 88°47'00" E, along the south line of said Grantors Save and Except tract, a distance of 591.33 feet to a point at its southeast corner;

THENCE N 01 °15'06" E, along the east line of said Grantors Save and Except tract, generally along a fence, passing the common line of said SECTIONS 3 and 6 and continuing, along the east line of said Grantors Save and Except tract, in all, a distance of 1294.55 feet to a point in the north line of said SECTION 6 and in the north line of said Tract 1, recorded in Volume 798, Page 472, from which a 1/2" iron rod found with a red plastic bears S 75°25'30" W, a distance of 161.74 feet and S 71°01'04" W, a distance of 468.65 feet;

THENCE N 75°25'30" E, along the north line of said SECTION 6 and the north line of said Tract 1, recorded in Volume 798, Page 472, a distance of 726.31 feet to a point at the north west corner of that certain 0.34 Acre tract in a Quitclaim Deed from Atlas Pipeline Mid-Continent Westtexas, LLC to Lone Star NGL Pipeline LP, dated June 24, 2013;

THENCE S 14°34'30" E, along the west line of said Quitclaim tract, a distance of 98.00 feet to its southwest corner;

THENCE N 75°25'30" E, along the south line of said Quitclaim tract, a distance of 150.00 feet to its southeast corner;

THENCE N 14°34'30" W, along the east line of said Quitclaim tract, a distance of 98.00 feet to its northeast corner in the north line of said SECTION 6 and the north line of said Tract 1, recorded in Volume 798, Page 472;

THENCE N 75°25'30" W, along the north line of said SECTION 6 and the north line of said Tract 1, recorded in Volume 798, Page 472, a distance of 442.78 feet to the POINT OF BEGINNING and containing 79.416 Acres of land.

TRACT TWO

BEING 5.00 Acres situated in the G.C. S.F. RR. CO. SURVEY (J.T. MOSLEY, Grantee) SECTION 6, ABSTRACT NO. 657, Upton County, Texas, being all of that certain tract of land described in deed to Atlas Pipeline Mid-Continent Westtex, LLC, recorded in Volume 798, Page 470, Deed Records, Upton County, Texas, said 5.00 Acres being more particularly described as follows:

COMMENCING at a 2" iron pipe found at the northeast corner of said SECTION 6, THENCE S 75°25'30" W, along the north line of said SECTION 6, a distance of 1457.05 feet to the POINT OF BEGINNING of the here described 5.00 Acre tract;

THENCE S 00°21 '30" E, along the east line of said 5.00 Acre tract, a distance of 400.00

feet to its southeast corner;

THENCE S 75°25'30" W, along the south line of said 5.00 Acre tract, a distance of 561 .10 feet to its southwest corner;

THENCE N 00°21 '30" W, along the west line of said 5.00 Acre tract, a distance of 561 .10 feet to a point in the north line of said SECTION 6, from which a 1/2" iron rod found bears S 75°25'30" W, a distance of 581 .22 feet;

THENCE N 75°25'30" E, along the north line of said SECTION 6 and the north line of said 5.00 Acre tract, a distance of 561.10 feet to the POINT OF BEGINNING and containing 5.00 acres.

SPECIAL WARRANTY DEED

00143511

KNOW ALL MEN BY THESE PRESENTS THAT:

FOR VALUABLE CONSIDERATION OF TEN DOLLARS (\$10.00), and other good and valuable consideration, cash in hand paid, the receipt of and sufficiency of which is hereby acknowledged, WESTERN GAS RESOURCES, INC., a Corporation organized under the laws of the state of Delaware having an address of 1099 18<sup>th</sup> Street, Denver, CO 80202, hereinafter referred to as "Grantor", does hereby grant, convey, and warrant unto ATLAS PIPELINE MID-CONTINENT WESTTEX, LLC., a Limited Liability Company organized under the laws of the state of Delaware having an address of 1437 South Boulder Avenue, Suite 1500, Tulsa, OK 74119, hereinafter referred to as "Grantee", for the following lands and property together with all improvements located thereon, lying in the County of Upton, State of Texas to-wit:

0  
0  
7  
8  
8  
0  
0  
4  
7  
2

TRACT 1: That part of the East portion of Section 6, W. H. Dickson Survey, contained between the South line of Lot 3, Block 50 1/2 P. B. Scott Survey, and the North line of Section 3, Chris Bendle Survey, containing 12.87 acres, more or less, and bounded on the East side by an extension Northward of a line marking the East line of the West 1/4 of Section 3, C. Bendle Survey.

TRACT 2: The South 10 acres of the North 50 acres of the West 320 acres of Section 3, C. Bendle Survey, Abstract 936, Certificate 2438.

TRACT 3: The North 40 acres of the West 320 acres of Section 3, C. Bendle Survey, Abstract 936, Certificate 2438, Less and except 3.47 acres, more particularly described as follows:

A tract of land situated in the north half (N/2) of Survey No.3, Certificate No. 2438, Abstract No. 936, C. Bendle, Original Grantee, near Rankin, in Upton County, State of Texas, being more particularly described as follows: Beginning at the point of intersection of the east line of the North forty (40) acres of the West three hundred twenty (320) acres of said Survey No. 3 and a line parallel with and fifty (50) feet northerly from, measured at right angles to, the center line of spur tract No. 7 of Kansas City, Mexico and Orient Railway Company of Texas (as same is now located and constructed) to plant formerly of Texas Natural Gasoline Corporation, said point of intersection being one hundred four and five tenths (104.5) feet south of the northeast corner of the North forty (40) acres of the West three hundred twenty (320) acres of said Survey No. 3 and assuming for the purpose of this description that said spur track center line has a bearing of North eighty-nine (89)

degrees forty (40) minutes West; thence South eighty-nine (89) degrees forty (40) minutes East parallel with said spur track center line a distance of one thousand two hundred ten (1210) feet; thence South zero (0) degrees twenty (20) minutes West at right angles to last described course a distance of one hundred twenty-five (125) feet to a point seventy-five (75) feet southerly from, measured at right angles to, said spur track center line; thence North eighty-nine (89) degrees forty (40) minutes West parallel with said spur track center line a distance of one thousand two hundred ten (1210) feet to point of intersection with the east line of the North forty (40) acres of the West three hundred twenty (320) acres of said Survey No. 3; thence North zero (0) degrees six (6) minutes West along said east line a distance of one hundred twenty-five (125) feet, more or less, to the point of beginning, containing an area of three and forty-seven hundredths (3.47) acres, more or less.

TRACT 4: A tract of land described as follows: Starting at a point in the West line of Section 3, Chris Bendle Survey, Upton County, Texas, 1166.726 feet South 2° 11' 21" West of the Northwest corner of Section 3 of the Chris Bendle Survey; thence 700.036 feet South 2° 11' 21" West along the West line of the section; thence South 87° 48' 39" East 1866.762 feet parallel to the North line of the section; thence North 2° 11' 21" East 700.036 feet parallel to the West line of the section; thence North 87° 48' 39" West 1866.762 feet to the point of beginning, and containing 30 acres, more or less;

GRANTOR excepts from the terms of this conveyance a tract of land containing 16.45 acres, more or less, out of the property described above, which 16.45 acres is described as follows:

BEGINNING at a stake set in a North & South fence for the Northwest corner of Survey 3, C. Bendle, and the Northwest corner of this survey;  
Thence S. 2° 11' 21" W. along the fence 1089' to a stake set in said fence and in the West line of Survey 3, C. Bendle for the Southwest corner of this survey;  
Thence S. 87° 48' 39" E. 590' to a stake set in the East fence line of the Slick-Urschel Oil Company tank battery area for the Southeast corner of this survey;  
Thence N. 2° 11' 21" E. along the fence line 1293' to a stake for the Northeast corner of this survey;  
Thence S. 76° 28' 54" W. along the North line of Survey 6, GC&SF, 753.5' to a stake at the West corner of Survey 6, GC&SF, for a corner of this survey;  
Thence S. 87° 48' 39" E. 130.6' to the place of beginning; -  
which said tract was formerly owned by Slick-Urschel Oil Company.

(This instrument conveys surface rights only.)





## EXHIBIT 2

### LOCATION OF QUALIFIED INVESTMENT/QUALIFIED PROPERTY

All Qualified Property owned by Applicant and located within the boundaries of both the Rankin Independent School District and the *Atlas Mid-Continent Reinvestment Zone* is intended to be included in this Agreement.

A map of the *Atlas Mid-Continent Reinvestment Zone* created by the Upton County Commissioners' Court is attached to **EXHIBIT 1**. Specifically, all Qualified Property of the Applicant located within the boundaries on the map first placed in service after August 26, 2013 used in connection with manufacturing facility will be subject to this Agreement.

### EXHIBIT 3

#### DESCRIPTION OF THE APPLICANT'S QUALIFIED INVESTMENT/QUALIFIED PROPERTY

##### Proposed Project Description

Atlas Pipeline Mid-Continent Westtex, LLC proposes to build a new 200 mmscf/d Gas Processing Plant in Upton County, Texas. This project will also be located within the Rankin Hospital Fire and Water District.

##### Edwards Gas Processing Plant

The Edwards plant will include the installation of a refrigerated cryogenic gas plant. When completed, the Edwards Gas Processing Plant will be designed to process 200mmcf/d of gas and will include the following components, providing long-term processing, compression and residue gas takeaway:

- Pressure Vessels
- Towers
- Heat Exchangers
- Air Coolers
- Expander- Compressor
- Pumps
- Compression
- Miscellaneous Equipment