

**AMENDED AND RESTATED TEXAS ECONOMIC DEVELOPMENT ACT
PARTICIPATION AGREEMENT**

by and between

PLAINVIEW INDEPENDENT SCHOOL DISTRICT

And

PLAINVIEW BIOENERGY, L.L.C.

Dated

August 12, 2010

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

STATE OF TEXAS §

COUNTY OF HALE §

THIS AMENDED AND RESTATED AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES (hereinafter referred to as the "Agreement") is executed and delivered by and between **Plainview Independent School District** (the "District"), a lawfully created independent school district of the State of Texas operating under and subject to the Texas Education Code, and **Plainview BioEnergy, LLC**, a subsidiary of White Energy Holding Company, hereinafter referred to as the "Applicant." Capitalized terms appearing in this Agreement shall have the meaning given in Section 1.3 below.

RECITALS

WHEREAS, on August 30, 2006, the Superintendent of Schools of the District acting as agent of the Board of Trustees received an Application from the Applicant for an Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C, Texas Property Tax Code), which Application was amended on November 10, 2006 (as amended, the "Application") and

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

WHEREAS, the Application was reviewed by the Texas Comptroller's Office pursuant to Texas Property Tax Code § 313.025(d); and

WHEREAS, the Board of Trustees has caused to be conducted an economic impact evaluation pursuant to Texas Property Tax Code § 313.026 and has carefully considered such evaluation; and

WHEREAS, the Application, as amended, was reviewed by the Hale County Appraisal District; and

WHEREAS, on November 30, 2006, the Board of Trustees conducted a public hearing on the Application, at which it has solicited input into its deliberations on the Application from all interested parties within the District; and

WHEREAS, on December 21, 2006 the Board of Trustees made factual findings in accordance with the Texas Economic Development Act that this Agreement is in the best interest of the District including findings that the Applicant is eligible for the limitation on the appraised value of the Applicant's Qualified Property; and

WHEREAS, the Applicant and its parent, White Energy Holding Company filed proceedings under Chapter 11 of the United States Bankruptcy Code on May 7, 2009; and

WHEREAS, the Applicant has not received a notice of default from the District pursuant to the terms of this Agreement; and

WHEREAS, the Applicant and the District desire to settle certain disputes between them related to delinquent ad valorem taxes and the indemnity payment due to the District pursuant to Article III of the Agreement by separate agreement between the parties (the "Payment Agreement"); and

WHEREAS, the revisions to this Agreement are made for and in consideration of the execution of the Payment Agreement; and

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

ARTICLE I

AUTHORITY, VALUE LIMITATION, TERM, DEFINITIONS, AND GENERAL PROVISIONS

Section 1.1 Authority, Limitation on Appraised Value

This Agreement is entered into pursuant to the terms of Chapter 313 of the Texas Property Tax Code and executed by the District as its written agreement with the Applicant pursuant to the provisions of and authority granted to the District in § 313.051 of the Texas Property Tax Code.

Provided that the conditions for qualification for a Limitation on Appraised Value imposed by Chapter 313 of the Property Tax Code and this Agreement are satisfied, a Limitation on Appraised Value of Thirty Million Dollars (\$30,000,000.00) shall apply to the Qualified Investment over the term of the Agreement as described in Section 1.2.

Section 1.2 Term Of The Agreement

This Agreement shall commence and first become effective for the ad valorem property valuations assessed against the Qualified Property and Qualified Investment made pursuant to this Agreement beginning with the tax appraisals to be made as of January 1, 2007 (the "Commencement Date"). The parties to this Agreement acknowledge that the Limitation on Appraised Value shall not commence until the valuations made as of January 1, 2009, which will be the second anniversary of the Commencement Date. The Limitation on Appraised Value shall terminate after the year 2016.

The tax years for which this Agreement is effective are as follows:

<u>Year of Agreement</u>	<u>Date of Appraisal</u>	<u>School Year</u>	<u>Tax Year</u>	<u>Summary Description of Provisions</u>
1	January 1, 2007	2007-08	2007	No limitation on value. Tax Credit in future years.
2	January 1, 2008	2008-09	2008	No limitation on value. Tax Credit in future years.
3	January 1, 2009	2009-10	2009	\$30 million property value limitation.
4	January 1, 2010	2010-11	2010	\$30 million property value limitation. Possible Tax Credit payment due to Applicant.
5	January 1, 2011	2011-12	2011	\$30 million property value limitation. Possible Tax Credit payment due to Applicant.
6	January 1, 2012	2012-13	2012	\$30 million property value limitation. Possible Tax Credit payment due to Applicant.
7	January 1, 2013	2013-14	2013	\$30 million property value limitation. Possible Tax Credit payment due to Applicant.
8	January 1, 2014	2014-15	2014	\$30 million property value limitation. Possible Tax Credit payment due to Applicant.
9	January 1, 2015	2015-16	2015	\$30 million property value limitation. Possible Tax Credit payment due to Applicant.
10	January 1, 2016	2016-17	2016	\$30 million property value limitation. Possible Tax Credit payment due to Applicant.
11	January 1, 2017	2017-18	2017	No tax limitation. Possible Tax Credit due to Applicant. Applicant obligated to Maintain a Viable Presence if no early termination.

<u>Year of Agreement</u>	<u>Date of Appraisal</u>	<u>School Year</u>	<u>Tax Year</u>	<u>Summary Description of Provisions</u>
12	January 1, 2018	2018-19	2018	No tax limitation. Possible tax Credit due to Applicant. Applicant obligated to Maintain a Viable Presence if no early termination.
13.	January 1, 2019	2019-20	2019	No tax limitation. Possible Tax Credit due to Applicant. Applicant obligated to Maintain a 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, Texas Property Tax Code, as amended.

"Agreement" means this Agreement.

"Applicant" means Plainview BioEnergy, LLC, the company listed in the Preamble of this Agreement which, on August 30, 2006, filed an Application with the District for a Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Property Tax Code. The term shall also include the Applicant's assigns and successors in interest.

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

"Application" has the meaning given in the Recitals to this Agreement.

"Appraisal District" means the Hale County Appraisal District.

"Commencement Date" has the meaning given in Section 1.2.

"Comptroller" means the Texas Comptroller of Public Accounts.

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

"County" means Hale County, Texas.

"District" or "School District" means the Plainview Independent School District, being a duly incorporated and operating common school district in the State, having the power to levy, assess, and collect ad valorem taxes within its boundaries.

"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 materials or products to or from the Applicant's facilities; or (e) any other cause, whether similar or dissimilar, over which the Applicant has no reasonable control and which forbids, prevents, or materially impairs or hinders performance, including, without limitation, market conditions which substantially affect the continuing financial feasibility of the project described in the Application.

"Limitation on Appraised Value" means the limitation on ad valorem property tax values provided for in the Act and this Agreement.

"Maintain a Viable Presence" means the operation over the life of this Agreement of the facility or facilities for which the Limitation on Appraised Value is granted, and the retention of the number of jobs required by law; provided, however, Applicant shall be deemed to have maintained a viable presence during the continuance of any event of Force Majeure. In the event a fire or other disaster shuts down plant operations, Applicant will be deemed to have maintained a viable presence so long as it commences repairs and/or reconstruction of the damaged within ninety (90) days of the catastrophic event. In the event of a closure due to environmental reasons, Applicant will be deemed to have maintained a viable presence so long as it commences remediation or otherwise acts in accordance with the order of the court or environmental agency.

"Maintenance and Operations Revenue" means those revenues which the District receives from the levy of its annual ad valorem maintenance tax pursuant to Texas Education Code § 45.002 and Article VII § 3 of the Texas Constitution and from 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, decreased by 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.

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

"Qualified Property" has the meaning set forth in Chapter 313 of the Texas Tax Code, as interpreted by the Comptroller's Rules, 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 Job" 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 Time Period" means that period of time defined in Texas Tax Code Section 312.021(4).

"Revenue Protection Amount" means the amount calculated pursuant to Section 3.3 of this Agreement.

"State" means the State of Texas.

"Tax Credit" means the credit to be paid by the District to the Applicant computed under the provisions of Subchapter D of the Texas Economic Development Act and any applicable Comptroller's Rules, provided that the Applicant complies with the requirements under such provisions, including the filing of a completed application under Chapter 313 of the Texas Tax Code and the Comptroller's Rules.

"Tax Limitation Amount" means the minimum amount of Qualified Investment which must be placed on a Qualified Property for years three (3) through ten (10) of this Agreement pursuant to Texas Property Tax Code § 313.054. For purposes of this Agreement that amount has been determined to be Thirty Million Dollars (\$30,000,000.00).

"Third Party" means the party selected by the District and approved by the Applicant to perform certain services as provided in Section 3.7 of this Agreement.

ARTICLE II

PROPERTY DESCRIPTION

Section 2.1 Location Within A Qualified Reinvestment Or Enterprise Zone

The Qualified Property upon which the Qualified Investment will be located is within an area designated as a reinvestment zone under Chapter 311 or 312 or as an enterprise zone under Chapter 2303, Texas Government Code. The description of the reinvestment or enterprise zone in which the 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 Qualified Property upon which the Qualified Investment will be located is described in the description which is attached to this Agreement as EXHIBIT 2 and is incorporated herein by reference for all purposes. The parties to this Agreement expressly agree that the boundaries of the Qualified Property may not be materially changed from its current configuration without the express authorization of each of the parties.

Section 2.3 Description Of Qualified Investment

The Qualified Investment for which Applicant is seeking this tax limitation Agreement is described in Exhibit 3 which is incorporated herein by reference for all purposes. Property which is not specifically described in EXHIBIT 3 shall not be considered by the District or the Appraisal District to be a Qualified Investment for purposes of this Agreement. Qualified Investments may not be added to EXHIBIT 3 except by an official determination of the Board of Trustees of the District made pursuant to Texas Property Tax Code § 313.027(e).

Section 2.4 Eligible Property

The Qualified Investment described above in Section 2.3 is eligible for a Limitation on Appraised Value under Texas Property Tax Code § 313.024(b)(1) as a manufacturing facility.

ARTICLE III

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 3.1 Intent of the Parties

It is the intent of the parties executing this Agreement that the District shall, in addition to the receipt of payments in lieu of taxation as set forth below in Article IV of this Agreement, be compensated by the Applicant for any loss that the District incurs in its Maintenance and Operations Revenue by virtue of its decision to participate in this Agreement under the Act. This Agreement is being executed to ensure that the risk of any negative financial consequence to the District in making the decision to participate in this Agreement is borne by the Applicant and not by the District.

Section 3.2 Calculating the Amount of Loss of Revenues by Plainview ISD

The amount to be paid by the Applicant to compensate the District for loss of Maintenance and Operations Revenue for each year under this Agreement up to the amount of the limit on the Revenue Protection Amount set forth in Section 3.10 of this Agreement shall be determined according to the following formula:

The Maintenance and Operations Revenue amount owed by Applicant to District *equals* Original Maintenance and Operations Revenue *minus* New Maintenance and Operations Revenue;

Where:

- i. Original Maintenance and Operations Revenue *equals* the total State and local Maintenance and Operations Revenue that the District would have received for the school year had this Agreement not been entered into and the full taxable value of the Qualified Investment and/or Qualified Property been subject to the maintenance and operations portion of the District's ad valorem tax levy. For purposes of this calculation the tax collection rate on the Qualified Property and/or Qualified Investment will be presumed to be one hundred percent (100%).
- ii. New Maintenance and Operations Revenue *equals* the total State and local Maintenance and Operations Revenue that the District actually received for the school year.

In making the calculations required by this section:

- iii. The taxable value of property for each school year will be determined under the Applicable School Finance Law.
- iv. All calculations made for years three (3) through ten (10) of this Agreement under Subsection ii of Section 3.2(d) of this Agreement will be based upon the value on the Qualified Property of Thirty Million Dollars (\$30,000,000.00).
- v. All calculations made under this Section shall be made by a methodology which isolates only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements or any other factors.

Section 3.3 Compensation for Loss of Revenue Caused by Tax Credit

In addition to the amounts determined pursuant to Section 3.2, above, Applicant, on an annual basis shall also indemnify the District up to the amount of the limit on the revenue protection amount set forth in Section 3.10 of this Agreement for all non-reimbursed costs it incurs in paying or otherwise crediting to the account of Applicant, any applicable tax credit to which the Applicant may be entitled pursuant to Chapter 313, Subchapter D, Texas Tax Code,

for which the District does not receive recognition from the State pursuant to Texas Education Code § 42.2515.

Section 3.4 Calculations to Be Made by Third Party

All calculations under Section 3.2(d) of this Agreement shall be verified annually by an independent third party selected by the District and approved by Applicant. All calculations shall originally be based upon estimates and then be adjusted to reflect "final" or "actual" data for the applicable year as the data becomes available.

Section 3.5 Data Used for Calculations

Calculations for payments under this Agreement shall be initially based upon the valuations placed upon the 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 this information by the District, it will be transmitted to the third party selected under Section 3.4 of this Agreement. The certified tax roll data shall form the basis of the calculation of any and all amounts due, including without limitation, the Revenue Protection Amount, under this Agreement. The data utilized by the third party will be adjusted from time to time to reflect subsequent adjustments by the appraisal district to the District's tax roll.

Section 3.6 Delivery of Calculations

On or before November 1 of each year for which this Agreement is effective, the third party appointed pursuant to Section 3.4 of this Agreement shall forward to the Applicant and the District a certification containing the calculations required under Sections 3.2 and/or 3.3 of this Agreement in sufficient detail to allow the Applicant and the District to understand the manner in which the calculations were made. The third party shall simultaneously submit his or her invoice for services rendered to the Applicant, if any fee is being claimed.

Section 3.7 Payment by Applicant

On or before the January 31 next following the tax levy for each year for which this Agreement is effective, the Applicant shall pay any amount determined to be due and owing to the District pursuant to Section 3.2 and/or Section 3.3 of this Agreement and any amount billed by the third party. In no year shall Applicant be responsible for the payment of a fee to the Third Party in excess of Ten Thousand Dollars (\$10,000.00).

Section 3.8 Effect of Property Value Appeal or Other Adjustment

In the event that the taxable value of the Qualified Property is changed after an appeal of its valuation or is otherwise altered, once the determination of a new value becomes final, the calculations required by Sections 3.2 and 3.3 of this Agreement will be remade by the third party using the new valuations. Upon completion of the new calculations, the third party shall transmit same to the parties to this Agreement. Upon receipt of the new calculations, the party owing funds to the other party to this Agreement shall pay any amounts owed as a result of the new calculations within ten (10) days of receipt of the calculations from the third party.

Section 3.9 Effect of Statutory Changes

Notwithstanding any other provision in this Agreement, in the event that, by virtue of Applicable School Finance Law, the District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, the Applicant shall make payments to the District, up to the amount of the Revenue Protection Amount set forth in Section 3.10 of this Agreement, that are necessary to offset any negative impact on the District as a result of its participation in the Agreement or as is necessary to secure for the District an amount equal to that which the District would have received from State and local funds had the District not participated in this Agreement. Such calculation shall take into account any adjustments to the Revenue Protection Amount calculated for the current fiscal year that should be made in order to reflect the actual impact on the District.

Section 3.10 Limitation of Revenue Protection Amount in Years Four Through Ten of this Agreement

In years four (tax year 2010) through ten (tax year 2016) of this Agreement Applicant shall not be responsible for payment of a Revenue Protection Amount to the District in excess of the amount of taxes which the Applicant would have paid to the District for the maintenance and operations portion of the District's ad valorem tax levy for the applicable year had this Agreement not been made. The comparison of these amounts shall be included in the calculations made pursuant to Section 3.4 of this Agreement. In making this calculation the third party shall include in its determination of the Revenue Protection Amount credit for the amount of taxes actually paid by the Applicant on the Qualified Property.

Section 3.11 Option to Cancel Agreement

(a) For years four (tax year 2010) through ten (tax year 2016) of this Agreement, in the event that payments by Applicant to the District become limited in accordance with the provisions of Section 3.10 above, the Applicant shall have the option to terminate this Agreement. Applicant may exercise its option to cancel this Agreement by notifying the District of its election in writing not later than the July 31 of any year next following the tax year in which the annual limitation set forth in Section 3.10 has been reached. The cancellation of the Agreement under this Section 3.11(a) shall be effective as of the second tax year next following the year in which the limitation giving rise to the option occurred.

(b) In addition, the Applicant shall have the right to terminate this Agreement in the event of a change in the Applicable School Finance Law which reduces the benefit to Applicant. Applicant shall notify the District and the Appraisal District of its intent to cancel the Agreement under this Section 3.11(b). Upon receipt of notice, this Agreement shall be considered cancelled effective December 31 of the year in which the notice was given by the Applicant.

ARTICLE IV

PAYMENTS IN LIEU OF TAXATION

Section 4.1 Amounts Exclusive of Indemnity Amounts

In addition to undertaking the responsibility for the payment of all of the amounts set forth under Article III of this Agreement, and as consideration for the execution of this Agreement by the District, Applicant shall also be responsible for the payments to the District in lieu of taxation set forth in this Article. It is the express intent of the parties that the obligation for payments in lieu of taxation are separate and independent of the obligation of Applicant to pay the amounts described in Article III.

Section 4.2 Payments in Lieu of Taxation for First Years of Agreement

On or before August 1, 2008, and again on or before August 1, 2009 Applicant shall make an annual contribution to the District in the amount of One Hundred Thousand Dollars (\$100,000.00) each, in order to provide support for the District's programs.

Section 4.3 Calculation of Amount of Payments In Lieu of Taxation for balance of Agreement

(a) Beginning in year three (tax year 2009), and continuing through year thirteen (tax year 2019) of this Agreement, the District shall be entitled to receive as payments in lieu of Taxation, an amount equal to Twenty Percent (20%) of any tax benefit received by the Applicant as a result of this Agreement.

(b) The "tax benefit" shall be calculated for each of years three (tax year 2009) through thirteen (tax year 2019) of this Agreement by determining the amount of maintenance and operations portion of the District's ad valorem tax levy and/or any other property taxes paid to any governmental entity for the support of public education which the Applicant would have paid in the absence of this Agreement, subtracting from that sum the amount of taxes actually due to the District and/or to any other governmental entity for the support of public education for that year. From that difference there will then be subtracted any indemnity amount determined according to Article III of this Agreement. The remainder shall be the tax benefit to be divided as provided in Subsection (a) of this Section.

(c) For each of years five (tax year 2011) and six (tax year 2012) only, the amount calculated under Subsection (b) above, shall be reduced by the amount of One Hundred Thousand Dollars (\$100,000.00) per year.

(d) The "tax benefit" shall be calculated by the third party selected pursuant to Section 3.4 of this Agreement.

(e) The calculations shall be made at the same time and on the same schedule as the calculations made pursuant to Section 3.6 of this Agreement.

(f) Payment of amounts due under this Section shall be made at time set forth on Section 3.7 of this Agreement.

Section 4.4 Recalculation of Payment In Lieu of Taxation

The parties agree that the payment in lieu of taxation amount set forth in Section 4.3 of this Agreement will be based upon the current estimate of tax savings to the Applicant which are being made based upon assumptions of student counts, tax collections or other applicable data. For each of years three (tax year 2009) through thirteen (tax year 2019) of this Agreement the parties shall adjust payment in lieu of taxation based upon the following formula.

Taxes payable to the District and/or any other property taxes that would have been paid to any governmental entity for the support of public education on the value of the Qualified Property had this Agreement not been made.

Minus,

Taxes paid to the District and/or to any other governmental entity for the support of public education based upon the value of the Qualified Property with this Agreement.

Minus,

Any amounts previously paid to the District under Sections 4.3 and 4.4 of this Agreement

Multiplied by,

The number 0.2.

Upon completion of the new calculations, the third party shall transmit same to the parties to this Agreement. Upon receipt of the new calculations, the party owing funds to the other signatories to this Agreement shall pay any amounts owed within thirty (30) days of receipt of the calculations from the third party.

ARTICLE V

ADDITIONAL OBLIGATIONS OF APPLICANT

Section 5.1 Data Requests

During the life of this Agreement, Applicant shall be obligated to provide the District and the County Appraisal District with all information reasonably necessary for the District or the County Appraisal District, as the case may be, to determine whether the Applicant is in compliance with its obligations under this Agreement, or for appraisal purposes under the Texas Tax Code, including but not limited to employment data, access to the facility, and access to operational data deemed necessary to determine whether all obligations under this Agreement are being met. Provided, however, that nothing contained in this Agreement shall require the Applicant to provide the District or the County Appraisal District with any technical or business

information which is private personnel data, proprietary, a trade secret or confidential in nature or is subject to a confidentiality agreement with any third party.

In the event that the District requests information which Applicant regards as technical or business information which is proprietary, a trade secret or confidential in nature, or that is subject to a confidentiality agreement with any third party, Applicant shall inform the District of its concerns and make suitable arrangements for the District to have access to the information in a manner which does not compromise the proprietary or confidential nature of the information.

Section 5.2 Applicant's Obligation to Maintain a Viable Presence

By entering into this Agreement, Applicant represents that it will abide by all of the terms of this Agreement and that it will Maintain a Viable Presence in the District or, if this Agreement is terminated early in accordance with Section 3.11 for a period of at least three (3) years after the date of such termination.

Section 5.3 Breach by Applicant

In the event that the Applicant or its successor in interest fails to comply with the terms of this Agreement or to meet any material obligation under this Agreement, then the District as its sole remedy shall be entitled to the recapture of all ad valorem tax revenue lost as a result of this Agreement together with the payment of a penalty or interest, or both, on that recaptured ad valorem tax revenue. For purposes of this calculation the Applicant shall be entitled to a credit for any Revenue Protection Amount paid to the District pursuant to Article III of this Agreement. The Applicant shall also be entitled to a credit for any amounts paid to the District in lieu of taxation pursuant to Article IV of this Agreement.

Section 5.4 Calculation of Penalty and Interest

In determining the amount of penalty and interest due under this Agreement in the event of a breach, the District shall determine the base amount of penalty by computing Maintenance and Operations taxes that would have been owed by the Applicant to the District had this Agreement not been entered into, and then subtracting any credit calculated under Section 5.3 of this Agreement for each year of the Agreement since its inception. For each year of this Agreement since its inception, the District shall calculate penalty and interest for each year in accordance with the methodology set forth in Chapter 33 of the Texas Tax Code as if the base amount calculated for each year of the Agreement under Section 5.3, above, had become due and payable on January 31 of each applicable year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Tax Code § 33.01(a), or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Tax Code § 33.01(c), or its successor statute.

Section 5.5 Determination of Breach

Prior to making a determination that Applicant has failed to Maintain a Viable Presence in the District as required by Section 5.2 or has otherwise committed a material breach of this Agreement, the District's administration shall provide the Applicant with a written notice of the facts which it believes have caused the material breach of this Agreement. After receipt of the

notice of default, Applicant shall either (i) notify the District within thirty (30) days that it does not believe it is in material breach of this Agreement, in which case the dispute shall be settled in the same manner as any other dispute under this Agreement, or (ii) have sixty (60) days to cure any such material breach.

Section 5.6 District's Remedies after Determination of Material Breach

If Applicant fails to cure any material breach during the cure period in Section 5.5, the District shall notify the Applicant that this Agreement is terminated. In addition to its remedy of termination, in the case of a payment default, Applicant shall have thirty (30) days in which to tender payment, unless it notifies the District within fifteen (15) days that it disputes the District's determination of a payment default, in which case the dispute shall be settled in the same manner as any other dispute under this Agreement. In the event that payment is not received before the expiration of thirty (30) days, the District shall have the remedies for the collection of the amounts determined under Section 5.4 as are set forth at Texas Tax Code Chapter 33, Subchapters B and C, for the collection of delinquent taxes. In the event that the District is required to initiate proceedings for collection under this Agreement, Applicant shall also be responsible for the payment of attorney's fees and a tax lien on the qualified property and investment pursuant to Texas Tax Code § 33.07 to the attorneys representing the District pursuant to Texas Tax Code § 6.10.

Section 5.7 Limited Statutory Cure of Material Breach.

Notwithstanding anything else to the contrary contained in this Agreement, in accordance with the provisions of Tex. Tax Code § 313.0275, for any full tax year which commences after the project has become operational, Applicant may cure any material breach of this Agreement under Section 5.5 above, without the termination of the remaining term of this Agreement. In order to cure its non-compliance under Section 5.5 for the particular Tax Year of non-compliance only, Applicant may make the liquidated damages payment required by Tex. Tax Code § 313.0275(b), in accordance with the provisions of Tex. Tax Code § 313.0275(c).

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.1 Information and Notices

(a) All notices required to be sent under this Agreement shall be given in writing via certified mail, return receipt requested to the parties hereto as follows:

To the District:

Dr. Ron Miller, Superintendent
Plainview Independent School District
P.O. Box 1540
Plainview, Texas 79072
Fax: (806)

With a copy to:

Mr. Rudd Owen
Owen Voss Owen & Melton PC
P.O. Box 328
Plainview, TX, 79073-0328
Fax: (806)

To the Applicant:

Plainview BioEnergy, LLC
13455 Noel Road, 23rd Floor, Galleria II Tower
Dallas, TX 75240

(b) Any notice of default under this Agreement shall prominently state the following at the top of the notice:

NOTICE OF DEFAULT UNDER TEXAS ECONOMIC DEVELOPMENT ACT PARTICIPATION AGREEMENT

YOU ARE HEREBY NOTIFIED OF THE FOLLOWING DEFAULT UNDER YOUR TEXAS ECONOMIC DEVELOPMENT ACT PARTICIPATION AGREEMENT WITH THE PLAINVIEW INDEPENDENT SCHOOL DISTRICT. FAILURE TO CURE THIS DEFAULT WITHIN SIXTY DAYS OF NOTICE OR OTHERWISE CURE THE DEFAULT AS PROVIDED BY THE AGREEMENT WILL RESULT IN TERMINATION OF THE AGREEMENT AND, WILL RESULT IN RECAPTURE OF TAX BENEFITS AFFORDED UNDER THE AGREEMENT.

(c) A notice of default under this Agreement shall not be considered to have been received unless the District has received written confirmation that the party to whom the notice was addressed received such notice. Written confirmation may include a certificate of receipt from the Post Office or other written confirmation. A fax confirmation from Applicant's fax number shall also be sufficient notice of receipt.

Section 6.2 Effective Date

(a) This Agreement shall be and become effective on and after January 1, 2007.

Section 6.3 Amendments To Agreement

No amendments to this Agreement shall be effective until the same are approved and accepted by the parties.

Section 6.4 Amendments and Modifications.

This Agreement may be modified, amended, or terminated by written mutual agreement of the District and the Applicant.

Section 6.5 Assignment

Applicant may, without the District's consent, assign its rights and responsibilities under this Agreement to any person who acquires all or any portion of Applicant's interest in the Qualified Property; provided, however, that Applicant shall give written notice of any such assignment to the District, whereupon the District shall cause any property taxes applicable to the interest in the Qualified Property acquired by the assignee to be assessed separately to such assignee. Any assignment, including without limitation an assignment to an assignee acquiring an interest in the Qualified Property, shall require that all conditions and obligations in this Agreement applying to the interest acquired by the assignee shall be assumed by the assignee, and upon such assumption, Applicant (or any other partial assignee not a part of the assignment in question) shall have no further rights, duties or obligations under the Agreement to the extent such rights, duties or obligations apply to the interest acquired by the assignee. No assignment can be made if (a) there exists a default hereunder, declared by the District, that has not been cured, or (b) the assignee is delinquent in the payment of ad valorem taxes owed to the District or any other taxing jurisdiction in Hale County. The parties hereto agree that a transfer of all or a portion of member interest or other ownership interest in Applicant to a third party shall not be considered an assignment under the terms of this Agreement.

Section 6.6 Merger

The parties agree that 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 6.7 Maintenance of Appraisal District Records

When appraising the Qualified Property, the chief appraiser of the Appraisal District shall determine the market value of the Qualified Property and include both the market value and the Tax Limitation Amount of the Qualified Property in its appraisal records.

Section 6.8 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 rules that would direct the application of the laws of another jurisdiction.

Section 6.9 Authority To Execute Agreement

Each of the parties listed below expressly warrants that it has been expressly authorized to execute this Agreement for and on behalf of the respective parties.

Section 6.10 Severability

If any term or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held to be invalid or unenforceable, then such invalidity or

unenforceability shall not affect any other term or provision of this Agreement or the application thereof which can be given effect without the invalid or unenforceable provision, and the parties agree that the provisions of this Agreement are and shall be severable.

Section 6.11 Execution Of Counterparts

This Agreement may be executed in 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.

IN WITNESS WHEREOF, this Agreement has been executed by the District and the Applicant in duplicate originals on this 1st day of August 2010.

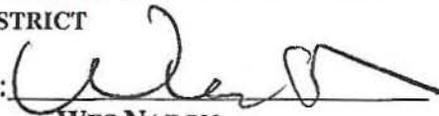
<p>PLAINVIEW BIOENERGY, LLC</p> <p>By: </p> <p>Name: <u>Calvin Stewart</u></p> <p>Title: <u>CFO</u></p>	<p>PLAINVIEW INDEPENDENT SCHOOL DISTRICT</p> <p>By: </p> <p>WES NARON President Board of Trustees</p> <p>Attest</p> <p>By: </p> <p>SYLVIA DE LA GARZA Secretary Board of Trustees</p>
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EXHIBIT 1
DESCRIPTION OF REINVESTMENT
OR ENTERPRISE ZONE

EXHIBIT 2

DESCRIPTION OF QUALIFIED PROPERTY LOCATION

EXHIBIT 3

DESCRIPTION OF QUALIFIED INVESTMENT

The proposed project will consist of a facility designed to manufacture ethanol alcohol from organic materials. The applicant intends to build the proposed project in multiple phases phase all of which will include facilities sited within Plainview ISD. The facility will also require the installation of a small amount of personal property. This Application is also intended to include and encompass the possibility of ethanol manufacturing facilities to be constructed by Plainview BioEnergy L.L.C. and located within the boundaries of the Qualified Property. None of the above listed property is covered under an existing County Appraisal District account number.