

FINDINGS
of the
EDEN CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES

Under Chapter 313 of the
Texas Tax Code

ON THE APPLICATION FOR
APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY

SUBMITTED BY

RES CACTUS FLATS
WIND ENERGY, LLC

Comptroller Application Number 1136

RESOLUTION AND FINDINGS OF FACT
of the
EDEN CONSOLIDATED INDEPENDENT SCHOOL DISTRICT BOARD OF
TRUSTEES
UNDER CHAPTER 313 OF THE TEXAS TAX CODE
ON THE APPLICATION FOR APPRAISED VALUE LIMITATION
ON QUALIFIED PROPERTY
SUBMITTED BY RES CACTUS FLATS WIND ENERGY, LLC

STATE OF TEXAS §
 §
COUNTY OF CONCHO §

PREAMBLE

On the 28th day of November, 2016, a public meeting of the Board of Trustees of the Eden Consolidated Independent School District (the “Board”) was held to solicit input from interested parties on the application by RES Cactus Flats Wind Energy, LLC (“RES Cactus Flats Wind Energy” or “Applicant”) for an appraised value limitation on qualified property under Chapter 313 of the Texas Tax Code. 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 considered the application by RES Cactus Flats Wind Energy for a Limitation on Appraised Value on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations from interested parties within the District. After hearing presentations from the District’s administrative staff and the consultants retained by the District to advise the Board in this matter and reviewing the Comptroller’s Economic Impact Analysis under Texas Tax Code §313.026 and 34 T.A.C. §9.1054, the Board of Trustees of the Eden Consolidated Independent School District makes the following Findings regarding the Application:

On or about the 21st day of April, 2016, the Board of Trustees for the Eden Consolidated Independent School District received an Application for Appraised Value Limitation on Qualified Property from RES Cactus Flats Wind Energy, pursuant to Chapter 313 of the Texas Tax Code (the “Application”). The general nature of Applicant’s investment in qualified property set forth in the Application is for construction and operation of a renewable energy electric generation facility, specifically a proposed wind energy generation project (the “Property”). See Application, Tab 4, attached hereto as Attachment A and Attachment D. The Board agreed to consider such Application, and the District’s Superintendent formally acknowledged receipt of the Application for consideration on behalf of the District, which was delivered to the Texas Comptroller of Public Accounts immediately upon a determination that the Application was complete. The Comptroller acknowledged receipt of the Application on or about April 26, 2016. Thereafter, on or about May 24, 2016, in response to a deficiency letter, the District, on behalf of the Applicant, submitted multiple revised Application pages (job waiver, wage data). The Comptroller issued its notice of completeness on or about June 3, 2016, the Application Review Start Date, and on behalf of Applicant, the District submitted the reinvestment zone resolution as Supplement No. 1 on June 15, 2016. The Application, deficiency response and Supplement No. 1 are hereafter collectively referred to as the “Application.” A copy of the Application and Comptroller’s completeness letter of June 3, 2016 are collectively attached hereto as Attachment A.

The Texas Taxpayer Identification number for RES Cactus Flats Wind Energy, LLC is 32058765176. RES Cactus Flats Wind Energy is an entity subject to Chapter 171 of the Texas Tax Code and is certified to be in good standing with the Texas Comptroller of Public Accounts as required by Texas Tax Code §313.024(a). See Attachments A, B and C.

The Board acknowledged receipt of the Application and necessary application fee as established by §313.025(a)(1) of the Texas Tax Code and Local District Policy.

The Application was delivered to the Texas Comptroller's Office for review pursuant to §313.025(b) of the Texas Tax Code.

A copy of the Application was delivered to the Concho County Appraisal District for review pursuant to 34 Texas Administrative Code §9.1054.

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code §§313.025 and 313.026. After receipt of the Application, the Texas Comptroller's Office caused an Economic Impact Analysis to be conducted. The Comptroller, pursuant to Texas Tax Code §313.025(h), determined the project subject to the Application meets the requirements for eligibility under Texas Tax Code §313.024 for a limitation on appraised value, and after reviewing the Application based on the criteria set out in Texas Tax Code § 313.026, issued a Certificate for a Limitation on Appraised Value on August 9, 2016 that the Application be approved (the "Certificate Decision"). See Attachment C. The Board of Trustees has carefully considered such Evaluation and Certificate Decision. Copies of the Certificate Decision and Economic Impact Analysis are attached to these Findings as Attachments C and D, respectively.

The Board also directed that a specific school financial analysis be conducted of the impact of the proposed value limitation on the finances of Eden Consolidated Independent School District. A copy of a report prepared by McDowell & Brown, LLC and dated August 23, 2016 is attached to these Findings as Attachment E.

The Board has confirmed that the taxable value of industrial property applicable to the RES Cactus Flats Wind Energy Application in the Eden Consolidated Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403 of the Texas Government Code, fell within a rural school district, Category 3 of §313.054 of the Texas Tax Code at the time the Certificate Decision was issued. See "2015 Property Value Study Report," attached hereto as Attachment G; *see also* Attachment D.

The District's Board of Trustees, by resolution dated October 24, 2016, granted Applicant's request to extend the statutory deadline by which the District must consider its Application until December 31, 2016. The Comptroller was provided notice of this extension, as set out under 34 Texas Administrative Code §9.1054(d). See Notice to Applicant and Resolution authorizing extension of consideration period, collectively attached hereto as Attachment K.

After receipt of the completed Application, the District entered into negotiations with RES Cactus Flats Wind Energy regarding the specific language to be included in the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes (the "Agreement") pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue

protection provisions for the District. The parties were able to agree upon language for inclusion into a draft agreement pursuant to Texas Tax Code §313.027. As required by the Comptroller's Office, the parties changed only the provisions of the template that the Comptroller permitted (2016 Form 50-826). The proposed Agreement is attached to these Findings as Attachment H, and that form of the Agreement (as defined by 34. Tex. Admin. Code §9.1015) was submitted to and approved by the Comptroller, as required by 34 Tex. Admin. Code §9.1015(e)(1). See copy of November 7, 2016, Agreement Review Letter from the Comptroller, attached to these Findings as Attachment I.

After review of the Comptroller's Certificate Decision and Economic Impact Analysis, and in consideration of its own analysis of RES Cactus Flats Wind Energy's Application and all other related documentation attached hereto, the Board makes the following additional Findings as follows:

Board Finding Number 1.

Based on the Applicant's statement in Tab 4 of the Application that the proposed project consists of 45-75 wind turbines which will be capable of generating up to 150 MW of electricity, and based on the Comptroller's Certificate Decision that the eligibility category for the project is "Renewable Energy Electric Generation - Wind," the Property meets the requirements for eligibility for a limitation on appraised value under Texas Tax Code §313.024(5).

In support of Finding Number 1, the Comptroller's Certificate Decision states:

Determination required by 313.025(h)

- Sec. 313.024(a) Applicant is subject to tax imposed by Chapter 171.
- Sec. 313.024(b) Applicant is proposing to use the property for an eligible project.
- Sec. 313.024(d) Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.

* * *

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

See Attachment C. See also Application (Tab 4), attached hereto as Attachment A; and Attachment D.

Board Finding Number 2.

The project proposed by Applicant is reasonably likely to generate sufficient tax revenue to offset the District's maintenance and operations ad valorem tax revenue lost as a result of the Agreement before the 25th anniversary of the beginning of the limitation period.

In support of Finding Number 2, the Certificate Decision states:

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period.

See Attachment C.

Also in support of Finding Number 2, the Comptroller's Economic Impact Analysis states:

Attachment B - Tax Revenue over 25 Years

This [table] represents the Comptroller's determination that RES Cactus Flats Wind Energy, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

[see tables on next pages]

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2015	\$0	\$0	\$0	\$0
	2016	\$0	\$0	\$0	\$0
	2017	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2018	\$208,000	\$208,000	\$1,855,880	\$1,855,880
	2019	\$208,000	\$416,000	\$1,711,414	\$3,567,294
	2020	\$208,000	\$624,000	\$1,577,056	\$5,144,350
	2021	\$208,000	\$832,000	\$1,452,100	\$6,596,450
	2022	\$208,000	\$1,040,000	\$1,335,890	\$7,932,340
	2023	\$208,000	\$1,248,000	\$1,227,814	\$9,160,154
	2024	\$208,000	\$1,456,000	\$1,127,308	\$10,287,462
	2025	\$208,000	\$1,664,000	\$1,033,833	\$11,321,294
	2026	\$208,000	\$1,872,000	\$946,910	\$12,268,204
	2027	\$208,000	\$2,080,000	\$866,070	\$13,134,274
Maintain Viable Presence (5 Years)	2028	\$1,020,365	\$3,100,365	\$0	\$13,134,274
	2029	\$969,342	\$4,069,707	\$0	\$13,134,274
	2030	\$920,878	\$4,990,586	\$0	\$13,134,274
	2031	\$874,838	\$5,865,423	\$0	\$13,134,274
	2032	\$831,095	\$6,696,518	\$0	\$13,134,274
Additional Years as Required by 313.026(c)(1) (10 Years)	2033	\$789,537	\$7,486,055	\$0	\$13,134,274
	2034	\$750,058	\$8,236,114	\$0	\$13,134,274
	2035	\$712,556	\$8,948,670	\$0	\$13,134,274
	2036	\$676,926	\$9,625,595	\$0	\$13,134,274
	2037	\$643,084	\$10,268,679	\$0	\$13,134,274
	2038	\$610,927	\$10,879,606	\$0	\$13,134,274
	2039	\$580,382	\$11,459,989	\$0	\$13,134,274
	2040	\$551,366	\$12,011,355	\$0	\$13,134,274
	2041	\$526,500	\$12,537,855	\$0	\$13,134,274
	2042	\$526,500	\$13,064,355	\$0	\$13,134,274
		<u>\$13,064,355</u>	is less than	<u>\$13,134,274</u>	
Analysis Summary					
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?					No

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, RES Cactus Flats Wind Energy, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2016	0	0	0	\$0	\$0	\$0	0	0	\$0
2017	200	180	379,883	\$8,600,000	\$14,715,430	\$23,315,430	1228333	-694275	\$1,922,608
2018	5	15	20	\$150,000	\$2,779,688	\$2,929,688	122070	259399	-\$137,329
2019	5	7	12	\$150,000	\$1,803,125	\$1,953,125	106812	259399	-\$152,587
2020	5	1	6	\$150,000	\$1,436,914	\$1,586,914	83923	236511	-\$152,588
2021	5	5	10	\$150,000	\$1,314,844	\$1,464,844	91553	198364	-\$106,811
2022	5	3	8	\$150,000	\$826,563	\$976,563	53406	175476	-\$122,070
2023	5	5	10	\$150,000	\$826,563	\$976,563	53406	144958	-\$91,552
2024	5	1	6	\$150,000	\$704,492	\$854,492	68665	129700	-\$61,035
2025	5	9	14	\$150,000	\$704,492	\$854,492	61035	99182	-\$38,147
2026	5	3	8	\$150,000	\$582,422	\$732,422	83923	91553	-\$7,630
2027	5	7	12	\$150,000	\$826,563	\$976,563	83923	38147	\$45,776
2028	5	7	12	\$150,000	\$826,563	\$976,563	91553	30518	\$61,035
2029	5	3	8	\$150,000	\$826,563	\$976,563	83923	30518	\$53,405
2030	5	3	8	\$150,000	\$338,281	\$488,281	30518	-22888	\$53,406
2031	5	(1)	4	\$150,000	\$338,281	\$488,281	30518	-22888	\$53,406
2032	5	1	6	\$150,000	-\$150,000	\$0	22888	-45776	\$68,664
2033	5	(1)	4	\$150,000	-\$150,000	\$0	0	-99182	\$99,182
2034	5	1	6	\$150,000	-\$150,000	\$0	-22888	-129700	\$106,812
2035	5	(3)	2	\$150,000	-\$638,281	-\$488,281	-30518	-144958	\$114,440
2036	5	(1)	4	\$150,000	-\$394,141	-\$244,141	-68665	-228882	\$160,217
2037	5	(3)	2	\$150,000	-\$882,422	-\$732,422	-68665	-244141	\$175,476
2038	5	(3)	2	\$150,000	-\$1,126,563	-\$976,563	-45776	-274658	\$228,882
2039	5	(5)	0	\$150,000	-\$882,422	-\$732,422	-61035	-312805	\$251,770
2040	5	(5)	0	\$150,000	-\$1,370,703	-\$1,220,703	-106812	-350952	\$244,140
2041	5	(5)	0	\$150,000	-\$1,370,703	-\$1,220,703	-122070	-366211	\$244,141
2042	5	(9)	-4	\$150,000	-\$1,858,984	-\$1,708,984	-183105	-389099	\$205,994
2043	5	(13)	-8	\$150,000	-\$2,591,406	-\$2,441,406	-213623	-411987	\$198,364
Total							\$1,373,292	-\$2,044,677	\$3,417,969
							\$16,482,324	is greater than	\$13,134,274

Analysis Summary

Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

Yes

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.

See Attachment D.

Board Finding Number 3.

The new qualifying jobs creation requirement under § 313.051(b) exceeds the industry standard for the number of employees reasonably necessary for the operation of the Applicant's facility described in the Application, and Applicant qualifies for a waiver of the new jobs requirement pursuant to § 313.025(f-1).

In support of this Finding, Applicant submitted information as Tab 12 to its Application regarding the industry standard for the number of jobs for a project with qualified property of this size and type. The revised Tab 12 provides that for a project of the size and type described in the Application, the project will require less than ten (10) permanent jobs. Applicant reports that the industry standard for the ratio of permanent employment is one (1) full-time employee for every fifteen (15) turbines. This number will vary depending on the operations and maintenance requirements of the turbines selected, as well as the support and technical assistance offered by the turbine manufacturer. Applicant

further reports that permanent employees of a wind project maintain and service wind turbines, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project and in addition to the onsite employees, there may be managers or technicians who supervise, monitor and support the project from off-site locations. Applicant reports it will create 5 full time jobs for an anticipated 150 MW capacity project (43-75 wind turbines), which is consistent with industry standards. A copy of Tab 12 submitted with the Application is attached hereto as Attachment J.

See also Attachments A (Tab 4), and D.

Board Finding Number 4.

The Applicant will create five (5) new qualifying jobs, which Applicant affirms will meet all of the requirements set out in Texas Tax Code §313.021(3), including: (1) at least 1,600 hours of work per year; (2) provision of group health benefit plan with at least 80% of the premium paid by Applicant; (3) an annual wage of \$30,000 (\$533 per week), an amount equal to at least 110% of the average weekly wage for manufacturing jobs in the County; (4) are not created to replace a previous employee; and (5) are not transferred from another area of Texas to the project described the Application.

See Attachments A, D and J.

Board Finding Number 5.

The Applicant does not intend to create any non-qualifying jobs.

In its application, Applicant indicates that it does not intend to create any non-qualifying jobs. But, for any non-qualifying job which the Applicant may create, the Applicant will be required to pay at least \$696 per week, the county average wage for all jobs in the County, in accordance with the provisions of Texas Tax Code §313.024(d). See Attachments A and D.

Board Finding Number 6.

The ability of the Applicant to locate the proposed wind powered electric generating facility in another state or another region of this state is significant because of the highly competitive marketplace for electricity and economic development. Therefore, the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in Texas and Eden CISD.

See Attachment C.

In support of Finding Number 6, the Comptroller's Certificate states, "[t]he Comptroller has [determined] that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construction the project in this state." See Attachment C. The Economic Impact Analysis states:

The Comptroller is has determined that the limitation on appraised value is a determining factor in the RES Cactus Flats Wind Energy, LLC's decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Applicant asserts that tax incentives are the primary input for the decision for this project. A Value Limitation Agreement is required for this project to be financially competitive and allow it the best possibility of moving forward.

See Attachment D. Applicant further reports:

Since 1997, RES has been active in the Americas where we developed and constructed our first wind project in the United States and today have over 7,500 MW of wind constructed in 13 states. We entered the Canadian renewable energy market in 2003, followed by the Chilean market in 2010. We started constructing our first solar project in 2010 and have since built over 280 MW in three states and one Canadian province. Continuing to provide innovative solutions for our clients, we are a leader in the energy storage market and in 2014 constructed our first 4 MW energy storage project in Ohio. While RES has constructed transmission lines for other projects, in 2013 we built an independent 214-mile/230kV transmission line.

The Applicant is a national wind and solar developer with the ability to locate projects of this type in other states within the United States and other regions within Texas with favorable wind characteristics. The Applicant is actively assessing and developing other projects that are competing for limited investment funds. With Texas wholesale electricity prices already below the international average, it is necessary to limit the property tax liabilities for a wind project in order to be able to offer electricity at prices that are marketable to Texas customers at competitive rates. Markets such as California that have state wide available subsidies for renewable energy projects, and which have higher average contracted power rates, offer an attractive incentive for developers to build projects in those markets over Texas.

See Attachment A (Tab 5).

Board Finding Number 7.

The proposed limitation on appraised value for the qualified property is \$20,000,000.

The Comptroller's Minimum School District Limitation Values Report, updated in October 2015, using School and Appraisal District Property Value Study 2015 Final Findings, provides that the District is a Subchapter C, Category 3 District, with a minimum limitation of \$20,000,000. See Attachments A and D.

Board Finding Number 8.

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, McDowell & Brown, LLC estimate in the District's Financial Impact Report, based on RES Cactus Flats Wind Energy's Application, that the project would add \$198,450,000 to the tax base at the peak investment level for tax year 2018. This additional value is fully taxable for debt service taxes and can be used to meet any current or future debt needs. See Table I of Attachment E. See also Schedule B of Attachment A, and Table 4 of Attachment D. In addition, the potential revenue gains from Supplemental Payments as provided for in the proposed Agreement are estimated to be \$700,000. See Attachment H at Section 6.2.A and Table VI of Attachment E.

Board Finding Number 9.

The effect of the Applicant's proposal, if approved, is not expected to increase the District's instructional facility needs. Eden CISD can easily accommodate the projected student growth anticipated from Applicant's project with its existing facilities. However, possible increases in and/or changes to class size and personnel could cause the District to incur extraordinary education related expenses.

In support of this finding, the District's Financial Impact Report states:

RES Cactus Flats Wind Energy, LLC provided supplemental information with their application that projected the number of full-time employees that are expected for permanent employment after construction of the project is completed. They projected that five full-time employees are expected. It is not known whether these would be new employees to the Eden CISD, or if current residents would occupy these positions; however, it is assumed that these employees would be new residents to the district.

Based on average statewide figures provided by a demographer, it is projected that each new household would produce .5 students. Thus, the new five positions equates to 3 new students.

This minimal projected student growth can easily be accommodated with the current facilities of Eden CISD.

See Table VII of Attachment E. See also TEA's Facilities Impact Review Letter at Attachment F.

Board Finding Number 10.

The projected dollar amount of the maintenance and operations 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, based on the further depreciations of investment provided by Applicant, is shown in Table II of Attachment E (column labeled "Taxes w/o Agreement"), and is further based on the assumption that the projected total maintenance and operations tax rate and interest & sinking fund tax rate per \$100 in valuation in each year of the Agreement will be as indicated in Table II.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District's Revenue Losses	Net Tax Savings
2016-2017	1.04	0.00	0	0	0	0
2017-2018	1.04	0.00	0	0	0	0
2018-2019	1.0345	0.00	2,052,965	1,846,065	(1,960,216)	(114,151)
2019-2020	1.04	0.00	1,919,414	1,711,414	0	1,711,414
2020-2021	1.04	0.00	1,785,056	1,577,056	0	1,577,056
2021-2022	1.04	0.00	1,660,100	1,452,100	0	1,452,100
2022-2023	1.04	0.00	1,543,890	1,335,890	0	1,335,890
2023-2024	1.04	0.00	1,435,814	1,227,814	0	1,227,814
2024-2025	1.04	0.00	1,335,308	1,127,308	0	1,127,308
2025-2026	1.04	0.00	1,241,833	1,033,833	0	1,033,833
2026-2027	1.04	0.00	1,154,910	946,910	0	946,910
2027-2028	1.04	0.00	1,074,070	866,070	0	866,070
2028-2029	1.0345	0.00	1,014,969	0	0	0
2029-2030	1.04	0.00	969,342	0	0	0
2030-2031	1.04	0.00	920,878	0	0	0
2031-2032	1.04	0.00	874,838	0	0	0
2032-2033	1.04	0.00	831,095	0	0	0
Totals			19,814,482	13,124,460	(1,960,216)	11,164,244

See also Table 3 of Attachment D.

Board Finding Number 11.

The projected dollar amount of the maintenance and operations taxes that would be imposed on the qualified property, for each year of the Agreement, if the property does receive a limitation on appraised value with the projected depreciations of investment, is discernible from Table II of Attachment E (subtracting the amounts in the column labeled “Tax Savings with Agreement” from the column labeled “Taxes w/o Agreement”), and is based on the assumption that the projected total maintenance and operations tax rate and interest and sinking fund tax rate per \$100 in valuation in each year of the Agreement will be as indicated in Table II.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District's Revenue Losses	Net Tax Savings
2016-2017	1.04	0.00	0	0	0	0
2017-2018	1.04	0.00	0	0	0	0
2018-2019	1.0345	0.00	2,052,965	1,846,065	(1,960,216)	(114,151)
2019-2020	1.04	0.00	1,919,414	1,711,414	0	1,711,414
2020-2021	1.04	0.00	1,785,056	1,577,056	0	1,577,056
2021-2022	1.04	0.00	1,660,100	1,452,100	0	1,452,100
2022-2023	1.04	0.00	1,543,890	1,335,890	0	1,335,890
2023-2024	1.04	0.00	1,435,814	1,227,814	0	1,227,814
2024-2025	1.04	0.00	1,335,308	1,127,308	0	1,127,308
2025-2026	1.04	0.00	1,241,833	1,033,833	0	1,033,833
2026-2027	1.04	0.00	1,154,910	946,910	0	946,910
2027-2028	1.04	0.00	1,074,070	866,070	0	866,070
2028-2029	1.0345	0.00	1,014,969	0	0	0
2029-2030	1.04	0.00	969,342	0	0	0
2030-2031	1.04	0.00	920,878	0	0	0
2031-2032	1.04	0.00	874,838	0	0	0
2032-2033	1.04	0.00	831,095	0	0	0
Totals			19,814,482	13,124,460	(1,960,216)	11,164,244

See also Table 4 of Attachment D.

Board Finding Number 12.

Based upon the Applicant's certification that the Application is true and correct, the Comptroller's Economic Impact Analysis, the Comptroller's Certificate Decision, and the consultants' review of these and other documents, the Board has determined that the information provided by the Applicant in its Application was true and correct when it was submitted.

Upon acceptance of the Application, the District requested the Comptroller to undertake an economic impact evaluation and retained certain consultants to help the Board determine: (1) that Applicant's information contained in the Application as to existing facts is true and correct; (2) that

Applicant's information contained in the Application with respect to projections of future events are commercially reasonable and within the ability of Applicant to execute; (3) that information related to job creation is commercially reasonable and within the ability of Applicant to execute; (4) that Applicant's representations concerning the economic incentives available are a determining factor; and, (5) the proposed project meets eligibility requirements for an Agreement under Tax Code Chapter 313.

As a part of its review process, the Board notes that the Application was submitted by Applicant under oath. Chapter 313 applications are governmental records under Tex. Penal Code §37.01(2)(A), and all representations contained therein are statements of fact within the meaning of Tex. Penal Code §37.01(3). Since Board action upon the adoption of these Findings and the approval of the Agreement (Attachment H) is an "official proceeding," a false statement in the Application would constitute perjury under Tex. Penal Code §37.03.

The Board finds that sworn statements are routinely relied upon by fact finders in official governmental proceedings. The Board further finds that reliance upon verified statements of the Applicant, especially as to Applicant's future intentions which cannot be objectively verified, is reasonable and within the intent of Chapter 313, Texas Tax Code. See Attachments A, B, C and D.

Board Finding Number 13.

The Applicant (Taxpayer ID. 32058765176) 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.

See Attachments A, B and C.

Board Finding Number 14.

The project will be located within an area that is currently designated as a reinvestment zone, pursuant to Chapter 312 of the Texas Tax Code. Should it be required, the District will cooperate with the Applicant's efforts to ensure that the area remains designated as a reinvestment zone through the Final Termination Date of the Agreement.

See Attachment A (Tabs 11 and 16).

Board Finding Number 15.

The Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, pursuant to Chapter 313 of the Texas Tax

Code, attached hereto as Attachment H, includes adequate and appropriate revenue protection provisions for the District.

In support of this Finding and based on the information provided and verified by Applicant in its Application, the District's Financial Impact Analysis demonstrates that the District will incur a revenue loss during tax year 2018. However, the negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District as set out in the Agreement. See Table II in Attachment E, and proposed Agreement, Article IV, at Attachment H.

Board Finding Number 16.

Considering the purpose and effect of the law and the terms of the Agreement, it is in the best interest of the District and the State to approve RES Cactus Flats Wind Energy's Application and enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Board Finding Number 17.

The Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment H, is in the form of the template Texas Economic Development Act Agreement adopted by the Comptroller, as of January 24, 2016, and the Comptroller has verified that the Agreement complies with the provisions of Chapter 313 of the Texas Tax Code and 34. T.A.C. Chapter 9, Subchapter F.

See Attachment I.

IT IS THEREFORE ORDERED, that all of the Findings above, including the recitals and statements set out in the Preamble herein, are adopted and approved as the Findings of the Eden Consolidated Independent School District Board of Trustees, and the Board of Trustees has made the above factual Findings in accordance with the Texas Tax Code § 313.025(e) and Texas Administrative Code 34, Chapter 9, subchapter F; and,

IT IS FURTHER ORDERED that the Application attached hereto as Attachment A is hereby APPROVED; and,

IT IS FURTHER ORDERED that the new jobs requirement pursuant to § 313.051(b) is hereby WAIVED; and,

IT IS FURTHER ORDERED that the Agreement attached hereto as Attachment H is APPROVED contemporaneously with these Findings and is hereby authorized to be executed and delivered by the Trustees whose signatures appear below on behalf of the Eden Consolidated Independent School District, along with a copy of the these Findings, which shall be binding upon the parties upon receipt of an executed original of the Agreement from Applicant; and,

IT IS FURTHER ORDERED that these Findings and the Attachments referenced herein be made a part of the official minutes of this meeting, and maintained in the permanent records of the Eden Consolidated Independent School District Board of Trustees.

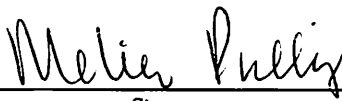
Dated this 28th day of November, 2016.

Eden Consolidated Independent School District

By 
Signature

Ricky Thomas Vice President
Printed Name and Title

Attest:

By 
Signature

Melia Pullig Secretary
Printed Name and Title

LIST OF ATTACHMENTS

<i>Attachment</i>	<i>Description</i>
A	Application and Comptroller's Completeness Letter
B	Franchise Tax Certificate of Account Status
C	Comptroller's Certificate Letter
D	Comptroller Economic Impact Analysis
E	District's Financial Impact Analysis
F	TEA's Facilities Impact Letter
G	Comptroller's 2015 Property Value Study Report
H	Proposed Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes
I	Comptroller's November 7, 2016 Agreement Review Letter
J	Job Waiver Request
K	Notice and Resolution regarding Extension Request



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

June 3, 2016

Kent Coker
Superintendent
Eden Consolidated Independent School District
113 West Bryan
Eden, Texas 76937

Dear Superintendent Coker:

On Apr. 26, 2016, the Comptroller's office received from Eden Consolidated Independent School District (Eden CISD) an application from RES Cactus Flats Wind Energy, LLC for a limitation on appraised value (App #1136).

The purpose of this letter is to inform you that the Comptroller's office has reviewed the submitted application and determined that it includes the information necessary to be determined as complete on Jun. 3, 2016.

Texas Tax Code §313.025(d) directs the Comptroller's office to issue a certificate for a limitation on the appraised value of the property, or provide the governing body of the school district with a written explanation of the comptroller's decision to not issue a certificate no later than the 90th day after receiving the completed application. The requirements to determine eligibility and to issue a certificate for a limitation do not begin until an application is complete as determined by this agency. The Comptroller's office will move forward with our economic impact evaluation and will send a letter of determination to the ISD and the applicant.

This letter does not constitute a review of the application under Section 313.025(h) to determine if the project meets the requirements of Section 313.024 for eligibility for a limitation on appraised value. Likewise, this letter does not address the determinations required under Section 313.026(c).

Should you have any questions, please contact Michelle Luera with our office. She can be reached by email at michelle.luera@cpa.texas.gov or by phone at 1-800-531-5441, ext. 3-6053, or direct in Austin at 512-463-6053.

Sincerely,

A handwritten signature in blue ink, which appears to read "Korry Castillo", is written over a horizontal line.

Korry Castillo
Director
Data Analysis & Transparency Division

cc: Fred Stormer, Underwood Law Firm, P.C
Brian Evans, Renewable Energy Systems America Inc.
Sam Gregson, Cummings Westlake LLC

RES CACTUS FLATS WIND ENERGY LLC

CHAPTER 313 APPLICATION FOR APPRAISED VALUE LIMITATION TO EDEN CISD

COMPTROLLER

TAB 1

Pages 1 through 9 of application.



Application for Appraised Value Limitation on Qualified Property

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

Economic Development
and Analysis
Form 50-296-A

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 hard copy of the completed application to the Comptroller in a three-ring binder with tabs, as indicated on page 9 of this application, 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 website. 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. For more information, see guidelines on Comptroller's website.

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. Pursuant to 9.1053(a)(1)(C), requested information shall be provided within 20 days of the date of the request. 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, issue a certificate for a limitation on appraised value 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 not later than the 150th 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 issue a certificate, complete the economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's website to find out more about the program at www.texasahead.org/tax_programs/chapter313/. There are links to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

SECTION 1: School District Information

1. Authorized School District Representative

April 21, 2016

Date Application Received by District

Kent

First Name

Superintendent

Title

Eden CISD

School District Name

113 West Bryan Street

Street Address

Coker

Last Name

Mailing Address

Eden

City

325-869-4121

Phone Number

254-485-1165

Mobile Number (optional)

Texas

State

325-869-5210

Fax Number

kent.coker@edencisd.net

Email Address

76937

ZIP

2. Does the district authorize the consultant to provide and obtain information related to this application?



Yes



No

SECTION 1: School District Information *(continued)*

3. Authorized School District Consultant *(If Applicable)*

<u>Fred</u>	<u>Stormer</u>
First Name	Last Name
<u>Shareholder</u>	
Title	
<u>Underwood Law Firm, P.C.</u>	
Firm Name	
<u>806-379-0306</u>	<u>806-379-0316</u>
Phone Number	Fax Number
<u>806-570-6299</u>	<u>fred.stormer@uwlaw.com</u>
Mobile Number <i>(optional)</i>	Email Address

April 25, 2016

4. On what date did the district determine this application complete?
5. Has the district determined that the electronic copy and hard copy are identical? ☒ Yes ☐ No

SECTION 2: Applicant Information

1. Authorized Company Representative *(Applicant)*

<u>Brian</u>	<u>Evans</u>
First Name	Last Name
<u>Chief Development Officer</u>	<u>Renewable Energy Systems America Inc.</u>
Title	Organization
<u>11101 West 120th Avenue</u>	
Street Address	
Mailing Address	
<u>Broomfield</u>	<u>Colorado</u>
City	State
<u>303-439-4200</u>	<u>80021</u>
Phone Number	ZIP
Mobile Number <i>(optional)</i>	Fax Number
	<u>brian.evans@res-americas.com</u>
	Business Email Address

2. Will a company official other than the authorized company representative be responsible for responding to future information requests? ☒ Yes ☐ No

2a. If yes, please fill out contact information for that person.

<u>Michael</u>	<u>Hutson</u>
First Name	Last Name
<u>Project Manager</u>	<u>Renewable Energy Systems America inc.</u>
Title	Organization
<u>11101 West 120th Avenue</u>	
Street Address	
Mailing Address	
<u>Broomfield</u>	<u>Colorado</u>
City	State
<u>303-439-4708</u>	<u>80021</u>
Phone Number	ZIP
Mobile Number <i>(optional)</i>	Fax Number
<u>720-308-0911</u>	<u>Michael.Hutson@res-americas.com</u>
	Business Email Address

3. Does the applicant authorize the consultant to provide and obtain information related to this application? ☒ Yes ☐ No

Application for Appraised Value Limitation on Qualified Property

SECTION 2: Applicant Information (continued)**4. Authorized Company Consultant (If Applicable)**

Sam

First Name

Gregson

Last Name

Senior Consultant

Title

Cummings Westlake LLC

Firm Name

713-266-4456

Phone Number

Fax Number

sgregson@cwlp.net

Business Email Address

SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district? ☒ Yes ☐ No

The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.

1a. If yes, attach in **Tab 2** proof of application fee paid to the school district.

For the purpose of questions 2 and 3, "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.

2. 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 §313.027(i)? ☐ Yes ☒ No ☐ N/A
3. 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 §313.027(i)? ☐ Yes ☒ No ☐ N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? RES Cactus Flats Wind Energy, LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32058765176
3. List the NAICS code 221115
4. Is the applicant a party to any other pending or active Chapter 313 agreements? ☐ Yes ☒ No
- 4a. If yes, please list application number, name of school district and year of agreement

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) Limited Liability Corporation
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? ☒ Yes ☐ No
- 2a. If yes, attach in **Tab 3** a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.
3. Is the applicant current on all tax payments due to the State of Texas? ☒ Yes ☐ No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? ☒ Yes ☐ No ☐ N/A
5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (If necessary, attach explanation in **Tab 3**)

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? ☒ Yes ☐ No
2. The property will be used for one of the following activities:
 - (1) manufacturing ☐ Yes ☒ No
 - (2) research and development ☐ Yes ☒ No
 - (3) a clean coal project, as defined by Section 5.001, Water Code ☐ Yes ☒ No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code ☐ Yes ☒ No
 - (5) renewable energy electric generation ☐ Yes ☒ No
 - (6) electric power generation using integrated gasification combined cycle technology ☒ Yes ☐ No
 - (7) nuclear electric power generation ☐ Yes ☒ No
 - (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) ☐ Yes ☒ No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 ☐ Yes ☒ No
3. Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☒ No
4. Will any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☒ No
5. Will any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☒ No
6. Are you including property that is owned by a person other than the applicant? ☐ Yes ☒ No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? ☐ Yes ☒ No

SECTION 7: Project Description

1. In **Tab 4**, attach 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.
2. Check the project characteristics that apply to the proposed project:

☒ Land has no existing improvements

☐ Land has existing improvements (*complete Section 13*)

☐ Expansion of existing operation on the land (*complete Section 13*)

☐ Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? ☐ Yes ☒ No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? ☐ Yes ☒ No
3. Does the applicant have current business activities at the location where the proposed project will occur? ☐ Yes ☒ No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? ☐ Yes ☒ No
5. Has the applicant received any local or state permits for activities on the proposed project site? ☐ Yes ☒ No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? ☐ Yes ☒ No
7. Is the applicant evaluating other locations not in Texas for the proposed project? ☒ Yes ☐ No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? ☐ Yes ☒ No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? ☐ Yes ☒ No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? ☐ Yes ☒ No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

1. Application approval by school board	November 2016
2. Commencement of construction	2017
3. Beginning of qualifying time period	2017
4. First year of limitation	2018
5. Begin hiring new employees	4Q 2017
6. Commencement of commercial operations	2018
7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (<i>date your application is finally determined to be complete</i>)?	☒ Yes ☐ No
Note: Improvements made before that time may not be considered qualified property.	
8. When do you anticipate the new buildings or improvements will be placed in service?	1Q 2018

1. Identify county or counties in which the proposed project will be located Concho

2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Concho CAD

3. Will this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☒ No

4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:

County: <u>Concho; \$0.833596; 100%</u> <i>(Name, tax rate and percent of project)</i>	City: <u></u> <i>(Name, tax rate and percent of project)</i>
Hospital District: <u>Concho County HD; \$0.2800; 100%</u> <i>(Name, tax rate and percent of project)</i>	Water District: <u>Lipan-Kickapoo WCD; \$0..149</u> <i>(Name, tax rate and percent of project)</i>
Other (describe): <u></u> <i>(Name, tax rate and percent of project)</i>	Other (describe): <u></u> <i>(Name, tax rate and percent of project)</i>

5. Is the project located entirely within the ISD listed in Section 1? ☒ Yes ☐ No

5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.

6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? ☐ Yes ☒ No

6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

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 Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at www.texasahead.org/tax_programs/chapter313/.

1. At the time of application, what is the estimated minimum qualified investment required for this school district? 10,000,000.00
 2. What is the amount of appraised value limitation for which you are applying? 20,000,000.00

Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.

 3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? ☒ Yes ☐ No
 4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. 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 (**Tab 7**);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
 - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).
 5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? ☒ Yes ☐ No

SECTION 12: Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
 - 1a. 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 (**Tab 8**);
 - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (**Tab 8**); and
 - 1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (**Tab 11**).
2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? ☐ Yes ☒ No
 - 2a. If yes, attach complete documentation including:
 - a. legal description of the land (**Tab 9**);
 - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (**Tab 9**);
 - c. owner (**Tab 9**);
 - d. the current taxable value of the land. Attach estimate if land is part of larger parcel (**Tab 9**); and
 - e. a detailed map showing the location of the land with vicinity map (**Tab 11**).
3. Is the land on which you propose new construction or new 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 ☒ No
 - 3a. If yes, attach the applicable supporting documentation:
 - a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (**Tab 16**);
 - b. legal description of reinvestment zone (**Tab 16**);
 - c. order, resolution or ordinance establishing the reinvestment zone (**Tab 16**);
 - d. guidelines and criteria for creating the zone (**Tab 16**); and
 - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (**Tab 11**).
 - 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? May 2016

SECTION 13: Information on Property Not Eligible to Become Qualified Property

1. In **Tab 10**, attach a specific and detailed description of all **existing property**. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In **Tab 10**, attach a specific and detailed description of all **proposed new property that will not become new improvements** as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following supporting information in **Tab 10**:
 - a. maps and/or detailed site plan;
 - b. surveys;
 - c. appraisal district values and parcel numbers;
 - d. inventory lists;
 - e. existing and proposed property lists;
 - f. model and serial numbers of existing property; or
 - g. other information of sufficient detail and description.
4. Total estimated market value of existing property (that property described in response to question 1): \$ 0.00
5. In **Tab 10**, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property
(that property described in response to question 2): \$ 0.00

Note: Investment for the property listed in question 2 may count towards qualified investment in Column C of Schedules A-1 and A-2, if it meets the requirements of 313.021(1). Such property cannot become qualified property on Schedule B.

Application for Appraised Value Limitation on Qualified Property

SECTION 14: Wage and Employment Information

1. 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
2. What is the last complete calendar quarter before application review start date:
☒ First Quarter ☐ Second Quarter ☐ Third Quarter ☐ Fourth Quarter of 2016
(year)
3. 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 Texas Workforce Commission (TWC)? 0
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 5
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? ☒ Yes ☐ No
 - 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. 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(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 696.00
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 533.00
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 823.00
8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? ☒ §313.021(5)(A) or ☐ §313.021(5)(B)
9. What is the minimum required annual wage for each qualifying job based on the qualified property? 27,778.00
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 30,000.00
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? ☒ Yes ☐ No
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? ☐ Yes ☒ No
 - 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? ☐ Yes ☒ No
 - 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, C, and D in **Tab 14**. Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.
2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in **Tab 15**. (*not required*)
3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

TAB	ATTACHMENT
1	Pages 1 through 11 of Application
2	Proof of Payment of Application Fee
3	Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation <i>(if applicable)</i>
4	Detailed description of the project
5	Documentation to assist in determining if limitation is a determining factor
6	Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor <i>(if applicable)</i>
7	Description of Qualified Investment
8	Description of Qualified Property
9	Description of Land
10	Description of all property not eligible to become qualified property <i>(if applicable)</i>
11	Maps that clearly show: a) Project vicinity b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period c) Qualified property including location of new buildings or new improvements d) Existing property e) Land location within vicinity map f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size Note: Electronic maps should be high resolution files. Include map legends/markers.
12	Request for Waiver of Job Creation Requirement and supporting information <i>(if applicable)</i>
13	Calculation of three possible wage requirements with TWC documentation
14	Schedules A1, A2, B, C and D completed and signed Economic Impact <i>(if applicable)</i>
15	Economic Impact Analysis, other payments made in the state or other economic information <i>(if applicable)</i>
16	Description of Reinvestment or Enterprise Zone, including: a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone* c) order, resolution or ordinance establishing the reinvestment zone* d) guidelines and criteria for creating the zone* * To be submitted with application or before date of final application approval by school board
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i>

TAB 2

Proof of Payment of Application Fee

Please find on the attached page, copy of the check for the \$80,000 application fee to Eden Consolidated Independent School District.

Proof of payment of filing fee received by the
Comptroller of Public Accounts per TAC Rule
§9.1054 (b)(5)

*(Page Inserted by Office of Texas Comptroller of Public
Accounts)*

TAB 3

Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation (if applicable)

**Documentation of combined
group received by the
Texas Comptroller
of Public Accounts**

TAB 4

Detailed Description of the Project

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.

The Cactus Flats Wind Project (“Cactus Flats” or the “Project”) is a proposed wind energy generation project located in Concho County, Texas. The Project is anticipated to consist of 43 to 75 wind turbines which when operational will be capable of generating up to 150 MW, depending on final turbine technology selection. Additional Project facilities will include a Project Operations and Maintenance Facility, a main project substation, and an approximate 2.5-mile transmission line to connect the project to the existing electrical grid.

The Project is situated in southwestern Concho County approximately 10 miles from the city of Eden. The Project area is comprised primarily of rangeland, utilized for grazing and hunting and is well suited for a wind farm. The project will be located on approximately 25,000 acres of private land which will be leased under a 30-year wind lease. The project is planned to be interconnected to AEP’s 138kV system which intersects the southwest portion of the project area.

A full suite of studies is underway to verify project viability including but not limited to environmental studies, cultural resource studies, biological studies, aviation studies, telecommunications studies and wind resource assessment studies and the Project is now in mid stages of development. Following an approximate 15-month construction process, and once operational the Project is anticipated to sell electricity into the Texas wholesale power market, and have an expected life exceeding 25 years. The proposed project will include, but is not limited to, the following:

- Planned up to 150 MW-AC in size;
- Approximately 43 to 75 Wind Turbines;
- Underground Medium and high-voltage electric cabling;
- Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA equipment, among other things;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment, among other things;
- Meteorological equipment to measure weather conditions and wind speeds; and
- Associated equipment to safely operate, maintain and deliver electricity to the grid.

TAB 5

Documentation to assist in determining if limitation is a determining factor.

As one of the top renewable energy companies in the world, Renewable Energy Systems (RES) has been providing services in development, engineering, construction, and operations since 1982. RES has developed and/or built over 10 GW of renewable energy capacity worldwide, has an asset management portfolio exceeding 1 GW, and is active in a range of energy technologies including onshore wind, solar, energy storage, transmission, and demand side management (DSM).

Since 1997, RES has been active in the Americas where we developed and constructed our first wind project in the United States and today have over 7,500 MW of wind constructed in 13 states. We entered the Canadian renewable energy market in 2003, followed by the Chilean market in 2010. We started constructing our first solar project in 2010 and have since built over 280 MW in three states and one Canadian province. Continuing to provide innovative solutions for our clients, we are a leader in the energy storage market and in 2014 constructed our first 4 MW energy storage project in Ohio. While RES has constructed transmission lines for other projects, in 2013 we built an independent 214-mile/230kV transmission line.

The Applicant is a national wind and solar developer with the ability to locate projects of this type in other states within the United States and other regions within Texas with favorable wind characteristics. The Applicant is actively assessing and developing other projects that are competing for limited investment funds. With Texas wholesale electricity prices already below the international average, it is necessary to limit the property tax liabilities for a wind project in order to be able to offer electricity at prices that are marketable to Texas customers at competitive rates. Markets such as California that have state wide available subsidies for renewable energy projects, and which have higher average contracted power rates, offer an attractive incentive for developers to build projects in those markets over Texas.

The property tax liability of a project without tax incentives in Texas would reduce the return to investors and financiers to an unacceptable level at todays contracted power rates under a power purchase agreement (PPA). Therefore, the applicant would not be able to finance and build the project in Texas even with a signed PPA because of the low price in the PPA. Without the 313 Value Limitation, the applicant would be forced to walk away from this project and spend the potential investment in other states where the rate of return is higher.

TAB 6

Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor (if applicable)

- | | |
|---|--------|
| 1) Concho County | - 100% |
| 2) Eden Consolidated Ind. School District | - 100% |
| 3) Lipan-Kickapoo UGWD | - 100% |

TAB 7

Description of Qualified Investment

The Cactus Flats Wind Project (“Cactus Flats” or the “Project”) is a proposed wind energy generation project located in Concho County, Texas. The Project is anticipated to consist of 43 to 75 wind turbines which when operational will be capable of generating up to 150 MW, depending on final turbine technology selection. Additional Project facilities will include a Project Operations and Maintenance Facility, a main project substation, and an approximate 2.5-mile transmission line to connect the project to the existing electrical grid.

The Project is situated in southwestern Concho County approximately 10 miles from the city of Eden. The Project area is comprised primarily of rangeland, utilized for grazing and hunting and is well suited for a wind farm. The project will be located on approximately 25,000 acres of private land which will be leased under a 30-year wind lease. The project is planned to be interconnected to AEP’s 138kV system which intersects the southwest portion of the project area.

A full suite of studies is underway to verify project viability including but not limited to environmental studies, cultural resource studies, biological studies, aviation studies, telecommunications studies and wind resource assessment studies and the Project is now in mid stages of development. Following an approximate 15-month construction process, and once operational the Project is anticipated to sell electricity into the Texas wholesale power market, and have an expected life exceeding 25 years. The proposed project will include, but is not limited to, the following:

- Planned up to 150 MW-AC in size;
- Approximately 43 to 75 Wind Turbines;
- Underground Medium and high-voltage electric cabling;
- Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA equipment, among other things;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment, among other things;
- Meteorological equipment to measure weather conditions and wind speeds; and
- Associated equipment to safely operate, maintain and deliver electricity to the grid.

NOTE - The map in TAB 11 shows the proposed project area with the preliminary turbine substation and transmission line locations. The exact placement of these panels and inverters is subject to ongoing planning, soil studies, and engineering and will be determined before construction begins.

TAB 8

Description of Qualified Property

(See Tab 7)

TAB 9

Description of Land

CACTUS FLATS REINVESTMENT ZONE
LEGAL DESCRIPTION

DAVID BUNGER JR. AND WIFE, LORNA BUNGER

TRACT ONE

BEING all of Survey No. 67, Block 8, H. & T.C. Ry. Co., Abstract No. 415, Concho County, Texas.

TRACT TWO

BEING 320 acres of land, more or less, located in the Southwest part of Concho County, Texas, the same comprising all of the North one-half (N/2) of H.C. Bunger Survey No. 68, Abstract No. 1687.

TRACT THREE

BEING all of the South one-half (S/2) of Survey No. 68, Abstract No. 1687, Original Grantee H.C. Bunger, Certificate 41/5188, Block 8, H. & T.C. R.R. Co., Concho County, Texas.

The above described land is the identical land heretofore conveyed by Mrs. Fannie E. Bunger unto Mrs. Cora Bunger Farnsworth by Gift Deed dated April 5, 1946, and recorded in Volume 63, Page 386, Deed Records, Concho County, Texas, and said deed and the record thereof are both here referred to for all purposes.

TRACT FOUR

BEING the West one-half (W/2) of H. & T.C. RR. Co. Survey No. 73, Certificate 41/5191, Block 8, Abstract No. 418, Patent 366, Volume 7, containing 320 acres of land, more or less, and being the identical land conveyed by H.C. Bunger, et ux, to Antonia Bunger by General Warranty Deed dated October 23, 1929, and duly recorded in Volume 37, Page 317, Deed Records, Concho County, Texas; and said Deed together with the record thereof are both here referred to and made a part hereof for all purposes.

TRACT FIVE

BEING 128.7 acres of land out of the East one-half (E/2) of H. & T.C. RR Co. Survey No. 73, Certificate 41/ 5191, Block 8, Abstract No. 418, described by metes and bounds as follows, to-wit:

BEGINNING at a st md in the center of the Fort McKavett Road for the N.W. cor of this part of said Survey No. 73, and which is also the N.E. corner of the above described Tract No. Four;

THENCE E. 947 vrs to st md for N.E. cor this Survey;

THENCE S. 455 vrs to st md;

THENCE W. 715 vrs;

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THENCE S. 0 30 E. 1262 vrs to the center of the public road on the N. line of a tract of land heretofore owned by Mrs. Belle C. Wilson;

THENCE W. 235 1/2 vrs to the S.W. corner of this tract;

THENCE N. 0 30 W. 1714 vrs to the PLACE OF BEGINNING.

The above described Tract is the identical land conveyed by Bina Wilson , a widow, to Antonio Bunger, by General Warranty Deed dated June 10, 1944, duly recorded in Volume 57, Page 556, Deed Records, Concho County, Texas; and said deed and the record thereof are both here referred to and made a part hereof for all purposes.

TRACT SIX

BEING 57 acres of land out of the S.E. corner of the South one-half (S/2) of Survey No. 72, H. C. Bunger, Abstract No. 1685, described by metes and bounds as follows, to-wit:

BEGINNING at the S.E. corner of said Survey No. 72;

THENCE N. along the E. line of said Survey, 475 vrs to a corner;

THENCE W. and parallel with the S. line of said Survey, 677.3 vrs to a corner;

THENCE S. and parallel with the E. line of said Survey, 475 vrs to cor in S. line;

THENCE E. along said S. line, 677.3 vrs TO THE BEGINNING; and being the identical land conveyed by H.F. Bunger, a single man, to Mrs. Antonio Bunger, by General Warranty Deed dated April 8, 1946, duly recorded in Volume 63, Page 393, Deed Records, Concho County, Texas; and said deed together with the record thereof are both here referred to and made a part hereof for all purposes;

TRACT SEVEN

BEING 57 acres of land out of the Northeast corner of the South one-half (S/2) of H.C. Bunger Survey No. 72, Abstract No. 1685, described by metes and bounds as follows, to-wit:

BEGINNING at a point in the East line of said Survey No. 72, 475 vrs N. of the S.E. corner of said Survey No. 72;

THENCE N. with said E. line, 475 vrs to the N.E. corner of the S. 323 acres of said Survey No. 72, and being the N.E. corner of the land in said Survey formerly belonging to Mrs. Fannie E. Bunger;

THENCE W. and parallel with the E. line of said Survey, 677.3 vrs to a corner;

THENCE S. and parallel with E. line of said Survey, 475 vrs to corner, same being the N.W. corner of a 57 acre tract formerly deeded to H.F. Bunger;

THENCE E. and parallel with the S. line of said Survey, 677.3 vrs to the PLACE OF BEGINNING; and being the identical land conveyed by Mrs. F.E. Bunger to Antonio Bunger, by General Warranty Deed dated April 4, 1946, and duly recorded in Volume 63, Page 382, Deed Records, Concho County, Texas, and said deed together with the record thereof are both here referred to and made a part hereof for all purposes; SAVE AND EXCEPT the following described forty (40) acre tract of land heretofore conveyed by Judy Bunger Crawford et al unto Thomas J. Salvato et ux by deed dated June 4, 1982, and duly recorded in Volume 131, Page 654, Deed Records, Concho County, Texas:

BEING 40 acres of land out of the N.E. corner of the South one-half (S/2) of Survey No. 72, Abstract No. 1685, in the name of H.C. Bunger, and said 40 acres is further described as being the North 40 acres out of the North 57 acre tract of two certain 57 acre tracts owned by Judy Bunger Crawford et al, out of the East part of the South one-half (S/2) of said H.C. Bunger Survey No. 72, and said 40 acre tract being described by metes and bounds as follows, to-wit:

BEGINNING at a point in middle of lane for the N.E. corner of the South one-half (S/2) of said Survey No. 72, said point being the S.E. corner of the North one-half (N/2) of said Survey No. 72, owned by the estate of Will Lapp, deceased, for the N.E. corner of this tract;

THENCE S. along the middle of said lane a distance of 332.3 vrs to point for the S.E. corner of this tract, said point being located fifteen (15) feet E, of stake set in E. fence line of said North 57 acre tract;

THENCE W. and parallel with the N. line of the South one-half (S/2) of said Survey No. 72, a distance of 681.84 vrs to stk set in E. fence line of a 209 acre tract of land owned by George Bunger which is also the W. fence line of said North 57 acre tract, for the S.W. corner of this tract;

THENCE N. along the common fence line between said George Bunger tract and said North 57 acre tract, a distance of 332.3 vrs to fence corner post in S. line of the North one-half (N/2) of said Survey No. 72, owned by Estate of Will Lapp, deceased, for the N.E. corner of said George Bunger 209 acres and for the N.W. corner of said N. 57 acre tract for the N.W. corner of this tract;

THENCE E. along N. line of South one-half (S/2) of said Survey No. 72, and the S. line of the North one-half (N/2) of said Survey owned by Will Lapp, deceased estate, and along common fence line between said Will Lapp Estate tract and said N. 57 acre tract, a distance of 681.84 vrs to the PLACE OF BEGINNING.

TRACT EIGHT

BEING 209.5 acres, more or less, the same comprising all of the South One-half (S/2) of H. & T.C. Ry. Co. Survey No. 72, Block 8, Certificate 41/5190, Abstract No. 1685, which was patented by the State of Texas to H. Bunger on February 16, 1923, by Patent No. 141, Volume 17A, for 323.5 acres of land; SAVE AND EXCEPT the following two tracts of land, to-wit:

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- a. 57 acres of land out of the S.E. corner of S/2 Survey No. 72, H. & T.C. Ry. Co. Certificate 41/5190, Abstract No. 1685, and being the identical land conveyed by Mrs. Frances E. Bunger to H. F. Bunger by Gift Deed dated April 4, 1946, and which Deed is duly recorded in Volume 63, Page 384, Deed Records, Concho County, Texas; and
- b. 57 acres of land out of the N.E. corner of S/2 Survey No. 72, H. & T.C. Ry. Co., Certificate 41/5190, Abstract No. 1685, and being the identical land conveyed by Mrs. Frances E. Bunger to Antonio Bunger by Deed dated April 4, 1946, and recorded in Volume 63, Page 382, Deed Records, Concho County, Texas.

JUDY BUNGER CRAWFORD

TRACT ONE

BEING all of the West one-half (W/2) of H. & T.C. Ry. Co. Survey No. 75, Certificate 41/5192, Abstract No. 419, Block 8, Concho County, Texas, containing 325 acres, more or less.

TRACT TWO

BEING all of the South one-half (S/2) of H. & T.C. Ry. Co. Survey No. 66, Certificate 41/5187, Abstract No. 1686, Block 8, Concho County, Texas, containing 320 acres, more or less.

TRACT THREE

BEING 321.33 acres in Concho County, Texas known as the West one-half (W/2) of Section 74, Block 8, H. & T.C. R.R. Co., Certificate 47/5191, Abstract No. 1684, and more particularly described by metes and bounds as follows and incorporated herein:

BEING 321.33 acres in Concho County, Texas known as the West one-half (W/2) of Section 74, Block 8, H. & T.C. R.R. Co., Certificate 47/5191, Abstract No. 1684, and more particularly described as follows:

BEGINNING at a 1" iron pipe locate at the N. W. corner of Survey No. 75, at the N. E. corner of Survey No. 66, and at the S. E. corner of Survey No. 67, all in the name of H. & T.C. R.R. Co., Block 8 for the S. W. corner of this Survey and from which an Old Axle at fence corner located at the patented S. E. corner of Survey No. 62, same Block, bears West, 1904.5 varas;

THENCE with the North line of said Survey No. 75, East 952.25 varas to a point under N-S fence for the S. E. corner of this Survey, and being located at the Patented S. W. corner of the East one-half (E/2) of said Survey No. 74;

THENCE with said fence and with the patented West line of said East one-half (E/2) Survey No. 74, North 1905.0 varas to a fence corner located at the Patented N. W. corner of said East one-half (E/2), Survey No. 74 and in the South line of Survey No. 73, Block 8, H. & T.C. R.R. Co., being the N. E. corner of this Survey;

THENCE fence and the South line of said Survey No. 73, West 952.25 varas to a fence corner located at the S. W. corner of said Survey No. 73 at the N. E. corner of said Survey No. 67 and at the S. E. corner of Survey No. 68, Block 8, H. & T.C. R.R. Co., being the N. W. corner of this Survey;

THENCE with the East line of said Survey No. 67, South 1905.0 varas to the PLACE OF BEGINNING.

TRACT FOUR

BEING all of the North one-half (N/2) of Survey No. 66, Block 8, H. & T.C. Ry. Co., Abstract No. 1686, Concho County, Texas.

JERRY R. CUNNINGHAM OR NANCY S. CUNNINGHAM, TRUSTEE OF THE JERRY R. CUNNINGHAM REVOCABLE TRUST DECLARATION DATED JUNE 30, 2004, AND NANCY S. CUNNINGHAM OR JERRY R. CUNNINGHAM, TRUSTEE OF THE NANCY S. CUNNINGHAM REVOCABLE TRUST DECLARATION DATED JUNE 30, 2004

BEING all that certain tract of land situated in Concho County, Texas comprising a total of 450.304 acres of land out of and a part of the following Surveys:

J.E. Henderson Survey No. 32, Block 8, Abstract No. 1892 - 196.515 acres, H. & T.C. R.R. Co. Survey No. 33, Block 8, Abstract No. 398 - 253.789 acres. Said 450.304 acres being out of a 6013.45 acre parent tract conveyed by Jerry L. Tinkler and Cara C. Huffman to S&S Miller Ranch, L.P., by Deed recorded July 29, 2003 in Volume 209, Page 103, et seq., of the Concho County Official Public Records, of which, 4.271 acres out of said 450.304 acre tract being in Concho County Road No. 2275.

JOHN EDWARD DAVIS AND WM. KEITH DAVIS

(The Reinvestment Zone shall only include those portions situated in Concho County, Texas)

BEING 2539.59 acres in Menard and Concho Counties, Texas, containing 1591.022 acres in Menard County with approximately 321.499 acres out of the H. & O.B. Railroad Company Survey No. 69, Abstract No. 429; 250.535 acres out of the T. Green Survey No. 4, Abstract No. 1404; 250.413 acres out of the T. Green Survey No. 3, Abstract No. 1403; 182.088 acres out of the T. Green Survey No. 5, Abstract No. 1405; 233.288 acres out of the Fred Speck Survey No. 70, Abstract No. 1720; 171.777 acres out of the Fred Speck Survey No. 6, Abstract No. 1801; 83.521 acres out of the T. Green Survey No. 2, Abstract No. 1402; 69.200 acres out of the I. & G.N. Railroad Company Survey No. 6, Abstract No. 1255; 21.451 acres out of the A.G. Nason Survey No. 8, Abstract No. 1101; 6.123 acres out of the F. Wilhelm Survey No. 112 ½, Abstract No. 1888; and 1.127 acres out of the B. & B. Survey No. 7, Abstract No. 125; and 948.568 acres in Concho County with approximately 258.487 acres out of the T. Green Survey No. 4, Abstract No. 1618; 257.848 acres out of the T. Green Survey No. 3, Abstract No. 1617; 188.058 acres out of the T. Green Survey No. 5, Abstract No. 1619; 153.946 acres out of the Fred Speck Survey No. 6, Abstract No. 1818; and 90.229 acres out of the T. Green Survey No. 2, Abstract No. 1616; and being a combination of portions of those certain tracts described as 1210.7 acres in a deed to Richard W. Davis recorded in Volume 148, Page 442 of the Menard County Official Public Records, 1216.8 acres in a deed to J.A. & Nancy Davis recorded

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in Volume 198, Page 589 of the Concho County Official Public Records, and 1024.49 acres in a deed to J.A. Davis recorded in Volume 138, Page 644 of the Menard County Official Public Records.

BEGINNING at an 8" cedar "T" corner post, fence bears east, in common line of the H. & T.C. Railroad Company Survey No. 65, Abstract No. 414 and said Survey No. 2, and the south line of that certain tract described in a deed Rudloff Family Partnership, Ltd, L.L.P., recorded in Volume 197, Page 770 of the Concho County Official Public Records for the N.W. corner of that certain tract described as 306.94 acres in a deed to Steven M. Norman recorded in Volume 167, Page 21 of the Menard County Official Public Records, the N.E. corner of said 1216.8 acres, and the N.E. corner hereof;

THENCE along a fence for the west line of said 306.94 acres, the east line of said 1216.8 acres, and the east line hereof S 01°00'10" W a distance of 1748.92 feet to an 8" cedar "T" corner post, fence bears northeast, and S 00°56'31" W a distance of 1730.99 feet to a railroad tie "T" corner post, fence bears east, for the N.W. corner of that certain tract described as 300.76 acres in a deed to T.R. Norman recorded in Volume 167, Page 21 of the Menard County Official Public Records, and the S.W. corner of said 306.94 acres;

THENCE along a fence for the west line of said 300.76 acres, the east line of said 1216.8 acres, and the east line hereof S 00°57'11" W a distance of 2117.85 feet to a calculated point, S 00°44'57" W a distance of 1029.90 feet to a 2" galvanized pipe found for a common corner said Surveys No. 2 and No. 69, and S 00°42'51" W a distance of 1827.15 feet to a 2" galvanized pipe found for the common corner of said Surveys No. 112 ½ and No. 2 for the S.W. corner of said 300.76 acres, a re-entrant corner of said 1216.8 acres, and a re-entrant corner hereof;

THENCE along a fence for the common line of said Surveys No. 2 and No. 112 1/2 , the south line of said 300.76 acres, a northerly line of said 1218.6 acres, and a northerly line hereof S 89°31'27" E a distance of 320.29 feet to a 2" galvanized pipe found for the common corner of the Owen Baker Survey No. 112, Abstract No. 1817 and said Survey No. 112 ½ for the N.W. corner of that certain tract described as 670.31 acres in a deed to Kaddo F. Kothmann recorded in Volume 136, Page 150 of the Menard County Official Public Records, an easterly corner of said 1216.8 acres, and an easterly corner hereof;

THENCE along a fence for the common line of said Surveys No. 112 and No. 112 ½ for the west line of said 670.31 acres, an easterly line of said 1216.8 acres, and an easterly line hereof S 00°20'07" W a distance of 825.90 feet to a 120d nail found for the N.E. corner of said 1024.49 acres, the S.E. corner of said 1216.8 acres, and the most easterly S.E. corner hereof;

THENCE along a fence for an occupational northerly line of said 1024.49 acres, a southerly line of said 1216.8 acres, and a southerly line hereof N 89°23'45" W a distance of 4665.33 feet to a 3" pipe "T" corner post, fence bears northeast, and N 89°24'48" W a distance of 839.65 feet to a 3" pipe "L" corner post for a re-entrant corner hereof;

THENCE along a fence for a division line of said 1024.49 acres for an easterly line hereof S 24°52'31" W a distance of 800.68 feet to a 2.5" pipe angle post,

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S 13°31'26" W a distance of 214.85 feet to a 2.5" pipe angle post,
S 09°40'09" E a distance of 1318.74 feet to a 2.5" pipe angle post,
S 08°26'22" E a distance of 790.08 feet to a ½" steel stake,
S 29°23'46" W a distance of 1140.86 feet to a ½" steel stake,
S 63°27'17" E a distance of 86.99 feet to a ½" steel stake,
S 29°08'26" W a distance of 76.02 feet to a ½" steel stake,
S 63°45'46" W a distance of 87.84 feet to a ½" steel stake,
S 29°53'35" W a distance of 255.66 feet to a 2.5" pipe angle post, and
S 18°09'29" W a distance of 16.43 feet to a 3" pipe 4-way corner post for an easterly corner of that certain tract described as 1705.673 acres in a deed to Victoria Davis Ray recorded in Volume 138, Page 644 of the Menard County Official Public Records, a re-entrant corner of said 1024.90 acres, and the most southerly S.E. corner hereof;

THENCE along a fence for a northerly line of said 1705.673 acres, a southerly line of said 1024.49 acres, and a southerly line hereof N 87°19'50" W a distance of 418.23 feet to a ½" steel stake found for a re-entrant corner of said 1705.673 acres, a southerly corner of said 1024.49 acres, and a southerly corner hereof;

THENCE along a fence for an easterly line of said 1705.673 acres, a westerly line of said 1024.49 acres, and a westerly line hereof N 05°33'51" W a distance of 145.10 feet to a calculated point,
S 89°03'33" W a distance of 138.98 feet to a calculated point,
N 00°00'00" W a distance of 22.39 feet to a calculated point,
N 42°41'57" E a distance of 850.31 feet to a calculated point,
N 22°42'06" E a distance of 29.66 feet to a calculated point,
N 02°43'50" W a distance of 1499.61 feet to a calculated point,
N 02°24'00" W a distance of 2394.64 feet to a calculated point, and
N 02°12'40" W a distance of 741.82 feet to a calculated point at a "T" fence intersection, fence bears east, for the N.E. corner of said 1705.673 acres, the S.E. corner of said 1210.7 acres, the most westerly S.W. corner of said 1216.8 acres, and a re-entrant corner hereof;

THENCE along a fence for a northerly line of said 1705.673 acres, a southerly line of said 1210.7 acres, and a southerly line hereof, N 89°28'10" W a distance of 2118.53 feet to a 4" cedar "T" corner post, fence bears north,

N 89°26'53" W a distance of 744.33 feet to a 120d nail found, and

N 89°27'55" W a distance of 1615.19 feet to a 120d nail found by an "L" corner post in the common line of said Speck Survey No.6 and said Survey No. 70 for the most northerly N.W. corner of said 1705.673 acres, a re-entrant corner of said 1210.7 acres, and a re-entrant corner hereof;

THENCE along a fence for the common line of said Speck Survey No. 6 and said Survey No. 70, the west line of said 1705.673 acres, an easterly line of said 1210.7 acres, and an easterly line hereof S 00°48'08" W a distance of 583.27 feet to a 1.25" galvanized iron pipe found in the west line of said Survey No. 70 for the S.E. corner of said Speck Survey No. 6, a re-entrant corner of said 1705.673 acres, a southerly corner of said 1210.7 acres, and a southerly corner hereof;

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THENCE along a fence for the south line of said Speck Survey No. 6, a northerly line of said Survey No. 70, a northerly line of said 1705.673 acres, a southerly line of said 1210.7 acres, and a southerly line hereof, N 89°29'39" W a distance of 24.92 feet to a 1.25" galvanized iron pipe found for the N.E. corner of the Fred Speck Survey No. 130, Abstract No. 1721, the most westerly N.W. corner of said Survey No. 70, and the most westerly N.W. corner of said 1705.673 acres;

THENCE along a fence for the common line of said Speck Survey No. 6 and said Survey No. 130, a northerly line of said 1705.673 acres, a southerly line of said 1210.7 acres, and a southerly line hereof, S 89°38'53" W a distance of 208.00 feet to a 2" pipe "T" corner post, fence bears south, in an occupational easterly line of that certain tract described as 2260.49 acres in a deed to Dora Wright recorded in Volume 153, Page 149 of the Menard County Official Public Records and Volume 174, Page 65 of the Concho County Official Public Records for the most westerly N.W. corner of said 1705.673 acres, a southwesterly corner of said 1210.7 acres, and a southwesterly corner hereof;

THENCE along a fence for an occupational easterly line of said 2260.49 acres, an occupational westerly line of said 1210.7 acres, and a westerly line hereof N 00°32'55" E a distance of 79.08 feet to a 4.5" pipe "L" corner post for an occupational easterly corner of said 2260.49 acres, a re-entrant corner of said 1210.7 acres, and a re-entrant corner hereof;

THENCE along a fence for an occupational northerly line of said 2260.49 acres, an occupational southerly line of said 1210.7 acres, and a southerly line hereof N 88°15'35" W a distance of 1905.81 feet to a 10" cedar "T" corner post, fence bears west, for an occupational re-entrant corner of said 2260.49 acres, the occupational S.W. corner of said 1210.7 acres, and the S.W. corner hereof;

THENCE along an occupational easterly line of said 2260.49 acres, an occupational westerly line of said 1210.7 acres, and a westerly line hereof N 00°30'59" E a distance of 1730.54 feet to a calculated point in the occupational common line of said Survey No. 6 for a re-entrant corner of said 2260.49 acres, the most westerly N.W. corner of said 1210.7 acres, and the occupational most westerly N.W. corner hereof;

THENCE along the occupational common line of said Survey No. 6, a southerly line of said 2260.49 acres, a northerly line of said 1210.7 acres, and a northerly line hereof N 89°59'12" E a distance of 566.69 feet to a ½" iron pipe found for an easterly corner of said 2260.49 acres, a re-entrant corner of said 1210.7 acres, and a re-entrant corner hereof;

THENCE along an easterly line of said 2260.49 acres, a westerly line of said 1210.7 acres, and a westerly line hereof N 00°11'39" E a distance of 6755.44 feet to a calculated point in the common line of the H. & T.C. Railroad Company Survey No. 49, Abstract No. 406 and said Speck Survey No. 6, the south line of that certain "Tract 1" described in a deed to Ralph M. Ebeling, Jr., recorded in Volume 188, Page 614 of the Concho County Official Public Records for the N.E.

corner of said 2260.49 acres, the most northerly N.W. corner of said 1210.7 acres, and the most northerly N.W. corner hereof;

THENCE along a fence for the common line of said Speck Survey No. 6 and said Survey No. 49, the south line of said "Tract 1", the north line of said 1210.7 acres, and the north line hereof
S 89°54'33" E a distance of 1983.13 feet to a 2" galvanized iron pipe for the common corner of said Speck Survey No. 6 and said Survey No. 5;

THENCE along a fence for the common line of said Survey No. 5 and said Survey No. 49, the south line of said "Tract 1", the north line of said 1210.7 acres, and the north line hereof S 89°58'58" E @ 11135.58 feet passing a fence intersection for a common corner of the G.A. Conant Survey No. 64, Abstract No. 1257 and said Survey No. 49, the S.E. corner of said "Tract 1", and the S.W. corner of that certain "Tract 6" described in a deed to Ralph M. Ebeling, Jr., recorded in Volume 188, Page 614 of the Concho County Official Public Records for a total distance for this course of 2430.90 feet to a 1.25" galvanized iron pipe for the common corner of said Surveys No. 5 and No. 4;

THENCE along a fence for the common line of said Survey No. 4 and said Survey No. 64, the south line of said "Tract 6", the north line of said 1210.7 acres, and the north line hereof S 89°53'21" E @ approximately 1672.38 feet passing the N.E. corner of said 1210.7 acres, and the N.W. corner of said 1216.8 acres for a total distance for this course of 3344.77 feet to a 2" galvanized iron pipe for the common corner of said Surveys No. 4 and said Survey No. 3;

THENCE along a fence for the common line of said Survey No. 3 and said Survey No. 64, the south line of said "Tract 6", the north line of said 1216.8 acres, and the north line hereof S 89°52'26" E @ 642.58 feet passing a fence intersection for a common corner of said Surveys No. 64 and No. 65, the S.E. corner of said "Tract 6", and the S.W. corner of said "Rudloff" tract for a total distance for this tract of 3343.26 feet to a 1.5" galvanized angle iron for the common corner of said Surveys No. 3 and No. 2;

THENCE along a fence for the common line of said Survey No. 2 and said Survey No. 65, the south line of said "Rudloff" tract, the north line of said 1216.8 acres, and the north line hereof
N 89°36'34" E a distance of 1198.83 feet to the POINT OF BEGINNING, having an area of 2539.59 acres.

THE EDEN RANCH TRUST FOR NANCY HOPKINS

BEING 722.611 acres in Concho County, Texas, out of the H. & T.C. Railroad Company Block 8, and containing approximately 305.022 acres out of Survey No. 35, Abstract No. 399; 225.216 acres out of the Sherman Conant Survey No. 30, Abstract No. 1149; 87.448 acres out of the Sherman Conant Survey No. 34, Abstract No. 1263; 73.594 acres out of Survey No. 31, Abstract No. 397; 18.840 acres out of the Sherman Conant Survey No. 36, Abstract No. 1264; and 12.491 acres out of Survey No. 29, Abstract No. 395, and being out of that certain parent tract described as 3116.673 acres in

a deed to Harlan Lary Priour recorded in Volume 215, Page 13 of the Concho County Official Public Records.

BEGINNING at a calculated point in the road bed of County Road 2275, and in the west line of said parent tract for the S.W. corner hereof, from which a ½" steel stake bears S 89°59'57" E a distance of 21.15 feet;

THENCE in the road bed of County Road 2275 with the west line of said parent tract, and the west line hereof N 00°03'08" E a distance of 1729.03 feet to a calculated point in the common line of said Surveys No. 30 and No. 31, from which a stone mound with 60d nail found bears S 89°40'29" E a distance of 1861.11 feet, N 00°28'39" E a distance of 5267.35 feet to a calculated point in the common line of said Surveys No. 29 and No. 30, from which a stone mound with 60d nail found bears S 89°47'43" E a distance of 1862.50 feet, and N 00°35'54" E a distance of 289.01 feet to a calculated point for the S.W. corner of a northerly 719.511 acre (net) partition tract of said parent tract and that certain tract described as 1832.214 acres in a deed to Edna E. Priour Trust recorded in Volume 218, Page 79 of said Official Public Records, and the N.W. corner hereof, from which a ½" steel stake bears N 89°57'57" E a distance of 22.79 feet;

THENCE along a division line of said parent tract for the south line of said northerly 719.511 (net) acres, and the north line hereof N 90°00'00" E a distance of 4623.42 feet to a ½" steel stake for the N.W. corner of a 116.939 acre partition tract of said parent tract and said 1832.214 acres, and the N.E. corner hereof;

THENCE along a division line of said parent tract for the west line of said 116.939 acres, and the east line hereof S 05°12'39" W @ 2785.70 passing the S.W. corner of said 116.939 acres, and the N.W. corner of a 212.766 acre partition tract of said parent tract for a total distance for this course of 7315.48 feet to a ½" steel stake for the S.W. corner of said 212.766 acres, and the S.E. corner hereof;

THENCE along a division line of said parent tract for the south line hereof N 89°59'57" W a distance of 4007.52 feet to the POINT OF BEGINNING, having an area of 722.611 acres, and with 3.100 acres lying in County Road 2275 for a total of 719.511 net acres, of which 253.637 acres lies within "Trust" lands.

THOMAS F. JEFFCOAT AND KATHLEEN M. JEFFCOAT

BEING 714.454 acres in Concho County, Texas, out of the H. & T.C. Railroad Company Block 8, and containing approximately 503.313 acres out of the Sherman Conant Survey No. 36, Abstract No. 1264, and 211.141 acres out of Survey No. 29, Abstract No. 396, and being out of that certain parent tract described as 731.037 acres in a deed to Gary D. Priour recorded in Volume 265, Page 1 of the Concho County Official Public Records, and being further described as follows:

BEGINNING at a calculated point in the intersection of County Road 2264 and County Road 2275 in the North line of said Block 8, the common line of the Mrs. P. Cropper Survey No. 107,
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Abstract No. 1564 and said Survey No. 29, and the South line of that certain tract described as 2105.72 acres in a deed to Earl R. Bruno, et al, recorded in Volume 152, Page 37 of the Concho County Deed Records for the N.E. corner of that certain tract described as 6511.51 acres in a deed to Bill Upton, et ux (Eloise), described in Volume 138, Page 117 of said Deed Records, the N. W. corner of said parent tract, and the N.W. corner hereof, from which ½" steel stakes found bear S 19°59'27" E a distance of 103.44 feet, and S 63°23'43" E a distance of 132.25 feet;

THENCE in the road bed of County Road 2264 along the North line of said Block 8, the common line of said Surveys No. 107 and No. 29, the South line of said 2105.72 acres, the North line of said parent tract, and the North line hereof S 89°50'05" E a distance of 6232.71 feet to a calculated point for the N.W. corner of a 16.583 acre partition tract of said parent tract, and the N.E. corner hereof, from which a ½" steel stake bears S 00°26'41" W a distance of 62.08 feet;

THENCE along a fence for a division line of said parent tract, the West line of said 16.583 acres, and the East line hereof S 00°26'51" W a distance of 672.50 feet to a 3/8" steel stake found, S 00°31'07" W a distance of 1054.88 feet to a 3/8" steel stake found, S 00°26'19" W a distance of 1013.58 feet to a 3/8" steel stake found, S 00°27'40" W a distance of 1108.21 feet to a 3/8" steel stake found, and S 00°24'14" W a distance of 1130.71 feet to a 3/8" steel stake found in a northerly line of that certain tract described as 116.939 acres in a deed to Lary Priour recorded in Volume 266, Page 451 of said Official Public Records, and the South line of said parent tract for the S.W. corner of said 16.583 acres, and the S.E. corner hereof;

THENCE along a northerly line of said 116.939 acres, the South line of said parent tract, and the South line hereof N 90°00'00" W @ 1621.78 feet passing the N.E. corner of that certain tract described as 722.611 acres in a deed to Wesley Hopkins (Trustee) recorded in Volume 265, Page 358 of said Official Public Records, and the N.W. corner of said 116.939 acres for a total distance of 6245.20 feet to a calculated point in the road bed of County Road 2275, and the East line of said 6511.51 acres for the N.W. corner of said 722.611 acres, the S.W. corner of said parent tract, and the S.W. corner hereof, from which a ½" steel stake bears N 89°58'57" E a distance of 22.79 feet;

THENCE in the road bed of County Road 2275 for the East line of said 6511.51 acres, the West line of said parent tract, and the West line hereof N 00°35'44" E a distance of 4997.97 feet to the POINT OF BEGINNING, having an area of 714.454 acres.

CHAS. & SOPHIE KOTHMANN RANCHES, LTD., a Texas limited partnership
(The Reinvestment Zone shall only include those portions situated in Concho County, Texas)

TRACT ONE

BEING 619.98 acres of land, more or less, out of Newsom Gwatney Survey No. 10, Menard County Abstract No. 1387, Concho County Abstract No. 1607, as described in "PARCEL NINE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas.

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TRACT TWO

BEING 301.07 acres of land, more or less, out of N. W. Gwatney Survey No. 11, Menard County Abstract No. 1357, Concho County Abstract No. 1606, as described in "PARCEL NINE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas.

TRACT THREE

BEING 108.18 acres of land, more or less, out of Fred Speck Survey No. 6, Menard County Abstract No. 1801, Concho County Abstract No. 1888, as described in "PARCEL NINE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas.

TRACT FOUR

BEING 338.18 acres of land, more or less, out of Fred Speck Survey No. 7, Menard County Abstract No. 1800, Concho County Abstract No. 1887, as described in "PARCEL NINE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas; and 30.43 acres of land, more or less, out of Fred Speck Survey No. 7, Menard County Abstract No. 1800, as described in "PARCEL TEN, TRACT ONE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas, and as described in "PARCEL ONE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 255, Page 144, Official Public Records Concho County, Texas; and 128.30 acres of land, more or less, out of Fred Speck Survey No. 7, Menard County Abstract No. 1800, as described in "PARCEL TEN, TRACT TWO" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas; and 173.64 acres of land, more or less, out of Fred Speck Survey No. 7, Menard County Abstract No. 1800, as described in "PARCELELEVEN" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas.

TRACT FIVE

BEING 26.06 acres of land, more or less, out of J. Hughes Survey No. 20, Menard County Abstract No. 1777, as described in "PARCEL NINE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas; and 136.73 acres of land, more or less, out of J. Hughes Survey No. 20, Menard County Abstract No. 1777 as described in "PARCEL TEN, TRACT ONE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas, and as described in "PARCEL ONE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 255, Page 144, Official Public Records Concho County, Texas; said 136.73 acres of land, more or less, out of Survey No. 20, J. Hughes, Original Grantee, Menard County Abstract No. 1777, Concho County Abstract No. 1865 as further described in "PARCEL ONE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 255, Page 144, Official Public Records Concho County, Texas.

TRACT SIX

BEING 162.79 acres of land, more or less, out of P. Easley, Original Grantee, Menard County Abstract No. 1764 as described in "PARCEL TEN, TRACT ONE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas; same said tract being 162.79 acres of land, more or less, out of Survey No. 20, P. Easley, Original Grantee, Menard County Abstract No. 1764, Concho County Abstract No. 1863 as described in "PARCEL ONE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 255, Page 144, Official Public Records Concho County, Texas.

TRACT SEVEN

BEING 373.586 acres of land, more or less, out of the E.L.&R.R. Railroad Co. Survey No. 127, Menard County Abstract No. 923, Concho County Abstract No. 1613, as described in "PARCEL TWELVE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas; SAVE AND EXCEPT 27.171 acres out of the E.L. & R.R. Railroad Co. Survey No. 127, Abstract No. 923 in Menard County, Texas and being out of and a part of that certain tract described as "Tract 1" in a deed from Earl Lynn Haley to Billy Dale, recorded November 4, 1994 in Vol. 146, Pg. 289 of the Concho County Deed Records.

TRACT EIGHT

BEING 297.41 acres of land, more or less, out of C.C.S.D. & R. G. N. G. Ry. Co. Survey No. 19, Concho County Abstract No. 1610 as described in "PARCEL ONE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 255, Page 144, Official Public Records Concho County, Texas; and 24.78 acres of land, more or less, out of C.C.S.D. & R. G. N. G. Ry. Co. Survey No. 19, Concho County Abstract No. 1610, as described in "PARCEL NINE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas.

TRACT NINE

BEING 69.244 acres out of A B. & M. Survey No. 92, Abstract No. 1862 in Concho County, as described in "PARCEL THREE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 255, Page 144, Official Public Records Concho County, Texas.

CALVIN B. MCGOWAN

TRACT ONE

BEING a 3011.12 acre tract of land comprised of the following:

643.01 acres in Survey No. 42, Abstract No. 1185; 643.26 acres in Survey No. 55, Abstract No. 409; 296.95 acres in Survey No. 58, Abstract No. 1183; 482.30 acres in Survey No. 43, Abstract No. 403; 643.41 acres in Survey No. 54, Abstract No. 1182; and 302.19 acres in Survey No. 59, Abstract No. 411, all in H. & T.C. R.R. Co. Block 8, Concho County, Texas; said 3011.12 acre tract, also being part of the land described in Deed from P.A. Roche and wife to Mrs. Cora Loftin Henderson dated May 9, 1895 and recorded in Volume O, Page 325 of the Deed Records of Concho County, Texas, is described by metes and bounds as follows:

BEGINNING at a 1 ¼" iron pipe in stone mound found 2 feet North of a fence corner post from which a point for the N.W. corner of said Survey No. 42 and the S.W. corner of Survey No. 41 of Block 8 bears N.69°14'17"W. 38.16 feet;

THENCE South of the North line of Survey No. 42 and along or near the fenced South line of a "6263.58" acre tract described in Deed from Hy-Land Joint Venture to Eugene O. Beck, et al recorded in Volume 130, Page 408 of the Deed Records of Concho County, S.89°33'41"E. 5255.94 to a ½" iron rod in a 2" iron pipe set in the East line of Survey No. 42 and the West line of Survey No. 55 from which an old stone mound found for the S.E. corner of Survey No. 42, S.W. corner of Survey No. 55, N.W. corner of Survey No. 54 and N.E. corner of Survey No. 43 bears S.0°25'03"W. 5305.98 feet;

THENCE South of the North line of Survey No. 55 and continuing along or near said fenced South line, S.89°28'34"E., at 5290.17 feet cross the East line of Survey No. 55 from which a ½" iron rod set in an old stone mound found for the S.E. corner of Survey No. 55, S.W. corner of Survey No. 58, N.W. corner of Survey No. 59 and N.E. corner of Survey No. 54 bears S.0°24'06"W. 5286.02 feet, in all 5295.99 feet to a 1 ¼" galvanized iron pipe marked "SW 57" found on the South side of a fence corner post;

THENCE South of the North line of Survey No. 58, S.89°26'17"E. 2425.02 feet to a point for the N.E. corner of the tract described herein from which a 1 ¼" galvanized iron pipe marked "SE 57" found on the South side of a fence post for the patented S.W. corner of A.J. Caffey Survey No. 2, Abstract No. 1932 bears S.89°26'17"E. 2867.66 feet;

THENCE South, at 5276.36 feet cross the South line of Survey No. 58 and the North line of Survey No. 59 from which a ½" iron rod set in an old stone mound found for the S.E. corner of Survey No. 58, the N.E. corner of Survey No. 59, and the N.W. corner of Survey No. 70 of Block 8 bears S.89°40'04"E. 2823.39 feet, in all 10569.28 feet to a point in the South line of Survey No. 59 and North line of Survey No. 60 of Block 8 from which a ½" iron rod set in an old stone mound found for the S.E. corner of Survey No. 59, the S.W. corner of Survey No. 70, the N.W. corner of Survey No. 69, and the N.E. corner of Survey No. 60 of Block 8 bears S.89°41'17"E. 2792.54 feet;

THENCE with the South line of Survey No. 59, N.89°41'17"W. 544.77 feet to a point in the fence;

THENCE along or near said fence, N.0°16'20"E. 5.09 feet to a 4" iron pipe post;

THENCE along or near a fence, N.89°57'12"W. 1100.30 feet to a point in or near said fence in the South line of Survey No. 59;

THENCE with the South line of Survey No. 59 and North line of Survey No. 60 and a tract described in Deed from Aubrey W. Harrell to F.R. Owens dated February 15, 1974 and recorded in Volume 116, Page 245 of the Deed Records, N.89°41'17"W., at 861.71 feet and S.W. corner of Survey No. 59, N.W. corner of Survey No. 60, the N.E. corner of Survey No. 53 and S.E. corner of Survey No. 54, and continuing at 6147.8 pass a 4" iron pipe post at or near the N.W. corner of said

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Harrell to Owens tract, in all 6159.21 feet to a point for the S.W. corner of Survey No. 54, N.W. corner of Survey No. 53, N.E. corner of Survey No. 44, and S.E. corner of Survey No. 43 of Block 8 and S.E. corner of a "160" acre tract described in Deed from J.E. Henderson to James E. Henderson, Jr. dated August 8, 1963 and recorded in Volume 88, Page 279 of said Deed Records from which a point for the S.E. corner of said Survey No. 44 bears S.0°29'06"W. 5297.48 feet; from said S.E. corner of Survey No. 44 a found set rock bears S.40°49'W. 72.78 feet and brass disk marked "4JEP 1968" bears S.36°06'45"W. 66.39 feet;

THENCE with the East line of Survey No. 43 and the West line of Survey No. 54, N.0°29'06"E. 1319.44 feet to a point for the N.E. corner of said "160" acre tract;

THENCE with the North line of said "160" acre tract, N.89°41'17"W. 23.93 feet to a point in a fence;

THENCE along or near said fence, N.0°16'48"E. 3.71 feet to a 3/8" iron rod found at a fence post;

THENCE along or near said fence, N.89°42'11"W. 5256.72 feet to a 1/2" iron rod set on the West side of a fence corner post from which the N.W. corner of said "160" acre tract bears S.80°52'15"W. 14.20 feet;

THENCE along or near a fence N.0°16'54"E. 3976.22 feet to a 1 1/4" galvanized iron pipe marked "NE 38" found in an old stone mound 2.5 feet West of a fence for the N.W. corner of Survey No. 43, S.W. corner of Survey No. 42, S.E. corner of Survey No. 39 and N.E. corner of Survey No. 38 of Block 8;

THENCE along or near a fence, N.0°50'11"E., at 228.56 feet a 1/2" iron rod found on the South side of a large fence post at or near a N.E. corner of a "2105.72" acre tract described in Deed from Henderson to Pelitjean dated March 19, 1974 and recorded in Volume 117, Page 32 of the Deed Records and the S.E. corner of the land described in Deed from Denis Ranch to A.H. Denis III, et al dated July 10, 1992 and recorded in Volume 154, Page 436 of the Official Public Records of Concho County, Texas bears N.89°09'49"W. 1.50 feet, in all 5313.15 feet to the POINT OF BEGINNING and containing 3011.12 acres of land.

TRACT TWO

BEING a 1.12 acre tract of land comprised of a 0.04 acre in Survey No. 60, Abstract No. 1184 and 1.08 acres in Survey No. 53, Abstract No. 408 of H. & T.C. R.R. Co. Block 8, Concho County, Texas; said 1.12 acre tract, also being in a part of the land described in Deed from Aubrey W. Harrell to F.R. Owens dated February 15, 1974 and recorded in Volume 116, Page 245 of the Deed Records of Concho County, Texas, is described by metes and bounds as follows:

BEGINNING at a point in the North line of Survey No. 60 and South line of Survey No. 59 of said Block 8 from which a 1/2" iron rod set in an old stone mound found for the N.E. corner of Survey No. 60 bears S.89°41'17"E. 4437.61 feet;

THENCE with the North line of Survey No. 60, N.89°41'17"W., at 861.71 feet pass the N.W. corner of Survey No. 60 and S.W. corner of Survey No. 59 from which a set ½" iron rod in old stone mound found for the N.W. corner of Survey No. 59 and N.E. corner of Survey No. 54 of Block 8 bears N.0°25'18"E. 5293.72 feet, and continuing with the South line of Survey No. 54 and North line of Survey No. 53 at 6147.8 feet pass a 4" iron pipe post, in all 6159.21 feet to a point for the West corner of this 1.12 acre tract at the N.W. corner of Survey No. 53 and S.W. corner of Survey No. 54 from which an old stone mound found for the N.W. corner of Survey No. 54 bears N.0°29'06"E. 5293.33 feet and a point for the S.W. corner of Survey No. 53 bears S.0°29'06"W. 5297.48 feet; from said S.W. corner of Survey No. 53 a found set rock bears S.40°49'W. 72.78 feet and a brass disk marked "4JEP 1968" bears S.36°06'45"W. 66.39 feet;

THENCE along or near a fence, S.89°05'42"E. 722.31 feet to a fence post;

THENCE continuing along or near said fence, S.89°33'22"E. 2551.07 feet to a fence post;

THENCE continuing along or near said fence, S.89°57'12"E. 2885.90 feet to the POINT OF BEGINNING and containing 1.12 acres of land.

TRACT THREE

BEING a 0.65 acre tract of land in and a part of Survey No. 43, Abstract No. 403 of H. & T.C. R.R. Co. Block 8, Concho County, Texas; said 0.65 acre tract, also being a part of a "160" acre tract described in Deed from J.E. Henderson to James E. Henderson, Jr. dated August 8, 1963 and recorded in Volume 88, Page 279 of the Deed Records of Concho County, Texas, is described by metes and bounds as follows:

BEGINNING at a point for the S.E. corner of this 0.65 acre tract at the S.E. corner of Survey No. 43, S.W. corner of Survey No. 54, N.W. corner of Survey No. 53 and N.E. corner of Survey No. 44 of H. & T.C. R.R. Co. Block 8 from which a point for the S.E. corner of Survey No. 44 bears S.0°29'06"W. 5297.48 feet; from said S.E. corner of Survey No. 44 a found set rock bears S.40°49'W. 72.78 feet and a brass disk marked "4JEP 1968" bears S.36°06'45"W. 66.39 feet;

THENCE with the East line of said Survey No. 43 and said "160" acre tract, N.0°29'06"E. 1319.44 feet to a point for the N.E. corner of said "160" acre tract from which an old stone mound found for the N.E. corner of Survey No. 43 bears N.0°29'06"E. 3973.89 feet;

THENCE with the North line of said "160" acre tract, N.89°41'17"W. 23.93 feet to a point in a fence from which a 3/8" iron rod found at a fence corner bears N.0°16'48"E. 3.71 feet;

THENCE along or near said fence, S.0°16'48"W. 1319.24 feet to a fence corner post;

THENCE along or near a fence S.89°05'42"E. 19.21 feet to the POINT OF BEGINNING and containing 0.65 acre of land.

Parcel 2

BEING the East 3,012.89 acres of the Courtney/J.E. Henderson Ranch in the Southwest part of Concho County, Texas, more fully described in the following three tracts:

TRACT ONE

BEING 3006.86 acres of land comprised of the following:

639.90 acres in G.C.& S.F. R.R. Co. Survey No. 1, Abstract No. 1081; 343.77 acres in Survey No. 58, Abstract No. 1183; 341.15 acres in Survey No. 59, Abstract No. 411; 401.54 acres in Survey No. 60, Abstract No. 1184; 638.23 acres in Survey No. 69, Abstract No. 416; and 642.27 acres in Survey No. 70, Abstract No. 1438, all in H. & T.C. R.R. Co. Block 8, Concho County, Texas; said 3006.86 acres, also being a part of the land described in Deed from P.A. Roche and wife to Mrs. Cora Loftin Henderson dated May 9, 1895 and recorded in Volume O, Page 325 of the Deed Records of Concho County, Texas, is described by metes and bounds as follows:

BEGINNING at a 1" pinched galvanized iron pipe on East side of a fence corner post found for the patented S.E. corner of a "126 2/3" acre tract in A.J. Caffey Survey No. 2, Abstract No. 1697 and accepted for the N.E. corner of said Survey No. 1;

THENCE S.0°34'19"W. 5259.03 feet to a point for the N.E. corner of Survey No. 70 and accepted for the S.E. corner of said Survey No. 1 from which a 4" iron pipe post bears S.48°43'56"E. 48.08 feet and a ½" iron rod set in an old stone mound found for the S.E. corner of Survey No. 58, the N.E. corner of Survey No. 59, and the N.W. corner of Survey No. 70 of H.& T.C. R.R. Co. Block 8 and accepted for the S.W. corner of Survey No. 1 bears N.89°39'57"W. 5288.87 feet;

THENCE with the East line of Survey No. 70 and West line of Survey No. 71 Block 8, S.0°21'21"W., at 5289.80 feet a point for the S.E. corner of Survey No. 70 from which a ½" iron rod set at a fence corner post for the patented N.W. corner of the North part of Survey No. 72 of Block 8 bears N.17°36'04"E. 43.39 feet and a ½" iron rod set in an old stone mound found for the S.W. corner of Survey No. 70, the N.W. corner of Survey No. 69, the N.E. corner of Survey No. 60, and the S.E. corner of Survey No. 59 of Block 8 bears N.89°41'17"W. 5286.84 feet, and continuing with the East line of Survey No. 69 and West line of Survey No. 72 of Block 8 at 6716.89 feet a point 2 feet West of a fence corner post, and continuing along or near a fence in all 10550.50 feet a ½" iron rod set at a fence corner post from which a point in a caliche road for the S.E. corner of Survey No. 69 bears S.0°21'21"W. 30.70 feet;

THENCE along or near the fenced North line of a caliche road, N.89°37'12"W., at 5288.86 feet cross the West line of Survey No. 69 and East line of Survey No. 60, in all 5338.79 feet to a fence post on the West side of a gate;

THENCE along or near the fenced North line of said caliche road, N.89°47'19"W. 3277.71 feet to a 4" iron pipe post from which a point for the S.E. corner of the West 240 acres of Survey No. 60 described in Deed from Aubrey W. Harrell to F.R. Owens dated February 15, 1974 and recorded in Volume 116, Page 245 of the Deed Records bears N.89°47'19"W. 1.58 feet and S.0°25'18"E. 35.35 feet;

THENCE along or near a fence, N.0°16'20"E. 607.08 feet to a point in the East line of said West 240 acres;

THENCE with the East line of the 240 acre tract, N.0°25'18"E., crossing a rock and cement water tank, in all 4653.02 feet to a point in the North line of Survey No. 60;

THENCE with the North line of Survey No. 60 and South line of Survey No. 59, S.89°41'17"E. 532.65 feet to a point for corner from which the aforementioned S.E. corner of Survey No. 59 bears S.89°41'17"E. 2792.54 feet;

THENCE North, at 5292.92 feet cross the North line of Survey No. 59 and South line of Survey No. 58 from which a ½" iron rod set in an old stone mound found for the N.W. corner of Survey No. 59, the N.E. corner of Survey No. 54, the S.E. corner of Survey No. 55, and S.W. corner of Survey No. 58 of Block 8 bears N.89°40'04"W. 2647.82 feet and the aforementioned S.E. corner of Survey No. 58 bears S.89°40'04"E. 2823.39 feet, in all 10569.28 feet to a point in or near a fence from which a 1 ¼" galvanized pipe marked "SW 57" found on the South side of a fence corner post bears N.89°26'17"W. 2425.02 feet;

THENCE along or near a fence, S.89°26'17"E., at 2859.13 feet cross the East line of Survey No. 58 and West line of Survey No. 1, in all 2867.66 feet to a 1 ¼" galvanized iron pipe marked "SE 57" on the South side of a fence post for the patented S.W. corner of "523.9" acres of A.J. Caffey Survey No. 2, Abstract No. 1932 from which a found 3/8" iron rod bears S.16°14'W. 1.6 feet;

THENCE along or near a fence and with the patented South line of Survey No. 2, S.89°36'12"E., at 2265.67 feet the patented S.E. corner of said "523.9" acres and patented S.W. corner of the aforesaid "126 2/3" acre tract from which a 3/8" iron rod bears N.0°23'48"E. 0.84 feet, in all 5297.24 feet to the POINT OF BEGINNING and containing 3006.86 acres of land.

TRACT TWO

BEING a 0.65 acre tract in and a part of Survey No. 60, Abstract No. 1184 of H. & T.C. R.R. Co. Block 8, Concho County, Texas; said 0.65 acre tract, also being a part of the West 240 acres of Survey No. 60 described in Deed from Aubrey W. Harrell to F.R. Owens dated February 15, 1974 and recorded in Volume 116, Page 245 of the Deed Records of Concho County, Texas, is described by metes and bounds as follows:

BEGINNING at a point in the North line of Survey No. 60 for the N.E. corner of said West 240 acres from which a ½" iron rod set in an old stone mound found for the N.E. corner of Survey No. 60 bears S.89°41'17"E. 3325.19 feet;

THENCE with the East line of said 240 acres, S.0°25'18"W., crossing a rock and cement water tank, in all 4653.02 feet to a point in or near a fence for the South corner of this 0.65 acre tract from which a 4" iron pipe post bears S.0°16'20"W. 607.08 feet;

THENCE along or near said fence, N.0°16'20"E. 4653.02 feet to a point in the North line of said 240 acres and the North line of Survey No. 60 from which a 4" iron pipe post bears N.0°16'20"E. 5.09 feet;

THENCE with said North line, S.89°41'17"E. 12.12 feet to the POINT OF BEGINNING and containing 0.65 acre of land.

TRACT THREE

BEING a 5.38 acre tract comprised of 2.20 acres in E.M. Caffey Survey No. 2, Abstract No. 1696; 2.98 acres in Survey No. 71, Abstract No. 417; and 0.20 acres in the North part of Survey No. 72, Abstract No. 1923 of H. & T.C. R.R. Co. Block 8, all in Concho County, Texas; said 5.38 acre tract is described by metes and bounds as follows:

BEGINNING at a 1" pinched galvanized iron pipe on the East side of a fence post found for the patented S.E. corner of a "126 2/3" acre tract in A.J. Caffey Survey No. 2, Abstract No. 1697 and accepted for the N.E. corner of G.C. & S.F. R.R. Co. Survey No. 1, Abstract No. 1081;

THENCE along or near a fence, S.0°10'38"W. 5290.50 feet to a 4" iron pipe post at the Southwest corner of a lane;

THENCE continuing along or near a fence, S.0°36'49"W. 5216.92 feet to a ½" iron rod set at a fence corner post for the patented N.W. corner of the North part of Survey No. 72;

THENCE along or near a fence, S.0°51'28"W. 1468.59 feet to a point 2.0 feet West of a fence corner post for the South corner of this 5.38 acre tract in the West line of Survey No. 72;

THENCE with the West line of Survey No. 72 and the East line of Survey No. 69 of Block 8, N.0°21'21"E., at 1427.09 feet pass the N.W. corner of Survey No. 72 and N.E. corner of Survey No. 69 from which a ½" iron rod set in an old stone mound found for the N.W. corner of Survey No. 69 and S.W. corner of Survey No. 70 of Block 8 bears N.89°41'17"W. 5286.84 feet, and continuing with the West line of Survey No. 71 and East line of Survey No. 70 of Block 8, in all 6716.89 feet a point for the N.E. corner of Survey No. 70 and accepted for the S.E. corner of the aforesaid Survey No. 1 from which a ½" iron rod set in an old stone mound found for the N.W. corner of Survey No. 70 bears N.89°39'57"W. 5288.87 feet;

THENCE N.0°34'19"E. 5259.03 feet to the POINT OF BEGINNING and containing 5.38 acres of land.

Parcel 3

Easement along Survey No. 60, Abstract No. 1184 of H. & T.C. R.R. Co. Block 8, Concho County, Texas, executed by John Edward Henderson, et al, in favor of Calvin B. McGowan as described and recorded in Volume 177, Page 465 of the Official Public Records of Concho County, Texas.

BEING a strip of land thirty feet in width parallel to, East of and adjoining the following described course:

BEGINNING at a point in the North line of Survey No. 60 for the Northeast corner of the West 240 acres of Survey No. 60 described in a Deed from Aubrey W. Harrell to F.R. Owens dated February 15, 1974, recorded in Volume 116, Page 245, Deed Records, Concho County, Texas, from which a ½" iron rod set in an old stone mound found for the Northeast corner of Survey No. 60 bears S 89° 41' 17" E. 3325.19 feet;

THENCE with the East line of said 240 acres, S 0° 25' 18" W crossing a rock and cement water tank, in all 4653.02 feet to a point in or near a fence in the North line of a caliche road, from which point a 4" iron pipe post bears S 0° 16' 20" W. 607.08 feet.

TRAVIS PRIOUR AND DAVID PRIOUR

BEING 719.511 acres in Concho County, Texas, out of the H. & T.C. Railroad Company Block 8, and containing approximately 326.132 acres out of the Sherman Conant Survey No. 46, Abstract No. 1261, 283.499 acres out of Survey No. 47, Abstract No. 405, 59.814 acres out of Survey No. 35, Abstract No. 399, and 50.066 acres out of the Sherman Conant Survey No. 34, Abstract No. 1263, and being out of that certain parent tract described as 1832.214 acres in a deed to the Edna E. Priour Trust recorded in Volume 218, Page 79 of the Concho County Official Public Records.

BEGINNING at a ½" steel stake found in the common line of the G.A. Conant Survey No. 50, Abstract No. 1254 and said Survey No. 47, the west line of that certain Tract Five described as 650.10 acres in a deed to Ralph M. Ebeling, Jr., recorded in Volume 188, Page 614 of said Official Public Records, and the east line of said parent tract for the N.E. corner of that certain 417.603 acre tract out of 6013.45 acres described in a deed to S & S Miller Ranch, L.P., recorded in Volume 209, Page 103 of said Official Public Records, the S.E. corner of said parent tract, and the S.E. corner hereof;

THENCE along a fence for the north line of said 417.603 acres, the south line of said parent tract, and the south line hereof N 89°49'42" W a distance of 1067.35 feet to a 3/8" steel stake found, N 89°46'29" W a distance of 1115.92 feet to a 3/8" steel stake found, N 89°43'26" W a distance of 953.76 feet to a 3/8" steel stake found, N 89°49'56" W a distance of 1053.66 feet to a 3/8" steel stake found, N 89°48'36" W a distance of 1036.21 feet to a 3/8" steel stake found, and N 89°47'06" W a distance of 939.85 feet to a ½" steel stake found in the east line of that certain tract described as 3116.673 acres in a deed to Harlan Lary Priour recorded in Volume 215, Page 13 of said Official Public Records for the N.W. corner of said 417.603 acres, the S.W. corner of said parent tract, and the S.W. corner hereof;

THENCE along a fence for the east line of said 3116.673 acres, the west line of said parent tract, and the west line hereof N 00°20'27" E a distance of 670.07 feet to a ½" steel stake for the S.E. corner of a 212.766 acre partition tract of said 3116.673 acres, N 00°20'25" E a distance of 41.94 feet to a 3/8" steel stake found under an electric line, N 00°15'37" E a distance of 1113.86

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BY RES CACTUS FLATS WIND ENERGY, LLC TO EDEN CISD*

feet to a 3/8" steel stake found, N 00°16'38" E a distance of 1875.78 feet to a 3/8" steel stake found, N 00°16'06" E a distance of 1067.53 feet to a 3/8" steel stake found, and N 00°18'27" E a distance of 411.94 feet to a 1/2" steel stake for the S.E. corner of a 116.939 acre partition tract of said parent tract and said 3116.673 acres, the N.E. corner of said 212.766 acres, the S.W. corner of a 362.509 acre partition tract of said parent tract, and the N.W. corner hereof;

THENCE along a division line of said parent tract for the south line of said 362.509 acres, and the north line hereof N 90°00'00" E a distance of 4040.78 feet to a 1/2" steel stake, S 48°47'04" E a distance of 522.07 feet to a 1/2" steel stake, and N 90°00'00" E a distance of 1727.92 feet to a 1/2" steel stake in the common line of the H. & T.C. Railroad Company Survey No. 51, Abstract No. 407, and said Survey No. 46, the west line of that certain Tract Two described as 650.18 acres in a deed to Ralph M. Ebeling, Jr., recorded in Volume 188, Page 614 of said Official Public Records, and the east line of said parent tract for the S.E. corner of said 362.509 acres, and the N.E. corner hereof;

THENCE along a fence for the approximate common line of said Surveys No. 51 and No. 46, the west line of said Tract Two, the east line of said parent tract, and the east line hereof S 00°15'40" W a distance of 232.22 feet to a 3/8" steel stake found, S 00°13'50" W a distance of 1057.80 feet to a 3/8" steel stake found, S 00°18'56" W a distance of 1218.57 feet to a 1/2" steel stake found, S 00°13'58" W a distance of 1182.74 feet to a 3/8" steel stake found, and S 00°10'07" W a distance of 1168.01 feet to the POINT OF BEGINNING, having an area of 719.511 acres.

HARLAN LARY PRIOUR FAMILY PARTNERS, LTD.

TRACT ONE

BEING 1355.964 acres in Concho County, Texas, out of the H. & T.C. Railroad Company Block 8, and consisting of approximately 638.642 acres out of the J.H. Hardy Survey No. 48, Abstract No. 1309, 362.429 acres out of the Sherman Conant Survey No. 34, Abstract No. 1263, 175.389 acres out of Survey No. 33, Abstract No. 398, 152.496 acres out of Survey No. 31, Abstract No. 397, and 27.008 acres out of the J.E. Henderson Survey No. 32, Abstract No. 1892, and being out of that certain parent tract described as 3116.673 acres in a Deed to Harlan Lary Priour recorded in Volume 215, Page 13 of the Concho County Official Public Records, being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2" steel stake in South line of said Block 8, the North line of Newsom Gwatney Survey No. 10, Abstract No. 1607, and the North line of that certain tract described as 2260.49 acres in a Deed to Gail K. Anderson and Dora K. Wright recorded in Volume 174, Page 65 of said Official Public Records for the common corner of Survey No. 49, Abstract No. 406, and said Survey No. 48, the S.W. corner of that certain Tract One described as 649.41 acres in a Deed to Ralph M. Ebeling, Jr. recorded in Volume 188, Page 614 of said Official Public Records, the S.E. corner of said parent tract, and the S.E. corner hereof;

THENCE along a fence for the South line of said Block 8, the common line of said Surveys No. 10 and No. 48, the North line of said 2260.49 acres, a southerly line of said parent tract, and a southerly line hereof

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N 89°42'13" W a distance of 1278.13 feet to a 3/8" steel stake,
N 89°46'59" W a distance of 1105.22 feet to a 3/8" steel stake,
N 89°45'31" W a distance of 1095.42 feet to a 3/8" steel stake,
N 89°45'43" W a distance of 1131.95 feet to a 3/8" steel stake,
N 89°43'35" W a distance of 1014.91 feet to a 3/8" steel stake,
N 89°40'51" W a distance of 346.97 feet to a 1/2" steel stake found, and
N 89°47'33" W a distance of 232.85 feet to a 1/2" steel stake for the S.E. corner of a 666.744 acre partition tract of that certain tract described as 6013.45 acres in a Deed to S & S Miller Ranch, L.P., recorded in Volume 209, Page 103 of said Official Public Records, the most southerly S.W. corner of said parent tract, and the most southerly S.W. corner hereof;

THENCE along a fence for the East line of said 666.744 acres, a westerly line of said parent tract, and a westerly line hereof

N 00°17'57" E a distance of 900.79 feet to a 3/8" steel stake,
N 00°19'18" E a distance of 1039.24 feet to a 3/8" steel stake,
N 00°23'17" E a distance of 1104.83 feet to a 3/8" steel stake,
N 00°22'37" E a distance of 1080.54 feet to a 3/8" steel stake, and
N 00°21'34" E a distance of 561.14 feet to a 1/2" steel stake for the N.E. corner of said 666.744 acres, a re-entrant corner of said parent tract, and a re-entrant corner hereof;

THENCE along the North line of said 666.744 acres, a southerly line of said parent tract, and a southerly line hereof S 89°59'31" W a distance of 6232.76 feet to a calculated point in the roadbed of County Road 2275 for the N.W. corner of said 666.744 acres, the most westerly S.W. corner of said parent tract, and the most westerly S.W. corner hereof, from which a 1/2" steel stake bears N 89°59'31" E a distance of 21.51 feet;

THENCE in the roadbed of County Road 2275 for a westerly line of said parent tract, and a westerly line hereof N 00°00'52" E a distance of 640.09 feet to a calculated point in the common line of said Surveys No. 32 and No. 31, and N 00°03'09" E a distance of 3575.44 feet to a calculated point for the S.W. corner of a 722.611 acre partition tract of said parent tract, and the N.W. corner hereof, from which a 1/2" steel stake bears S 89°59'57" E a distance of 21.15 feet;

THENCE along a division line of said parent tract for the South line of said 722.611 acres, and a northerly line hereof S 89°59'57" E a distance of 4007.52 feet to a 1/2" steel stake for the S.E. corner of said 722.611 acres, and the S.W. corner of a 212.766 acre partition tract of said parent tract;

THENCE along a division line of said parent tract for the South line of said 212.766 acres, and a northerly line hereof N 89°59'54" E a distance of 2249.60 feet to a 1/2" steel stake in the West line of a 719.511 acre partition tract of that certain tract described as 1832.214 acres in a Deed to the Edna E. Priour Trust recorded in Volume 218, Page 79 of said Official Public Records, and an easterly line of said parent tract for the S.E. corner of said 212.766 acres, and the most northerly N.E. corner hereof;

THENCE along a fence for the West line of said 719.511 acres, and easterly line of said parent tract, and an easterly line hereof S 00°20'27" W a distance of 670.07 feet to a ½" steel stake found for the N.W. corner of a 417.603 acre partition tract of said 6013.45 acres, and the S.W. corner of said 719.511 acres;

THENCE along a fence for the West line of said 417.603 acres, and easterly line of said parent tract, and an easterly line hereof
S 00°04'09" W a distance of 152.18 feet to a 2.5 pipe post,
S 00°24'49" W a distance of 877.20 feet to a 3/8" steel stake,
S 00°24'28" W a distance of 946.36 feet to a 3/8" steel stake, and
S 00°23'45" W a distance of 975.56 feet to a ½" steel stake for the S.W. corner of said 417.603 acres, a re-entrant corner of said parent tract, and a re-entrant corner hereof;

THENCE along a fence for the South line of said 417.603 acres, a northerly line of said parent tract, and a northerly line hereof
S 89°52'53" E a distance of 787.34 feet to a 3/8" steel stake,
S 89°52'33" E a distance of 1049.59 feet to a 3/8" steel stake,
S 89°52'34" E a distance of 1039.41 feet to a 3/8" steel stake,
S 89°53'22" E a distance of 1067.49 feet to a 3/8" steel stake,
S 89°53'19" E a distance of 1094.91 feet to a 3/8" steel stake, and
S 89°50'18" E a distance of 1141.58 feet to a ½" steel stake by a "T" fence intersection, fence bears North, in the West line of said "Tract One" for the common corner of the G.A. Conant Survey No. 50, Abstract No. 1254, the H. & T.C. Railroad Company Survey No. 47, Abstract No. 405, and said Surveys No. 48 and No. 49, the S.E. corner of said 417.603 acres, the most easterly N.E. corner of said parent tract, and the most easterly N.E. corner hereof;

THENCE along a fence for the common line of said Surveys No. 48 and No. 49, the West line of said "Tract One", an easterly line of said parent tract, and an easterly line hereof
S 00°06'35" W a distance of 1099.97 feet to a 3/8" steel stake,
S 00°07'36" W a distance of 1129.92 feet to a 3/8" steel stake,
S 00°06'33" W a distance of 998.03 feet to a 3/8" steel stake,
S 00°02'31" W a distance of 785.15 feet to a 3/8" steel stake, and
S 00°00'55" W a distance of 1280.95 feet to the POINT OF BEGINNING, having an area of 1355.964 acres with 2.153 acres lying in County Road 2275 for a total of 1353.811 net acres.

TRACT TWO

BEING 212.766 acres in Concho County, Texas, out of the H. & T.C. Railroad Company Block 8, and containing approximately 127.870 acres out of Survey No. 35, Abstract No. 399, and 84.896 acres out of the Sherman Conant Survey No. 34, Abstract No. 1263, and being out of that certain parent tract described as 3116.673 acres in a Deed to Harlan Lary Priour recorded in Volume 215, Page 13 of the Concho County Official Public Records, and said 212.766 acres being more particularly described by metes and bounds as follows:

BEGINNING at a ½" steel stake in the West line of that certain tract described as 1832.214 acres in a Deed to the Edna E. Priour Trust recorded in Volume 215, Page 79 of said Official Public Records, and the East line of said parent tract for the S.E. corner hereof;

THENCE along a division line of said parent tract for the South line hereof S 89°59'54" W a distance of 2249.60 feet to a ½" steel stake for the S.E. corner of a 719.511 acre partition tract of said parent tract, and the S.W. corner hereof;

THENCE along a division line of said parent tract for the East line of said 719.91 acres, and the West line hereof N 05°12'39" E @ 1712.53 feet parking the common line of said Surveys No. 34 and No. 35, and the centerline of a 16 feet wide easement to Sun Oil Company recorded in Volume 50, Page 462 of the Concho County Oil and Gas Lease Records for a total distance for this course of 4529.78 feet to a ½" steel stake for the S.W. corner of a 716.929 acre partition tract out of said parent tract and said 1832.214 acres, and the N.W. corner hereof;

THENCE along a division line of said parent tract for the South line of said 116.939 acres, and the North line hereof N 90°00'00" E a distance of 1859.79 feet to a ½" steel stake in a fence for the West line of said 1832.214 acres, and the East line of said parent tract for the S.W. corner of a 362.509 acre partition tract out of said 1832.214 acres, the N.W. corner of a 719.511 acre partition tract of said 1832.214 acres, the S.E. corner of said 116.939 acres, and the N.E. corner hereof;

THENCE along a fence for the West line of said 1832.214 acres, the West line of said 719.511 acres, the East line of said parent tract, and the East line hereof
S 00°18'27" W a distance of 411.94 feet to a 3/8" steel stake found,
S 00°16'06" W a distance of 1067.53 feet to a 3/8" steel stake found,
S 00°16'38" W @ 1338.11 feet passing the common line of said Surveys No. 34 and No. 35, and the common line of said 16 feet wide easement for a total distance for this course of 1875.78 feet to a 3/8" steel stake found,
S 00°15'37" W a distance of 2113.86 feet to a 3/8" steel stake found under an electric line, and
S 00°20'25" W a distance of 41.94 feet to the POINT OF BEGINNING, having an area of 212.766 acres.

TRACT THREE

BEING 116.939 acres in Concho County, Texas, out of the H. & T.C. Railroad Company Block 8, and containing approximately 99.508 acres out of Survey No. 35, Abstract No. 399, and 17.431 acres out of the Sherman Conant Survey No. 36, Abstract No. 1264, and being out of those certain tracts described as 3116.673 acres and 1832.214 acres in deeds to Harlan Lary Priour and the Edna E. Priour Trust recorded in Volume 215, Page 13 and Volume 218, Page 79 of the Concho County Official Public Records, and said 116.939 acres being particularly described by metes and bounds, as follows:

BEGINNING at a ½" steel stake in the south line of a northerly 719.511 (net) acre partition tract out of said 3116.673 acres for the N.E. corner of a southerly 719.511 (net) acre partition tract out of said 3116.673 acres, and the N.W. corner hereof;

THENCE along a division line of said 3116.673 acres for the south line of said northerly 719.511 (net) acres, and the north line hereof N 90°00'00" E @ 1621.95 feet passing a fence for the east line of said 3116.673 acres, and the west line of said 1832.214 acres for a total distance for this course of 1790.04 feet to a punch mark on a large rock for the S.E. corner of said northerly 719.511 (net) acres, and a re-entrant corner hereof;

THENCE along a division line of said 1832.214 acres for the east line of said northerly 719.511 (net) acres, and a westerly line hereof N 00°00'00" W a distance of 121.90 feet to a ½" steel stake for the most westerly S.W. corner of a 719.511 (net) acre partition tract of said 1832.214 acres, and a northerly corner hereof;

THENCE along a division line of said 1832.214 acres for the south line of said 719.511 (net) acres, and a northerly line hereof N 90°00'00" E a distance of 367.10 feet to a ½" steel stake for a re-entrant corner of said 719.511 (net) acres, and the most northerly N.E. corner hereof;

THENCE along a division line of said 1832.214 acres for a southwesterly line of said 719.511 (net) acres, and a northeasterly line hereof S 32°07'48" E a distance of 430.78 feet to a ½" steel stake in the approximate centerline of road and proposed 30 feet wide easement, and with said approximate centerline of road S 19°26'47" W a distance of 69.11 feet to a calculated point in the centerline of a cattle guard in the north line of a 362.509 acre partition tract of said 1832.214 acres for the most southerly S.W. corner of said 719.511 (net) acres, and the most easterly S.E. corner hereof;

THENCE along a division line of said 1832.214 acres for the north line of said 362.509 acres, and a southerly line hereof N 89°43'59" W a distance of 743.11 feet to 3/8" steel stake found in a fence for the east line of said 3116.673 acres, and the west line of said 1832.214 acres for the N.W. corner of said 362.509 acres, and a re-entrant corner hereof;

THENCE along a fence for the west line of said 1832.214 acres, the west line of said 362.509 acres, the east line of said 3116.673 acres, and the east line hereof S 00°18'38" W a distance of 1772.04 feet to a 3/8" steel stake found, and S 00°18'27" W a distance of 697.58 feet to a ½" steel stake for the N.W. corner of a southerly 719.511 acre partition tract of said 1832.214 acres, the N.E. corner of a 212.766 acre partition tract of said 3116.673 acres, the S.W. corner of said 362.509 acres, and the S.E. corner hereof;

THENCE along a division line of said 3116.673 acres for the north line of said 212.766 acres, and the south line hereof N 90°00'00" W a distance of 1859.79 feet to a ½" steel stake in the east line of said southerly 719.511 (net) acres for the N.W. corner of said 212.766 acres, and the S.W. corner hereof;

THENCE along a division line of said 3116.673 acres for the east line of said southerly 719.511 (net) acres, and the west line hereof N 05°12'39" E a distance of 2785.70 feet to the POINT OF BEGINNING, having an area of 116.939 acres, of which 103.373 acres lies within "Trust" lands.

TRACT FOUR

*ATTACHMENT TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY
BY RES CACTUS FLATS WIND ENERGY, LLC TO EDEN CISD*

BEING 138.557 acres in Concho County, Texas, containing approximately 86.199 acres out of said Block 8, Sherman Conant Survey No. 46, Abstract No. 1261, 52.277 acres out of the H. & T.C. Railroad Company Block 8, Survey No. 35, Abstract No. 399, and 0.081 acres out of the Block 8, Sherman Conant Survey No. 36, Abstract No. 1264, and being out of those certain tracts described as 362.509 acres and 719.511 acres in a deed to Dalene Priour Taylor recorded in Volume 265, Page 15 of the Concho County Official Public Records.

BEGINNING at a ½" steel stake found with cap marked "Ross" for the N.W. corner of that certain tract described as 719.511 acres in a deed to Travis & David Prior recorded in Volume 264, Page 890 of said Official Public Records, the N.E. corner of that certain tract described as 212.766 acres in a deed to Harlan Lary Priour Family Partners recorded in Volume 265, Page 26 of said Official Public Records, the most southerly S.E. corner of that certain tract described as 116.939 acres in a deed to Dalene Priour Taylor recorded in Volume 265, Page 15 of said Official Public Records, the S.W. corner of said 362.509 acres, and the S.W. corner hereof;

THENCE along a fence for an easterly line of said 116.939 acres, the west line of said 362.509 acres, and the west line hereof
N 00°18'27" E a distance of 697.58 feet to a 3/8" steel stake found, and
N 00°18'38" E a distance of 1772.04 feet to a 3/8" steel stake found in the approximate common line of said Surveys No. 35 and No. 36 for a re-entrant corner of said 116.939 acres, the N.W. corner of said 362.509 acres, and the N.W. corner hereof;

THENCE along a fence for the approximate common line of said Surveys No. 35 and No. 36, a southerly line of said 116.939 acres, the north line of said 362.509 acres, and the north line hereof S 89°43'59" E a distance of 743.11 feet to a calculated point in the approximate center of a cattle guard in the centerline of a 30 feet wide easement for the most southerly S.W. corner of said 719.511 acres (Taylor), the most easterly S.E. corner of said 116.939 acres, and a re-entrant corner hereof;

THENCE along the centerline of said 30 feet wide easement for an easterly line of said 116.939 acres, a westerly line of said 719.511 acres (Taylor), and a westerly line hereof N 19°26'47" E a distance of 69.11 feet to a ½" steel stake found with cap marked "Ross" for the most easterly corner of said 116.939 acres, a re-entrant corner of said 719.511 acres (Taylor), and the most northerly corner hereof;

THENCE along a division line of said 719.511 acres (Taylor) for an easterly line hereof S 52°10'59" E @ 107.06 feet passing the common line of said 719.511 acres (Taylor) and said 362.509 acres, and continuing along a division line of said 362.509 acres for a total distance for this course of 4128.39 feet to a ½" steel stake found with cap marked "Ross" in the north line of said 719.511 acres (Priour) for a re-entrant corner of said 362.509 acres, and the S.E. corner hereof;

THENCE along the north line of said 719.511 acres (Priour), the south line of said 362.509 acres, and the south line hereof N 90°00'00" W a distance of 4040.78 feet to the POINT OF BEGINNING, having an area of 138.557 acres.

TRACT FIVE

A DESCRIPTION OF 417.603 ACRES OF LAND IN CONCHO COUNTY, TEXAS, MADE FOR S&S MILLER RANCH, LP.

BEING all that certain tract of land situated in Concho County, Texas comprising a total of 417.603 acres of land out of and a part of the following Surveys:

H. & T.C. R.R. Co. Survey No. 33, Block 8, Abstract No. 398-0.308 acres,

Sherman Conant Survey No. 34, Block 8, Abstract No. 1263-61.008 acres,

H. & T.C. R.R. Co. Survey No. 47, Block 8, Abstract No. 405 -355.498 acres, and

J.H. Hardy Survey No. 48, Block 8, Abstract No. 1309-0.789 acres.

Said 417.603 acres being out of a 6013.45 acre parent tract conveyed by Jerry L. Tinkler and Cara C. Huffman to S&S Miller Ranch, L.P., by Deed recorded July 29th, 2003 in Volume 209, Page 103, et seq., of the Concho County Official Public Records.

BEGINNING at a ½" steel stake set by a "T" fence corner post, fence bears North, South and West, in the East line of said parent tract for the common corner of the J.H. Hardy Survey No. 48, Block 8, Abstract No. 1309, the H.& T.C. Ry. Co. Survey No. 49, Block 8, Abstract No. 406, the G.A. Conant Survey No. 50, Block 8, Abstract No. 1254 and said Survey No. 47, the S.W. corner of that certain 650.10 acre tract (Tract Five) and N.W. corner of that certain 649.41 acre tract (Tract One, both tracts being described in a Deed to Ralph M. Ebeling recorded in Volume 188, Page 614 of said Official Public Records, the E.N.E. corner of a 3116.673 acre tract, the S.E. corner hereof and the beginning of a division line, from which point a "T" fence corner post in the North line of the Newsom Gwatney Survey No. 10, Abstract No. 1607 (Concho County) and the North line of that certain 2260.49 acre tract described in a Deed to Gail K. Anderson and Dora K. Wright recorded in Volume 174, Page 65 of said Official Public Records for the S.E. corner of said Survey No. 48 and S.W. corner of said Survey No. 49, the S.W. corner of said 649.41 acre tract and S.E. corner of said parent tract, bears S 00°04'49" W 5294.01 feet;

THENCE with the occupational North line of said Survey No. 48 and South line of said Survey No. 47, a North line of said, 3116.673 acre tract, the South line hereof and said division line through said parent tract, along a fence,

N 89°50'18" W 1141.59 feet, a 3/8" steel stake set,

N 89°53'19" W 1094.91 feet, a 3/8" steel stake set,

N 89°53'22" W 1067.49 feet, a 3/8" steel stake set,

N 89°52'34" W 1039.41 feet, a 3/8" steel stake set,

N 89°52'33" W 1049.59 feet, a 3/8" steel stake set and

N 89°52'53" W 787.34 feet to a 1/2" steel stake set by a "T" fence corner post, fence bears South, for a corner of said 3116.673 acre tract and S.W. corner hereof;

THENCE with an East line of said 3116.673 acre tract, the West line hereof and said division line through said parent tract, along a fence,

N 00°23'45" E 975.56 feet, a 3/8" steel stake set,

N 00°24'28" E 946.36 feet, a 3/8" steel stake set,

N 00°24'49" E 877.20 feet, a 2 1/2" pipe post, and

N 00°04'09" E 152.18 feet to a 1/2" steel stake set by a "T" fence corner post, fence bears North, for the S.W. corner of an 1832.214 acre tract and N.W. corner hereof;

THENCE with the South line of said 1832.214 acre tract, the North line hereof and said division line through said parent tract, along a fence,

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S 89°47'06" E 939.85 feet, a 3/8" steel stake set,
S 89°48'36" E 1036.21 feet, a 3/8" steel stake set,
S 89°49'56" E 1053.66 feet, a 3/8" steel stake set,
S 89°43'26" E 953.76 feet, a 3/8" steel stake set,
S 89°46'29" E 1115.93 feet, a 3/8" steel Stake set, and
S 89°49'42" E 1067.36 feet to a 1/2" steel stake set by a "4-way" fence corner post, fence bears North and East, in the East line of said Survey No. 47 and West line of said Survey No. 50, the West line of said 650.10 acre tract, said East line of parent tract for the S.E. corner of said 1832.214 acre tract, the N.E. corner hereof and the terminus of said division line;

THENCE with said East line of Survey No. 47 and said West line of Survey No. 50, said West line of 650.10 acre tract, said East line of parent tract and East line hereof; along a fence,
S 00°06'14" W 1148.89 feet, a 3/8" steel stake set,
S 00°07'51" W 883.09 feet, a 3/8" steel stake set,
S 00°09'33" W 882.02 feet, a 3/8" steel stake set, and
S 00°20'13" E 28.57 feet to the PLACE OF BEGINNING and containing 417.603 acres of land.

TRACT SIX

A DESCRIPTION OF 216.440 ACRES OF LAND IN CONCHO, COUNTY, TEXAS, MADE FOR S&S MILLER RANCH, L.P.

BEING all that certain tract of land situated in Concho County, Texas comprising of a total of 216.440 acres of land out of and a part of the H. & T.C. R.R. Co. Survey No. 33, Block 8, Abstract No. 398. Said 216.440 acres being out of a 6013.45 acre parent tract conveyed by Jerry L. Tinkler and Cara C. Huffman to S&S Miller Ranch, L.P., by Deed recorded July 29th, 2003 in Volume 209, et seq., of the Concho County Official Public Records.

BEGINNING at a 1/2" steel stake set in the South line of said Survey No. 33 and North line of the C.C.S.D.& R.G. Railway Co. Survey No. 19, Abstract No. 1610, the North line of that certain 627.36 acre tract (Tract One) described in a Deed to Kothmann 1992 Trust and Dora K. Wright recorded in Volume 176, Page 84 of said Official Public Records and South line of said parent tract for the S.E. corner of a 450.304 acre tract, the S.W. corner hereof and at the intersection with and beginning of a division line, from which point a 1/2" steel stake found by a "T" fence corner post for the N.E. corner of that certain 405.159 acre tract described in a deed to Kothmann 1992 Trust and Dora K. Wright recorded in Volume 178, Page 629 of said Official Public Records and N.W corner of said 627.36 acre tract bears N 89°42'15" W 4161.88 feet;

THENCE with the East line of said 450.304 acre tract, the West line hereof and with said division line through said parent tract N 00°00'00" E 4676.31 feet to a 1/2" steel stake set in a South line of a 3116.673 acre tract for the N.E. corner of said 450.304 acre tract and N.W. corner hereof;

THENCE with a said South line of said 3116.673 acre tract, the North line hereof and said division line through said parent tract, N 89°59'31" E 2028.87 feet to a 1/2" steel stake set, in a fence, for a corner of said 3116.673 acre tract and N.E. corner hereof;

THENCE with a West line of said 3116.673 acre tract, the East line hereof and said division line through said parent tract, along said fence,
S 00°21'34" W 561.14 feet, a 3/8" steel stake set,
S 00°22'37" W 1080.54 feet, a 3/8" steel stake set,
S 00°23'17" W 1104.83 feet, a 3/8" steel stake set,

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S 00°19'18" W 1039.24 feet, a 3/8" steel stake set,
S 00°17'57" W 900.79 feet to a 1/2" steel stake set by a "T" fence corner post, bears East, in the South line of said Survey No. 33 and North line of the Fred Speck Survey No. 7, Abstract No. 1887 (Concho County), the North line of that certain 2260.49 acre tract described in a Deed to Gail K. Anderson and Dora K. Wright recorded in Volume 174, Page 65 of said Official Public Records, the South line of said parent tract for the S.W. corner of said 3116.673 acre tract, the S.E. corner hereof and terminus of said division line, from which point a 1/2" steel stake found for the N.E. corner of said Survey No. 7, bears S 89°47'33" E 232.85 feet;

THENCE with said North line of Survey No. 7 and said South line of Survey No. 33, said North line of 2260.49 acre tract, said South line of parent tract and South line hereof, along a fence N 89°41'06" W 329.11 feet, a 1/2" steel stake set by a "T" fence corner post, fence bears S.S.W. and N 89°44'47" 950.35 feet to a 1/2" steel stake set by a "T" fence corner post, fence bears South for the N.W. corner of said 2260.49 acre tract and the N.E. corner of said 627.36 acre tract;

THENCE continuing with said South line of parent tract, the South line hereof and with the North line of said 627.36 acre tract, the North line of said Survey No. 19 and said South line of Survey No. 33, along said fence, N 89°41'41" W 720.79 feet to the PLACE OF BEGINNING and containing 216.400 acres of land.

RUDLOFF FAMILY PARTNERSHIP LTD., LLP

TRACT ONE

BEING 430.52 acres of land in Concho County, Texas, containing 93.33 acres of land in L. Fitzgerald Survey No. 2, Abstract No. 1731 and 298.34 acres of land in H. & T.C. R.R. Co. Survey No. 75, Abstract No. 419, and 38.85 acres of land in H. & T.C. R.R. Co. Survey No. 74, Abstract No. 1912, (in some prior descriptions referred to as Abstract No. 1684) and being a part of that land that Lenora Wilson deeded to Daniel Sorrell and wife, Inez Sorrell by deed dated June 15, 1972, and recorded in Volume 111, Page 185, Concho County Deed Records, and being a part of that land that Don R. Bailey, et ux deeded to Daniel Sorrell by Deed dated October 1, 1973, and recorded in Volume 115, Page 153, of the Deed Records of Concho County, Texas, and said 430.52 acres of land being more particularly described as follows:

BEGINNING at an iron stake and corner post located 229.91 feet N. 87 deg. 42' 50" E. of the SE corner of said Survey No. 75;

THENCE N. 1 deg. 07' 17" W. 42.40 feet along a fence line to an iron stake and corner post;

THENCE N. 16 deg. 03' 30" E. 68.88 feet along a fence line to an iron stake and corner post;

THENCE N. 38 deg. 14' 36" E. 81.30 feet along a fence line to an iron stake and corner post;

THENCE N. 18 deg. 02' 36" E. 139.63 feet along a fence line to an iron stake and corner post;

THENCE N. 8 deg. 21' 25" E. 479.31 feet along a fence line to an iron stake and corner post;

THENCE N. 13 deg. 17' 28" E. 186.40 feet along a fence line to an iron stake and corner post;

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THENCE N. 81 deg. 13' 25" E. 11.84 feet along a fence line to an iron stake and corner post;

THENCE N. 7 deg. 45' 27" W. 602.06 feet along the general course of a fence line to an iron stake and corner post;

THENCE N. 9 deg. 12' 55" W. 658.38 feet along the general course of a fence line to an iron stake and corner post;

THENCE N. 75 deg. 31' 06" W. 139.63 feet along the general course of a fence line to an iron stake and corner post;

THENCE N. 12 deg. 06' 31" W. 857.47 feet along the general course of a fence line to an iron stake and corner post;

THENCE N. 81 deg. 47' 20" E. 964.84 feet along the general course of a fence line to an iron stake and corner post;

THENCE N. 75 deg. 12' 33" E. 603.13 feet along the general course of a fence line to an iron stake and corner post;

THENCE S. 85 deg. 26' 40" E. 785.25 feet along the general course of a fence line to an iron stake and corner post;

THENCE S. 81 deg. 16' 00" E. 343.19 feet along the general course of a fence line to an iron stake and corner post;

THENCE N. 0 deg. 23' 17" E. 240.50 feet along a fence line to an iron stake and corner post located at the SW corner of a public road leading East;

THENCE N. 37.52 feet to an iron stake and corner post located at the NW corner of a public road;

THENCE N. 0 deg. 13' 15" E. 2260.48 feet along a fence line to an iron stake located 435.44 feet S. 0 deg. 13' 15" W. of an iron stake and corner post representing the NE corner of said Don R. Bailey tract;

THENCE W. 463.08 feet to an iron stake;

THENCE S. 0 deg. 13' 15" W. 1099.97 feet to an iron stake;

THENCE S. 9 deg. 14' 48" W. 366.14 feet to an iron stake and corner post;

THENCE N. 75 deg. 50' 30" W. 369.82 feet along the general course of an old fence line to an iron stake and corner post;

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THENCE S. 35 deg. 56' 21" W. 105.04 feet along the general course of an old fence line to an iron stake and corner post;

THENCE S. 37 deg. 39' 30" W. 177.97 feet along the general course of an old fence line to an iron stake and corner post;

THENCE S. 77 deg. 50' 23" W. 575.90 feet along the general course of an old fence line to an iron stake and corner post;

THENCE N. 83 deg. 47' 55" W. 652.87 feet along the general course of an old fence line to an iron stake and corner post;

THENCE S. 82 deg. 02' 01" W. 307.31 feet along the general course of an old fence line to an iron stake and dead tree;

THENCE S. 55 deg. 07' 03" W. 632.63 feet along the general course of an old fence line to an iron stake and tree;

THENCE N. 78 deg. 31' 40" W. 10.40 feet along a fence line to an iron stake and tree;

THENCE N. 37 deg. 38' 20" W. 23.89 feet along a fence line to an iron stake and tree;

THENCE N. 15 deg. 11' 02" W. 1539.12 feet along general course of an old fence line to an iron stake and corner post;

THENCE N. 87 deg. 30' 17" E. 660.46 feet along an old fence line representing the North line of said Survey No. 75 to an iron stake located 224.37 feet S. 87 deg. 30' 17" W. of the NE corner of said Survey No. 75;

THENCE N. 46 deg. 42' 57" W. 670.93 feet along general course of an old fence line to an iron stake and corner post;

THENCE N. 14 deg. 33' W. 351.43 feet along the general course of an old fence line to an iron stake;

THENCE S. 87 deg. 32' 54" W. 1838.36 feet along a fence line to an iron stake and corner post representing the NW corner of said Don R. Bailey tract;

THENCE S. 6117.26 feet along the general course of a fence line to an iron stake and corner post representing the SW corner of the East half of said Survey No. 75;

THENCE N. 87 deg. 42' 50" E. 2869.57 feet along a fence line representing the South line of said Survey No. 75 to the PLACE OF BEGINNING.

TRACT TWO

BEING ALL of the following land located in Concho County, Texas, to-wit:

- (1) BEING 630 acres, more or less, out of Survey No. 65, Certificate No. 41/5187, H. & T.C. Ry. Co. Abstract No. 414, and described by metes and bounds as follows, to-wit:

BEGINNING at the N.W. corner of said Survey No. 65;

THENCE S. 89 deg. 45' E. 1912 varas a stone mound in N. line of said Survey No. 65 from which L.O. 8 S. 35 E. 5 L.O. 12 S. 55 W. 12, for the NE corner of this tract, and N.W. corner of 628 acre tract heretofore conveyed to Roy Wilson;

THENCE S. 1885 varas to stone mound from which L.O. 30 S. 34 W. 41 L.O. S. 24-1/2 W. 38 for the SE corner of this tract and SW corner of said Roy Wilson tract;

THENCE N. 89 W. 1884 varas to the SW corner of this tract from which L.O. 18 N. 45 E. 96 L.O. 18 N. 46 E. 98;

THENCE N. 4 W. 160 varas;

THENCE N. 0 deg. 10' W. 1696 varas to the PLACE OF BEGINNING, being all of said Survey No. 65, EXCEPT the East 10 acres thereof.

- (2) BEING the North one-half (N/2) of the hereinafter described land located in Concho County, Texas, to-wit:

628 acres, more or less, consisting of about 10 acres in Survey No. 65, Certificate No. 41/5187, in the name of H. & T.C. Ry. Co. Abstract No. 414, and about 618 acres in Survey No. 76, Certificate No. 41/5192, Michael Hughes Abstract No. 1804, all in Concho County, Texas and being described by metes and bounds as follows, to-wit:

BEGINNING at stone mound in the N. line of said Survey No. 65, 1912 varas S. 89 deg. 45' E. from the NW corner of said Survey No. 65, from which beginning stone mound L.O. 8 S. 35 E. 5 L.O. 12 S. 55 W. and said beginning point being the NE corner of 630 acre tract heretofore conveyed to Clifton Wilson;

THENCE N. 89 deg. 26' E. 1868 varas to a stake in the N. line of said Survey No. 76, for the NE corner of this 628 acre tract, same being the NW corner of a 600 acre tract heretofore conveyed to Carlos Wilson, from which L.O. N. 28 E. 18 L.O. 16 N. 59 E. 54;

THENCE S. 1913 varas to stone mound the SE corner this 628 acre tract, and SW corner of said 600 acre tract of Carlos Wilson from which L.O. 18 W. 42 double mesquite 8" S. 15 E. 12 varas;

THENCE N. 89 deg. 45' W. 1871 varas to stone mound for the SW corner this 628 acre tract, and SE corner Clifton Wilson's 630 acre tract;

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THENCE N. 1885 varas to the PLACE OF BEGINNING.

MOUNTAIN HOME SERIES, A SEPARATE SERIES OF EDPT INVESTMENTS, LLC, a Texas limited liability company

TRACT ONE

A parcel of land described in a warranty deed dated July 12, 2014, recorded December 19, 2014, in Volume 2065, Page 34, Official Public Records, Concho County, Texas, being more particularly described as follows;

BEING 727.546 acres in Concho County, Texas, out of the H. & T.C. Railroad Company Block 8, and containing approximately 638.836 acres out of Survey No. 45, Abstract No. 404, 88.608 acres out of Survey No. 35, Abstract No. 399, 0.096 acres out of the Sherman Conant Survey No. 46, Abstract No. 1261, and 0.006 acres out of the Sherman Conant Survey No. 36, Abstract No. 1264, and being out of those certain tracts described as 3116.673 acres and 1832.214 acres in deeds to Harlan Lary Priour and the Edna E. Priour Trust recorded in Volume 215, Page 13 and Volume 218, Page 79 of the Concho County Official Public Records, and said 727.546 acres being more particularly described by metes and bounds on Exhibit "A" attached hereto and made a part hereof for all purposes.

TRACT TWO

A parcel of land described in a warranty deed dated July 12, 2014, recorded December 19, 2014, in Volume 2065, Page 34, Official Public Records, Concho County, Texas, being more particularly described as follows;

BEING 362.509 acres in Concho County, Texas, containing approximately 52.317 acres out of the H. & T.C. Railroad Company Block 8 Survey No. 35, Abstract No. 399, and 310.192 acres out of said Block 8, Sherman Conant Survey No. 46, Abstract No. 1261, and being out of that certain parent tract described as 1832.214 acres in a deed to the Edna E. Priour recorded in Volume 218, Page 79 of the Concho County Official Public Records, and said 362.509 acres being more particularly described by metes and bounds on Exhibit "A" attached hereto and made a part hereof for all purposes.

TRACT THREE

BEING 16.583 acres in Concho County, Texas out of the H. & T.C. Railroad Company Block 8, and the Sherman Conant Survey No. 36, Abstract No. 1264, and being out of that certain parent tract described as 731.037 acres in a deed to Gary D. Priour recorded in Volume 265, Page 1, of the Concho County Official Public Records, and being described as follows:

BEGINNING at a calculated point in the road bed of County Road 2246 in the north line of said Block 8, the south line of that certain tract described as 2105.72 acres in a deed to Earl R. Bruno, et al, recorded in Volume 152, Page 37 of the Concho County Deed Records, and the common line of the H. & T.C. Railroad Company Survey No. 37, Abstract No. 400 and said Survey No. 36 for the N.W. corner of that certain tract described as 727.546 acres in a deed to Dalene P. Taylor recorded in Volume 165, Page 15 of said Official

*ATTACHMENT TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY
BY RES CACTUS FLATS WIND ENERGY, LLC TO EDEN CISD*

Public Records, the N.E. corner of said parent tract, and the N.E. corner hereof, from which a 1/2" steel stake found bears S 00°05'57" E a distance of 62.40 feet;

THENCE along the west line of said 727.546 acres, the east line of said parent tract, and the east line hereof S 00°05'57" E a distance of 4857.48 feet to a 1/2" steel stake found for a northerly corner of that certain tract described as 116.939 acres in a deed to Lary Priour recorded in Volume 266, Page 451 of said Official Public Records, and the most westerly S.W. corner of said 727.546 acres;

THENCE along a westerly line of said 116.939 acres, the east line of said parent tract, and the east line hereof S 00°00'00" E a distance of 121.90 feet to a punch mark on a large rock for a reentrant corner of said 116.939 acres, the S.E. corner of said parent tract, and the S.E. corner hereof;

THENCE along a northerly line of said 116.939 acres, the south line of said parent tract, and the south line hereof N 90°00'00" W a distance of 168.26 feet to a 3/8" steel stake found for the S.E. corner of a 714.454 acre partition tract of said parent tract, and the S.W. corner hereof;

THENCE along a fence for a division line of said parent tract for the east line of said 714.454 acres, and the west line hereof N 00°24'14" E a distance of 1130.71 feet to a 3/8" steel stake found, N 00°27'40" E a distance of 1108.21 feet to a 3/8" steel stake found, N 00°26'19" E a distance of 1013.58 feet to a 3/8" steel stake found, N 00°31 '07" E a distance of 1054.88 feet to a 3/8" steel stake found, and N 00°26'51" E a distance of 672.50 feet to a calculated point in the road bed of County Road 2246, the common line of said Surveys No. 36 and No. 37, the south line of said 2105.72 acres, the north line of said Block 8, and the north line of said parent tract for the N.E. corner of said 714.454 acres, and the N.W. corner hereof, from which a 1/2" steel stake found bears S 00°26'51" W a distance of 62.08 feet;

THENCE along the common line of said Surveys No. 36 and No. 37, the south line of said 2105.72 acres, the north line of said Block 8, the north line of said parent tract, and the north line hereof S 89°50'05" E a distance of 120.42 feet to the POINT OF BEGINNING, having an area of 16.583 acres.

TAB 10

Description of all property not eligible to become qualified property (if applicable)

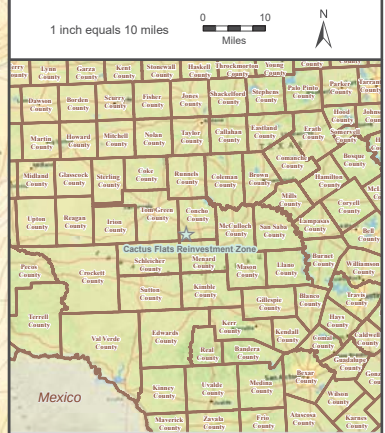
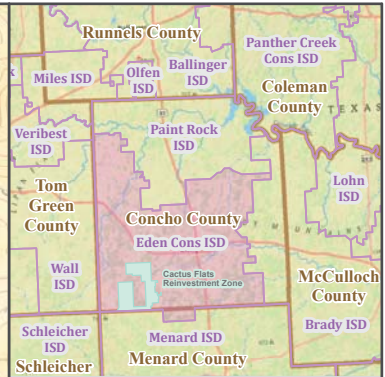
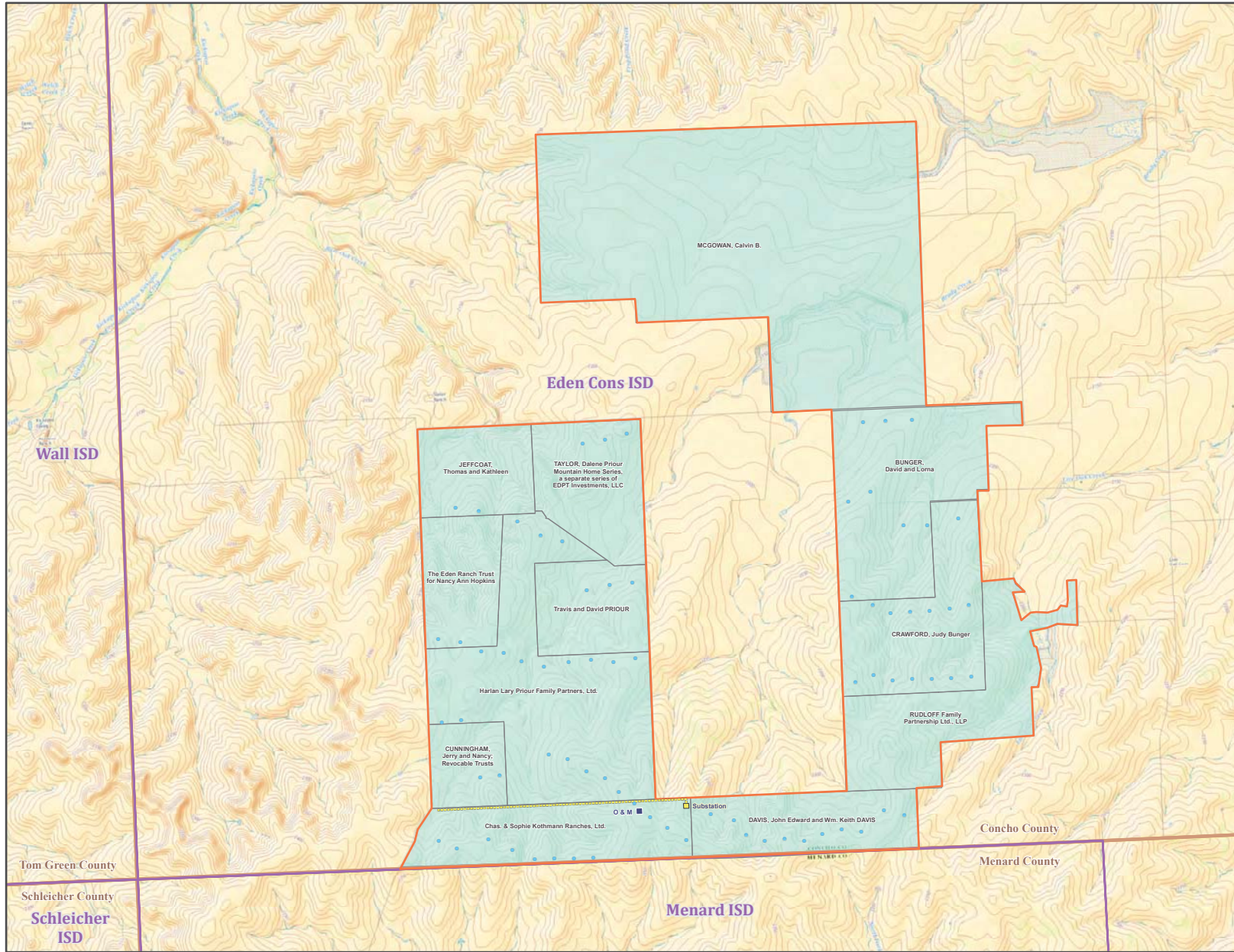
None, not applicable

TAB 11

Maps that clearly show:

- a) Project vicinity
- b) Qualified investment including location of new building or new improvements
- c) Qualified property including location of new building or new improvements
- d) Existing property
- e) Land location within vicinity map
- f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size

11 d) THERE IS NO EXISISTING PROPERTY



Vicinity Map
RES Cactus Flats
Wind Energy, LLC.
Concho County, Texas
Confidential, Preliminary and Subject to Change

Cactus Flats Wind Project
 County Boundary
 Cactus Flats Proposed Reinvestment Zone
 Independent School District Boundary
 Transmission Line
 O & M Facility
 Substation

COORDINATE SYSTEM: UTM Zone 13N NAD83
DRAWN BY: AP Date: 4/5/2016

Renewable Energy Systems
RES AMERICAS
11101 W. 120th Ave., Suite 400
Broomfield, CO, 80021
Phone: (303) 429-4200
Fax: (303) 429-4299

This drawing is the property of RES America Development, Inc. and no reproduction may be made in whole or in part without permission.

TAB 12

Request for Waiver of Job Creation Requirement and supporting information (if applicable)

See Attached

CUMMINGS WESTLAKE LLC

12837 Louetta Road, Suite 201 Cypress, Texas 77429-5611 713-266-4456 Fax: 713-266-2333

May 11, 2016

Mr. Kent Coker
Superintendent
Eden Consolidated Independent School District
113 West Bryan Street
Eden, TX 76837

Re: Chapter 313 Jobs Waiver Request

Dear Superintendent Coker,

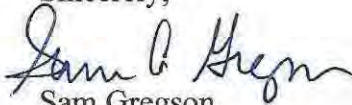
RES Cactus Flats Wind Energy, LLC requests that the Eden Consolidated Independent School District's Board of Trustees waive the job requirement provision as allowed by Section 313.025(f-1) of the Tax Code. This waiver would be based on the school district's board findings that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application.

RES Cactus Flats Wind Energy, LLC requests that the Board of Trustees make such a finding and waive the job creation requirement for 10 permanent jobs. In line with industry standards for job requirements, RES Cactus Flats Wind Energy, LLC has committed to create five total jobs for the project. In our initial request dated April 21, 2016, we indicated that three jobs would be in Eden CISD. This letter is to correct that statement to reflect that all five jobs will be in Eden CISD.

Wind projects create a large number of full and part-time, but temporary jobs during the construction phase of the project, but require a relatively small number of highly skilled technicians to operate and maintain the project after commercial operation commences.

The industry standard for employment is typically one full-time employee for approximately every 15 turbines. This number will vary depending on the operations and maintenance requirements of the turbines selected as well as the support and technical assistance offered by the turbine manufacturer. The permanent employees of a wind project maintain and service wind turbines, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. In addition to the onsite employees, there may be managers or technicians who support the project from offsite locations.

Sincerely,



Sam Gregson
Senior Consultant
Cummings Westlake, LLC

TAB 13

Calculation of three possible wage requirements with TWC documentation

- Concho County average weekly wage for all jobs (all industries)
- Concho County average weekly wage for all jobs (manufacturing)
- See attached Council of Governments Regional Wage Calculation and Documentation

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2015	1st Qtr	Concho County	Private	00	0	10	Total, All Industries	\$691
2015	2nd Qtr	Concho County	Private	00	0	10	Total, All Industries	\$629
2015	3rd Qtr	Concho County	Private	00	0	10	Total, All Industries	\$710
2015	4th Qtr	Concho County	Private	00	0	10	Total, All Industries	\$752

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2015	1st Qtr	Concho County	Private	31	2	31-33	Manufacturing	\$519
2015	2nd Qtr	Concho County	Private	31	2	31-33	Manufacturing	\$455
2015	3rd Qtr	Concho County	Private	31	2	31-33	Manufacturing	\$470
2015	4th Qtr	Concho County	Private	31	2	31-33	Manufacturing	\$495

CACTUS FLATS WIND LLC
TAB 13 TO CHAPTER 313 APPLICATION

CONCHO COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES

QUARTER	YEAR	AVG WEEKLY WAGES*		ANNUALIZED	
FIRST	2015	\$	691	\$	35,932
SECOND	2015	\$	629	\$	32,708
THIRD	2015	\$	710	\$	36,920
FOURTH	2015	\$	752	\$	39,104
AVERAGE		\$	696	\$	36,166

CONCHO COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS

QUARTER	YEAR	AVG WEEKLY WAGES*		ANNUALIZED	
FIRST	2015	\$	519	\$	26,988
SECOND	2015	\$	455	\$	23,660
THIRD	2015	\$	470	\$	24,440
FOURTH	2015	\$	495	\$	25,740
AVERAGE		\$	485	\$	25,207
X			110%		110%
		\$	533	\$	27,728

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

	YEAR	AVG WEEKLY WAGES*		ANNUALIZED	
Concho	2014	\$	748	\$	38,886
X			110%		110%
		\$	822.59	\$	42,775

* SEE ATTACHED TWC DOCUMENTATION

2014 Manufacturing Average Wages by Council of Government Region

Wages for All Occupations

COG	Wages	
	Hourly	Annual
Texas	\$24.18	\$50,305
1. Panhandle Regional Planning Commission	\$21.07	\$43,821
2. South Plains Association of Governments	\$16.75	\$34,834
3. NORTEX Regional Planning Commission	\$20.23	\$42,077
4. North Central Texas Council of Governments	\$25.32	\$52,672
5. Ark-Tex Council of Governments	\$17.80	\$37,017
6. East Texas Council of Governments	\$19.87	\$41,332
7. West Central Texas Council of Governments	\$19.41	\$40,365
8. Rio Grande Council of Governments	\$17.82	\$37,063
9. Permian Basin Regional Planning Commission	\$23.65	\$49,196
10. Concho Valley Council of Governments	\$18.70	\$38,886
11. Heart of Texas Council of Governments	\$20.98	\$43,636
12. Capital Area Council of Governments	\$28.34	\$58,937
13. Brazos Valley Council of Governments	\$17.57	\$36,547
14. Deep East Texas Council of Governments	\$17.76	\$36,939
15. South East Texas Regional Planning Commission	\$29.21	\$60,754
16. Houston-Galveston Area Council	\$26.21	\$54,524
17. Golden Crescent Regional Planning Commission	\$23.31	\$48,487
18. Alamo Area Council of Governments	\$19.46	\$40,477
19. South Texas Development Council	\$13.91	\$28,923
20. Coastal Bend Council of Governments	\$25.12	\$52,240
21. Lower Rio Grande Valley Development Council	\$16.25	\$33,808
22. Texoma Council of Governments	\$20.51	\$42,668
23. Central Texas Council of Governments	\$18.02	\$37,486
24. Middle Rio Grande Development Council	\$20.02	\$41,646

Source: Texas Occupational Employment and Wages

Data published: July 2015

Data published annually, next update will be July 31, 2016

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.

TAB 14

Schedules A1, A2, B, C and D completed and signed Economic Impact (if applicable)

See attached Schedules A1, A2, B, C and D

Schedule A1: Total Investment for Economic Impact (through the Qualifying Time Period)

Date 3/15/2016
Applicant Name RES AMERICAS CACTUS FLATS WIND ENERGY, LLC
ISD Name EDEN CISD

Form 50-296A
Revised May 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other new investment made during this year that will <u>not</u> become Qualified Property [SEE NOTE]	Other new investment made during this year that may become Qualified Property [SEE NOTE]	Total Investment (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	--	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2016	Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	0
Investment made after filing complete application with district, but before final board approval of application				0	0	0	0	0
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				0	0	0	0	0
Complete tax years of qualifying time period	QTP1	2017-2018	2017	201,500,000	1,000,000	0	0	202,500,000
	QTP2	2018-2019	2018	0	0	0	0	0
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				201,500,000	1,000,000	0	0	202,500,000
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				202,500,000				

For All Columns: List amount invested each year, not cumulative totals.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

Date 3/15/2016
Applicant Name RES AMERICAS CACTUS FLATS WIND ENERGY
ISD Name EDEN CISO

Schedule A2: Total Investment for Economic Impact (including Qualified Property and other investments)

Form 50-296A
Revised May 2014

PROPERTY INVESTMENT AMOUNTS								
(Estimated Investment in each year. Do not put cumulative totals.)								
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Other investment made during this year that will not become Qualified Property [SEE NOTE]	Other investment made during this year that will become Qualified Property [SEE NOTE]	Total Investment (A+B+C+D)
Total Investment from Schedule A1*	--	TOTALS FROM SCHEDULE A1		201,500,000	1,000,000	0	0	202,500,000
Each year prior to start of value limitation period** Insert as many rows as necessary	0	2016-2017	2016	0	0	0	0	0
	0	2017-2018	2017	0	0	0	0	0
Value limitation period***	1	2018-2019	2018	0	0	3,000,000	0	3,000,000
	2	2019-2020	2019	0	0	3,000,000	0	3,000,000
	3	2020-2021	2020	0	0	3,000,000	0	3,000,000
	4	2021-2022	2021	0	0	3,000,000	0	3,000,000
	5	2022-2023	2022	0	0	3,000,000	0	3,000,000
	6	2023-2024	2023	0	0	3,000,000	0	3,000,000
	7	2024-2025	2024	0	0	3,000,000	0	3,000,000
	8	2025-2026	2025	0	0	3,000,000	0	3,000,000
	9	2026-2027	2026	0	0	3,000,000	0	3,000,000
	10	2027-2028	2027	0	0	3,000,000	0	3,000,000
Total Investment made through limitation				201,500,000	1,000,000	30,000,000	0	232,500,000
Continue to maintain viable presence	11	2028-2029	2028			3,000,000		3,000,000
	12	2029-2030	2029			3,000,000		3,000,000
	13	2030-2031	2030			3,000,000		3,000,000
	14	2031-2032	2031			3,000,000		3,000,000
	15	2032-2033	2032			3,000,000		3,000,000
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2033-2034	2033			3,000,000		3,000,000
	17	2034-2035	2034			3,000,000		3,000,000
	18	2035-2036	2035			3,000,000		3,000,000
	19	2036-2037	2036			3,000,000		3,000,000
	20	2037-2038	2037			3,000,000		3,000,000
	21	2038-2039	2038			3,000,000		3,000,000
	22	2039-2040	2039			3,000,000		3,000,000
	23	2040-2041	2040			3,000,000		3,000,000
	24	2041-2042	2041			3,000,000		3,000,000
	25	2042-2043	2042			3,000,000		3,000,000

* All investments made through the qualifying time period are captured and totaled on Schedule A1 [blue box] and incorporated into this schedule in the **first row**.

** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.

*** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were **not** captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.

Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)

Date **3/15/2016**
Applicant Name **RES Americas Cactus Flats Wind Energy, LLC**
ISD Name **EDEN CISD**

Form 50-296A

Revised May 2014

				Qualified Property			Estimated Taxable Value		
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	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 buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2016-2017	2016	0	0	0	0	0	0
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2017-2018	2017	0	0	0	0	0	0
Value Limitation Period	1	2018-2019	2018	0	0	198,450,000	198,450,000	198,450,000	20,000,000
	2	2019-2020	2019	0	0	184,559,000	184,559,000	184,559,000	20,000,000
	3	2020-2021	2020	0	0	171,640,000	171,640,000	171,640,000	20,000,000
	4	2021-2022	2021	0	0	159,625,000	159,625,000	159,625,000	20,000,000
	5	2022-2023	2022	0	0	148,451,000	148,451,000	148,451,000	20,000,000
	6	2023-2024	2023	0	0	138,059,000	138,059,000	138,059,000	20,000,000
	7	2024-2025	2024	0	0	128,395,000	128,395,000	128,395,000	20,000,000
	8	2025-2026	2025	0	0	119,407,000	119,407,000	119,407,000	20,000,000
	9	2026-2027	2026	0	0	111,049,000	111,049,000	111,049,000	20,000,000
	10	2027-2028	2027	0	0	103,276,000	103,276,000	103,276,000	20,000,000
Continue to maintain viable presence	11	2028-2029	2028	0	0	98,112,000	98,112,000	98,112,000	98,112,000
	12	2029-2030	2029	0	0	93,206,000	93,206,000	93,206,000	93,206,000
	13	2030-2031	2030	0	0	88,546,000	88,546,000	88,546,000	88,546,000
	14	2031-2032	2031	0	0	84,119,000	84,119,000	84,119,000	84,119,000
	15	2032-2033	2032	0	0	79,913,000	79,913,000	79,913,000	79,913,000
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2033-2034	2033	0	0	75,917,000	75,917,000	75,917,000	75,917,000
	17	2034-2035	2034	0	0	72,121,000	72,121,000	72,121,000	72,121,000
	18	2035-2036	2035	0	0	68,515,000	68,515,000	68,515,000	68,515,000
	19	2036-2037	2036	0	0	65,089,000	65,089,000	65,089,000	65,089,000
	20	2037-2038	2037	0	0	61,835,000	61,835,000	61,835,000	61,835,000
	21	2038-2039	2038	0	0	58,743,000	58,743,000	58,743,000	58,743,000
	22	2039-2040	2039	0	0	55,806,000	55,806,000	55,806,000	55,806,000
	23	2040-2041	2040	0	0	53,016,000	53,016,000	53,016,000	53,016,000
	24	2041-2042	2041	0	0	50,625,000	50,625,000	50,625,000	50,625,000
	25	2042-2043	2042	0	0	50,625,000	50,625,000	50,625,000	50,625,000

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.

Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Date

3/15/2016

Applicant Name

RES AMERICAS CACTUS FLATS WIND ENEI

Form 50-296A

ISD Name

EDEN CISD

Revised May 2014

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2016-2017	2016	0	0	0	0	0
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2017-2018	2017	200 FTE	43,000	0	0	0
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2018-2019	2018	N/A	N/A	0	5	30,000
	2	2019-2020	2019	N/A	N/A	0	5	30,000
	3	2020-2021	2020	N/A	N/A	0	5	30,000
	4	2021-2022	2021	N/A	N/A	0	5	30,000
	5	2022-2023	2022	N/A	N/A	0	5	30,000
	6	2023-2024	2023	N/A	N/A	0	5	30,000
	7	2024-2025	2024	N/A	N/A	0	5	30,000
	8	2025-2026	2025	N/A	N/A	0	5	30,000
	9	2026-2027	2026	N/A	N/A	0	5	30,000
	10	2027-2028	2027	N/A	N/A	0	5	30,000
Years Following Value Limitation Period	11 through 25	2027-2042	2027-2041	N/A	N/A	0	5	30,000

Notes: See TAC 9.1051 for definition of non-qualifying jobs.
Only include jobs on the project site in this school district.

- C1.** Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts) ☒ Yes ☐ No
If yes, answer the following two questions:
- C1a.** Will the applicant request a job waiver, as provided under 313.025(f-1)? ☒ Yes ☐ No
- C1b.** Will the applicant avail itself of the provision in 313.021(3)(F)? ☐ Yes ☒ No

Schedule D: Other Incentives (Estimated)

Date 3/15/2016
Applicant Name RES AMERICAS CACTUS FLATS WIND ENERGY, LLC
ISD Name EDEN Cisd

Form 50-296A

Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Tax Code Chapter 312	County: Concho County	2018	10 Years	Annual Avg. of \$1,219,475	see detail below	Annual Avg. of \$396,000
	City:	N/A	N/A	N/A	N/A	N/A
	Other: Concho County Hospital Dist	2018	10 Years	Annual Avg. of \$409,615		Annual Avg. of \$133,000
	Other: Lipan - Kickapoo UWCD	2018	10 Years	Annual Avg. of \$20,905	N/A	Annual Avg. of \$6,800
Local Government Code Chapters 380/381	County:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Freeport Exemptions	N/A	N/A	N/A	N/A	N/A	N/A
Non-Annexation Agreements	N/A	N/A	N/A	N/A	N/A	N/A
Enterprise Zone/Project	N/A	N/A	N/A	N/A	N/A	N/A
Economic Development Corporation	N/A	N/A	N/A		N/A	
Texas Enterprise Fund	N/A	N/A	N/A		N/A	
Employee Recruitment	N/A	N/A	N/A		N/A	
Skills Development Fund	N/A	N/A	N/A		N/A	
Training Facility Space and Equipment	N/A	N/A	N/A		N/A	
Infrastructure Incentives	N/A	N/A	N/A		N/A	
Permitting Assistance	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
Other:	N/A	N/A	N/A		N/A	
TOTAL				\$ 1,649,995		\$ 535,800

Additional information on incentives for this project:

County Terms: RES Cactus Flats Wind energy, LLC expects to apply for an abatement structured as follows: Year 1 - 72.5%, Year 2 - 71.3%, Year 3 - 70.2%, Year 4 - 68.9%, Year 5 - 67.6%, Year 6 -

TAB 15

Economic Impact Analysis, other payments made in the state or other economic information (if applicable)

None

TAB 16

Description of Reinvestment Zone or Enterprise Zone, including:

- a) Evidence that the area qualifies as a enterprise zone as defined by the Governor's office*
- b) Legal description of reinvestment zone**
- c) Order, resolution, or ordinance established the reinvestment zone**
- d) Guidelines and criteria for creating the zone**

16 a) Not Applicable

16 b) Will be provided in May after Concho County creates the Reinvestment Zone.

16 c) Will be provided in May after Concho County adopts the ordinance establishing the Reinvestment Zone.

16 d) See Attached.

Concho County State of Texas

Tax Abatement Guidelines and Criteria

The purpose of this document is to establish guidelines, and a uniform policy of tax abatement for owners or lessees of eligible facilities willing to execute tax abatement contracts designed to provide long term significant positive economic impact to the community by utilizing the area contractors and work force to the maximum extent feasible, and by developing, redeveloping, and improving property.

In order to be eligible for designation as a reinvestment zone and receive tax abatement, the planned improvement:

1. Must be reasonably expected to have an increase in positive net economic benefit to Concho County of at least Ten Million Dollars (\$10,000,000.00) over the life of the abatement, computed to include (but not limited to) new sustaining payroll and /or capital improvement. The creation of (number and type) new jobs will also factor into the decision to grant an abatement; and
2. Must not be expected to solely or primarily have the effect of merely transferring employment from one area of Concho County to another.

In addition to the criteria set forth above, the Concho County Commissioners Court reserves the right to negotiate a tax abatement agreement in order to compete favorably with other communities.

Only that increases in the fair market value of the property directly resultant from the development, redevelopment, and improvement specified in the contract will be eligible for abatement and then only to the extent that such increase exceeds any reduction in the fair market value of the other property of the Applicant located within the jurisdiction creating the reinvestment zone.

All abatement contracts will be for a term no longer than allowed by law.

It is the goal of Concho County to grant tax abatements on terms and conditions beneficial to the economic interests of the residents of Concho County and to other taxing units having jurisdiction of the property. However, nothing herein shall limit the discretion of the Concho County Commissioners Court to consider, adopt, modify or decline any tax abatement request.

This policy is effective as of _____, 2016 and shall at all times be kept current with regard to the needs of Concho County and reflective of the official views of the County Commissioners Court and shall be reviewed every two years.

The adoption of these guidelines and criteria by the Concho County Commissioners Court does not:

***IN THE COMMISSIONERS COURT
OF
CONCHO COUNTY, TEXAS***

**ORDER CREATING CONCHO COUNTY
REINVESTMENT ZONE, CACTUS FLATS NO. 1**

WHEREAS, on the 26th day of April, 2016, came on for consideration the Designation of a Reinvestment Zone pursuant to Chapter 312 of the Texas Tax Code, and

WHEREAS, attached to this Order are the following descriptive documents:

1. A metes and bounds description of the property to be contained within the Concho County Reinvestment Zone, Cactus Flats No. 1, said description being incorporated herein by reference.
2. Maps of the location within the County of Concho where said Reinvestment Zone tract is located.

The Maps and Legal Description attached to this Order are intended to more fully and accurately describe the geographic region included within the Reinvestment Zone to be known as Concho County Reinvestment Zone, Cactus Flats No. 1. The Map attached hereto as Exhibit A and the Legal Description attached hereto as Exhibit B, are true and correct documents which reflect the actual territory intended for inclusion in the Reinvestment Zone created by this Order.

WHEREAS, prior to the creation of the Concho County Reinvestment Zone, Cactus Flats No. 1, the Commissioners court made a determination that the application filed by Cactus Flats, meets the applicable guidelines and criteria adopted by the Commissioners Court, and that a tax abatement agreement between the County and Cactus Flats Wind Energy, LLC, would be in compliance with the established guidelines and criteria for tax abatement, and

WHEREAS, the Commissioners Court did conduct a public hearing, after due notice, as required by law, prior to the creation of a reinvestment zone, as required by Chapter 312 of the Texas Tax Code. After receiving public comment, the Commissioners Court hereby determines that the designation of an area as a reinvestment zone would contribute to the retention or expansion of primary employment in Concho County, Texas, and would contribute to the economic development of the County,

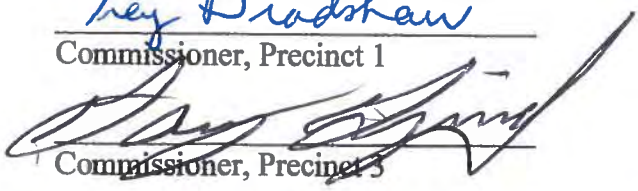
THEREFORE, PREMISES CONSIDERED, the Commissioners Court of Concho County, Texas does hereby create the Concho County Reinvestment Zone, Cactus Flats No. 1, as described more fully in the attachments to this Order, which are incorporated herein by reference and are to be filed in the minutes of the Commissioners Court with this Order.

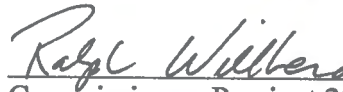
It is further ORDERED by the Commissioners Court that the County Judge is hereby authorized to execute, on behalf of Concho County, Texas, such documents as may be necessary to facilitate and implement this Order.

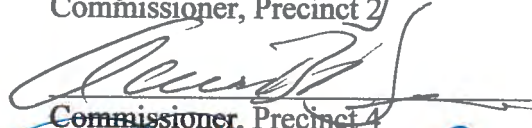
Dated: Adopted on April 26, 2016


County Judge, Concho County, Texas


Commissioner, Precinct 1

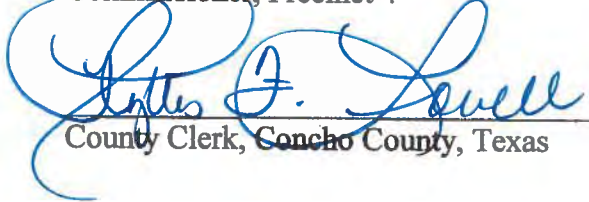

Commissioner, Precinct 3

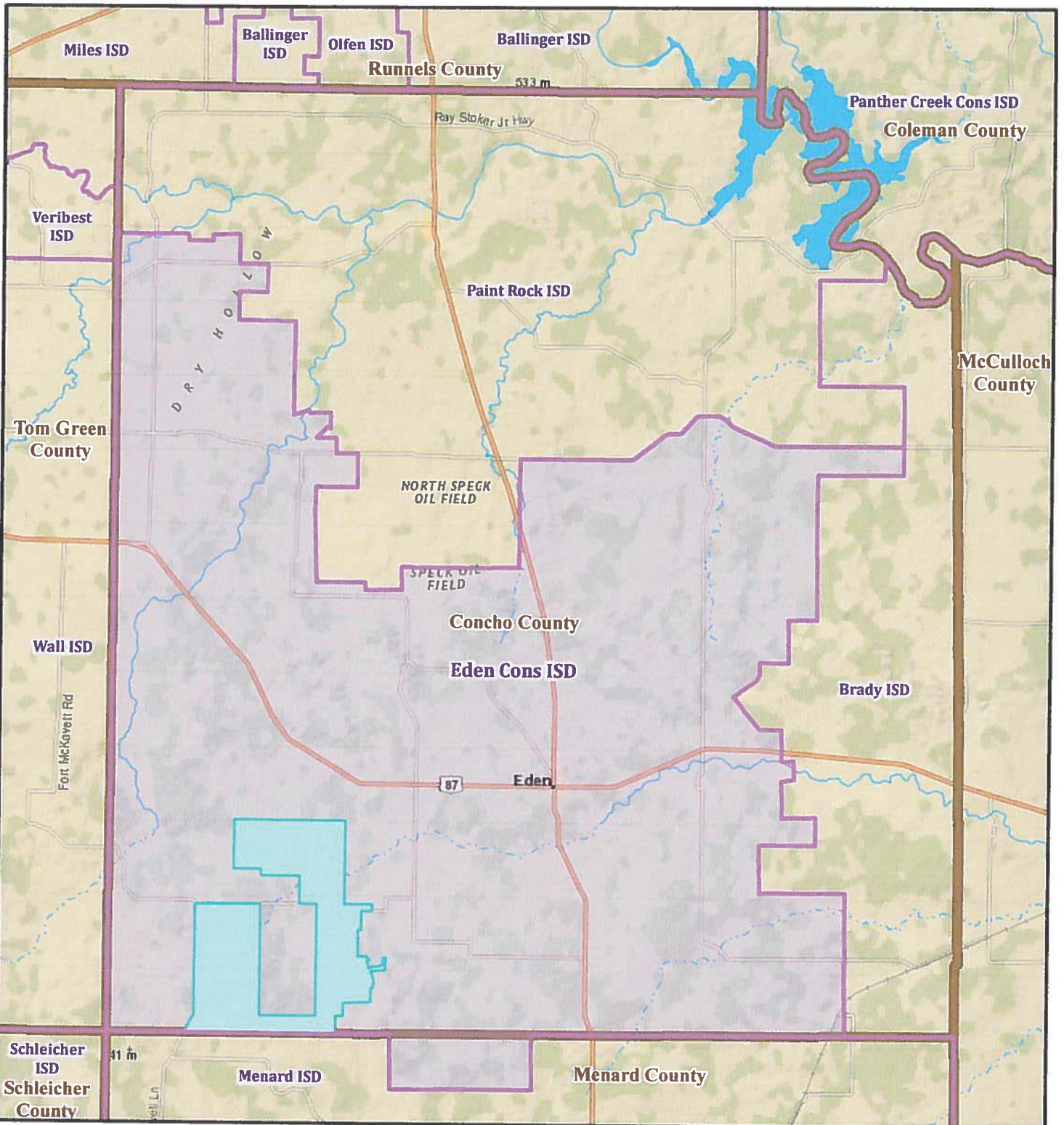

Commissioner, Precinct 2


Commissioner, Precinct 4

Attest:




County Clerk, Concho County, Texas



RES Cactus Flats **Wind Energy, LLC.** **Concho County, Texas**

- Cactus Flats Proposed Reinvestment Zone
- Independent School District Boundary
- County Boundary

Confidential, Preliminary and Subject to Change



Renewable Energy Systems



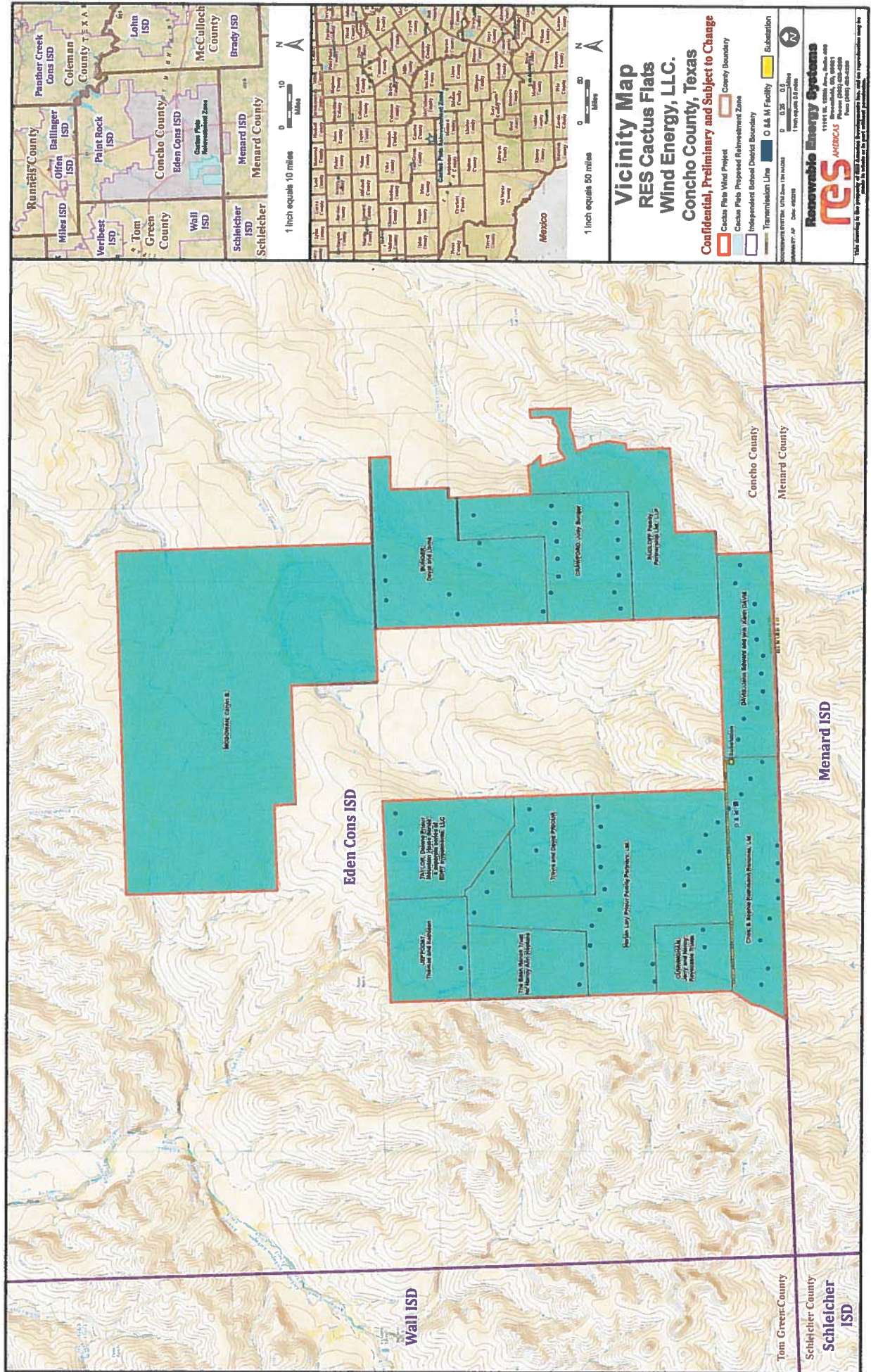
11101 W. 120th Ave., Suite 400 Broomfield, CO, 80021
 Phone: (303) 429-4200 Fax: (303) 429-4299

COORDINATE SYSTEM: TX State Plane, Central NAD83

DRAWING NO.: 22153D6902-01

DRAWN BY: AP DATE: 4/7/2016

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CACTUS FLATS PROPOSED REINVESTMENT ZONE

LEGAL DESCRIPTION

DAVID BUNGER JR. AND WIFE, LORNA BUNGER

TRACT ONE

BEING all of Survey No. 67, Block 8, H. & T.C. Ry. Co., Abstract No. 415, Concho County, Texas.

TRACT TWO

BEING 320 acres of land, more or less, located in the Southwest part of Concho County, Texas, the same comprising all of the North one-half (N/2) of H.C. Bunker Survey No. 68, Abstract No. 1687.

TRACT THREE

BEING all of the South one-half (S/2) of Survey No. 68, Abstract No. 1687, Original Grantee H.C. Bunker, Certificate 41/5188, Block 8, H. & T.C. R.R. Co., Concho County, Texas.

The above described land is the identical land heretofore conveyed by Mrs. Fannie E. Bunker unto Mrs. Cora Bunker Farnsworth by Gift Deed dated April 5, 1946, and recorded in Volume 63, Page 386, Deed Records, Concho County, Texas, and said deed and the record thereof are both here referred to for all purposes.

TRACT FOUR

BEING the West one-half (W/2) of H. & T.C. RR. Co. Survey No. 73, Certificate 41/5191, Block 8, Abstract No. 418, Patent 366, Volume 7, containing 320 acres of land, more or less, and being the identical land conveyed by H.C. Bunker, et ux, to Antonia Bunker by General Warranty Deed dated October 23, 1929, and duly recorded in Volume 37, Page 317, Deed Records, Concho County, Texas; and said Deed together with the record thereof are both here referred to and made a part hereof for all purposes.

TRACT FIVE

BEING 128.7 acres of land out of the East one-half (E/2) of H. & T.C. RR Co. Survey No. 73, Certificate 41/5191, Block 8, Abstract No. 418, described by metes and bounds as follows, to-wit:

BEGINNING at a st md in the center of the Fort McKavett Road for the N.W. cor of this part of said Survey No. 73, and which is also the N.E. corner of the above described Tract No. Four;

THENCE E. 947 vrs to st md for N.E. cor this Survey;

THENCE S. 455 vrs to st md;

THENCE W. 715 vrs;

THENCE S. 0 30 E. 1262 vrs to the center of the public road on the N. line of a tract of land heretofore owned by Mrs. Belle C. Wilson;

THENCE W. 235 1/2 vrs to the S.W. corner of this tract;

THENCE N. 0 30 W. 1714 vrs to the PLACE OF BEGINNING.

The above described Tract is the identical land conveyed by Bina Wilson , a widow, to Antonio Bunger, by General Warranty Deed dated June 10, 1944, duly recorded in Volume 57, Page 556, Deed Records, Concho County, Texas; and said deed and the record thereof are both here referred to and made a part hereof for all purposes.

TRACT SIX

BEING 57 acres of land out of the S.E. corner of the South one-half (S/2) of Survey No. 72, H. C. Bunger, Abstract No. 1685, described by metes and bounds as follows, to-wit:

BEGINNING at the S.E. corner of said Survey No. 72;

THENCE N. along the E. line of said Survey, 475 vrs to a corner;

THENCE W. and parallel with the S. line of said Survey, 677.3 vrs to a corner;

THENCE S. and parallel with the E. line of said Survey, 475 vrs to cor in S. line;

THENCE E. along said S. line, 677.3 vrs TO THE BEGINNING; and being the identical land conveyed by H.F. Bunger, a single man, to Mrs. Antonio Bunger, by General Warranty Deed dated April 8, 1946, duly recorded in Volume 63, Page 393, Deed Records, Concho County, Texas; and said deed together with the record thereof are both here referred to and made a part hereof for all purposes;

TRACT SEVEN

BEING 57 acres of land out of the Northeast corner of the South one-half (S/2) of H.C. Bunger Survey No. 72, Abstract No. 1685, described by metes and bounds as follows, to-wit:

BEGINNING at a point in the East line of said Survey No. 72, 475 vrs N. of the S.E. corner of said Survey No. 72;

THENCE N. with said E. line, 475 vrs to the N.E. corner of the S. 323 acres of said Survey No. 72, and being the N.E. corner of the land in said Survey formerly belonging to Mrs. Fannie E. Bunger;

THENCE W. and parallel with the E. line of said Survey, 677.3 vrs to a corner;

THENCE S. and parallel with E. line of said Survey, 475 vrs to corner, same being the N.W. corner of a 57 acre tract formerly deeded to H.F. Bunger;

THENCE E. and parallel with the S. line of said Survey, 677.3 vrs to the PLACE OF BEGINNING; and being the identical land conveyed by Mrs. F.E. Bunger to Antonio Bunger, by General Warranty Deed dated April 4, 1946, and duly recorded in Volume 63, Page 382, Deed Records, Concho County, Texas, and said deed together with the record thereof are both here referred to and made a part hereof for all purposes; SAVE AND EXCEPT the following described forty (40) acre tract of land heretofore conveyed by Judy Bunger Crawford et al unto Thomas J. Salvato et ux by deed dated June 4, 1982, and duly recorded in Volume 131, Page 654, Deed Records, Concho County, Texas:

BEING 40 acres of land out of the N.E. corner of the South one-half (S/2) of Survey No. 72, Abstract No. 1685, in the name of H.C. Bunger, and said 40 acres is further described as being the North 40 acres out of the North 57 acre tract of two certain 57 acre tracts owned by Judy Bunger Crawford et al, out of the

East part of the South one-half (S/2) of said H.C. Bunger Survey No. 72, and said 40 acre tract being described by metes and bounds as follows, to-wit:

BEGINNING at a point in middle of lane for the N.E. corner of the South one-half (S/2) of said Survey No. 72, said point being the S.E. corner of the North one-half (N/2) of said Survey No. 72, owned by the estate of Will Lapp, deceased, for the N.E. corner of this tract;

THENCE S. along the middle of said lane a distance of 332.3 vrs to point for the S.E. corner of this tract, said point being located fifteen (15) feet E, of stake set in E. fence line of said North 57 acre tract;

THENCE W. and parallel with the N. line of the South one-half (S/2) of said Survey No. 72, a distance of 681.84 vrs to stk set in E. fence line of a 209 acre tract of land owned by George Bunger which is also the W. fence line of said North 57 acre tract, for the S.W. corner of this tract;

THENCE N. along the common fence line between said George Bunger tract and said North 57 acre tract, a distance of 332.3 vrs to fence corner post in S. line of the North one-half (N/2) of said Survey No. 72, owned by Estate of Will Lapp, deceased, for the N.E. corner of said George Bunger 209 acres and for the N.W. corner of said N. 57 acre tract for the N.W. corner of this tract;

THENCE E. along N. line of South one-half (S/2) of said Survey No. 72, and the S. line of the North one-half (N/2) of said Survey owned by Will Lapp, deceased estate, and along common fence line between said Will Lapp Estate tract and said N. 57 acre tract, a distance of 681.84 vrs to the PLACE OF BEGINNING.

TRACT EIGHT

BEING 209.5 acres, more or less, the same comprising all of the South One-half (S/2) of H. & T.C. Ry. Co. Survey No. 72, Block 8, Certificate 41/5190, Abstract No. 1685, which was patented by the State of Texas to H. Bunger on February 16, 1923, by Patent No. 141, Volume 17A, for 323.5 acres of land; SAVE AND EXCEPT the following two tracts of land, to-wit:

- a. 57 acres of land out of the S.E. corner of S/2 Survey No. 72, H. & T.C. Ry. Co. Certificate 41/5190, Abstract No. 1685, and being the identical land conveyed by Mrs. Frances E. Bunger to H. F. Bunger by Gift Deed dated April 4, 1946, and which Deed is duly recorded in Volume 63, Page 384, Deed Records, Concho County, Texas; and
- b. 57 acres of land out of the N.E. corner of S/2 Survey No. 72, H. & T.C. Ry. Co., Certificate 41/5190, Abstract No. 1685, and being the identical land conveyed by Mrs. Frances E. Bunger to Antonio Bunger by Deed dated April 4, 1946, and recorded in Volume 63, Page 382, Deed Records, Concho County, Texas.

JUDY BUNGER CRAWFORD

TRACT ONE

BEING all of the West one-half (W/2) of H. & T.C. Ry. Co. Survey No. 75, Certificate 41/5192, Abstract No. 419, Block 8, Concho County, Texas, containing 325 acres, more or less.

TRACT TWO

BEING all of the South one-half (S/2) of H. & T.C. Ry. Co. Survey No. 66, Certificate 41/5187, Abstract No. 1686, Block 8, Concho County, Texas, containing 320 acres, more or less.

TRACT THREE

BEING 321.33 acres in Concho County, Texas known as the West one-half (W/2) of Section 74, Block 8, H. & T.C. R.R. Co., Certificate 47/5191, Abstract No. 1684, and more particularly described by metes and bounds as follows and incorporated herein:

BEING 321.33 acres in Concho County, Texas known as the West one-half (W/2) of Section 74, Block 8, H. & T.C. R.R. Co., Certificate 47/5191, Abstract No. 1684, and more particularly described as follows:

BEGINNING at a 1" iron pipe locate at the N. W. corner of Survey No. 75, at the N. E. corner of Survey No. 66, and at the S. E. corner of Survey No. 67, all in the name of H. & T.C. R.R. Co., Block 8 for the S. W. corner of this Survey and from which an Old Axle at fence corner located at the patented S. E. corner of Survey No. 62, same Block, bears West, 1904.5 varas;

THENCE with the North line of said Survey No. 75, East 952.25 varas to a point under N-S fence for the S. E. corner of this Survey, and being located at the Patented S. W. corner of the East one-half (E/2) of said Survey No. 74;

THENCE with said fence and with the patented West line of said East one-half (E/2) Survey No. 74, North 1905.0 varas to a fence corner located at the Patented N. W. corner of said East one-half (E/2), Survey No. 74 and in the South line of Survey No. 73, Block 8, H. & T.C. R.R. Co., being the N. E. corner of this Survey;

THENCE fence and the South line of said Survey No. 73, West 952.25 varas to a fence corner located at the S. W. corner of said Survey No. 73 at the N. E. corner of said Survey No. 67 and at the S. E. corner of Survey No. 68, Block 8, H. & T.C. R.R. Co., being the N. W. corner of this Survey;

THENCE with the East line of said Survey No. 67, South 1905.0 varas to the PLACE OF BEGINNING.

TRACT FOUR

BEING all of the North one-half (N/2) of Survey No. 66, Block 8, H. & T.C. Ry. Co., Abstract No. 1686, Concho County, Texas.

JERRY R. CUNNINGHAM OR NANCY S. CUNNINGHAM, TRUSTEE OF THE JERRY R. CUNNINGHAM REVOCABLE TRUST DECLARATION DATED JUNE 30, 2004, AND NANCY S. CUNNINGHAM OR JERRY R. CUNNINGHAM, TRUSTEE OF THE NANCY S. CUNNINGHAM REVOCABLE TRUST DECLARATION DATED JUNE 30, 2004

BEING all that certain tract of land situated in Concho County, Texas comprising a total of 450.304 acres of land out of and a part of the following Surveys:

J.E. Henderson Survey No. 32, Block 8, Abstract No. 1892 - 196.515 acres, H. & T.C. R.R. Co. Survey No. 33, Block 8, Abstract No. 398 - 253.789 acres. Said 450.304 acres being out of a 6013.45 acre parent tract conveyed by Jerry L. Tinkler and Cara C. Huffman to S&S Miller Ranch, L.P., by Deed recorded July 29, 2003 in Volume 209, Page 103, et seq., of the Concho County Official Public Records, of which, 4.271 acres out of said 450.304 acre tract being in Concho County Road No. 2275.

JOHN EDWARD DAVIS AND WM. KEITH DAVIS

(The Reinvestment Zone shall only include those portions situated in Concho County, Texas)

BEING 2539.59 acres in Menard and Concho Counties, Texas, containing 1591.022 acres in Menard County with approximately 321.499 acres out of the H. & O.B. Railroad Company Survey No. 69, Abstract No. 429; 250.535 acres out of the T. Green Survey No. 4, Abstract No. 1404; 250.413 acres out of the T. Green Survey No. 3, Abstract No. 1403; 182.088 acres out of the T. Green Survey No. 5, Abstract No. 1405; 233.288 acres out of the Fred Speck Survey No. 70, Abstract No. 1720; 171.777 acres out of the Fred Speck Survey No. 6, Abstract No. 1801; 83.521 acres out of the T. Green Survey No. 2, Abstract No. 1402; 69.200 acres out of the I. & G.N. Railroad Company Survey No. 6, Abstract No. 1255; 21.451 acres out of the A.G. Nason Survey No. 8, Abstract No. 1101; 6.123 acres out of the F. Wilhelm Survey No. 112 ½, Abstract No. 1888; and 1.127 acres out of the B. & B. Survey No. 7, Abstract No. 125; and 948.568 acres in Concho County with approximately 258.487 acres out of the T. Green Survey No. 4, Abstract No. 1618; 257.848 acres out of the T. Green Survey No. 3, Abstract No. 1617; 188.058 acres out of the T. Green Survey No. 5, Abstract No. 1619; 153.946 acres out of the Fred Speck Survey No. 6, Abstract No. 1818; and 90.229 acres out of the T. Green Survey No. 2, Abstract No. 1616; and being a combination of portions of those certain tracts described as 1210.7 acres in a deed to Richard W. Davis recorded in Volume 148, Page 442 of the Menard County Official Public Records, 1216.8 acres in a deed to J.A. & Nancy Davis recorded in Volume 198, Page 589 of the Concho County Official Public Records, and 1024.49 acres in a deed to J.A. Davis recorded in Volume 138, Page 644 of the Menard County Official Public Records.

BEGINNING at an 8" cedar "T" corner post, fence bears east, in common line of the H. & T.C. Railroad Company Survey No. 65, Abstract No. 414 and said Survey No. 2, and the south line of that certain tract described in a deed Rudloff Family Partnership, Ltd, L.L.P., recorded in Volume 197, Page 770 of the Concho County Official Public Records for the N.W. corner of that certain tract described as 306.94 acres in a deed to Steven M. Norman recorded in Volume 167, Page 21 of the Menard County Official Public Records, the N.E. corner of said 1216.8 acres, and the N.E. corner hereof;

THENCE along a fence for the west line of said 306.94 acres, the east line of said 1216.8 acres, and the east line hereof S 01°00'10" W a distance of 1748.92 feet to an 8" cedar "T" corner post, fence bears northeast, and S 00°56'31" W a distance of 1730.99 feet to a railroad tie "T" corner post, fence bears east, for the N.W. corner of that certain tract described as 300.76 acres in a deed to T.R. Norman recorded in Volume 167, Page 21 of the Menard County Official Public Records, and the S.W. corner of said 306.94 acres;

THENCE along a fence for the west line of said 300.76 acres, the east line of said 1216.8 acres, and the east line hereof S 00°57'11" W a distance of 2117.85 feet to a calculated point, S 00°44'57" W a distance of 1029.90 feet to a 2" galvanized pipe found for a common corner said Surveys No. 2 and No. 69, and S 00°42'51" W a distance of 1827.15 feet to a 2" galvanized pipe found for the common corner of said Surveys No. 112 ½ and No. 2 for the S.W. corner of said 300.76 acres, a re-entrant corner of said 1216.8 acres, and a re-entrant corner hereof;

THENCE along a fence for the common line of said Surveys No. 2 and No. 112 1/2 , the south line of said 300.76 acres, a northerly line of said 1218.6 acres, and a northerly line hereof S 89°31'27" E a distance of 320.29 feet to a 2" galvanized pipe found for the common corner of the Owen Baker Survey No. 112, Abstract No. 1817 and said Survey No. 112 ½ for the N.W. corner of that certain tract described

as 670.31 acres in a deed to Kaddo F. Kothmann recorded in Volume 136, Page 150 of the Menard County Official Public Records, an easterly corner of said 1216.8 acres, and an easterly corner hereof;

THENCE along a fence for the common line of said Surveys No. 112 and No. 112 ½ for the west line of said 670.31 acres, an easterly line of said 1216.8 acres, and an easterly line hereof S 00°20'07" W a distance of 825.90 feet to a 120d nail found for the N.E. corner of said 1024.49 acres, the S.E. corner of said 1216.8 acres, and the most easterly S.E. corner hereof;

THENCE along a fence for an occupational northerly line of said 1024.49 acres, a southerly line of said 1216.8 acres, and a southerly line hereof N 89°23'45" W a distance of 4665.33 feet to a 3" pipe "T" corner post, fence bears northeast, and N 89°24'48" W a distance of 839.65 feet to a 3" pipe "L" corner post for a re-entrant corner hereof;

THENCE along a fence for a division line of said 1024.49 acres for an easterly line hereof S 24°52'31" W a distance of 800.68 feet to a 2.5" pipe angle post, S 13°31'26" W a distance of 214.85 feet to a 2.5" pipe angle post, S 09°40'09" E a distance of 1318.74 feet to a 2.5" pipe angle post, S 08°26'22" E a distance of 790.08 feet to a ½" steel stake, S 29°23'46" W a distance of 1140.86 feet to a ½" steel stake, S 63°27'17" E a distance of 86.99 feet to a ½" steel stake, S 29°08'26" W a distance of 76.02 feet to a ½" steel stake, S 63°45'46" W a distance of 87.84 feet to a ½" steel stake, S 29°53'35" W a distance of 255.66 feet to a 2.5" pipe angle post, and S 18°09'29" W a distance of 16.43 feet to a 3" pipe 4-way corner post for an easterly corner of that certain tract described as 1705.673 acres in a deed to Victoria Davis Ray recorded in Volume 138, Page 644 of the Menard County Official Public Records, a re-entrant corner of said 1024.90 acres, and the most southerly S.E. corner hereof;

THENCE along a fence for a northerly line of said 1705.673 acres, a southerly line of said 1024.49 acres, and a southerly line hereof N 87°19'50" W a distance of 418.23 feet to a ½" steel stake found for a re-entrant corner of said 1705.673 acres, a southerly corner of said 1024.49 acres, and a southerly corner hereof;

THENCE along a fence for an easterly line of said 1705.673 acres, a westerly line of said 1024.49 acres, and a westerly line hereof N 05°33'51" W a distance of 145.10 feet to a calculated point, S 89°03'33" W a distance of 138.98 feet to a calculated point, N 00°00'00" W a distance of 22.39 feet to a calculated point, N 42°41'57" E a distance of 850.31 feet to a calculated point, N 22°42'06" E a distance of 29.66 feet to a calculated point, N 02°43'50" W a distance of 1499.61 feet to a calculated point, N 02°24'00" W a distance of 2394.64 feet to a calculated point, and N 02°12'40" W a distance of 741.82 feet to a calculated point at a "T" fence intersection, fence bears east, for the N.E. corner of said 1705.673 acres, the S.E. corner of said 1210.7 acres, the most westerly S.W. corner of said 1216.8 acres, and a re-entrant corner hereof;

THENCE along a fence for a northerly line of said 1705.673 acres, a southerly line of said 1210.7 acres, and a southerly line hereof, N 89°28'10" W a distance of 2118.53 feet to a 4" cedar "T" corner post, fence bears north,

N 89°26'53" W a distance of 744.33 feet to a 120d nail found, and

N 89°27'55" W a distance of 1615.19 feet to a 120d nail found by an "L" corner post in the common line of said Speck Survey No. 6 and said Survey No. 70 for the most northerly N.W. corner of said 1705.673 acres, a re-entrant corner of said 1210.7 acres, and a re-entrant corner hereof;

THENCE along a fence for the common line of said Speck Survey No. 6 and said Survey No. 70, the west line of said 1705.673 acres, an easterly line of said 1210.7 acres, and an easterly line hereof S 00°48'08" W a distance of 583.27 feet to a 1.25" galvanized iron pipe found in the west line of said Survey No. 70 for the S.E. corner of said Speck Survey No. 6, a re-entrant corner of said 1705.673 acres, a southerly corner of said 1210.7 acres, and a southerly corner hereof;

THENCE along a fence for the south line of said Speck Survey No. 6, a northerly line of said Survey No. 70, a northerly line of said 1705.673 acres, a southerly line of said 1210.7 acres, and a southerly line hereof, N 89°29'39" W a distance of 24.92 feet to a 1.25" galvanized iron pipe found for the N.E. corner of the Fred Speck Survey No. 130, Abstract No. 1721, the most westerly N.W. corner of said Survey No. 70, and the most westerly N.W. corner of said 1705.673 acres;

THENCE along a fence for the common line of said Speck Survey No. 6 and said Survey No. 130, a northerly line of said 1705.673 acres, a southerly line of said 1210.7 acres, and a southerly line hereof, S 89°38'53" W a distance of 208.00 feet to a 2" pipe "T" corner post, fence bears south, in an occupational easterly line of that certain tract described as 2260.49 acres in a deed to Dora Wright recorded in Volume 153, Page 149 of the Menard County Official Public Records and Volume 174, Page 65 of the Concho County Official Public Records for the most westerly N.W. corner of said 1705.673 acres, a southwesterly corner of said 1210.7 acres, and a southwesterly corner hereof;

THENCE along a fence for an occupational easterly line of said 2260.49 acres, an occupational westerly line of said 1210.7 acres, and a westerly line hereof N 00°32'55" E a distance of 79.08 feet to a 4.5" pipe "L" corner post for an occupational easterly corner of said 2260.49 acres, a re-entrant corner of said 1210.7 acres, and a re-entrant corner hereof;

THENCE along a fence for an occupational northerly line of said 2260.49 acres, an occupational southerly line of said 1210.7 acres, and a southerly line hereof N 88°15'35" W a distance of 1905.81 feet to a 10" cedar "T" corner post, fence bears west, for an occupational re-entrant corner of said 2260.49 acres, the occupational S.W. corner of said 1210.7 acres, and the S.W. corner hereof;

THENCE along an occupational easterly line of said 2260.49 acres, an occupational westerly line of said 1210.7 acres, and a westerly line hereof N 00°30'59" E a distance of 1730.54 feet to a calculated point in the occupational common line of said Survey No. 6 for a re-entrant corner of said 2260.49 acres, the most westerly N.W. corner of said 1210.7 acres, and the occupational most westerly N.W. corner hereof;

THENCE along the occupational common line of said Survey No. 6, a southerly line of said 2260.49 acres, a northerly line of said 1210.7 acres, and a northerly line hereof N 89°59'12" E a distance of 566.69 feet to a ½" iron pipe found for an easterly corner of said 2260.49 acres, a re-entrant corner of said 1210.7 acres, and a re-entrant corner hereof;

THENCE along an easterly line of said 2260.49 acres, a westerly line of said 1210.7 acres, and a westerly line hereof N 00°11'39" E a distance of 6755.44 feet to a calculated point in the common line of the H. & T.C. Railroad Company Survey No. 49, Abstract No. 406 and said Speck Survey No. 6, the south line of that certain "Tract 1" described in a deed to Ralph M. Ebeling, Jr., recorded in Volume 188, Page 614 of the Concho County Official Public Records for the N.E. corner of said 2260.49 acres, the most northerly N.W. corner of said 1210.7 acres, and the most northerly N.W. corner hereof;

THENCE along a fence for the common line of said Speck Survey No. 6 and said Survey No. 49, the south line of said "Tract 1", the north line of said 1210.7 acres, and the north line hereof S 89°54'33" E a distance of 1983.13 feet to a 2" galvanized iron pipe for the common corner of said Speck Survey No. 6 and said Survey No. 5;

THENCE along a fence for the common line of said Survey No. 5 and said Survey No. 49, the south line of said "Tract 1", the north line of said 1210.7 acres, and the north line hereof S 89°58'58" E @ 11135.58 feet passing a fence intersection for a common corner of the G.A. Conant Survey No. 64, Abstract No. 1257 and said Survey No. 49, the S.E. corner of said "Tract 1", and the S.W. corner of that certain "Tract 6" described in a deed to Ralph M. Ebeling, Jr., recorded in Volume 188, Page 614 of the Concho County Official Public Records for a total distance for this course of 2430.90 feet to a 1.25" galvanized iron pipe for the common corner of said Surveys No.5 and No.4;

THENCE along a fence for the common line of said Survey No. 4 and said Survey No. 64, the south line of said "Tract 6", the north line of said 1210.7 acres, and the north line hereof S 89°53'21" E @ approximately 1672.38 feet passing the N.E. corner of said 1210.7 acres, and the N.W. corner of said 1216.8 acres for a total distance for this course of 3344.77 feet to a 2" galvanized iron pipe for the common corner of said Surveys No.4 and said Survey No. 3;

THENCE along a fence for the common line of said Survey No. 3 and said Survey No. 64, the south line of said "Tract 6", the north line of said 1216.8 acres, and the north line hereof S 89°52'26" E @ 642.58 feet passing a fence intersection for a common corner of said Surveys No. 64 and No. 65, the S.E. corner of said "Tract 6", and the S.W. corner of said "Rudloff" tract for a total distance for this tract of 3343.26 feet to a 1.5" galvanized angle iron for the common corner of said Surveys No. 3 and No. 2;

THENCE along a fence for the common line of said Survey No. 2 and said Survey No. 65, the south line of said "Rudloff" tract, the north line of said 1216.8 acres, and the north line hereof N 89°36'34" E a distance of 1198.83 feet to the POINT OF BEGINNING, having an area of 2539.59 acres.

THE EDEN RANCH TRUST FOR NANCY HOPKINS

BEING 722.611 acres in Concho County, Texas, out of the H. & T.C. Railroad Company Block 8, and containing approximately 305.022 acres out of Survey No. 35, Abstract No. 399; 225.216 acres out of the Sherman Conant Survey No. 30, Abstract No. 1149; 87.448 acres out of the Sherman Conant Survey No. 34, Abstract No. 1263; 73.594 acres out of Survey No. 31, Abstract No. 397; 18.840 acres out of the Sherman Conant Survey No. 36, Abstract No. 1264; and 12.491 acres out of Survey No. 29, Abstract No. 395, and being out of that certain parent tract described as 3116.673 acres in a deed to Harlan Lary Priour recorded in Volume 215, Page 13 of the Concho County Official Public Records.

BEGINNING at a calculated point in the road bed of County Road 2275, and in the west line of said parent tract for the S.W. corner hereof, from which a ½" steel stake bears S 89°59'57" E a distance of 21.15 feet;

THENCE in the road bed of County Road 2275 with the west line of said parent tract, and the west line hereof N 00°03'08" E a distance of 1729.03 feet to a calculated point in the common line of said Surveys No. 30 and No. 31, from which a stone mound with 60d nail found bears S 89°40'29" E a distance of 1861.11 feet, N 00°28'39" E a distance of 5267.35 feet to a calculated point in the common line of said Surveys No. 29 and No. 30, from which a stone mound with 60d nail found bears S 89°47'43" E a distance of 1862.50 feet, and N 00°35'54" E a distance of 289.01 feet to a calculated point for the S.W. corner of a northerly 719.511 acre (net) partition tract of said parent tract and that certain tract described as 1832.214 acres in a deed to Edna E. Priour Trust recorded in Volume 218, Page 79 of said Official Public Records, and the N.W. corner hereof, from which a ½" steel stake bears N 89°57'57" E a distance of 22.79 feet;

THENCE along a division line of said parent tract for the south line of said northerly 719.511 (net) acres, and the north line hereof N 90°00'00" E a distance of 4623.42 feet to a ½" steel stake for the N.W. corner of a 116.939 acre partition tract of said parent tract and said 1832.214 acres, and the N.E. corner hereof;

THENCE along a division line of said parent tract for the west line of said 116.939 acres, and the east line hereof S 05°12'39" W @ 2785.70 passing the S.W. corner of said 116.939 acres, and the N.W. corner of a 212.766 acre partition tract of said parent tract for a total distance for this course of 7315.48 feet to a ½" steel stake for the S.W. corner of said 212.766 acres, and the S.E. corner hereof;

THENCE along a division line of said parent tract for the south line hereof N 89°59'57" W a distance of 4007.52 feet to the POINT OF BEGINNING, having an area of 722.611 acres, and with 3.100 acres lying in County Road 2275 for a total of 719.511 net acres, of which 253.637 acres lies within "Trust" lands.

THOMAS F. JEFFCOAT AND KATHLEEN M. JEFFCOAT

BEING 714.454 acres in Concho County, Texas, out of the H. & T.C. Railroad Company Block 8, and containing approximately 503.313 acres out of the Sherman Conant Survey No. 36, Abstract No. 1264, and 211.141 acres out of Survey No. 29, Abstract No. 396, and being out of that certain parent tract described as 731.037 acres in a deed to Gary D. Priour recorded in Volume 265, Page 1 of the Concho County Official Public Records, and being further described as follows:

BEGINNING at a calculated point in the intersection of County Road 2264 and County Road 2275 in the North line of said Block 8, the common line of the Mrs. P. Cropper Survey No. 107, Abstract No. 1564 and said Survey No. 29, and the South line of that certain tract described as 2105.72 acres in a deed to Earl R. Bruno, et al, recorded in Volume 152, Page 37 of the Concho County Deed Records for the N.E. corner of that certain tract described as 6511.51 acres in a deed to Bill Upton, et ux (Eloise), described in Volume 138, Page 117 of said Deed Records, the N. W. corner of said parent tract, and the N.W. corner hereof, from which ½" steel stakes found bear S 19°59'27" E a distance of 103.44 feet, and S 63°23'43" E a distance of 132.25 feet;

THENCE in the road bed of County Road 2264 along the North line of said Block 8, the common line of said Surveys No. 107 and No. 29, the South line of said 2105.72 acres, the North line of said parent tract, and the North line hereof S 89°50'05" E a distance of 6232.71 feet to a calculated point for the N.W. corner of a 16.583 acre partition tract of said parent tract, and the N.E. corner hereof, from which a ½" steel stake bears S 00°26'41" W a distance of 62.08 feet;

THENCE along a fence for a division line of said parent tract, the West line of said 16.583 acres, and the East line hereof S 00°26'51" W a distance of 672.50 feet to a 3/8" steel stake found, S 00°31'07" W a distance of 1054.88 feet to a 3/8" steel stake found, S 00°26'19" W a distance of 1013.58 feet to a 3/8" steel stake found, S 00°27'40" W a distance of 1108.21 feet to a 3/8" steel stake found, and S 00°24'14" W a distance of 1130.71 feet to a 3/8" steel stake found in a northerly line of that certain tract described as 116.939 acres in a deed to Lary Priour recorded in Volume 266, Page 451 of said Official Public Records, and the South line of said parent tract for the S.W. corner of said 16.583 acres, and the S.E. corner hereof;

THENCE along a northerly line of said 116.939 acres, the South line of said parent tract, and the South line hereof N 90°00'00" W @ 1621.78 feet passing the N.E. corner of that certain tract described as 722.611 acres in a deed to Wesley Hopkins (Trustee) recorded in Volume 265, Page 358 of said Official Public Records, and the N.W. corner of said 116.939 acres for a total distance of 6245.20 feet to a calculated point in the road bed of County Road 2275, and the East line of said 6511.51 acres for the N.W. corner of said 722.611 acres, the S.W. corner of said parent tract, and the S.W. corner hereof, from which a ½" steel stake bears N 89°58'57" E a distance of 22.79 feet;

THENCE in the road bed of County Road 2275 for the East line of said 6511.51 acres, the West line of said parent tract, and the West line hereof N 00°35'44" E a distance of 4997.97 feet to the POINT OF BEGINNING, having an area of 714.454 acres.

CHAS. & SOPHIE KOTHMANN RANCHES, LTD., a Texas limited partnership

(The Reinvestment Zone shall only include those portions situated in Concho County, Texas)

TRACT ONE

BEING 619.98 acres of land, more or less, out of Newsom Gwatney Survey No. 10, Menard County Abstract No. 1387, Concho County Abstract No. 1607, as described in "PARCEL NINE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas.

TRACT TWO

BEING 301.07 acres of land, more or less, out of N. W. Gwatney Survey No. 11, Menard County Abstract No. 1357, Concho County Abstract No. 1606, as described in "PARCEL NINE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas.

TRACT THREE

BEING 108.18 acres of land, more or less, out of Fred Speck Survey No. 6, Menard County Abstract No. 1801, Concho County Abstract No. 1888, as described in "PARCEL NINE" in that certain Special

Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas.

TRACT FOUR

BEING 338.18 acres of land, more or less, out of Fred Speck Survey No. 7, Menard County Abstract No. 1800, Concho County Abstract No. 1887, as described in "PARCEL NINE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas; and 30.43 acres of land, more or less, out of Fred Speck Survey No. 7, Menard County Abstract No. 1800, as described in "PARCEL TEN, TRACT ONE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas, and as described in "PARCEL ONE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 255, Page 144, Official Public Records Concho County, Texas; and 128.30 acres of land, more or less, out of Fred Speck Survey No. 7, Menard County Abstract No. 1800, as described in "PARCEL TEN, TRACT TWO" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas; and 173.64 acres of land, more or less, out of Fred Speck Survey No. 7, Menard County Abstract No. 1800, as described in "PARCEL ELEVEN" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas.

TRACT FIVE

BEING 26.06 acres of land, more or less, out of J. Hughes Survey No. 20, Menard County Abstract No. 1777, as described in "PARCEL NINE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas; and 136.73 acres of land, more or less, out of J. Hughes Survey No. 20, Menard County Abstract No. 1777 as described in "PARCEL TEN, TRACT ONE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas, and as described in "PARCEL ONE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 255, Page 144, Official Public Records Concho County, Texas; said 136.73 acres of land, more or less, out of Survey No. 20, J. Hughes, Original Grantee, Menard County Abstract No. 1777, Concho County Abstract No. 1865 as further described in "PARCEL ONE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 255, Page 144, Official Public Records Concho County, Texas.

TRACT SIX

BEING 162.79 acres of land, more or less, out of P. Easley, Original Grantee, Menard County Abstract No. 1764 as described in "PARCEL TEN, TRACT ONE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas; same said tract being 162.79 acres of land, more or less, out of Survey No. 20, P. Easley, Original Grantee, Menard County Abstract No. 1764, Concho County Abstract No. 1863 as described in "PARCEL ONE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 255, Page 144, Official Public Records Concho County, Texas.

TRACT SEVEN

BEING 373.586 acres of land, more or less, out of the E.L.&R.R. Railroad Co. Survey No. 127, Menard County Abstract No. 923, Concho County Abstract No. 1613, as described in "PARCEL TWELVE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas; SAVE AND EXCEPT 27.171 acres out of the E.L. & R.R. Railroad Co. Survey No. 127, Abstract No. 923 in Menard County, Texas and being out of and a part of that certain

tract described as "Tract 1" in a deed from Earl Lynn Haley to Billy Dale, recorded November 4, 1994 in Vol. 146, Pg. 289 of the Concho County Deed Records.

TRACT EIGHT

BEING 297.41 acres of land, more or less, out of C.C.S.D. & R. G. N. G. Ry. Co. Survey No. 19, Concho County Abstract No. 1610 as described in "PARCEL ONE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 255, Page 144, Official Public Records Concho County, Texas; and 24.78 acres of land, more or less, out of C.C.S.D. & R. G. N. G. Ry. Co. Survey No. 19, Concho County Abstract No. 1610, as described in "PARCEL NINE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas.

TRACT NINE

BEING 69.244 acres out of A B. & M. Survey No. 92, Abstract No. 1862 in Concho County, as described in "PARCEL THREE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 255, Page 144, Official Public Records Concho County, Texas.

CALVIN B. MCGOWAN

TRACT ONE

BEING a 3011.12 acre tract of land comprised of the following:

643.01 acres in Survey No. 42, Abstract No. 1185; 643.26 acres in Survey No. 55, Abstract No. 409; 296.95 acres in Survey No. 58, Abstract No. 1183; 482.30 acres in Survey No. 43, Abstract No. 403; 643.41 acres in Survey No. 54, Abstract No. 1182; and 302.19 acres in Survey No. 59, Abstract No. 411, all in H. & T.C. R.R. Co. Block 8, Concho County, Texas; said 3011.12 acre tract, also being part of the land described in Deed from P.A. Roche and wife to Mrs. Cora Loftin Henderson dated May 9, 1895 and recorded in Volume O, Page 325 of the Deed Records of Concho County, Texas, is described by metes and bounds as follows:

BEGINNING at a 1 ¼" iron pipe in stone mound found 2 feet North of a fence corner post from which a point for the N.W. corner of said Survey No. 42 and the S.W. corner of Survey No. 41 of Block 8 bears N.69°14'17"W. 38.16 feet;

THENCE South of the North line of Survey No. 42 and along or near the fenced South line of a "6263.58" acre tract described in Deed from Hy-Land Joint Venture to Eugene O. Beck, et al recorded in Volume 130, Page 408 of the Deed Records of Concho County, S.89°33'41"E. 5255.94 to a ½" iron rod in a 2" iron pipe set in the East line of Survey No. 42 and the West line of Survey No. 55 from which an old stone mound found for the S.E. corner of Survey No. 42, S.W. corner of Survey No. 55, N.W. corner of Survey No. 54 and N.E. corner of Survey No. 43 bears S.0°25'03"W. 5305.98 feet;

THENCE South of the North line of Survey No. 55 and continuing along or near said fenced South line, S.89°28'34"E., at 5290.17 feet cross the East line of Survey No. 55 from which a ½" iron rod set in an old stone mound found for the S.E. corner of Survey No. 55, S.W. corner of Survey No. 58, N.W. corner of Survey No. 59 and N.E. corner of Survey No. 54 bears S.0°24'06"W. 5286.02 feet, in all 5295.99 feet to a 1 ¼" galvanized iron pipe marked "SW 57" found on the South side of a fence corner post;

THENCE South of the North line of Survey No. 58, S.89°26'17"E. 2425.02 feet to a point for the N.E. corner of the tract described herein from which a 1 ¼" galvanized iron pipe marked "SE 57" found on the South side of a fence post for the patented S.W. corner of A.J. Caffey Survey No. 2, Abstract No. 1932 bears S.89°26'17"E. 2867.66 feet;

THENCE South, at 5276.36 feet cross the South line of Survey No. 58 and the North line of Survey No. 59 from which a ½" iron rod set in an old stone mound found for the S.E. corner of Survey No. 58, the N.E. corner of Survey No. 59, and the N.W. corner of Survey No. 70 of Block 8 bears S.89°40'04"E. 2823.39 feet, in all 10569.28 feet to a point in the South line of Survey No. 59 and North line of Survey No. 60 of Block 8 from which a ½" iron rod set in an old stone mound found for the S.E. corner of Survey No. 59, the S.W. corner of Survey No. 70, the N.W. corner of Survey No. 69, and the N.E. corner of Survey No. 60 of Block 8 bears S.89°41'17"E. 2792.54 feet;

THENCE with the South line of Survey No. 59, N.89°41'17"W. 544.77 feet to a point in the fence;

THENCE along or near said fence, N.0°16'20"E. 5.09 feet to a 4" iron pipe post;

THENCE along or near a fence, N.89°57'12"W. 1100.30 feet to a point in or near said fence in the South line of Survey No. 59;

THENCE with the South line of Survey No. 59 and North line of Survey No. 60 and a tract described in Deed from Aubrey W. Harrell to F.R. Owens dated February 15, 1974 and recorded in Volume 116, Page 245 of the Deed Records, N.89°41'17"W., at 861.71 feet and S.W. corner of Survey No. 59, N.W. corner of Survey No. 60, the N.E. corner of Survey No. 53 and S.E. corner of Survey No. 54, and continuing at 6147.8 pass a 4" iron pipe post at or near the N.W. corner of said Harrell to Owens tract, in all 6159.21 feet to a point for the S.W. corner of Survey No. 54, N.W. corner of Survey No. 53, N.E. corner of Survey No. 44, and S.E. corner of Survey No. 43 of Block 8 and S.E. corner of a "160" acre tract described in Deed from J.E. Henderson to James E. Henderson, Jr. dated August 8, 1963 and recorded in Volume 88, Page 279 of said Deed Records from which a point for the S.E. corner of said Survey No. 44 bears S.0°29'06"W. 5297.48 feet; from said S.E. corner of Survey No. 44 a found set rock bears S.40°49'W. 72.78 feet and brass disk marked "4JEP 1968" bears S.36°06'45"W. 66.39 feet;

THENCE with the East line of Survey No. 43 and the West line of Survey No. 54, N.0°29'06"E. 1319.44 feet to a point for the N.E. corner of said "160" acre tract;

THENCE with the North line of said "160" acre tract, N.89°41'17"W. 23.93 feet to a point in a fence;

THENCE along or near said fence, N.0°16'48"E. 3.71 feet to a 3/8" iron rod found at a fence post;

THENCE along or near said fence, N.89°42'11"W. 5256.72 feet to a ½" iron rod set on the West side of a fence corner post from which the N.W. corner of said "160" acre tract bears S.80°52'15"W. 14.20 feet;

THENCE along or near a fence N.0°16'54"E. 3976.22 feet to a 1 ¼" galvanized iron pipe marked "NE 38" found in an old stone mound 2.5 feet West of a fence for the N.W. corner of Survey No. 43, S.W. corner of Survey No. 42, S.E. corner of Survey No. 39 and N.E. corner of Survey No. 38 of Block 8;

THENCE along or near a fence, N.0°50'11"E., at 228.56 feet a ½" iron rod found on the South side of a large fence post at or near a N.E. corner of a "2105.72" acre tract described in Deed from Henderson to Pelitjean dated March 19, 1974 and recorded in Volume 117, Page 32 of the Deed Records and the S.E. corner of the land described in Deed from Denis Ranch to A.H. Denis III, et al dated July 10, 1992 and recorded in Volume 154, Page 436 of the Official Public Records of Concho County, Texas bears N.89°09'49"W. 1.50 feet, in all 5313.15 feet to the POINT OF BEGINNING and containing 3011.12 acres of land.

TRACT TWO

BEING a 1.12 acre tract of land comprised of a 0.04 acre in Survey No. 60, Abstract No. 1184 and 1.08 acres in Survey No. 53, Abstract No. 408 of H. & T.C. R.R. Co. Block 8, Concho County, Texas; said 1.12 acre tract, also being in a part of the land described in Deed from Aubrey W. Harrell to F.R. Owens dated February 15, 1974 and recorded in Volume 116, Page 245 of the Deed Records of Concho County, Texas, is described by metes and bounds as follows:

BEGINNING at a point in the North line of Survey No. 60 and South line of Survey No. 59 of said Block 8 from which a ½" iron rod set in an old stone mound found for the N.E. corner of Survey No. 60 bears S.89°41'17"E. 4437.61 feet;

THENCE with the North line of Survey No. 60, N.89°41'17"W., at 861.71 feet pass the N.W. corner of Survey No. 60 and S.W. corner of Survey No. 59 from which a set ½" iron rod in old stone mound found for the N.W. corner of Survey No. 59 and N.E. corner of Survey No. 54 of Block 8 bears N.0°25'18"E. 5293.72 feet, and continuing with the South line of Survey No. 54 and North line of Survey No. 53 at 6147.8 feet pass a 4" iron pipe post, in all 6159.21 feet to a point for the West corner of this 1.12 acre tract at the N.W. corner of Survey No. 53 and S.W. corner of Survey No. 54 from which an old stone mound found for the N.W. corner of Survey No. 54 bears N.0°29'06"E. 5293.33 feet and a point for the S.W. corner of Survey No. 53 bears S.0°29'06"W. 5297.48 feet; from said S.W. corner of Survey No. 53 a found set rock bears S.40°49'W. 72.78 feet and a brass disk marked "4JEP 1968" bears S.36°06'45"W. 66.39 feet;

THENCE along or near a fence, S.89°05'42"E. 722.31 feet to a fence post;

THENCE continuing along or near said fence, S.89°33'22"E. 2551.07 feet to a fence post;

THENCE continuing along or near said fence, S.89°57'12"E. 2885.90 feet to the POINT OF BEGINNING and containing 1.12 acres of land.

TRACT THREE

BEING a 0.65 acre tract of land in and a part of Survey No. 43, Abstract No. 403 of H. & T.C. R.R. Co. Block 8, Concho County, Texas; said 0.65 acre tract, also being a part of a "160" acre tract described in Deed from J.E. Henderson to James E. Henderson, Jr. dated August 8, 1963 and recorded in Volume 88, Page 279 of the Deed Records of Concho County, Texas, is described by metes and bounds as follows:

BEGINNING at a point for the S.E. corner of this 0.65 acre tract at the S.E. corner of Survey No. 43, S.W. corner of Survey No. 54, N.W. corner of Survey No. 53 and N.E. corner of Survey No. 44 of H. & T.C. R.R. Co. Block 8 from which a point for the S.E. corner of Survey No. 44 bears S.0°29'06"W. 5297.48 feet; from said S.E. corner of Survey No. 44 a found set rock bears S.40°49'W. 72.78 feet and a brass disk marked "4JEP 1968" bears S.36°06'45"W. 66.39 feet;

THENCE with the East line of said Survey No. 43 and said "160" acre tract, N.0°29'06"E. 1319.44 feet to a point for the N.E. corner of said "160" acre tract from which an old stone mound found for the N.E. corner of Survey No. 43 bears N.0°29'06"E. 3973.89 feet;

THENCE with the North line of said "160" acre tract, N.89°41'17"W. 23.93 feet to a point in a fence from which a 3/8" iron rod found at a fence corner bears N.0°16'48"E. 3.71 feet;

THENCE along or near said fence, S.0°16'48"W. 1319.24 feet to a fence corner post;

THENCE along or near a fence S.89°05'42"E. 19.21 feet to the POINT OF BEGINNING and containing 0.65 acre of land.

Parcel 2

BEING the East 3,012.89 acres of the Courtney/J.E. Henderson Ranch in the Southwest part of Concho County, Texas, more fully described in the following three tracts:

TRACT ONE

BEING 3006.86 acres of land comprised of the following:

639.90 acres in G.C.& S.F. R.R. Co. Survey No. 1, Abstract No. 1081; 343.77 acres in Survey No. 58, Abstract No. 1183; 341.15 acres in Survey No. 59, Abstract No. 411; 401.54 acres in Survey No. 60, Abstract No. 1184; 638.23 acres in Survey No. 69, Abstract No. 416; and 642.27 acres in Survey No. 70, Abstract No. 1438, all in H. & T.C. R.R. Co. Block 8, Concho County, Texas; said 3006.86 acres, also being a part of the land described in Deed from P.A. Roche and wife to Mrs. Cora Loftin Henderson dated May 9, 1895 and recorded in Volume O, Page 325 of the Deed Records of Concho County, Texas, is described by metes and bounds as follows:

BEGINNING at a 1" pinched galvanized iron pipe on East side of a fence corner post found for the patented S.E. corner of a "126 2/3" acre tract in A.J. Caffey Survey No. 2, Abstract No. 1697 and accepted for the N.E. corner of said Survey No. 1;

THENCE S.0°34'19"W. 5259.03 feet to a point for the N.E. corner of Survey No. 70 and accepted for the S.E. corner of said Survey No. 1 from which a 4" iron pipe post bears S.48°43'56"E. 48.08 feet and a 1/2" iron rod set in an old stone mound found for the S.E. corner of Survey No. 58, the N.E. corner of Survey No. 59, and the N.W. corner of Survey No. 70 of H.& T.C. R.R. Co. Block 8 and accepted for the S.W. corner of Survey No. 1 bears N.89°39'57"W. 5288.87 feet;

THENCE with the East line of Survey No. 70 and West line of Survey No. 71 Block 8, S.0°21'21"W., at 5289.80 feet a point for the S.E. corner of Survey No. 70 from which a 1/2" iron rod set at a fence corner post for the patented N.W. corner of the North part of Survey No. 72 of Block 8 bears N.17°36'04"E. 43.39 feet and a 1/2" iron rod set in an old stone mound found for the S.W. corner of Survey No. 70, the N.W. corner of Survey No. 69, the N.E. corner of Survey No. 60, and the S.E. corner of Survey No. 59 of Block 8 bears N.89°41'17"W. 5286.84 feet, and continuing with the East line of Survey No. 69 and West line of Survey No. 72 of Block 8 at 6716.89 feet a point 2 feet West of a fence corner post, and continuing along or near a fence in all 10550.50 feet a 1/2" iron rod set at a fence corner post from which a point in a caliche road for the S.E. corner of Survey No. 69 bears S.0°21'21"W. 30.70 feet;

THENCE along or near the fenced North line of a caliche road, N.89°37'12"W., at 5288.86 feet cross the West line of Survey No. 69 and East line of Survey No. 60, in all 5338.79 feet to a fence post on the West side of a gate;

THENCE along or near the fenced North line of said caliche road, N.89°47'19"W. 3277.71 feet to a 4" iron pipe post from which a point for the S.E. corner of the West 240 acres of Survey No. 60 described in Deed from Aubrey W. Harrell to F.R. Owens dated February 15, 1974 and recorded in Volume 116, Page 245 of the Deed Records bears N.89°47'19"W. 1.58 feet and S.0°25'18"E. 35.35 feet;

THENCE along or near a fence, N.0°16'20"E. 607.08 feet to a point in the East line of said West 240 acres;

THENCE with the East line of the 240 acre tract, N.0°25'18"E., crossing a rock and cement water tank, in all 4653.02 feet to a point in the North line of Survey No. 60;

THENCE with the North line of Survey No. 60 and South line of Survey No. 59, S.89°41'17"E. 532.65 feet to a point for corner from which the aforementioned S.E. corner of Survey No. 59 bears S.89°41'17"E. 2792.54 feet;

THENCE North, at 5292.92 feet cross the North line of Survey No. 59 and South line of Survey No. 58 from which a ½" iron rod set in an old stone mound found for the N.W. corner of Survey No. 59, the N.E. corner of Survey No. 54, the S.E. corner of Survey No. 55, and S.W. corner of Survey No. 58 of Block 8 bears N.89°40'04"W. 2647.82 feet and the aforementioned S.E. corner of Survey No. 58 bears S.89°40'04"E. 2823.39 feet, in all 10569.28 feet to a point in or near a fence from which a 1 ¼" galvanized pipe marked "SW 57" found on the South side of a fence corner post bears N.89°26'17"W. 2425.02 feet;

THENCE along or near a fence, S.89°26'17"E., at 2859.13 feet cross the East line of Survey No. 58 and West line of Survey No. 1, in all 2867.66 feet to a 1 ¼" galvanized iron pipe marked "SE 57" on the South side of a fence post for the patented S.W. corner of "523.9" acres of A.J. Caffey Survey No. 2, Abstract No. 1932 from which a found 3/8" iron rod bears S.16°14'W. 1.6 feet;

THENCE along or near a fence and with the patented South line of Survey No. 2, S.89°36'12"E., at 2265.67 feet the patented S.E. corner of said "523.9" acres and patented S.W. corner of the aforesaid "126 2/3" acre tract from which a 3/8" iron rod bears N.0°23'48"E. 0.84 feet, in all 5297.24 feet to the POINT OF BEGINNING and containing 3006.86 acres of land.

TRACT TWO

BEING a 0.65 acre tract in and a part of Survey No. 60, Abstract No. 1184 of H. & T.C. R.R. Co. Block 8, Concho County, Texas; said 0.65 acre tract, also being a part of the West 240 acres of Survey No. 60 described in Deed from Aubrey W. Harrell to F.R. Owens dated February 15, 1974 and recorded in Volume 116, Page 245 of the Deed Records of Concho County, Texas, is described by metes and bounds as follows:

BEGINNING at a point in the North line of Survey No. 60 for the N.E. corner of said West 240 acres from which a ½" iron rod set in an old stone mound found for the N.E. corner of Survey No. 60 bears S.89°41'17"E. 3325.19 feet;

THENCE with the East line of said 240 acres, S.0°25'18"W., crossing a rock and cement water tank, in all 4653.02 feet to a point in or near a fence for the South corner of this 0.65 acre tract from which a 4" iron pipe post bears S.0°16'20"W. 607.08 feet;

THENCE along or near said fence, N.0°16'20"E. 4653.02 feet to a point in the North line of said 240 acres and the North line of Survey No. 60 from which a 4" iron pipe post bears N.0°16'20"E. 5.09 feet;

THENCE with said North line, S.89°41'17"E. 12.12 feet to the POINT OF BEGINNING and containing 0.65 acre of land.

TRACT THREE

BEING a 5.38 acre tract comprised of 2.20 acres in E.M. Caffey Survey No. 2, Abstract No. 1696; 2.98 acres in Survey No. 71, Abstract No. 417; and 0.20 acres in the North part of Survey No. 72, Abstract No. 1923 of H. & T.C. R.R. Co. Block 8, all in Concho County, Texas; said 5.38 acre tract is described by metes and bounds as follows:

BEGINNING at a 1" pinched galvanized iron pipe on the East side of a fence post found for the patented S.E. corner of a "126 2/3" acre tract in A.J. Caffey Survey No. 2, Abstract No. 1697 and accepted for the N.E. corner of G.C. & S.F. R.R. Co. Survey No. 1, Abstract No. 1081;

THENCE along or near a fence, S.0°10'38"W. 5290.50 feet to a 4" iron pipe post at the Southwest corner of a lane;

THENCE continuing along or near a fence, S.0°36'49"W. 5216.92 feet to a ½" iron rod set at a fence corner post for the patented N.W. corner of the North part of Survey No. 72;

THENCE along or near a fence, S.0°51'28"W. 1468.59 feet to a point 2.0 feet West of a fence corner post for the South corner of this 5.38 acre tract in the West line of Survey No. 72;

THENCE with the West line of Survey No. 72 and the East line of Survey No. 69 of Block 8, N.0°21'21"E., at 1427.09 feet pass the N.W. corner of Survey No. 72 and N.E. corner of Survey No. 69 from which a ½" iron rod set in an old stone mound found for the N.W. corner of Survey No. 69 and S.W. corner of Survey No. 70 of Block 8 bears N.89°41'17"W. 5286.84 feet, and continuing with the West line of Survey No. 71 and East line of Survey No. 70 of Block 8, in all 6716.89 feet a point for the N.E. corner of Survey No. 70 and accepted for the S.E. corner of the aforesaid Survey No. 1 from which a ½" iron rod set in an old stone mound found for the N.W. corner of Survey No. 70 bears N.89°39'57"W. 5288.87 feet;

THENCE N.0°34'19"E. 5259.03 feet to the POINT OF BEGINNING and containing 5.38 acres of land.

Parcel 3

Easement along Survey No. 60, Abstract No. 1184 of H. & T.C. R.R. Co. Block 8, Concho County, Texas, executed by John Edward Henderson, et al, in favor of Calvin B. McGowan as described and recorded in Volume 177, Page 465 of the Official Public Records of Concho County, Texas.

BEING a strip of land thirty feet in width parallel to, East of and adjoining the following described course:

BEGINNING at a point in the North line of Survey No. 60 for the Northeast corner of the West 240 acres of Survey No. 60 described in a Deed from Aubrey W. Harrell to F.R. Owens dated February 15, 1974, recorded in Volume 116, Page 245, Deed Records, Concho County, Texas, from which a ½" iron rod set in an old stone mound found for the Northeast corner of Survey No. 60 bears S 89° 41' 17" E. 3325.19 feet;

THENCE with the East line of said 240 acres, S 0° 25' 18" W crossing a rock and cement water tank, in all 4653.02 feet to a point in or near a fence in the North line of a caliche road, from which point a 4" iron pipe post bears S 0° 16' 20" W. 607.08 feet.

TRAVIS PRIOUR AND DAVID PRIOUR

BEING 719.511 acres in Concho County, Texas, out of the H. & T.C. Railroad Company Block 8, and containing approximately 326.132 acres out of the Sherman Conant Survey No. 46, Abstract No. 1261, 283.499 acres out of Survey No. 47, Abstract No. 405, 59.814 acres out of Survey No. 35, Abstract No. 399, and 50.066 acres out of the Sherman Conant Survey No. 34, Abstract No. 1263, and being out of that certain parent tract described as 1832.214 acres in a deed to the Edna E. Priour Trust recorded in Volume 218, Page 79 of the Concho County Official Public Records.

BEGINNING at a ½" steel stake found in the common line of the G.A. Conant Survey No. 50, Abstract No. 1254 and said Survey No. 47, the west line of that certain Tract Five described as 650.10 acres in a deed to Ralph M. Ebeling, Jr., recorded in Volume 188, Page 614 of said Official Public Records, and the east line of said parent tract for the N.E. corner of that certain 417.603 acre tract out of 6013.45 acres described in a deed to S & S Miller Ranch, L.P., recorded in Volume 209, Page 103 of said Official Public Records, the S.E. corner of said parent tract, and the S.E. corner hereof;

THENCE along a fence for the north line of said 417.603 acres, the south line of said parent tract, and the south line hereof N 89°49'42" W a distance of 1067.35 feet to a 3/8" steel stake found, N 89°46'29" W a distance of 1115.92 feet to a 3/8" steel stake found, N 89°43'26" W a distance of 953.76 feet to a 3/8" steel stake found, N 89°49'56" W a distance of 1053.66 feet to a 3/8" steel stake found, N 89°48'36" W a distance of 1036.21 feet to a 3/8" steel stake found, and N 89°47'06" W a distance of 939.85 feet to a ½" steel stake found in the east line of that certain tract described as 3116.673 acres in a deed to Harlan Lary Priour recorded in Volume 215, Page 13 of said Official Public Records for the N.W. corner of said 417.603 acres, the S.W. corner of said parent tract, and the S.W. corner hereof;

THENCE along a fence for the east line of said 3116.673 acres, the west line of said parent tract, and the west line hereof N 00°20'27" E a distance of 670.07 feet to a ½" steel stake for the S.E. corner of a 212.766 acre partition tract of said 3116.673 acres, N 00°20'25" E a distance of 41.94 feet to a 3/8" steel stake found under an electric line, N 00°15'37" E a distance of 1113.86 feet to a 3/8" steel stake found, N 00°16'38" E a distance of 1875.78 feet to a 3/8" steel stake found, N 00°16'06" E a distance of 1067.53 feet to a 3/8" steel stake found, and N 00°18'27" E a distance of 411.94 feet to a ½" steel stake for the S.E. corner of a 116.939 acre partition tract of said parent tract and said 3116.673 acres, the N.E. corner of said 212.766 acres, the S.W. corner of a 362.509 acre partition tract of said parent tract, and the N.W. corner hereof;

THENCE along a division line of said parent tract for the south line of said 362.509 acres, and the north line hereof N 90°00'00" E a distance of 4040.78 feet to a ½" steel stake, S 48°47'04" E a distance of 522.07 feet to a ½" steel stake, and N 90°00'00" E a distance of 1727.92 feet to a ½" steel stake in the common line of the H. & T.C. Railroad Company Survey No. 51, Abstract No. 407, and said Survey No. 46, the west line of that certain Tract Two described as 650.18 acres in a deed to Ralph M. Ebeling, Jr., recorded in Volume 188, Page 614 of said Official Public Records, and the east line of said parent tract for the S.E. corner of said 362.509 acres, and the N.E. corner hereof;

THENCE along a fence for the approximate common line of said Surveys No. 51 and No. 46, the west line of said Tract Two, the east line of said parent tract, and the east line hereof S 00°15'40" W a distance of 232.22 feet to a 3/8" steel stake found, S 00°13'50" W a distance of 1057.80 feet to a 3/8" steel stake found, S 00°18'56" W a distance of 1218.57 feet to a ½" steel stake found, S 00°13'58" W a distance of 1182.74 feet to a 3/8" steel stake found, and S 00°10'07" W a distance of 1168.01 feet to the POINT OF BEGINNING, having an area of 719.511 acres.

HARLAN LARY PRIOUR FAMILY PARTNERS, LTD.

TRACT ONE

BEING 1355.964 acres in Concho County, Texas, out of the H. & T.C. Railroad Company Block 8, and consisting of approximately 638.642 acres out of the J.H. Hardy Survey No. 48, Abstract No. 1309, 362.429 acres out of the Sherman Conant Survey No. 34, Abstract No. 1263, 175.389 acres out of Survey No. 33, Abstract No. 398, 152.496 acres out of Survey No. 31, Abstract No. 397, and 27.008 acres out of the J.E. Henderson Survey No. 32, Abstract No. 1892, and being out of that certain parent tract described as 3116.673 acres in a Deed to Harlan Lary Priour recorded in Volume 215, Page 13 of the Concho County Official Public Records, being more particularly described by metes and bounds as follows:

BEGINNING at a ½" steel stake in South line of said Block 8, the North line of Newsom Gwatney Survey No. 10, Abstract No. 1607, and the North line of that certain tract described as 2260.49 acres in a Deed to Gail K. Anderson and Dora K. Wright recorded in Volume 174, Page 65 of said Official Public Records for the common corner of Survey No. 49, Abstract No. 406, and said Survey No. 48, the S.W. corner of that certain Tract One described as 649.41 acres in a Deed to Ralph M. Ebeling, Jr. recorded in Volume 188, Page 614 of said Official Public Records, the S.E. corner of said parent tract, and the S.E. corner hereof;

THENCE along a fence for the South line of said Block 8, the common line of said Surveys No. 10 and No. 48, the North line of said 2260.49 acres, a southerly line of said parent tract, and a southerly line hereof
N 89°42'13" W a distance of 1278.13 feet to a 3/8" steel stake,
N 89°46'59" W a distance of 1105.22 feet to a 3/8" steel stake,
N 89°45'31" W a distance of 1095.42 feet to a 3/8" steel stake,
N 89°45'43" W a distance of 1131.95 feet to a 3/8" steel stake,
N 89°43'35" W a distance of 1014.91 feet to a 3/8" steel stake,
N 89°40'51" W a distance of 346.97 feet to a ½" steel stake found, and
N 89°47'33" W a distance of 232.85 feet to a ½" steel stake for the S.E. corner of a 666.744 acre partition tract of that certain tract described as 6013.45 acres in a Deed to S & S Miller Ranch, L.P., recorded in

Volume 209, Page 103 of said Official Public Records, the most southerly S.W. corner of said parent tract, and the most southerly S.W. corner hereof;

THENCE along a fence for the East line of said 666.744 acres, a westerly line of said parent tract, and a westerly line hereof

N 00°17'57" E a distance of 900.79 feet to a 3/8" steel stake,

N 00°19'18" E a distance of 1039.24 feet to a 3/8" steel stake,

N 00°23'17" E a distance of 1104.83 feet to a 3/8" steel stake,

N 00°22'37" E a distance of 1080.54 feet to a 3/8" steel stake, and

N 00°21'34" E a distance of 561.14 feet to a 1/2" steel stake for the N.E. corner of said 666.744 acres, a re-entrant corner of said parent tract, and a re-entrant corner hereof;

THENCE along the North line of said 666.744 acres, a southerly line of said parent tract, and a southerly line hereof S 89°59'31" W a distance of 6232.76 feet to a calculated point in the roadbed of County Road 2275 for the N.W. corner of said 666.744 acres, the most westerly S.W. corner of said parent tract, and the most westerly S.W. corner hereof, from which a 1/2" steel stake bears N 89°59'31" E a distance of 21.51 feet;

THENCE in the roadbed of County Road 2275 for a westerly line of said parent tract, and a westerly line hereof N 00°00'52" E a distance of 640.09 feet to a calculated point in the common line of said Surveys No. 32 and No. 31, and N 00°03'09" E a distance of 3575.44 feet to a calculated point for the S.W. corner of a 722.611 acre partition tract of said parent tract, and the N.W. corner hereof, from which a 1/2" steel stake bears S 89°59'57" E a distance of 21.15 feet;

THENCE along a division line of said parent tract for the South line of said 722.611 acres, and a northerly line hereof S 89°59'57" E a distance of 4007.52 feet to a 1/2" steel stake for the S.E. corner of said 722.611 acres, and the S.W. corner of a 212.766 acre partition tract of said parent tract;

THENCE along a division line of said parent tract for the South line of said 212.766 acres, and a northerly line hereof N 89°59'54" E a distance of 2249.60 feet to a 1/2" steel stake in the West line of a 719.511 acre partition tract of that certain tract described as 1832.214 acres in a Deed to the Edna E. Priour Trust recorded in Volume 218, Page 79 of said Official Public Records, and an easterly line of said parent tract for the S.E. corner of said 212.766 acres, and the most northerly N.E. corner hereof;

THENCE along a fence for the West line of said 719.511 acres, and easterly line of said parent tract, and an easterly line hereof S 00°20'27" W a distance of 670.07 feet to a 1/2" steel stake found for the N.W. corner of a 417.603 acre partition tract of said 6013.45 acres, and the S.W. corner of said 719.511 acres;

THENCE along a fence for the West line of said 417.603 acres, and easterly line of said parent tract, and an easterly line hereof

S 00°04'09" W a distance of 152.18 feet to a 2.5 pipe post,

S 00°24'49" W a distance of 877.20 feet to a 3/8" steel stake,

S 00°24'28" W a distance of 946.36 feet to a 3/8" steel stake, and

S 00°23'45" W a distance of 975.56 feet to a 1/2" steel stake for the S.W. corner of said 417.603 acres, a re-entrant corner of said parent tract, and a re-entrant corner hereof;

THENCE along a fence for the South line of said 417.603 acres, a northerly line of said parent tract, and a northerly line hereof

S 89°52'53" E a distance of 787.34 feet to a 3/8" steel stake,

S 89°52'33" E a distance of 1049.59 feet to a 3/8" steel stake,

S 89°52'34" E a distance of 1039.41 feet to a 3/8" steel stake,

S 89°53'22" E a distance of 1067.49 feet to a 3/8" steel stake,

S 89°53'19" E a distance of 1094.91 feet to a 3/8" steel stake, and

S 89°50'18" E a distance of 1141.58 feet to a 1/2" steel stake by a "T" fence intersection, fence bears North, in the West line of said "Tract One" for the common corner of the G.A. Conant Survey No. 50, Abstract No. 1254, the H. & T.C. Railroad Company Survey No. 47, Abstract No. 405, and said Surveys No. 48 and No. 49, the S.E. corner of said 417.603 acres, the most easterly N.E. corner of said parent tract, and the most easterly N.E. corner hereof;

THENCE along a fence for the common line of said Surveys No. 48 and No. 49, the West line of said "Tract One", an easterly line of said parent tract, and an easterly line hereof

S 00°06'35" W a distance of 1099.97 feet to a 3/8" steel stake,

S 00°07'36" W a distance of 1129.92 feet to a 3/8" steel stake,

S 00°06'33" W a distance of 998.03 feet to a 3/8" steel stake,

S 00°02'31" W a distance of 785.15 feet to a 3/8" steel stake, and

S 00°00'55" W a distance of 1280.95 feet to the POINT OF BEGINNING, having an area of 1355.964 acres with 2.153 acres lying in County Road 2275 for a total of 1353.811 net acres.

TRACT TWO

BEING 212.766 acres in Concho County, Texas, out of the H. & T.C. Railroad Company Block 8, and containing approximately 127.870 acres out of Survey No. 35, Abstract No. 399, and 84.896 acres out of the Sherman Conant Survey No. 34, Abstract No. 1263, and being out of that certain parent tract described as 3116.673 acres in a Deed to Harlan Lary Priour recorded in Volume 215, Page 13 of the Concho County Official Public Records, and said 212.766 acres being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2" steel stake in the West line of that certain tract described as 1832.214 acres in a Deed to the Edna E. Priour Trust recorded in Volume 215, Page 79 of said Official Public Records, and the East line of said parent tract for the S.E. corner hereof;

THENCE along a division line of said parent tract for the South line hereof S 89°59'54" W a distance of 2249.60 feet to a 1/2" steel stake for the S.E. corner of a 719.511 acre partition tract of said parent tract, and the S.W. corner hereof;

THENCE along a division line of said parent tract for the East line of said 719.91 acres, and the West line hereof N 05°12'39" E @ 1712.53 feet parking the common line of said Surveys No. 34 and No. 35, and the centerline of a 16 feet wide easement to Sun Oil Company recorded in Volume 50, Page 462 of the Concho County Oil and Gas Lease Records for a total distance for this course of 4529.78 feet to a 1/2" steel stake for the S.W. corner of a 716.929 acre partition tract out of said parent tract and said 1832.214 acres, and the N.W. corner hereof;

THENCE along a division line of said parent tract for the South line of said 116.939 acres, and the North line hereof N 90°00'00" E a distance of 1859.79 feet to a 1/2" steel stake in a fence for the West line of said 1832.214 acres, and the East line of said parent tract for the S.W. corner of a 362.509 acre

partition tract out of said 1832.214 acres, the N.W. corner of a 719.511 acre partition tract of said 1832.214 acres, the S.E. corner of said 116.939 acres, and the N.E. corner hereof;

THENCE along a fence for the West line of said 1832.214 acres, the West line of said 719.511 acres, the East line of said parent tract, and the East line hereof
S 00°18'27" W a distance of 411.94 feet to a 3/8" steel stake found,
S 00°16'06" W a distance of 1067.53 feet to a 3/8" steel stake found,
S 00°16'38" W @ 1338.11 feet passing the common line of said Surveys No. 34 and No. 35, and the common line of said 16 feet wide easement for a total distance for this course of 1875.78 feet to a 3/8" steel stake found,
S 00°15'37" W a distance of 2113.86 feet to a 3/8" steel stake found under an electric line, and
S 00°20'25" W a distance of 41.94 feet to the POINT OF BEGINNING, having an area of 212.766 acres.

TRACT THREE

BEING 116.939 acres in Concho County, Texas, out of the H. & T.C. Railroad Company Block 8, and containing approximately 99.508 acres out of Survey No. 35, Abstract No. 399, and 17.431 acres out of the Sherman Conant Survey No. 36, Abstract No. 1264, and being out of those certain tracts described as 3116.673 acres and 1832.214 acres in deeds to Harlan Lary Priour and the Edna E. Priour Trust recorded in Volume 215, Page 13 and Volume 218, Page 79 of the Concho County Official Public Records, and said 116.939 acres being particularly described by metes and bounds, as follows:

BEGINNING at a 1/2" steel stake in the south line of a northerly 719.511 (net) acre partition tract out of said 3116.673 acres for the N.E. corner of a southerly 719.511 (net) acre partition tract out of said 3116.673 acres, and the N.W. corner hereof;

THENCE along a division line of said 3116.673 acres for the south line of said northerly 719.511 (net) acres, and the north line hereof N 90°00'00" E @ 1621.95 feet passing a fence for the east line of said 3116.673 acres, and the west line of said 1832.214 acres for a total distance for this course of 1790.04 feet to a punch mark on a large rock for the S.E. corner of said northerly 719.511 (net) acres, and a re-entrant corner hereof;

THENCE along a division line of said 1832.214 acres for the east line of said northerly 719.511 (net) acres, and a westerly line hereof N 00°00'00" W a distance of 121.90 feet to a 1/2" steel stake for the most westerly S.W. corner of a 719.511 (net) acre partition tract of said 1832.214 acres, and a northerly corner hereof;

THENCE along a division line of said 1832.214 acres for the south line of said 719.511 (net) acres, and a northerly line hereof N 90°00'00" E a distance of 367.10 feet to a 1/2" steel stake for a re-entrant corner of said 719.511 (net) acres, and the most northerly N.E. corner hereof;

THENCE along a division line of said 1832.214 acres for a southwesterly line of said 719.511 (net) acres, and a northeasterly line hereof S 32°07'48" E a distance of 430.78 feet to a 1/2" steel stake in the approximate centerline of road and proposed 30 feet wide easement, and with said approximate centerline of road S 19°26'47" W a distance of 69.11 feet to a calculated point in the centerline of a cattle guard in the north line of a 362.509 acre partition tract of said 1832.214 acres for the most southerly S.W. corner of said 719.511 (net) acres, and the most easterly S.E. corner hereof;

THENCE along a division line of said 1832.214 acres for the north line of said 362.509 acres, and a southerly line hereof N 89°43'59" W a distance of 743.11 feet to 3/8" steel stake found in a fence for the east line of said 3116.673 acres, and the west line of said 1832.214 acres for the N.W. corner of said 362.509 acres, and a re-entrant corner hereof;

THENCE along a fence for the west line of said 1832.214 acres, the west line of said 362.509 acres, the east line of said 3116.673 acres, and the east line hereof S 00°18'38" W a distance of 1772.04 feet to a 3/8" steel stake found, and S 00°18'27" W a distance of 697.58 feet to a 1/2" steel stake for the N.W. corner of a southerly 719.511 acre partition tract of said 1832.214 acres, the N.E. corner of a 212.766 acre partition tract of said 3116.673 acres, the S.W. corner of said 362.509 acres, and the S.E. corner hereof;

THENCE along a division line of said 3116.673 acres for the north line of said 212.766 acres, and the south line hereof N 90°00'00" W a distance of 1859.79 feet to a 1/2" steel stake in the east line of said southerly 719.511 (net) acres for the N.W. corner of said 212.766 acres, and the S.W. corner hereof;

THENCE along a division line of said 3116.673 acres for the east line of said southerly 719.511 (net) acres, and the west line hereof N 05°12'39" E a distance of 2785.70 feet to the POINT OF BEGINNING, having an area of 116.939 acres, of which 103.373 acres lies within "Trust" lands.

TRACT FOUR

BEING 138.557 acres in Concho County, Texas, containing approximately 86.199 acres out of said Block 8, Sherman Conant Survey No. 46, Abstract No. 1261, 52.277 acres out of the H. & T.C. Railroad Company Block 8, Survey No. 35, Abstract No. 399, and 0.081 acres out of the Block 8, Sherman Conant Survey No. 36, Abstract No. 1264, and being out of those certain tracts described as 362.509 acres and 719.511 acres in a deed to Dalene Priour Taylor recorded in Volume 265, Page 15 of the Concho County Official Public Records.

BEGINNING at a 1/2" steel stake found with cap marked "Ross" for the N.W. corner of that certain tract described as 719.511 acres in a deed to Travis & David Prior recorded in Volume 264, Page 890 of said Official Public Records, the N.E. corner of that certain tract described as 212.766 acres in a deed to Harlan Lary Priour Family Partners recorded in Volume 265, Page 26 of said Official Public Records, the most southerly S.E. corner of that certain tract described as 116.939 acres in a deed to Dalene Priour Taylor recorded in Volume 265, Page 15 of said Official Public Records, the S.W. corner of said 362.509 acres, and the S.W. corner hereof;

THENCE along a fence for an easterly line of said 116.939 acres, the west line of said 362.509 acres, and the west line hereof N 00°18'27" E a distance of 697.58 feet to a 3/8" steel stake found, and N 00°18'38" E a distance of 1772.04 feet to a 3/8" steel stake found in the approximate common line of said Surveys No. 35 and No. 36 for a re-entrant corner of said 116.939 acres, the N.W. corner of said 362.509 acres, and the N.W. corner hereof;

THENCE along a fence for the approximate common line of said Surveys No. 35 and No. 36, a southerly line of said 116.939 acres, the north line of said 362.509 acres, and the north line hereof S 89°43'59" E a distance of 743.11 feet to a calculated point in the approximate center of a cattle guard in the centerline of a 30 feet wide easement for the most southerly S.W. corner of said 719.511 acres (Taylor), the most easterly S.E. corner of said 116.939 acres, and a re-entrant corner hereof;

THENCE along the centerline of said 30 feet wide easement for an easterly line of said 116.939 acres, a westerly line of said 719.511 acres (Taylor), and a westerly line hereof N 19°26'47" E a distance of 69.11 feet to a ½" steel stake found with cap marked "Ross" for the most easterly corner of said 116.939 acres, a re-entrant corner of said 719.511 acres (Taylor), and the most northerly corner hereof;

THENCE along a division line of said 719.511 acres (Taylor) for an easterly line hereof S 52°10'59" E @ 107.06 feet passing the common line of said 719.511 acres (Taylor) and said 362.509 acres, and continuing along a division line of said 362.509 acres for a total distance for this course of 4128.39 feet to a ½" steel stake found with cap marked "Ross" in the north line of said 719.511 acres (Priour) for a re-entrant corner of said 362.509 acres, and the S.E. corner hereof;

THENCE along the north line of said 719.511 acres (Priour), the south line of said 362.509 acres, and the south line hereof N 90°00'00" W a distance of 4040.78 feet to the POINT OF BEGINNING, having an area of 138.557 acres.

TRACT FIVE

A DESCRIPTION OF 417.603 ACRES OF LAND IN CONCHO COUNTY, TEXAS, MADE FOR S&S MILLER RANCH, LP.

BEING all that certain tract of land situated in Concho County, Texas comprising a total of 417.603 acres of land out of and a part of the following Surveys:

H. & T.C. R.R. Co. Survey No. 33, Block 8, Abstract No. 398-0.308 acres,

Sherman Conant Survey No. 34, Block 8, Abstract No. 1263-61.008 acres,

H. & T.C. R.R. Co. Survey No. 47, Block 8, Abstract No. 405 -355.498 acres, and

J.H. Hardy Survey No. 48, Block 8, Abstract No. 1309-0.789 acres.

Said 417.603 acres being out of a 6013.45 acre parent tract conveyed by Jerry L. Tinkler and Cara C. Huffman to S&S Miller Ranch, L.P., by Deed recorded July 29th, 2003 in Volume 209, Page 103, et seq., of the Concho County Official Public Records.

BEGINNING at a ½" steel stake set by a "T" fence corner post, fence bears North, South and West, in the East line of said parent tract for the common corner of the J.H. Hardy Survey No. 48, Block 8, Abstract No. 1309, the H.& T.C. Ry. Co. Survey No. 49, Block 8, Abstract No. 406, the G.A. Conant Survey No. 50, Block 8, Abstract No. 1254 and said Survey No. 47, the S.W. corner of that certain 650.10 acre tract (Tract Five) and N.W. corner of that certain 649.41 acre tract (Tract One, both tracts being described in a Deed to Ralph M. Ebeling recorded in Volume 188, Page 614 of said Official Public Records, the E.N.E. corner of a 3116.673 acre tract, the S.E. corner hereof and the beginning of a division line, from which point a "T" fence corner post in the North line of the Newsom Gwatney Survey No. 10, Abstract No. 1607 (Concho County) and the North line of that certain 2260.49 acre tract described in a Deed to Gail K. Anderson and Dora K. Wright recorded in Volume 174, Page 65 of said Official Public Records for the S.E. corner of said Survey No. 48 and S.W. corner of said Survey No. 49, the S.W. corner of said 649.41 acre tract and S.E. corner of said parent tract, bears S 00°04'49" W 5294.01 feet;

THENCE with the occupational North line of said Survey No. 48 and South line of said Survey No. 47, a North line of said, 3116.673 acre tract, the South line hereof and said division line through said parent tract, along a fence,

N 89°50'18" W 1141.59 feet, a 3/8" steel stake set,

N 89°53'19" W 1094.91 feet, a 3/8" steel stake set,

N 89°53'22" W 1067.49 feet, a 3/8" steel stake set,

N 89°52'34" W 1039.41 feet, a 3/8" steel stake set,
N 89°52'33" W 1049.59 feet, a 3/8" steel stake set and
N 89°52'53" W 787.34 feet to a 1/2" steel stake set by a "T" fence corner post, fence bears South, for a corner of said 3116.673 acre tract and S.W. corner hereof;

THENCE with an East line of said 3116.673 acre tract, the West line hereof and said division line through said parent tract, along a fence,
N 00°23'45" E 975.56 feet, a 3/8" steel stake set,
N 00°24'28" E 946.36 feet, a 3/8" steel stake set,
N 00°24'49" E 877.20 feet, a 2 1/2" pipe post, and
N 00°04'09" E 152.18 feet to a 1/2" steel stake set by a "T" fence corner post, fence bears North, for the S.W. corner of an 1832.214 acre tract and N.W. corner hereof;

THENCE with the South line of said 1832.214 acre tract, the North line hereof and said division line through said parent tract, along a fence,
S 89°47'06" E 939.85 feet, a 3/8" steel stake set,
S 89°48'36" E 1036.21 feet, a 3/8" steel stake set,
S 89°49'56" E 1053.66 feet, a 3/8" steel stake set,
S 89°43'26" E 953.76 feet, a 3/8" steel stake set,
S 89°46'29" E 1115.93 feet, a 3/8" steel Stake set, and
S 89°49'42" E 1067.36 feet to a 1/2" steel stake set by a "4-way" fence corner post, fence bears North and East, in the East line of said Survey No. 47 and West line of said Survey No. 50, the West line of said 650.10 acre tract, said East line of parent tract for the S.E. corner of said 1832.214 acre tract, the N.E. corner hereof and the terminus of said division line;

THENCE with said East line of Survey No. 47 and said West line of Survey No. 50, said West line of 650.10 acre tract, said East line of parent tract and East line hereof; along a fence,
S 00°06'14" W 1148.89 feet, a 3/8" steel stake set,
S 00°07'51" W 883.09 feet, a 3/8" steel stake set,
S 00°09'33" W 882.02 feet, a 3/8" steel stake set, and
S 00°20'13" E 28.57 feet to the PLACE OF BEGINNING and containing 417.603 acres of land.

TRACT SIX

A DESCRIPTION OF 216.440 ACRES OF LAND IN CONCHO, COUNTY, TEXAS, MADE FOR S&S MILLER RANCH, L.P.

BEING all that certain tract of land situated in Concho County, Texas comprising of a total of 216.440 acres of land out of and a part of the H. & T.C. R.R. Co. Survey No. 33, Block 8, Abstract No. 398. Said 216.440 acres being out of a 6013.45 acre parent tract conveyed by Jerry L. Tinkler and Cara C. Huffman to S&S Miller Ranch, L.P., by Deed recorded July 29th, 2003 in Volume 209, et seq., of the Concho County Official Public Records.

BEGINNING at a 1/2" steel stake set in the South line of said Survey No. 33 and North line of the C.C.S.D. & R.G. Railway Co. Survey No. 19, Abstract No. 1610, the North line of that certain 627.36 acre tract (Tract One) described in a Deed to Kothmann 1992 Trust and Dora K. Wright recorded in Volume 176, Page 84 of said Official Public Records and South line of said parent tract for the S.E. corner of a 450.304 acre tract, the S.W. corner hereof and at the intersection with and beginning of a division line, from which point a 1/2" steel stake found by a "T" fence corner post for the N.E. corner of that certain

405.159 acre tract described in a deed to Kothmann 1992 Trust and Dora K. Wright recorded in Volume 178, Page 629 of said Official Public Records and N.W corner of said 627.36 acre tract bears N 89°42'15" W 4161.88 feet;

THENCE with the East line of said 450.304 acre tract, the West line hereof and with said division line through said parent tract N 00°00'00" E 4676.31 feet to a ½" steel stake set in a South line of a 3116.673 acre tract for the N.E. corner of said 450.304 acre tract and N.W. corner hereof;

THENCE with a said South line of said 3116.673 acre tract, the North line hereof and said division line through said parent tract, N 89°59'31" E 2028.87 feet to a ½" steel stake set, in a fence, for a corner of said 3116.673 acre tract and N.E. corner hereof;

THENCE with a West line of said 3116.673 acre tract, the East line hereof and said division line through said parent tract, along said fence,
S 00°21'34" W 561.14 feet, a 3/8" steel stake set,
S 00°22'37" W 1080.54 feet, a 3/8" steel stake set,
S 00°23'17" W 1104.83 feet, a 3/8" steel stake set,
S 00°19'18" W 1039.24 feet, a 3/8" steel stake set,
S 00°17'57" W 900.79 feet to a ½" steel stake set by a "T" fence corner post, bears East, in the South line of said Survey No. 33 and North line of the Fred Speck Survey No. 7, Abstract No. 1887 (Concho County), the North line of that certain 2260.49 acre tract described in a Deed to Gail K. Anderson and Dora K. Wright recorded in Volume 174, Page 65 of said Official Public Records, the South line of said parent tract for the S.W. corner of said 3116.673 acre tract, the S.E. corner hereof and terminus of said division line, from which point a ½" steel stake found for the N.E. corner of said Survey No. 7, bears S 89°47'33" E 232.85 feet;

THENCE with said North line of Survey No. 7 and said South line of Survey No. 33, said North line of 2260.49 acre tract, said South line of parent tract and South line hereof, along a fence N 89°41'06" W 329.11 feet, a ½" steel stake set by a "T" fence corner post, fence bears S.S.W. and N 89°44'47" 950.35 feet to a ½" steel stake set by a "T" fence corner post, fence bears South for the N.W. corner of said 2260.49 acre tract and the N.E. corner of said 627.36 acre tract;

THENCE continuing with said South line of parent tract, the South line hereof and with the North line of said 627.36 acre tract, the North line of said Survey No. 19 and said South line of Survey No. 33, along said fence, N 89°41'41" W 720.79 feet to the PLACE OF BEGINNING and containing 216.400 acres of land.

RUDLOFF FAMILY PARTNERSHIP LTD., LLP

TRACT ONE

BEING 430.52 acres of land in Concho County, Texas, containing 93.33 acres of land in L. Fitzgerald Survey No. 2, Abstract No. 1731 and 298.34 acres of land in H. & T.C. R.R. Co. Survey No. 75, Abstract No. 419, and 38.85 acres of land in H. & T.C. R.R. Co. Survey No. 74, Abstract No. 1912, (in some prior descriptions referred to as Abstract No. 1684) and being a part of that land that Lenora Wilson deeded to Daniel Sorrell and wife, Inez Sorrell by deed dated June 15, 1972, and recorded in Volume 111, Page 185, Concho County Deed Records, and being a part of that land that Don R. Bailey, et ux deeded to Daniel Sorrell by Deed dated October 1, 1973, and recorded in Volume 115, Page 153, of the Deed

Records of Concho County, Texas, and said 430.52 acres of land being more particularly described as follows:

BEGINNING at an iron stake and corner post located 229.91 feet N. 87 deg. 42' 50" E. of the SE corner of said Survey No. 75;

THENCE N. 1 deg. 07' 17" W. 42.40 feet along a fence line to an iron stake and corner post;

THENCE N. 16 deg. 03' 30" E. 68.88 feet along a fence line to an iron stake and corner post;

THENCE N. 38 deg. 14' 36" E. 81.30 feet along a fence line to an iron stake and corner post;

THENCE N. 18 deg. 02' 36" E. 139.63 feet along a fence line to an iron stake and corner post;

THENCE N. 8 deg. 21' 25" E. 479.31 feet along a fence line to an iron stake and corner post;

THENCE N. 13 deg. 17' 28" E. 186.40 feet along a fence line to an iron stake and corner post;

THENCE N. 81 deg. 13' 25" E. 11.84 feet along a fence line to an iron stake and corner post;

THENCE N. 7 deg. 45' 27" W. 602.06 feet along the general course of a fence line to an iron stake and corner post;

THENCE N. 9 deg. 12' 55" W. 658.38 feet along the general course of a fence line to an iron stake and corner post;

THENCE N. 75 deg. 31' 06" W. 139.63 feet along the general course of a fence line to an iron stake and corner post;

THENCE N. 12 deg. 06' 31" W. 857.47 feet along the general course of a fence line to an iron stake and corner post;

THENCE N. 81 deg. 47' 20" E. 964.84 feet along the general course of a fence line to an iron stake and corner post;

THENCE N. 75 deg. 12' 33" E. 603.13 feet along the general course of a fence line to an iron stake and corner post;

THENCE S. 85 deg. 26' 40" E. 785.25 feet along the general course of a fence line to an iron stake and corner post;

THENCE S. 81 deg. 16' 00" E. 343.19 feet along the general course of a fence line to an iron stake and corner post;

THENCE N. 0 deg. 23' 17" E. 240.50 feet along a fence line to an iron stake and corner post located at the SW corner of a public road leading East;

THENCE N. 37.52 feet to an iron stake and corner post located at the NW corner of a public road;

THENCE N. 0 deg. 13' 15" E. 2260.48 feet along a fence line to an iron stake located 435.44 feet S. 0 deg. 13' 15" W. of an iron stake and corner post representing the NE corner of said Don R. Bailey tract;

THENCE W. 463.08 feet to an iron stake;

THENCE S. 0 deg. 13' 15" W. 1099.97 feet to an iron stake;

THENCE S. 9 deg. 14' 48" W. 366.14 feet to an iron stake and corner post;

THENCE N. 75 deg. 50' 30" W. 369.82 feet along the general course of an old fence line to an iron stake and corner post;

THENCE S. 35 deg. 56' 21" W. 105.04 feet along the general course of an old fence line to an iron stake and corner post;

THENCE S. 37 deg. 39' 30" W. 177.97 feet along the general course of an old fence line to an iron stake and corner post;

THENCE S. 77 deg. 50' 23" W. 575.90 feet along the general course of an old fence line to an iron stake and corner post;

THENCE N. 83 deg. 47' 55" W. 652.87 feet along the general course of an old fence line to an iron stake and corner post;

THENCE S. 82 deg. 02' 01" W. 307.31 feet along the general course of an old fence line to an iron stake and dead tree;

THENCE S. 55 deg. 07' 03" W. 632.63 feet along the general course of an old fence line to an iron stake and tree;

THENCE N. 78 deg. 31' 40" W. 10.40 feet along a fence line to an iron stake and tree;

THENCE N. 37 deg. 38' 20" W. 23.89 feet along a fence line to an iron stake and tree;

THENCE N. 15 deg. 11' 02" W. 1539.12 feet along general course of an old fence line to an iron stake and corner post;

THENCE N. 87 deg. 30' 17" E. 660.46 feet along an old fence line representing the North line of said Survey No. 75 to an iron stake located 224.37 feet S. 87 deg. 30' 17" W. of the NE corner of said Survey No. 75;

THENCE N. 46 deg. 42' 57" W. 670.93 feet along general course of an old fence line to an iron stake and corner post;

THENCE N. 14 deg. 33' W. 351.43 feet along the general course of an old fence line to an iron stake;

THENCE S. 87 deg. 32' 54" W. 1838.36 feet along a fence line to an iron stake and corner post representing the NW corner of said Don R. Bailey tract;

THENCE S. 6117.26 feet along the general course of a fence line to an iron stake and corner post representing the SW corner of the East half of said Survey No. 75;

THENCE N. 87 deg. 42' 50" E. 2869.57 feet along a fence line representing the South line of said Survey No. 75 to the PLACE OF BEGINNING.

TRACT TWO

BEING ALL of the following land located in Concho County, Texas, to-wit:

- (1) BEING 630 acres, more or less, out of Survey No. 65, Certificate No. 41/5187, H. & T.C. Ry. Co. Abstract No. 414, and described by metes and bounds as follows, to-wit:

BEGINNING at the N.W. corner of said Survey No. 65;

THENCE S. 89 deg. 45' E. 1912 varas a stone mound in N. line of said Survey No. 65 from which L.O. 8 S. 35 E. 5 L.O. 12 S. 55 W. 12, for the NE corner of this tract, and N.W. corner of 628 acre tract heretofore conveyed to Roy Wilson;

THENCE S. 1885 varas to stone mound from which L.O. 30 S. 34 W. 41 L.O. S. 24-1/2 W. 38 for the SE corner of this tract and SW corner of said Roy Wilson tract;

THENCE N. 89 W. 1884 varas to the SW corner of this tract from which L.O. 18 N. 45 E. 96 L.O. 18 N. 46 E. 98;

THENCE N. 4 W. 160 varas;

THENCE N. 0 deg. 10' W. 1696 varas to the PLACE OF BEGINNING, being all of said Survey No. 65, EXCEPT the East 10 acres thereof.

- (2) BEING the North one-half (N/2) of the hereinafter described land located in Concho County, Texas, to-wit:

628 acres, more or less, consisting of about 10 acres in Survey No. 65, Certificate No. 41/5187, in the name of H. & T.C. Ry. Co. Abstract No. 414, and about 618 acres in Survey No. 76, Certificate No. 41/5192, Michael Hughes Abstract No. 1804, all in Concho County, Texas and being described by metes and bounds as follows, to-wit:

BEGINNING at stone mound in the N. line of said Survey No. 65, 1912 varas S. 89 deg. 45' E. from the NW corner of said Survey No. 65, from which beginning stone mound L.O. 8 S. 35 E. 5 L.O. 12 S. 55 W. and said beginning point being the NE corner of 630 acre tract heretofore conveyed to Clifton Wilson;

THENCE N. 89 deg. 26' E. 1868 varas to a stake in the N. line of said Survey No. 76, for the NE corner of this 628 acre tract, same being the NW corner of a 600 acre tract heretofore conveyed to Carlos Wilson, from which L.O. N. 28 E. 18 L.O. 16 N. 59 E. 54;

THENCE S. 1913 varas to stone mound the SE corner this 628 acre tract, and SW corner of said 600 acre tract of Carlos Wilson from which L.O. 18 W. 42 double mesquite 8" S. 15 E. 12 varas;

THENCE N. 89 deg. 45' W. 1871 varas to stone mound for the SW corner this 628 acre tract, and SE corner Clifton Wilson's 630 acre tract;

THENCE N. 1885 varas to the PLACE OF BEGINNING.

MOUNTAIN HOME SERIES, A SEPARATE SERIES OF EDPT INVESTMENTS, LLC, a Texas limited liability company

TRACT ONE

A parcel of land described in a warranty deed dated July 12, 2014, recorded December 19, 2014, in Volume 2065, Page 34, Official Public Records, Concho County, Texas, being more particularly described as follows;

BEING 727.546 acres in Concho County, Texas, out of the H. & T.C. Railroad Company Block 8, and containing approximately 638.836 acres out of Survey No. 45, Abstract No. 404, 88.608 acres out of Survey No. 35, Abstract No. 399, 0.096 acres out of the Sherman Conant Survey No. 46, Abstract No. 1261, and 0.006 acres out of the Sherman Conant Survey No. 36, Abstract No. 1264, and being out of those certain tracts described as 3116.673 acres and 1832.214 acres in deeds to Harlan Lary Priour and the Edna E. Priour Trust recorded in Volume 215, Page 13 and Volume 218, Page 79 of the Concho County Official Public Records, and said 727.546 acres being more particularly described by metes and bounds on Exhibit "A" attached hereto and made a part hereof for all purposes.

TRACT TWO

A parcel of land described in a warranty deed dated July 12, 2014, recorded December 19, 2014, in Volume 2065, Page 34, Official Public Records, Concho County, Texas, being more particularly described as follows;

BEING 362.509 acres in Concho County, Texas, containing approximately 52.317 acres out of the H. & T.C. Railroad Company Block 8 Survey No. 35, Abstract No. 399, and 310.192 acres out of said Block 8, Sherman Conant Survey No. 46, Abstract No. 1261, and being out of that certain parent tract described as 1832.214 acres in a deed to the Edna E. Priour recorded in Volume 218, Page 79 of the Concho County Official Public Records, and said 362.509 acres being more particularly described by metes and bounds on Exhibit "A" attached hereto and made a part hereof for all purposes.

TRACT THREE

BEING 16.583 acres in Concho County, Texas out of the H. & T.C. Railroad Company Block 8, and the Sherman Conant Survey No. 36, Abstract No. 1264, and being out of that certain parent tract described as 731.037 acres in a deed to Gary D. Priour recorded in Volume 265, Page 1, of the Concho County Official Public Records, and being described as follows:

BEGINNING at a calculated point in the road bed of County Road 2246 in the north line of said Block 8, the south line of that certain tract described as 2105.72 acres in a deed to Earl R. Bruno, et al, recorded in Volume 152, Page 37 of the Concho County Deed Records, and the common line of the H. & T.C. Railroad Company Survey No. 37, Abstract No. 400 and said Survey No. 36 for the N.W. corner of that certain tract described as 727.546 acres in a deed to Dalene P. Taylor recorded in Volume 165, Page 15 of said Official Public Records, the N.E. corner of said parent tract, and the N.E. corner hereof, from which a ½" steel stake found bears S 00°05'57" E a distance of 62.40 feet;

THENCE along the west line of said 727.546 acres, the east line of said parent tract, and the east line hereof S 00°05'57" E a distance of 4857.48 feet to a 1/2" steel stake found for a northerly corner of that certain tract described as 116.939 acres in a deed to Lary Priour recorded in Volume 266, Page 451 of said Official Public Records, and the most westerly S.W. corner of said 727.546 acres;

THENCE along a westerly line of said 116.939 acres, the east line of said parent tract, and the east line hereof S 00°00'00" E a distance of 121.90 feet to a punch mark on a large rock for a reentrant corner of said 116.939 acres, the S.E. corner of said parent tract, and the S.E. corner hereof;

THENCE along a northerly line of said 116.939 acres, the south line of said parent tract, and the south line hereof N 90°00'00" W a distance of 168.26 feet to a 3/8" steel stake found for the S.E. corner of a 714.454 acre partition tract of said parent tract, and the S.W. corner hereof;

THENCE along a fence for a division line of said parent tract for the east line of said 714.454 acres, and the west line hereof N 00°24'14" E a distance of 1130.71 feet to a 3/8" steel stake found, N 00°27'40" E a distance of 1108.21 feet to a 3/8" steel stake found, N 00°26'19" E a distance of 1013.58 feet to a 3/8" steel stake found, N 00°31 '07" E a distance of 1054.88 feet to a 3/8" steel stake found, and N 00°26'51" E a distance of 672.50 feet to a calculated point in the road bed of County Road 2246, the common line of said Surveys No. 36 and No. 37, the south line of said 2105.72 acres, the north line of said Block 8, and the north line of said parent tract for the N.E. corner of said 714.454 acres, and the N.W. corner hereof, from which a ½" steel stake found bears S 00°26'51" W a distance of 62.08 feet;

THENCE along the common line of said Surveys No. 36 and No. 37, the south line of said 2105.72 acres, the north line of said Block 8, the north line of said parent tract, and the north line hereof S 89°50'05" E a distance of 120.42 feet to the POINT OF BEGINNING, having an area of 16.583 acres.

1. Limit the discretion of the governing body to decide whether or not to enter into a specific tax abatement agreement;
2. Limit the discretion of the governing body to delegate to its employees the authority to determine whether or not the governing body should consider a particular application or request for tax abatement;
3. Create or deny any property, contract, or other legal right in any person to have the governing body consider or grant a specific application or request for tax abatement;

Section 1

Definitions

- A. “Abatement” means the full or partial exemption from ad valorem taxes of certain property in a reinvestment zone designated by Concho County for economic development purposes.
- B. “Affected jurisdiction” means CONCHO County and any municipality or school district, the majority of which is located in CONCHO County that levies ad valorem taxes upon and provides services to property located within the proposed or existing reinvestment zone designated by CONCHO County.
- C. “Agreement” means a contractual agreement for tax abatement between a Property Owner and/or Lessee and Concho County.
- D. “Base year value” means the assessed value on the eligible property as of January 1 preceding the execution of the agreement, plus any agreed upon value of eligible property improvements made after January 1, but before the execution of the Agreement.
- E. “Economic Life” means the number of years a property is expected to be in service in a facility.
- F. “Eligible facilities” means new, expanded, or modernized buildings and structures, including fixed machinery and equipment, which is reasonably likely as a result of granting abatement to contribute to the retention or expansion of primary employment or to attract major investment in the reinvestment zone that would be a benefit to the property and that would contribute to the economic development of Concho County, but does not include facilities which are intended to be primarily to provide goods or services to residents for existing businesses located in Concho County, such as, but not limited to, restaurants and retail sales establishments, eligible facilities may include, but shall not be limited to hotels and office buildings.
- G. “Expansion” means the addition of building structures, machinery, equipment, or payroll for purposes of increasing production capacity.

H. "Deferred maintenance" means improvements necessary for continued operation which do not improve productivity or alter the process technology."

I. "Facility" means property improvement completed or in process of construction which together comprise an interregional whole.

J. "Manufacturing Facility" means products, buildings and structures, including machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change, including the generation of electrical energy.

K. "Modernization" means a complete or partial demolition of facilities and the complete or partial reconstruction or installation of a facility of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery, or equipment, or both.

L. "New facility" means property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.

M. "Other Basic Industry" means buildings and structures including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services, which serve a market primarily outside of CONCHO County, resulting in the creation of new permanent jobs bringing in new wealth.

N. "Productive life" means the number of years a property improvement is expected to be in service in a facility.

Section 2

Abatement Authorized

A. Eligible facilities: Upon application, eligible facilities as defined herein shall be considered for tax abatement as hereinafter provided.

B. Creation of New Values: Abatement may only be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between Concho County and the property owner or applicant, including a Lessee, subject to such limitations as Concho County may require.

C. New and existing facilities: Abatement may be granted for the additional value of eligible property improvements made subsequent to and specified in an abatement agreement between Concho County and the Property Owner or Lessee, subject to such limitations as Concho County may require.

D. Eligible property: Abatement may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements and related fixed improvements necessary to the operation and administration of the facility.

E. Ineligible Property: The following types of property shall be fully taxable and ineligible for tax abatement: land, supplies, tools, furnishings, and other forms of movable personal property, housing, deferred maintenance, property to be rented or leased except as provided in Section 2 F, property which has a productive life of less than ten years, but does not include spare parts associated with eligible facilities; property owned or used by the State of Texas or its political subdivisions or by any organization owned, operated or directed by a political subdivision of the State of Texas; or any other property for which abatement is not allowed by state law.

F. Owned / leased facilities: If a leased facility is permitted by state law to be granted abatement, the abatement agreement shall be applicable to the taxable value of the leased improvement, and where appropriate, shall be executed with both the Lessor and the Lessee.

G. Economic Qualifications: In order to be eligible for designation as a reinvestment zone and receive tax abatement, the planned improvement:

1. Must be reasonably expected to have an increase in positive net benefit to Concho County of at least Ten Million Dollars (\$10,000,000.00) over the life of the abatement, computed to include (but not limited to) new sustaining payroll and / or capital improvement. The creation of (number and type) new jobs will also factor into the decision to grant an abatement; and
2. Must not be expected to solely or primarily have the effect of merely transferring employment from one area of Concho County to another.

H. Standards for Tax Abatement : The following factors, among other, shall be considered in determining whether to grant tax abatement:

1. Value of existing improvements, if any;
2. Type and value of proposed improvements;
3. Productive life of proposed improvements; Number of existing jobs to be retained by proposed improvements;
4. Number and type of new jobs to be created by proposed improvements;
5. Amount of local payroll to be created;
6. Whether the new jobs to be created will be filled by persons residing or projected to reside within affected taxing jurisdiction;
7. Amount which property tax base valuation will be increased during term of abatement and after abatement, which shall include a definitive commitment that

such valuation shall not, in any case, be less than Ten Million Dollars (\$10,000,000.00.)

8. The costs to be incurred by Concho County to provide facilities directly resulting from the new improvements;
9. The amount of ad valorem taxes to be paid to Concho County during the abatement period considering:
 - a. the existing values;
 - b. the percentage of new value abated;
 - c. the abatement period; and
 - d. the value after expiration of the abatement period.
10. The population growth of Concho County that occurs directly as a result of new improvements;
11. The types and values of public improvements, if any, to be made by Applicant seeking abatement;
12. Whether the proposed improvements compete with existing businesses to the detriment of the local economy;
13. The impact on the business opportunities of existing businesses;
14. The attraction of other new businesses to the area;
15. The overall compatibility with the zoning ordinances and comprehensive plan for the area;
16. Whether the project obtains all necessary permits from the applicable environmental agencies.

Each eligible facility shall be reviewed on its merits utilizing the factors provided above. After such review, abatement may be denied entirely or may be granted to the extent deemed appropriate after full evaluation.

Construction in Progress. If a qualifying facility has not been placed in service within one year after execution of the abatement Agreement, the applicant may apply for a one year extension of

the term of abatement, to be granted or denied in accordance with the Agreement. Said extension must be applied for prior to the expiration of the one year anniversary of execution of the abatement Agreement.

- I. Denial of Abatement: Neither a reinvestment zone nor abatement agreement shall be authorized if it is determined that:
 - 1. There would be substantial adverse effect on the provision of government services or tax base;
 - 2. The applicant has insufficient financial capacity;
 - 3. Planned or potential use of the property would constitute a hazard to public health, safety or morals;
 - 4. Violation of other codes or laws; or
 - 5. Any other reason deemed appropriate by Concho County.
- J. Taxability: From the execution of the abatement to the end of the agreement period, taxes shall be payable as follows:
 - 1. The value of ineligible property as provided in Section 2 E shall be fully taxable; and
 - 2. The base year value of existing eligible property as determined each year shall be fully taxable.

The additional value of new eligible property shall be fully taxable at the end of the abatement period.

Section 3

Application

- A. Any present or potential owner of taxable property in Concho County may request the creation of a reinvestment zone and tax abatement by filing a written application with the County Judge.
- B. The application shall consist of a written request for tax abatement, accompanied by:
 - 1. An analysis of the economic impact such an abatement will have on Concho County, including:
 - a. Estimated tax revenues annually for the term of the requested abatement, taking into account any requested abatement.

- b. A comparison between an abatement of taxes and any requested “payment in lieu of taxes” (PILOT) in terms of benefit to the County over the proposed term of the abatement period.
 - c. A statement of the expected residual taxable value of the proposed project at the end of the abatement term requested, and the remaining taxable life expectancy of the proposed project.
 - 2. A general description of the proposed use and the general nature and extent of the modernization, expansion or new improvements to be undertaken.
 - 3. A descriptive list and approximate taxable value of the improvements which will be a part of the facility;
 - 4. A site map and property description, including a complete legal description of the property, and a map/property description of any requested;
 - 5. A time schedule for undertaking and completing the planned improvements. In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The application form may require such financial and other information as the County deems appropriate for evaluating the financial capacity and other factors of the applicant.
 - 6. Certification from the Concho County Appraisal District verifying that no taxes are past due on applicant’s property located in the proposed reinvestment zone
 - 7. Disclosure of any environmental permits required or additional environmental impacts.
 - 8. A \$1,000.00 non-refundable application fee.
- C. In the case of modernization, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the Application. The County may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the Applicant, to be attached to the Application.
- D. All checks in payment of the administrative fee shall be made payable to Concho County. In addition to the application fee, which shall be applied to any fee charged by legal or financial analysis of the application, the applicant shall also agree to pay reasonable consulting and attorney fees as may be incurred by Concho County in the examination of the application as well as the preparation and negotiation of any tax abatement agreement. Such fee reimbursement shall not exceed \$10,000.00.

- E. Concho County shall give notice as provided by the Property Tax Code, i.e. written notice, to the presiding officer of the governing body of each taxing unit in which the property to be subject of the agreement is located not later than the seventh day before the public hearing and publication in a newspaper of general circulation within such taxing jurisdiction not later than the seventh day before the public hearing. Before acting upon Application, Concho County shall, through public hearing, afford the Applicant and the designated representative of any governing body referenced hereinabove opportunity to show cause why the abatement should or should not be granted.
- F. If a city within Concho County designates a reinvestment zone within its corporate limits and enters into or proposes to enter into an abatement agreement with a present or potential owner of taxable property, such present or potential owner of taxable property may request tax abatement by Concho County, but shall follow the same application process described in Section 3(A), *et seq*, hereof. No other notice or hearing shall be required except compliance with the Open Meetings Act, unless the Commissioners Court deems them necessary in a particular case.
- G. Variance. Although a variance is not favored, exceptional circumstances may support a request for variance from the provisions of Section II, in which case such request for a variance may be made in an application or other written form to the Commissioners' Court. Such request shall include all the items listed in Section 3(B) and may include a complete description of the circumstances which prompt the applicant to request a variance. The approval process for a variance request shall be identical to that for a standard application and may be supplemented by such additional requirements as may be deemed necessary by the Commissioners' Court. To the full extent permitted by applicable law, the Commissioners' Court shall have the authority to enter into an abatement agreement with terms and conditions that vary from the terms and conditions in these Guidelines, but only so long as the Commissioners' Court determines that such variances are in the best interests of Concho County. Any terms or conditions contained in an abatement Agreement approved by the Commissioners' Court that vary from the terms and conditions in these Guidelines shall automatically be deemed to have been granted an approved variance by the Commissioners' Court, shall be binding and enforceable as agreed to in the abatement Agreement, and shall control in the event of any inconsistency or conflict with these Guidelines. A variance granted to any applicant shall not be deemed a variance for any subsequent applicant.
- H. Confidentiality Required. Information that is provided to the County in connection with an application or request for Tax Abatement and that describes the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which Tax Abatement is sought may be deemed as confidential and not subject to public disclosure only if specifically identified by the Applicant, and segregated from the remaining portions of the Application. Once the Tax Abatement Agreement is executed, all attachments to the Abatement Agreement shall become public. All information in the custody of a taxing unit after the Agreement is executed is Public Record, and not confidential.

Section 4

Agreement

A. After approval, the Commissioners Court of Concho County shall formally pass a Resolution and execute an agreement with the owner of the facility and Lessee as required which shall:

1. Include a list of the kind, number, location of all proposed improvements to the property and if this is not defined at the time of the agreement, then to be supplemented after construction of the facilities;
2. Provide access to and authorize inspection of the property by the taxing unit to ensure compliance with the agreement
3. Limit the use of the property consistent with the taxing unit's developmental goals as stated in Section 1H of the Concho County Tax Abatement Guidelines and Criteria;
4. Provide for recapturing property tax revenues that are lost if the owner fails to make improvements as provided by the agreement;
5. Include each term that was agreed upon with the property owner and require the owner of the facility to annually certify compliance with the terms of the agreement to each taxing unit; and
6. Allow the taxing unit to cancel the agreement after notice of default and opportunity to cure if the property owner fails to comply with the terms of the agreement.

B. The owner of the facility and Lessee shall also agree to the following:

1. A specified number of permanent full time jobs at facility shall be created, and the owner and Lessee shall make reasonable efforts to employ persons who are residents of Concho County in such jobs provided, however, that there shall be no obligation to employ residents who are not:
 - a. equally or more qualified than nonresident applicants;
 - b. available for employment on terms and / or salaries comparable to those required by nonresident applicants; or
 - c. able to become qualified with 72 hours training provided by Owner.
2. Each person employed in such job shall perform a portion, if not all, of their work in Concho County.

3. Owner shall agree that it and its contractors, if any, will use reasonably commercial efforts to maximize its use of goods and services available through Concho County businesses in the construction, operation, and maintenance of the improvements and the project; provided, however, that there shall be no requirement to use goods and services provided by Concho County residents that are not:
 - a. of similar quality to those provided by nonresidents; or
 - b. made available on terms and conditions (including pricing) comparable to those offered by nonresidents. Comparable price shall be defined as less than or equal to 105% of the nonresident price for equivalent quality, conditions and terms.
4. Owner or its construction contractor, if any, shall designate a coordinator of local services who will act as liaison between any individuals, businesses, and contractors residing or doing business in Concho County who are interested in obtaining information about providing goods or services related to the construction of the project.
5. Additionally, Owner or its construction contractor, if any, shall advertise in local newspapers in Concho County for local contractors to perform work on the construction of the project.
6. Owner shall agree to maintain a viable presence (as below defined) within the reinvestment zone for a period of time, as set by the Concho County Commissioners Court, not to exceed twenty (20) years from the date that the abatement agreement first takes effect. For purposes hereof, "Maintain a Viable Presence" means (i) the operation of the Eligible Facilities, as the same may from time to time be expanded, upgraded, improved, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured and/or reengineered, and (ii) the retention of not fewer than three (3) Qualifying Jobs as defined by Texas Tax Code Section 313.021(3)(E) to be located and performed, in part, within Concho County.
7. On May 1st of each year that the agreement shall be in effect, Owner shall certify to the County Judge of Concho County, and to the governing body of each taxing unity, that Owner is in compliance with each applicable term set forth above.

- C. Such agreement shall normally be executed within sixty (60) days after the Applicant has forwarded all necessary information and documentation to the Commissioners Court.

Section 5

Recapture

- A. In the event that the company or individual:
 - 1. Allows its ad valorem taxes owed Concho County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest; or
 - 2. Violates any of the terms and conditions of the abatement agreement and fails to cure during the cure period;
 - 3. The agreement then may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within thirty (30) days of the termination.
- B. Should Concho County determine that the company or individual is in default according to the terms and conditions of its agreement, Concho County shall notify the company or individual in writing at the address stated in the agreement, and if such is not cured within thirty (30) days from the date of such notice (cure period) then the agreement may be terminated.
- C. In the event that the applicant's facility is completed and begins producing products or services, but subsequently discontinues producing a product or service for any reason for a period of one year during the abatement period, other than because of fire, explosion, or other casualty, accident, or natural disaster, then the agreement shall terminate and so shall the abatement of the taxes for the calendar year during which the applicant's facility no longer produces. The taxes otherwise abated for that calendar year shall be paid to the County within sixty (60) days from the date of termination.

Section 6 Administration

- A. The Chief Appraiser of the Concho County Appraisal District will annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the Appraiser with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser will notify the Commissioners Court of Concho County of the amount of the assessment.
- B. The Agreement shall stipulate that employees and/or designated representatives of Concho County will have access to the applicant's facilities within the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the Agreement are being met. All inspections will be made only after the giving of reasonable notice and will only be conducted in a manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the applicant, and in accordance with its safety standards.

- C. Upon completion of construction, the designated representative of Concho County shall annually evaluate each facility receiving abatement to insure compliance with the agreement. A formal report shall be made to the Commissioners Court.
- D. Timely Filing. The County shall timely file, with the appropriate person, agency, department, or board of the State of Texas, all information required by the Tax Code.

Section 7

Assignment

- A. Abatement may be transferred and assigned by the holder to a new owner or lessee of the same facility only upon the approval by resolution of the Commissioners Court of Concho County subject to the financial capacity of the assignee and provided that all conditions and obligations in the abatement agreement are guaranteed by the execution of a new contractual agreement with Concho County. No assignment or transfer shall be approved if the parties to the existing agreement, the new owner or new lessee, are liable to any jurisdiction for outstanding taxes or other obligations.
- B. An assignment shall not serve to extend the termination date of the abatement Agreement with the original Applicant, owner or lessee. An assignment may not alter venue provisions of the original agreement
- C. Approval of an assignment in conformity with this section shall not be unreasonably withheld.

Section 9

Venue

Any abatement agreement shall be conditioned upon venue for any disputes which may arise under the abatement agreement to be retained in courts of appropriate jurisdiction within Concho County, Texas, or appeals to Texas courts of appellate jurisdiction, or the United States District Court for the Northern District of Texas, San Angelo Division, and United States courts of appellate jurisdiction.

Section 10

Sunset Provision

These guidelines and criteria are effective upon the date of their adoption and will remain in force for two years unless amended by three quarters vote of the Commissioners Court of Concho County, at which time all reinvestment zones and tax abatement agreements created pursuant to these provisions will be reviewed to determine whether the goals have been achieved. Based on the review, the guidelines and criteria will be modified, renewed, or eliminated.

ADOPTED _____, 2016.

CONCHO COUNTY COMMISSIONERS' COURT

JUDGE DAVID DILLARD

COMM. TREY BRADSHAW

COMM. RALPH WILLBERG

COMM. GARY GIERISCH

COMM. AARON BROWNING, Jr.

ATTEST:

COUNTY CLERK

RES Cactus Flats Wind Energy, LLC

Chapter 313 Application to Eden CISD

Cummings Westlake, LLC

TAB 17

Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative (applicant)

See Attached

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in **Tab 17**. **NOTE:** If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

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.

print
here

Kent Coker

Print Name (Authorized School District Representative)

sign
here

Signature (Authorized School District Representative)

Superintendent

Title

Date

4/21/16

2. Authorized Company Representative (Applicant) Signature and Notarization

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 and schedules 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.

print
here

Brian Evans

Print Name (Authorized Company Representative (Applicant))

sign
here

Signature (Authorized Company Representative (Applicant))

Chief Development Officer

Title

Date

4/19/2016

GIVEN under my hand and seal of office this, the

day of

Notary Public in and for the State of Texas

(Notary Seal)

My Commission expires:

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 Section 37.10.



Application for Appraised Value Limitation on Qualified Property

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in Tab 17. **NOTE:** If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

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.

print
here

Kent Coker

Print Name (Authorized School District Representative)

sign
here

Kent Coker

Signature (Authorized School District Representative)

Superintendent

Title

5/24/16

Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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 and schedules 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.

print
here

Brian Evans

Print Name (Authorized Company Representative (Applicant))

sign
here

Brian Evans

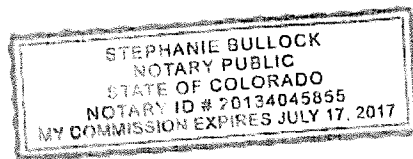
Signature (Authorized Company Representative (Applicant))

Chief Development Officer

Title

5/17/16

Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

17 day of May, 2016
Stephanie Bullock
Notary Public in and for the State of Texas - Colorado

My Commission expires: July 17 2017

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 Section 37.10.



Franchise Tax Account Status

As of : 11/16/2016 23:57:09 PM

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

RES CACTUS FLATS WIND ENERGY, LLC	
Texas Taxpayer Number	32058765176
Mailing Address	1999 BRYAN ST STE 900 DALLAS, TX 75201-3140
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	11/06/2015
Texas SOS File Number	0802327615
Registered Agent Name	C T CORPORATION SYSTEM
Registered Office Street Address	1999 BRYAN ST., STE. 900 DALLAS, TX 75201



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

August 9, 2016

Kent Coker
Superintendent
Eden Consolidated Independent School District
113 West Bryan
Eden, Texas 76937

Dear Superintendent Coker:

On June 3, 2016, the Comptroller issued written notice that RES Cactus Flats Wind Energy, LLC (the applicant) submitted a completed application (Application #1136) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted on April 21, 2016, to the Eden Consolidated Independent School District (the school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

- 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 issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

Sec. 313.024(a)	Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b)	Applicant is proposing to use the property for an eligible project.
Sec. 313.024(d)	Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.
Sec. 313.024(d-2)	Not applicable to Application #1136.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

¹ All statutory references are to the Texas Tax Code, unless otherwise noted.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period. See Attachment B.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. See Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

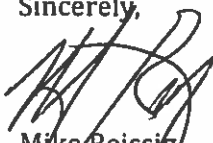
The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement by December 31, 2016.

Note that any building or improvement existing as of the application review start date of June 3, 2016, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at will.counihan@cpa.texas.gov or by phone at 1-800-531-5441, ext. 6-0758, or direct in Austin at 512-936-0758.

Sincerely,



Mike Reissig
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of RES Cactus Flats Wind Energy, LLC (the project) applying to Eden Consolidated Independent School District (the district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of RES Cactus Flats Wind Energy, LLC.

Applicant	RES Cactus Flats Wind Energy, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation - Wind
School District	Eden CISD
Estimated 2014-2015 Average Daily Attendance	234
County	Concho
Proposed Total Investment in District	\$232,500,000
Proposed Qualified Investment	\$202,500,000
Limitation Amount	\$20,000,000
Qualifying Time Period (Full Years)	2017-2018
Number of new qualifying jobs committed to by applicant*	5
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$577
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)	\$533
Minimum annual wage committed to by applicant for qualified jobs	\$30,000
Minimum weekly wage required for non-qualifying jobs	\$696
Minimum annual wage required for non-qualifying jobs	\$36,192
Investment per Qualifying Job	\$46,500,000
Estimated M&O levy without any limit (15 years)	\$19,830,793
Estimated M&O levy with Limitation (15 years)	\$6,696,518
Estimated gross M&O tax benefit (15 years)	\$13,134,274
* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).	

Table 2 is the estimated statewide economic impact of RES Cactus Flats Wind Energy, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2016	0	0	0	\$0	\$0	\$0
2017	200	180	379,883	\$8,600,000	\$14,715,430	\$23,315,430
2018	5	15	20	\$150,000	\$2,779,688	\$2,929,688
2019	5	7	12	\$150,000	\$1,803,125	\$1,953,125
2020	5	1	6	\$150,000	\$1,436,914	\$1,586,914
2021	5	5	10	\$150,000	\$1,314,844	\$1,464,844
2022	5	3	8	\$150,000	\$826,563	\$976,563
2023	5	5	10	\$150,000	\$826,563	\$976,563
2024	5	1	6	\$150,000	\$704,492	\$854,492
2025	5	9	14	\$150,000	\$704,492	\$854,492
2026	5	3	8	\$150,000	\$582,422	\$732,422
2027	5	7	12	\$150,000	\$826,563	\$976,563
2028	5	7	12	\$150,000	\$826,563	\$976,563
2029	5	3	8	\$150,000	\$826,563	\$976,563
2030	5	3	8	\$150,000	\$338,281	\$488,281
2031	5	(1)	4	\$150,000	\$338,281	\$488,281
2032	5	1	6	\$150,000	-\$150,000	\$0

Source: CPA, REMI, RES Cactus Flats Wind Energy, LLC

Table 3 examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives										
	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Eden CISD I&S Tax Levy	Eden CISD M&O Tax Levy	Eden CISD M&O and I&S Tax Levies	Concho County Tax Levy	Concho County Hospital District Tax Levy	Lipan-Kickapoo Water Conservation District Tax Levy	Estimated Total Property Taxes
Year			Tax Rate ¹	0.0000	1.0400		0.9439	0.3000	0.0104	
2018	\$198,450,000	\$198,450,000		\$0	\$2,063,880	\$2,063,880	\$1,873,249	\$595,350	\$20,639	\$4,553,118
2019	\$184,559,000	\$184,559,000		\$0	\$1,919,414	\$1,919,414	\$1,742,126	\$553,677	\$19,194	\$4,234,411
2020	\$171,640,000	\$171,640,000		\$0	\$1,785,056	\$1,785,056	\$1,620,179	\$514,920	\$17,851	\$3,938,005
2021	\$159,625,000	\$159,625,000		\$0	\$1,660,100	\$1,660,100	\$1,506,764	\$478,875	\$16,601	\$3,662,340
2022	\$148,451,000	\$148,451,000		\$0	\$1,543,890	\$1,543,890	\$1,401,288	\$445,353	\$15,439	\$3,405,971
2023	\$138,059,000	\$138,059,000		\$0	\$1,435,814	\$1,435,814	\$1,303,194	\$414,177	\$14,358	\$3,167,543
2024	\$128,395,000	\$128,395,000		\$0	\$1,335,308	\$1,335,308	\$1,211,972	\$385,185	\$13,353	\$2,945,818
2025	\$119,407,000	\$119,407,000		\$0	\$1,241,833	\$1,241,833	\$1,127,130	\$358,221	\$12,418	\$2,739,603
2026	\$111,049,000	\$111,049,000		\$0	\$1,154,910	\$1,154,910	\$1,048,236	\$333,147	\$11,549	\$2,547,842
2027	\$103,276,000	\$103,276,000		\$0	\$1,074,070	\$1,074,070	\$974,863	\$309,828	\$10,741	\$2,369,503
2028	\$98,112,000	\$98,112,000		\$0	\$1,020,365	\$1,020,365	\$926,118	\$294,336	\$10,204	\$2,251,023
2029	\$93,206,000	\$93,206,000		\$0	\$969,342	\$969,342	\$879,809	\$279,618	\$9,693	\$2,138,463
2030	\$88,546,000	\$88,546,000		\$0	\$920,878	\$920,878	\$835,821	\$265,638	\$9,209	\$2,031,546
2031	\$84,119,000	\$84,119,000		\$0	\$874,838	\$874,838	\$794,033	\$252,357	\$8,748	\$1,929,976
2032	\$79,913,000	\$79,913,000		\$0	\$831,095	\$831,095	\$754,331	\$239,739	\$8,311	\$1,833,476
			Total	\$0	\$19,830,793	\$19,830,793	\$17,999,114	\$5,720,421	\$198,308	\$43,748,636

Source: CPA, RES Cactus Flats Wind Energy, LLC

¹Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Concho County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with the county, hospital district and conservation district.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Eden CISD I&S Tax Levy	Eden CISD M&O Tax Levy	Eden CISD M&O and I&S Tax Levies	Concho County Tax Levy	Concho County Hospital District Tax Levy	Lipan-Kickapoo Water Conservation District Tax Levy	Estimated Total Property Taxes
				0.0000	1.0400		0.9439	0.3000	0.0104	
2018	\$198,450,000	\$20,000,000		\$0	\$208,000	\$208,000	\$396,000	\$133,000	\$6,800	\$743,800
2019	\$184,559,000	\$20,000,000		\$0	\$208,000	\$208,000	\$396,000	\$133,000	\$6,800	\$743,800
2020	\$171,640,000	\$20,000,000		\$0	\$208,000	\$208,000	\$396,000	\$133,000	\$6,800	\$743,800
2021	\$159,625,000	\$20,000,000		\$0	\$208,000	\$208,000	\$396,000	\$133,000	\$6,800	\$743,800
2022	\$148,451,000	\$20,000,000		\$0	\$208,000	\$208,000	\$396,000	\$133,000	\$6,800	\$743,800
2023	\$138,059,000	\$20,000,000		\$0	\$208,000	\$208,000	\$396,000	\$133,000	\$6,800	\$743,800
2024	\$128,395,000	\$20,000,000		\$0	\$208,000	\$208,000	\$396,000	\$133,000	\$6,800	\$743,800
2025	\$119,407,000	\$20,000,000		\$0	\$208,000	\$208,000	\$396,000	\$133,000	\$6,800	\$743,800
2026	\$111,049,000	\$20,000,000		\$0	\$208,000	\$208,000	\$396,000	\$133,000	\$6,800	\$743,800
2027	\$103,276,000	\$20,000,000		\$0	\$208,000	\$208,000	\$396,000	\$133,000	\$6,800	\$743,800
2028	\$98,112,000	\$98,112,000		\$0	\$1,020,365	\$1,020,365	\$926,118	\$294,336	\$10,204	\$2,251,023
2029	\$93,206,000	\$93,206,000		\$0	\$969,342	\$969,342	\$879,809	\$279,618	\$9,693	\$2,138,463
2030	\$88,546,000	\$88,546,000		\$0	\$920,878	\$920,878	\$835,821	\$265,638	\$9,209	\$2,031,546
2031	\$84,119,000	\$84,119,000		\$0	\$874,838	\$874,838	\$794,033	\$252,357	\$8,748	\$1,929,976
2032	\$79,913,000	\$79,913,000		\$0	\$831,095	\$831,095	\$754,331	\$239,739	\$8,311	\$1,833,476
			Total	\$0	\$6,696,518	\$6,696,518	\$8,150,112	\$2,661,688	\$114,165	\$17,622,483
			Diff	\$0	\$13,134,274	\$13,134,274	\$9,849,002	\$3,058,733	\$84,143	\$26,126,152

Assumes School Value Limitation and Tax Abatements with the County, Hospital District and Conservation District

Source: CPA, RES Cactus Flats Wind Energy, LLC

¹Tax Rate per \$100 Valuation

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.

Attachment B – Tax Revenue before 25th Anniversary of Limitation Start

This represents the Comptroller's determination that RES Cactus Flats Wind Energy, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2015	\$0	\$0	\$0	\$0
	2016	\$0	\$0	\$0	\$0
	2017	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2018	\$208,000	\$208,000	\$1,855,880	\$1,855,880
	2019	\$208,000	\$416,000	\$1,711,414	\$3,567,294
	2020	\$208,000	\$624,000	\$1,577,056	\$5,144,350
	2021	\$208,000	\$832,000	\$1,452,100	\$6,596,450
	2022	\$208,000	\$1,040,000	\$1,335,890	\$7,932,340
	2023	\$208,000	\$1,248,000	\$1,227,814	\$9,160,154
	2024	\$208,000	\$1,456,000	\$1,127,308	\$10,287,462
	2025	\$208,000	\$1,664,000	\$1,033,833	\$11,321,294
	2026	\$208,000	\$1,872,000	\$946,910	\$12,268,204
	2027	\$208,000	\$2,080,000	\$866,070	\$13,134,274
Maintain Viable Presence (5 Years)	2028	\$1,020,365	\$3,100,365	\$0	\$13,134,274
	2029	\$969,342	\$4,069,707	\$0	\$13,134,274
	2030	\$920,878	\$4,990,586	\$0	\$13,134,274
	2031	\$874,838	\$5,865,423	\$0	\$13,134,274
	2032	\$831,095	\$6,696,518	\$0	\$13,134,274
Additional Years as Required by 313.026(c)(1) (10 Years)	2033	\$789,537	\$7,486,055	\$0	\$13,134,274
	2034	\$750,058	\$8,236,114	\$0	\$13,134,274
	2035	\$712,556	\$8,948,670	\$0	\$13,134,274
	2036	\$676,926	\$9,625,595	\$0	\$13,134,274
	2037	\$643,084	\$10,268,679	\$0	\$13,134,274
	2038	\$610,927	\$10,879,606	\$0	\$13,134,274
	2039	\$580,382	\$11,459,989	\$0	\$13,134,274
	2040	\$551,366	\$12,011,355	\$0	\$13,134,274
	2041	\$526,500	\$12,537,855	\$0	\$13,134,274
	2042	\$526,500	\$13,064,355	\$0	\$13,134,274

\$13,064,355

is less than

\$13,134,274

Analysis Summary	
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?	No

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, RES Cactus Flats Wind Energy, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2016	0	0	0	\$0	\$0	\$0	0	0	\$0
2017	200	180	379.883	\$8,600,000	\$14,715,430	\$23,315,430	1228333	-694275	\$1,922,608
2018	5	15	20	\$150,000	\$2,779,688	\$2,929,688	122070	259399	-\$137,329
2019	5	7	12	\$150,000	\$1,803,125	\$1,953,125	106812	259399	-\$152,587
2020	5	1	6	\$150,000	\$1,436,914	\$1,586,914	83923	236511	-\$152,588
2021	5	5	10	\$150,000	\$1,314,844	\$1,464,844	91553	198364	-\$106,811
2022	5	3	8	\$150,000	\$826,563	\$976,563	53406	175476	-\$122,070
2023	5	5	10	\$150,000	\$826,563	\$976,563	53406	144958	-\$91,552
2024	5	1	6	\$150,000	\$704,492	\$854,492	68665	129700	-\$61,035
2025	5	9	14	\$150,000	\$704,492	\$854,492	61035	99182	-\$38,147
2026	5	3	8	\$150,000	\$582,422	\$732,422	83923	91553	-\$7,630
2027	5	7	12	\$150,000	\$826,563	\$976,563	83923	38147	\$45,776
2028	5	7	12	\$150,000	\$826,563	\$976,563	91553	30518	\$61,035
2029	5	3	8	\$150,000	\$826,563	\$976,563	83923	30518	\$53,405
2030	5	3	8	\$150,000	\$338,281	\$488,281	30518	-22888	\$53,406
2031	5	(1)	4	\$150,000	\$338,281	\$488,281	30518	-22888	\$53,406
2032	5	1	6	\$150,000	-\$150,000	\$0	22888	-45776	\$68,664
2033	5	(1)	4	\$150,000	-\$150,000	\$0	0	-99182	\$99,182
2034	5	1	6	\$150,000	-\$150,000	\$0	-22888	-129700	\$106,812
2035	5	(3)	2	\$150,000	-\$638,281	-\$488,281	-30518	-144958	\$114,440
2036	5	(1)	4	\$150,000	-\$394,141	-\$244,141	-68665	-228882	\$160,217
2037	5	(3)	2	\$150,000	-\$882,422	-\$732,422	-68665	-244141	\$175,476
2038	5	(3)	2	\$150,000	-\$1,126,563	-\$976,563	-45776	-274658	\$228,882
2039	5	(5)	0	\$150,000	-\$882,422	-\$732,422	-61035	-312805	\$251,770
2040	5	(5)	0	\$150,000	-\$1,370,703	-\$1,220,703	-106812	-350952	\$244,140
2041	5	(5)	0	\$150,000	-\$1,370,703	-\$1,220,703	-122070	-366211	\$244,141
2042	5	(9)	-4	\$150,000	-\$1,858,984	-\$1,708,984	-183105	-389099	\$205,994
2043	5	(13)	-8	\$150,000	-\$2,591,406	-\$2,441,406	-213623	-411987	\$198,364
Total							\$1,373,292	-\$2,044,677	\$3,417,969
							\$16,482,324 is greater than \$13,134,274		

Analysis Summary

Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

Yes

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.

Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that “the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.” This represents the basis for the Comptroller’s determination.

Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

Determination

The Comptroller has determined that the limitation on appraised value is a determining factor in the RES Cactus Flats Wind Energy, LLC’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Applicant asserts that tax incentives are the primary input for the decision for this project. A Value Limitation Agreement is required for this project to be financially competitive and allow it the best possibility of moving forward.

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value

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.

Supporting Information

**Section 8 of the Application for
a Limitation on Appraised Value**

Application for Appraised Value Limitation on Qualified Property

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? ☒ Yes ☐ No
2. The property will be used for one of the following activities:
 - (1) manufacturing ☐ Yes ☒ No
 - (2) research and development ☐ Yes ☒ No
 - (3) a clean coal project, as defined by Section 5.001, Water Code ☐ Yes ☒ No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code ☐ Yes ☒ No
 - (5) renewable energy electric generation ☐ Yes ☒ No
 - (6) electric power generation using integrated gasification combined cycle technology ☒ Yes ☐ No
 - (7) nuclear electric power generation ☐ Yes ☒ No
 - (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) ☐ Yes ☒ No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 ☐ Yes ☒ No
3. Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☒ No
4. Will any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☒ No
5. Will any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☒ No
6. Are you including property that is owned by a person other than the applicant? ☐ Yes ☒ No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? ☐ Yes ☒ No

SECTION 7: Project Description

1. In Tab 4, attach 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.
2. Check the project characteristics that apply to the proposed project:

☒ Land has no existing improvements	☐ Land has existing improvements (complete Section 13)
☐ Expansion of existing operation on the land (complete Section 13)	☐ Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? ☐ Yes ☒ No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? ☐ Yes ☒ No
3. Does the applicant have current business activities at the location where the proposed project will occur? ☐ Yes ☒ No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? ☐ Yes ☒ No
5. Has the applicant received any local or state permits for activities on the proposed project site? ☐ Yes ☒ No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? ☐ Yes ☒ No
7. Is the applicant evaluating other locations not in Texas for the proposed project? ☒ Yes ☐ No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? ☐ Yes ☒ No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? ☐ Yes ☒ No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? ☐ Yes ☒ No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

Supporting Information

**Attachments provided in Tab 5
of the Application for a
Limitation on Appraised Value**

TAB 5

Documentation to assist in determining if limitation is a determining factor.

As one of the top renewable energy companies in the world, Renewable Energy Systems (RES) has been providing services in development, engineering, construction, and operations since 1982. RES has developed and/or built over 10 GW of renewable energy capacity worldwide, has an asset management portfolio exceeding 1 GW, and is active in a range of energy technologies including onshore wind, solar, energy storage, transmission, and demand side management (DSM).

Since 1997, RES has been active in the Americas where we developed and constructed our first wind project in the United States and today have over 7,500 MW of wind constructed in 13 states. We entered the Canadian renewable energy market in 2003, followed by the Chilean market in 2010. We started constructing our first solar project in 2010 and have since built over 280 MW in three states and one Canadian province. Continuing to provide innovative solutions for our clients, we are a leader in the energy storage market and in 2014 constructed our first 4 MW energy storage project in Ohio. While RES has constructed transmission lines for other projects, in 2013 we built an independent 214-mile/230kV transmission line.

The Applicant is a national wind and solar developer with the ability to locate projects of this type in other states within the United States and other regions within Texas with favorable wind characteristics. The Applicant is actively assessing and developing other projects that are competing for limited investment funds. With Texas wholesale electricity prices already below the international average, it is necessary to limit the property tax liabilities for a wind project in order to be able to offer electricity at prices that are marketable to Texas customers at competitive rates. Markets such as California that have state wide available subsidies for renewable energy projects, and which have higher average contracted power rates, offer an attractive incentive for developers to build projects in those markets over Texas.

The property tax liability of a project without tax incentives in Texas would reduce the return to investors and financiers to an unacceptable level at today's contracted power rates under a power purchase agreement (PPA). Therefore, the applicant would not be able to finance and build the project in Texas even with a signed PPA because of the low price in the PPA. Without the 313 Value Limitation, the applicant would be forced to walk away from this project and spend the potential investment in other states where the rate of return is higher.

**Summary of the District's Financial Impact
of Chapter 313 Agreement
with RES Cactus Flats Wind Energy, LLC**

August 23, 2016

McDowell & Brown, LLC
School Finance Consulting

Eden CISD Financial Impact of Chapter 313 Agreement

Summary of Eden CISD Financial Impact of the Limited Appraised Value Application from RES Cactus Flats Wind Energy, LLC

Introduction

RES Cactus Flats Wind Energy, LLC applied for a property value limitation from Eden Consolidated Independent School District under Chapter 313 of the Tax Code. The application was submitted on April 21, 2016 and subsequently approved for consideration by the Eden CISD Board of Trustees. RES Cactus Flats Wind Energy, LLC (“RES Cactus Flats”), is requesting the property value limitation as a “renewable energy electric generation” project as listed in Sec. 313.024.(b) of the Tax Code.

“The Economic Development Act “, Tax Code Chapter 313, was created by House Bill 1200 of the 77th Texas Legislature in 2001. Further amendments were made to Chapter 313 as a result of House Bill 1470 from the 80th Texas Legislative Session in 2007.

The Economic Development Act was created to attract qualifying businesses to Texas by allowing school districts the option of approving a property value limitation to these qualifying entities. The purpose of the property value limitation is to reduce the maintenance and operations taxes paid by the company, to a school district during the applicable years as displayed below.

Eden CISD Financial Impact of Chapter 313 Agreement

The company must file an application with the school district to qualify for consideration of a Limited Appraised Value Agreement (“LAVA” or “Agreement”) to begin the following tax year or a later year if agreed upon by the District and the Company.

Years Prior to Start of Value Limitation Period:

The first two years of the agreement are considered the “Prior to Start of Value Limitation Period” and the company’s school district taxes will be levied at one-hundred percent of the appraised value. The applicant has requested that tax years 2016 and 2017 be considered the years that are Prior to the Start of Value Limitation Period.

Value Limitation Period:

During the ten years of the Value Limitation Period, the qualifying entity’s taxable value will be reduced to the minimum qualified investment for the applicable school district as determined by the State Comptroller’s Office. Eden CISD is considered a Rural category 3 District as categorized with total taxable value of industrial property of at least \$1 million but less than \$90 million. Thus, Eden CISD has a minimum qualified investment amount of \$10 million and a minimum limitation amount of \$20 million. A qualifying entity’s taxable value would be reduced to \$20 million during this ten year period of the agreement for the purposes of computing the tax levy for the maintenance and operations (M&O) tax of Eden CISD. The entire appraised value will be used for computing the interest and sinking (I&S) tax levy. The applicant has requested that the Value Limitation Period to begin in tax year 2018 and continue through tax year 2027.

Final Five Years of the Agreement – Continue to Maintain a Viable Presence:

Tax years 2028 through 2032 will be the final five years of the agreement and the applicant agrees to maintain a viable presence with this project during this time.

Eden CISD Financial Impact of Chapter 313 Agreement

Taxable Value Projections from Application

The following data shows the projected taxable values that RES Cactus Flats reported in the application to the District:

	Year	School Year	Tax Year	Projected Taxable Value	Actual Taxable Value
Each Year Prior to Start of Value Limitation Period	0	2016-2017	2016	\$0	\$0
	0	2017-2018	2017	\$0	\$0
Value Limitation Period	1	2018-2019	2018	\$198,450,000	\$20,000,000
	2	2019-2020	2019	\$184,559,000	\$20,000,000
	3	2020-2021	2020	\$171,640,000	\$20,000,000
	4	2021-2022	2021	\$159,625,000	\$20,000,000
	5	2022-2023	2022	\$148,451,000	\$20,000,000
	6	2023-2024	2023	\$138,059,000	\$20,000,000
	7	2024-2025	2024	\$128,395,000	\$20,000,000
	8	2025-2026	2025	\$119,407,000	\$20,000,000
	9	2026-2027	2026	\$111,049,000	\$20,000,000
	10	2027-2028	2027	\$103,276,000	\$20,000,000
Continue to Maintain Viable Presence	11	2028-2029	2028	\$98,112,000	\$98,112,000
	12	2029-2030	2029	\$93,206,000	\$93,206,000
	13	2030-2031	2030	\$88,546,000	\$88,546,000
	14	2031-2032	2031	\$84,119,000	\$84,119,000
	15	2032-2033	2032	\$79,913,000	\$79,913,000
Additional Years for 25 Year Economic Impact Study	16	2033-2034	2033	\$75,917,000	\$75,917,000
	17	2034-2035	2034	\$72,121,000	\$72,121,000
	18	2035-2036	2035	\$68,515,000	\$68,515,000
	19	2036-2037	2036	\$65,089,000	\$65,089,000
	20	2037-2038	2037	\$61,835,000	\$61,835,000
	21	2038-2039	2038	\$58,743,000	\$58,743,000
	22	2039-2040	2039	\$55,806,000	\$55,806,000
	23	2040-2041	2040	\$53,016,000	\$53,016,000
	24	2041-2042	2041	\$50,625,000	\$50,625,000
	25	2042-2043	2042	\$50,625,000	\$50,625,000

Eden CISD Financial Impact of Chapter 313 Agreement

Taxable Value Impact from LAVA

The “Additional Value from RES Cactus Flats” represents the values that the company estimated as their taxable values in the application that was filed with the district. During tax years 2018 through 2027, the company’s taxable value will be limited to the \$20,000,000 minimum qualified investment of Eden CISD.

TABLE I- Calculation of Taxable Value:

Tax Year	Additional Value From RES Cactus Flats	Minimum Qualified Investment	Abated Value	Taxable Value
Jan. 1, 2016	0	n/a	0	0
Jan. 1, 2017	0	n/a	0	0
Jan. 1, 2018	198,450,000	(20,000,000)	178,450,000	20,000,000
Jan. 1, 2019	184,559,000	(20,000,000)	164,559,000	20,000,000
Jan. 1, 2020	171,640,000	(20,000,000)	151,640,000	20,000,000
Jan. 1, 2021	159,625,000	(20,000,000)	139,625,000	20,000,000
Jan. 1, 2022	148,451,000	(20,000,000)	128,451,000	20,000,000
Jan. 1, 2023	138,059,000	(20,000,000)	118,059,000	20,000,000
Jan. 1, 2024	128,395,000	(20,000,000)	108,395,000	20,000,000
Jan. 1, 2025	119,407,000	(20,000,000)	99,407,000	20,000,000
Jan. 1, 2026	111,049,000	(20,000,000)	91,049,000	20,000,000
Jan. 1, 2027	103,276,000	(20,000,000)	83,276,000	20,000,000
Jan. 1, 2028	98,112,000	n/a	0	98,112,000
Jan. 1, 2029	93,206,000	n/a	0	93,206,000
Jan. 1, 2030	88,546,000	n/a	0	88,546,000
Jan. 1, 2031	84,119,000	n/a	0	84,119,000
Jan. 1, 2032	79,913,000	n/a	0	79,913,000

Eden Cisd Financial Impact of Chapter 313 Agreement

RES Cactus Flat's Tax Benefit from Agreement

The projected amount of the net tax savings for RES Cactus Flats is \$11.16 million over the life of the Agreement. This net savings is after all tax savings and after estimated payments have been made to the district to offset their revenue losses that were a direct result of entering into this Agreement.

Eden Cisd's projected tax rates for maintenance & operations (M&O) and interest & sinking (I&S) are based on the following assumptions:

- The District has not held a tax ratification election and the study projects that it will maintain an M&O tax rate of \$1.04 for the life of this agreement. The M&O rate for 2018-2019 and 2028-2029 is projected to decrease to \$1.0345 due to the rollback tax rate calculation.
- The District currently has no outstanding bond obligations and therefore has no I&S tax rate. The study assumes that they will have no bonded indebtedness during the agreement period; however, the district could call for a bond referendum and install an I&S tax during this agreement period.

TABLE II- Computation of Net Tax Savings:

Fiscal Year	Projected M&O Tax Rate	Projected I&S Tax Rate	Taxes w/o Agreement	Tax Savings with Agreement	Payment of District's Revenue Losses	Net Tax Savings
2016-2017	1.04	0.00	0	0	0	0
2017-2018	1.04	0.00	0	0	0	0
2018-2019	1.0345	0.00	2,052,965	1,846,065	(1,960,216)	(114,151)
2019-2020	1.04	0.00	1,919,414	1,711,414	0	1,711,414
2020-2021	1.04	0.00	1,785,056	1,577,056	0	1,577,056
2021-2022	1.04	0.00	1,660,100	1,452,100	0	1,452,100
2022-2023	1.04	0.00	1,543,890	1,335,890	0	1,335,890
2023-2024	1.04	0.00	1,435,814	1,227,814	0	1,227,814
2024-2025	1.04	0.00	1,335,308	1,127,308	0	1,127,308
2025-2026	1.04	0.00	1,241,833	1,033,833	0	1,033,833
2026-2027	1.04	0.00	1,154,910	946,910	0	946,910
2027-2028	1.04	0.00	1,074,070	866,070	0	866,070
2028-2029	1.0345	0.00	1,014,969	0	0	0
2029-2030	1.04	0.00	969,342	0	0	0
2030-2031	1.04	0.00	920,878	0	0	0
2031-2032	1.04	0.00	874,838	0	0	0
2032-2033	1.04	0.00	831,095	0	0	0
Totals			19,814,482	13,124,460	(1,960,216)	11,164,244

Eden CISD Financial Impact of Chapter 313 Agreement

Financial Impact Study

This Financial Impact Study was performed to determine the financial impact of the Limited Appraised Value Agreement on Eden CISD. First, a fifteen year financial forecast was prepared to establish a baseline without the added values of the renewable energy electric generation company. Second, a fifteen year financial forecast was prepared that incorporated the additional taxable value of the company without a LAVA in effect. Third, a fifteen year financial forecast was prepared that incorporates the additional taxable value of the company with an approved LAVA. These three forecasts are detailed in the “Calculation of LAVA Impact on District’s Finances” section. The following assumptions were used to compare the financial impact of the LAVA:

- The current state funding formulas (in effect for 2016-2017 fiscal year) were used for state aid and recapture calculation purposes
 - Level 2 of Tier II yield - \$77.53 per weighted student in average daily attendance (WADA) per penny of tax effort
- The district’s tax rate for maintenance & operations (M&O) will remain at the same rate as for tax year 2015.
- A tax collection rate of 100% on current year tax levy with no projected delinquent taxes
- An annual taxable value increase of 1.0% was used to project the district’s taxable value, except as it related to the requested LAVA. The district’s 2015 taxable value was used as a baseline for all projections
- The district’s enrollment is projected to decrease slightly; therefore, the projected ADA and WADA for school year 2015-2016 was decreased by .25% per year for the life of the agreement.

Although these assumptions were used to develop a baseline scenario for comparison purposes, many of these factors will not remain constant for the thirteen years of this proposed agreement. Also, Legislative changes to the school finance formulas are likely during the near future and almost certain during the life of this agreement.

Eden CISD Financial Impact of Chapter 313 Agreement

Calculation of LAVA Impact on District's Finances

The tables displayed below (Table III, IV, V) show the different impacts on the school district's finances. These scenarios were computed to compare the District's revenue without the additional taxable value of RES Cactus Flats (Table III), the addition of RES Cactus Flats' taxable values without a Chapter 313 Agreement (Table IV), and the addition of RES Cactus Flats' taxable values with a Chapter 313 Agreement (Table V).

TABLE III – District Revenues *without* RES Cactus Flats Wind Energy, LLC:

Fiscal Year	Total Taxable Value	M&O Taxes Compressed Rate	State Revenue	Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Total District Revenue
2016-2017	114,536,030	1,135,405	1,237,922	0	2,373,327	140,875	2,514,202
2017-2018	115,681,390	1,146,567	1,373,301	0	2,519,868	167,824	2,687,692
2018-2019	116,838,204	1,157,842	1,351,547	0	2,509,389	167,376	2,676,765
2019-2020	118,006,586	1,169,229	1,334,859	0	2,504,088	166,931	2,671,019
2020-2021	119,186,652	1,180,730	1,318,053	0	2,498,783	166,486	2,665,270
2021-2022	120,378,519	1,192,346	1,301,136	0	2,493,482	166,044	2,659,526
2022-2023	121,582,304	1,204,078	1,283,508	0	2,487,587	165,602	2,653,189
2023-2024	122,798,127	1,215,928	1,267,386	0	2,483,314	165,162	2,648,476
2024-2025	124,026,108	1,227,896	1,244,486	0	2,472,382	164,724	2,637,105
2025-2026	125,266,369	1,239,984	1,227,090	0	2,467,074	164,286	2,631,360
2026-2027	126,519,033	1,252,192	1,209,575	0	2,461,767	163,851	2,625,617
2027-2028	127,784,223	1,264,523	1,191,933	0	2,456,456	163,416	2,619,872
2028-2029	129,062,065	1,276,977	1,174,167	0	2,451,144	162,983	2,614,127
2029-2030	130,352,686	1,289,555	1,155,695	0	2,445,250	162,552	2,607,802
2030-2031	131,656,213	1,302,260	1,133,518	0	2,435,778	162,122	2,597,900
2031-2032	132,972,775	1,315,091	1,114,925	0	2,430,016	161,693	2,591,709
2032-2033	134,302,503	1,328,051	1,096,650	0	2,424,700	161,265	2,585,966

Eden Cisd Financial Impact of Chapter 313 Agreement

TABLE IV- District Revenues *with* RES Cactus Flats *without* Chapter 313 Agreement:

Fiscal Year	Total Taxable Value	M&O Taxes Compressed Rate	State Revenue	Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Total District Revenue
2016-2017	114,536,030	1,135,405	1,237,922	0	2,373,327	140,875	2,514,202
2017-2018	115,681,390	1,146,567	1,373,301	0	2,519,868	167,824	2,687,692
2018-2019	315,288,204	3,092,057	1,351,547	0	4,443,604	392,954	4,836,558
2019-2020	302,565,586	2,967,959	92,241	692,555	2,367,645	157,026	2,524,671
2020-2021	290,826,652	2,853,551	91,191	579,567	2,365,174	156,928	2,522,102
2021-2022	280,003,519	2,748,067	90,002	475,445	2,362,624	156,834	2,519,458
2022-2023	270,033,304	2,650,897	89,223	379,587	2,360,533	156,744	2,517,276
2023-2024	260,857,127	2,561,465	87,553	291,438	2,357,580	156,655	2,514,235
2024-2025	252,421,108	2,479,246	82,659	210,480	2,351,426	156,568	2,507,994
2025-2026	244,673,369	2,403,736	82,211	136,238	2,349,709	156,480	2,506,189
2026-2027	237,568,033	2,334,487	81,578	68,260	2,347,805	156,393	2,504,197
2027-2028	231,060,223	2,271,061	87,921	6,144	2,352,838	156,302	2,509,140
2028-2029	227,174,065	2,233,186	147,087	0	2,380,273	157,630	2,537,902
2029-2030	223,558,686	2,197,950	179,971	0	2,377,921	157,402	2,535,323
2030-2031	220,202,213	2,165,238	206,585	0	2,371,823	157,173	2,528,996
2031-2032	217,091,775	2,134,923	234,335	0	2,369,258	156,941	2,526,199
2032-2033	214,215,503	2,106,891	260,086	0	2,366,977	156,707	2,523,684

TABLE V – District Revenues *with* RES Cactus Flats *with* Chapter 313 Agreement:

Fiscal Year	Total Taxable Value	M&O Taxes Comp Rate	State Revenue	Recapture Amount	Hold Harmless Revenue	M&O Taxes > Comp Rate	Payment for District Losses	Total District Revenue
2016-2017	114,536,030	1,135,405	1,237,922	0	2,373,327	140,875	0	2,514,202
2017-2018	115,681,390	1,146,567	1,373,301	0	2,519,868	167,824	0	2,687,692
2018-2019	136,838,204	1,352,866	1,351,548	0	2,704,413	171,929	1,960,216	4,836,558
2019-2020	138,006,586	1,364,151	1,135,959	0	2,500,110	166,294	0	2,666,404
2020-2021	139,186,652	1,375,652	1,119,153	0	2,494,805	165,861	0	2,660,666
2021-2022	140,378,519	1,387,268	1,102,236	0	2,489,504	165,428	0	2,654,933
2022-2023	141,582,304	1,399,000	1,084,608	0	2,483,609	164,998	0	2,648,606
2023-2024	142,798,127	1,410,850	1,068,486	0	2,479,336	164,568	0	2,643,904
2024-2025	144,026,108	1,422,818	1,045,586	0	2,468,404	164,139	0	2,632,543
2025-2026	145,266,369	1,434,906	1,028,190	0	2,463,096	163,712	0	2,626,808
2026-2027	146,519,033	1,447,114	1,010,675	0	2,457,789	163,286	0	2,621,075
2027-2028	147,784,223	1,459,445	993,033	0	2,452,478	162,862	0	2,615,340
2028-2029	227,174,065	2,233,288	975,266	0	3,208,554	216,672	0	3,425,226
2029-2030	223,558,686	2,197,950	179,971	0	2,377,921	157,402	0	2,535,323
2030-2031	220,202,213	2,165,238	206,585	0	2,371,823	157,173	0	2,528,996
2031-2032	217,091,775	2,134,923	234,335	0	2,369,258	156,941	0	2,526,199
2032-2033	214,215,503	2,106,891	260,086	0	2,366,977	156,707	0	2,523,684

Eden CISD Financial Impact of Chapter 313 Agreement

Current School Finance Law

A major overhaul of the school finance formulas was implemented as a result of House Bill 1 of the 79th Legislative Session and became effective for the 2006-2007 school year. Those formula changes had an effect on the district's financial impact from granting a property value limitation. Due to the district's "Hold Harmless" provision that was enacted in the funding formulas, some districts had the majority of the district's revenue losses (during the first year that the "limited appraised value" was used as the actual taxable value) offset with additional state funding. The funding that was available to offset those revenue losses was called Additional State Aid for Tax Reduction (ASATR) and those funds were phased out as a result of legislation in the 82nd Legislative Session in 2011. This legislation eliminated the ASATR funding for fiscal year 2017-2018 and thereafter and can have a significant financial impact for LAVA agreements that have a year three in 2017-2018 or later. The loss of ASATR funding can again cause a district to experience a significant loss of funds in year three of the agreement and consequently cause the company to have revenue protection payments during that year that are similar to those experienced prior to 2006-2007.

Eden CISD Financial Impact of Chapter 313 Agreement

Payments in Lieu of Taxes

Assuming that the District and RES Cactus Flats Wind Energy, LLC mutually agree in the LAVA that the greater of \$100 per student in average daily attendance (ADA) or \$50,000, the projected amount of these payments over the life of the agreement is \$700,000 of the \$11.16 million net tax savings amount. This amount will be computed annually according to Section IV of the Agreement.

TABLE VI - Calculation of the Payment in Lieu of Taxes:

Fiscal Year	Net Tax Savings	Eden CISD \$100/ADA	RES Cactus Flats Share
2016-2017	0	0	0
2017-2018	0	50,000	(50,000)
2018-2019	(114,151)	50,000	(164,151)
2019-2020	1,711,414	50,000	1,661,414
2020-2021	1,577,056	50,000	1,527,056
2021-2022	1,452,100	50,000	1,402,100
2022-2023	1,335,890	50,000	1,285,890
2023-2024	1,227,814	50,000	1,177,814
2024-2025	1,127,308	50,000	1,077,308
2025-2026	1,033,833	50,000	983,833
2026-2027	946,910	50,000	896,910
2027-2028	866,070	50,000	816,070
2028-2029	0	50,000	(50,000)
2029-2030	0	50,000	(50,000)
2030-2031	0	50,000	(50,000)
2031-2032	0	0	0
2032-2033	0	0	0
Totals	11,164,244	700,000	10,464,244

Eden CISD Financial Impact of Chapter 313 Agreement

Impact of Projected Student Growth On District Facilities

TABLE VII – Campus Capacity and Available Growth

Campus Name	Grade Level	# of Regular Classrooms	Building Capacity	Current Enrollment	Enrollment Growth Available
Eden School	K-12	26	520	246	274
Total		26	520	246	274

The building capacities are based on 20 students per classroom for all grade levels. Eden CISD is a kindergarten through 12th grade district.

RES Cactus Flats Wind Energy, LLC provided supplemental information with their application that projected the number of full-time employees that are expected for permanent employment after construction of the project is completed. They projected that five full-time employees are expected. It is not known whether these would be new employees to the Eden CISD, or if current residents would occupy these positions; however, it is assumed that these employees would be new residents to the district.

Based on average statewide figures provided by a demographer, it is projected that each new household would produce .5 students. Thus, the new five positions equates to 3 new students.

This minimal projected student growth can easily be accommodated with the current facilities of Eden CISD as displayed in Table VII above.

Eden CISD Financial Impact of Chapter 313 Agreement

Conclusion

This Financial Impact Study displays that entering into a Limited Appraised Value Agreement with RES Cactus Flats would be beneficial to both RES Cactus Flats and Eden CISD under the current school finance system.

RES Cactus Flats Wind Energy, LLC would benefit from reduced property taxes during the ten years of the Value Limitation Period. Although some of the tax savings would be used to offset district's revenue losses and payments in lieu of taxes to the District, RES Cactus Flats is projected to benefit from an 86% tax savings during that ten year period of this Agreement. RES Cactus Flats also has the option of terminating the Agreement if the amount paid to the District during a tax year is greater than the amount of taxes that would have been paid without the agreement; therefore, there is no inherent risk for the company from entering into the Agreement.

Eden CISD would also have no inherent risk under the current school finance system and with the provisions in the LAVA that require RES Cactus Flats to offset any district losses caused by the LAVA. An annual calculation will be performed each year to determine if a loss to the District has been incurred. The revenue impact to the District will be computed by comparing the District's revenues with and without the LAVA in effect.



Texas Education Agency

Commissioner Mike Morath

1701 North Congress Avenue • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • tea.texas.gov

June 13, 2016

Shan Click, President
Board of Trustees
Eden Consolidated Independent School District
PO Box 988
Eden, TX 76837-0988

Dear Ms. Click:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed RES Cactus Flats Wind Energy LLC project on the number and size of school facilities in Eden Consolidated Independent School District (ECISD). Based on an examination of ECISD enrollment and the number of potential new jobs, the TEA has determined that the RES Cactus Flats Wind Energy LLC project should not have a significant impact on the number or size of school facilities in ECISD.

Please feel free to contact me by phone at (512) 463-9186 or by email at al.mckenzie@tea.state.tx.us if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Al McKenzie", with a horizontal line extending to the right.

Al McKenzie
Director of State Funding

AM/rk
Cc: Kent Coker



Glenn Hegar
Texas Comptroller of Public Accounts

Taxes

Property Tax

SCHOOL AND APPRAISAL DISTRICTS PROPERTY VALUE STUDY 2015 REPORT

2015 ISD Summary Worksheet

048/Concho

048-901/Eden CISD

** This district is in year 2 of the grace period.

Category	Local Tax Roll Value	2015 WTD Mean Ratio	2015 PTAD Value Estimate	2015 Value Assigned
A. Single-Family Residences	19,318,720	.7222	26,749,820	19,318,720
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	587,400	N/A	587,400	587,400
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	28,500,240	.8904	32,009,911	28,500,240
D2. Real Prop Farm & Ranch	3,632,850	N/A	3,632,850	3,632,850
E. Real Prop NonQual Acres	20,365,990	.7763	26,234,690	20,365,990
F1. Commercial Real	6,300,470	N/A	6,300,470	6,300,470
F2. Industrial Real	19,808,737	N/A	19,808,737	19,808,737
G. Oil, Gas, Minerals	30,644,663	1.0147	30,200,713	30,644,663
J. Utilities	8,856,754	1.0313	8,587,951	8,856,754
L1. Commercial Personal	2,022,420	N/A	2,022,420	2,022,420
L2. Industrial Personal	6,686,710	N/A	6,686,710	6,686,710
M. Other Personal	302,480	N/A	302,480	302,480
N. Intangible Personal Prop	0	N/A	0	0

O. Residential Inventory	0	N/A	0	0
S. Special Inventory	263,230	N/A	263,230	263,230
Subtotal	147,290,664		163,387,382	147,290,664
Less Total Deductions	12,822,775		15,549,929	12,822,775
Total Taxable Value	134,467,889		147,837,453	134,467,889 T2**

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 T4 will be the same as T7 through T10.

Value Taxable For M&O Purposes

T1	T2	T3	T4
137,581,799	134,467,889	137,581,799	134,467,889

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
3,113,910	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

Value Taxable For I&S Purposes

T7	T8	T9	T10
137,581,799	134,467,889	137,581,799	134,467,889

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

The PVS found your local value invalid, but local value was certified because your school district is in year two of the grace period.

164/Menard

048-901/Eden CISD

Category	Local Tax Roll Value	2015 WTD Mean Ratio	2015 PTAD Value Estimate	2015 Value Assigned
A. Single-Family Residences	0	N/A	0	0
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	0	N/A	0	0
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	326,050	N/A	326,050	326,050
D2. Real Prop Farm & Ranch	42,530	N/A	42,530	42,530
E. Real Prop NonQual Acres	201,310	N/A	201,310	201,310
F1. Commercial Real	0	N/A	0	0
F2. Industrial Real	0	N/A	0	0
G. Oil, Gas, Minerals	358,940	N/A	358,940	358,940
J. Utilities	84,980	N/A	84,980	84,980
L1. Commercial Personal	0	N/A	0	0
L2. Industrial Personal	0	N/A	0	0
M. Other Personal	0	N/A	0	0
N. Intangible Personal Prop	0	N/A	0	0

O. Residential Inventory	0	N/A	0	0
S. Special Inventory	0	N/A	0	0
Subtotal	1,013,810		1,013,810	1,013,810
Less Total Deductions	25,000		25,000	25,000
Total Taxable Value	988,810		988,810	988,810 T2

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 T4 will be the same as T7 through T10.

Value Taxable For M&O Purposes

T1	T2	T3	T4
998,810	988,810	998,810	988,810

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
10,000	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

Value Taxable For I&S Purposes

T7	T8	T9	T10
998,810	988,810	998,810	988,810

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

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

048-901/Eden CISD

Category	Local Tax Roll Value	2015 WTD Mean Ratio	2015 PTAD Value Estimate	2015 Value Assigned
A. Single-Family Residences	19,318,720	.7222	26,749,820	19,318,720
B. Multi-Family Residences	0	N/A	0	0
C1. Vacant Lots	587,400	N/A	587,400	587,400
C2. Colonia Lots	0	N/A	0	0
D1. Rural Real(Taxable)	28,826,290	.8915	32,335,961	28,826,290
D2. Real Prop Farm & Ranch	3,675,380	N/A	3,675,380	3,675,380
E. Real Prop NonQual Acres	20,567,300	.7780	26,436,000	20,567,300
F1. Commercial Real	6,300,470	N/A	6,300,470	6,300,470
F2. Industrial Real	19,808,737	N/A	19,808,737	19,808,737
G. Oil, Gas, Minerals	31,003,603	1.0145	30,559,653	31,003,603
J. Utilities	8,941,734	1.0310	8,672,931	8,941,734
L1. Commercial Personal	2,022,420	N/A	2,022,420	2,022,420
L2. Industrial Personal	6,686,710	N/A	6,686,710	6,686,710
M. Other Personal	302,480	N/A	302,480	302,480
N. Intangible Personal Prop	0	N/A	0	0

O. Residential Inventory	0	N/A	0	0
S. Special Inventory	263,230	N/A	263,230	263,230
Subtotal	148,304,474		164,401,192	148,304,474
Less Total Deductions	12,847,775		15,574,929	12,847,775
Total Taxable Value	135,456,699		148,826,263	135,456,699 T2

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

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

by and between

EDEN CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

and

RES CACTUS FLATS WIND ENERGY, LLC

(Texas Taxpayer ID #32058765176)

Comptroller Application #1136

Dated

November 28, 2016

appraised value of the property described in the Application and provided the certificate to the District;

WHEREAS, the District's Board of Trustees, by resolution dated October 24, 2016, extended the statutory deadline by which the District must consider the Application until December 31, 2016, and the Comptroller was provided notice of such extension as set out under 34 TEXAS ADMIN. CODE Section 9.1054(d);

WHEREAS, the Board of Trustees has reviewed and carefully considered the economic impact evaluation and certificate for limitation on appraised value submitted by the Texas Comptroller's Office pursuant to Section 313.025 of the TEXAS TAX CODE;

WHEREAS, on November 28, 2016, 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;

WHEREAS, on November 28, 2016, the Board of Trustees made factual findings pursuant to Section 313.025(f) of the TEXAS TAX CODE, including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) the Applicant is eligible for the limitation on appraised value of the Applicant's Qualified Property; (iii) the project proposed by the Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the District's maintenance and operations ad valorem tax revenue lost as a result of the Agreement before the 25th anniversary of the beginning of the limitation period; (iv) the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in this State; and (v) this Agreement is in the best interest of the District and the State of Texas;

WHEREAS, on November 28, 2016, pursuant to the provisions of 313.025(f-1) of the TEXAS TAX CODE, the Board of Trustees waived the job creation requirement set forth in Section 313.021(3) the TEXAS TAX CODE;

WHEREAS, on November 7, 2016, the Texas Comptroller's Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes;

WHEREAS, on November 28, 2016, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary or, in the event the Board President and Secretary are unavailable or have disclosed a conflict of interest, the Board of Trustees has authorized [Insert Name] to execute and deliver such Agreement to the Applicant; and

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

ARTICLE I **DEFINITIONS**

Section 1.1 DEFINITIONS. Wherever used in this Agreement, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning. Words or terms defined in 34 TEXAS ADMIN. CODE Section 9.1051 and not defined in this Agreement shall have the meanings provided by 34 TEXAS ADMIN. CODE Section 9.1051.

“Act” means the Texas Economic Development Act set forth in Chapter 313 of the TEXAS TAX CODE, including any statutory amendments that are applicable to Applicant.

“Agreement” means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented as approved pursuant to Sections 10.2 and 10.3.

“Applicant” means **RES CACTUS FLATS WIND ENERGY, LLC**, (Texas Taxpayer ID # 32058765176), the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include the Applicant’s assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

“Applicant’s Qualified Investment” means the Qualified Investment of the Applicant during the Qualifying Time Period and as more fully described in **EXHIBIT 3** of this Agreement.

“Applicant’s Qualified Property” means the Qualified Property of the Applicant to which the value limitation identified in the Agreement will apply and as more fully described in **EXHIBIT 4** of 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 April 21, 2016. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

“Application Approval Date” means the date that the Application is approved by the Board of Trustees of the District and as further identified in Section 2.3.B of this Agreement.

“Application Review Start Date” means the later date of either the date on which the District issues its written notice that the Applicant has submitted a completed Application or the date on which the Comptroller issues its written notice that the Applicant has submitted a completed Application and as further identified in Section 2.3.A of this Agreement.

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

TEXAS TAX CODE.

“Appraisal District” means the Concho County Appraisal District.

“Board of Trustees” means the Board of Trustees of the Eden Consolidated Independent School District.

“Commercial Operation” means the date on which the Project becomes commercially operational and placed into service, such that all of the following events have occurred and remain simultaneously true and accurate:

- A. The Project has been constructed, tested, and is fully capable to commence operating for the purpose of generating electricity for sale on one or more commercial markets;
- B. The Project has received written authorization from the grid operator for interconnection, integration, and synchronization of the plant with the grid; and,
- C. The Project has obtained all permits, required approvals, and has met all requirements necessary to commence safely and reliably generating electricity and delivering electricity onto the grid.

“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 in Chapter 34 TEXAS ADMIN. CODE Chapter 9, Subchapter F, together with any court or administrative decisions interpreting same.

“County” means Concho County, Texas.

“District” or “School District” means the Eden Consolidated Independent School District, being a duly authorized and operating 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 the last date of the final year in which the Applicant is required to Maintain Viable Presence and as further identified in Section 2.3.E of this Agreement.

“Force Majeure” means those causes generally recognized under Texas law as constituting impossible conditions. Each Party must inform the other in writing with proof of receipt within sixty (60) days of the existence of such Force Majeure or otherwise waive this right as a defense.

“Land” means the real property described on **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes.

“Maintain Viable Presence” means (i) the operation during the term of this Agreement of the facility or facilities for which the tax limitation is granted; and (ii) the Applicant’s maintenance of jobs and wages as required by the Act and as set forth in its Application.

“Market Value” shall have the meaning assigned to such term in Section 1.04(7) of the TEXAS TAX CODE.

“New Qualifying Jobs” means the total number of jobs to be created by the Applicant after the Application Approval Date in connection with the project that is the subject of its Application that meet the criteria of Qualifying Job as defined in Section 313.021(3) of the TEXAS TAX CODE and the Comptroller’s Rules.

“New Non-Qualifying Jobs” means the number of Non-Qualifying Jobs, as defined in 34 TEXAS ADMIN. CODE Section 9.1051(14), to be created by the Applicant after the Application Approval Date in connection with the project which is the subject of its Application.

“Qualified Investment” has the meaning set forth in Section 313.021(1) of the TEXAS TAX CODE, as interpreted by the Comptroller’s Rules.

“Qualified Property” has the meaning set forth in Section 313.021(2) of the TEXAS TAX CODE and as interpreted by Comptroller’s Rules and the Texas Attorney General, as these provisions existed on the Application Review Start Date.

“Qualifying Time Period” means the period defined in Section 2.3.C, during which the Applicant shall make investment on the Land where the Qualified Property is located in the amount required by the Act, the Comptroller’s Rules, and this Agreement.

“State” means the State of Texas.

“Supplemental Payment” means any payments or transfers of things of value made to the 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 and that is not authorized pursuant to Sections 313.027(f)(1) or (2) of the TEXAS TAX CODE, and specifically includes any payments required pursuant to Article VI of this Agreement.

“Tax Limitation Amount” means the maximum amount which may be placed as the Appraised Value on the Applicant’s Qualified Property for maintenance and operations tax assessment in each Tax Year of the Tax Limitation Period of this Agreement pursuant to Section 313.054 of the TEXAS TAX CODE.

“Tax Limitation Period” means the Tax Years for which the Applicant’s Qualified Property is subject to the Tax Limitation Amount and as further identified in Section 2.3.D of this Agreement.

"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.

Section 1.2 NEGOTIATED DEFINITIONS. Wherever used in Articles IV, V, and VI, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning or otherwise; provided however, if there is a conflict between a term defined in this section and a term defined in the Act, the Comptroller's Rules, or Section 1.1 of Agreement, the conflict shall be resolved by reference to Section 10.9.C.

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

"Consultant" shall have the same meaning as assigned to such term in Section 4.5 of the Agreement.

"Floor Revenue" shall have the meaning assigned to such term in Section 4.8.C of the Agreement.

"Floor Revenue Payment" shall have the meaning assigned to such term in Section 4.8.C of the Agreement.

"M&O Amount" shall have the meaning assigned to such term in Section 4.2 of the Agreement.

"Maintenance and Operations Revenue" or "M&O Revenue" means (i) those revenues which District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Section 45.002 of the TEXAS EDUCATION CODE 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.

“Net Tax Savings” shall have the same meaning as assigned to such term in Section 6.3 of the Agreement.

“New M&O Revenue” shall have the same meaning as assigned to such term in Section 4.2.A.ii of the Agreement.

“Original M&O Revenue” shall have the same meaning as assigned to such term in Section 4.2.A.i of the Agreement.

“Partial Payment” shall have the meaning assigned to such term in Section 4.8.B of the Agreement.

“Year 1 M&O Amount” shall have the meaning assigned to such term in Section 4.8.B of the Agreement.

ARTICLE II

AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

Section 2.1. 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 Section 313.027 of the TEXAS TAX CODE.

Section 2.2. PURPOSE. In consideration of the execution and subsequent performance of the terms and obligations by the Applicant pursuant to this Agreement, identified in Sections 2.5 and 2.6 and as more fully specified in this Agreement, the value of the Applicant’s Qualified Property listed and assessed by the County Appraiser for the District’s maintenance and operation ad valorem property tax shall be the Tax Limitation Amount as set forth in Section 2.4 of this Agreement during the Tax Limitation Period.

Section 2.3. TERM OF THE AGREEMENT.

A. The Application Review Start Date for this Agreement is June 3, 2016, which will be used to determine the eligibility of the Applicant’s Qualified Property and all applicable wage standards.

B. The Application Approval Date for this Agreement is November 28, 2016.

C. The Qualifying Time Period for this Agreement:

- i. Starts on January 1, 2017; and
- ii. Ends on December 31, 2018, the last day of the second complete Tax Year following the Qualifying Time Period start date.

- D. The Tax Limitation Period for this Agreement:
- i. Starts on January 1, 2018, first complete Tax Year that begins after the date of the commencement of Commercial Operation; and,
 - ii. Ends on December 31, 2027.

E. The Final Termination Date for this Agreement is December 31, 2032.

F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and become effective on the Application Approval Date identified in Section 2.3.B. This Agreement, and the obligations and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Subsection 2.3.E, unless extended by the express terms of this Agreement.

Section 2.4. TAX LIMITATION. So long as the Applicant makes the Qualified Investment as required by Section 2.5, during the Qualifying Time Period, and unless this Agreement has been terminated as provided herein before such Tax Year, on January 1 of each Tax Year of the Tax Limitation Period, 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 Property; or
- B. Twenty Million Dollars (\$20,000,000).

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the Application Approval Date, as set out by Section 313.052 of the TEXAS TAX CODE.

Section 2.5. TAX LIMITATION ELIGIBILITY. In order to be eligible and entitled to receive the value limitation identified in Section 2.4 for the Qualified Property identified in Article III, the Applicant shall:

- A. have completed the Applicant's Qualified Investment in the amount of \$10,000,000 during the Qualifying Time Period;
- B. have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and
- C. pay an average weekly wage of at least \$696 for all New Non-Qualifying Jobs created by the Applicant.

Section 2.6. TAX LIMITATION OBLIGATIONS. In order to receive and maintain the limitation authorized by Section 2.4, Applicant shall:

- A. provide payments to District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV;

B. provide payments to the District that protect the District from the payment of extraordinary education related expenses related to the project, as more fully specified in Article V;

C. provide such Supplemental Payments as more fully specified in Article VI;

D. create and Maintain Viable Presence on or with the Qualified Property and perform additional obligations as more fully specified in Article VIII of this Agreement; and

E. no additional conditions are identified in the certificate for a limitation on appraised value by the Comptroller for this project.

ARTICLE III **QUALIFIED PROPERTY**

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE. At the time of the Application Approval Date, the Land is within an area designated either as an enterprise zone, pursuant to Chapter 2303 of the TEXAS GOVERNMENT CODE, or a reinvestment zone, pursuant to Chapter 311 or 312 of the TEXAS TAX CODE. The legal description, and information concerning the designation, of such zone is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

Section 3.2. LOCATION OF QUALIFIED PROPERTY AND INVESTMENT. The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described in **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes. The Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in **EXHIBIT 2** unless amended pursuant to the provisions of Section 10.2 of this Agreement.

Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY. The Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 4**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 4** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Property for purposes of this Agreement, unless by official action the Board of Trustees provides that such other property is a part of the Applicant's Qualified Property for purposes of this Agreement in compliance with Section 313.027(e) of the TEXAS TAX CODE, the Comptroller's Rules, and Section 10.2 of this Agreement.

Section 3.4. CURRENT INVENTORY OF QUALIFIED PROPERTY. In addition to the requirements of Section 10.2 of this Agreement, if there is a material change in the Qualified Property described in **EXHIBIT 4**, then within 60 days from the date commercial operation begins, the Applicant shall provide to the District, the Comptroller, the Appraisal District or the State Auditor's Office a specific and detailed description of the tangible personal property, buildings, and/or permanent, nonremovable building components (including any affixed to or incorporated into real property)

on the Land to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property on the Land.

Section 3.5. QUALIFYING USE. The Applicant's Qualified Property described in Section 3.3 qualifies for a tax limitation agreement under Section 313.024(b)(5) of the TEXAS TAX CODE as a renewable energy electric generation facility.

ARTICLE IV

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES. Subject to the limitations contained in this Agreement (including Section 7.1), it is the intent of the Parties that the District shall, in accordance with the provisions of Section 313.027(f)(1) of the TEXAS TAX CODE, be compensated by Applicant for any loss that District incurs in its Maintenance and Operations Revenue as a result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement. Such payments shall be independent of, and in addition to such other payments as set forth in Articles V and VI in this Agreement. Subject to the limitations contained in this Agreement (including Section 7.1), IT IS THE INTENT OF THE PARTIES THAT THE RISK OF ANY NEGATIVE FINANCIAL CONSEQUENCE TO DISTRICT IN MAKING THE DECISION TO ENTER INTO THIS AGREEMENT WILL BE BORNE SOLELY BY APPLICANT AND NOT BY DISTRICT. Applicant recognizes and acknowledges the calculations relating to the District's loss of Maintenance and Operations Revenue under this Agreement will be affected by changes to the timing of construction of the Project and any change to the Qualified Investment/Qualified Property. As such, Applicant acknowledges that it will bear any and all losses of Maintenance and Operations Revenue suffered by the District as a result of the Agreement, including without limitation any increase in the M&O Amount calculated under Section 4.2 to be paid to the District for losses in Maintenance and Operations Revenue resulting from any change in the timing of construction and/or any change to the Qualified Investment/Qualified Property.

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT. Subject to the provisions of Section 7.1, the amount to be paid by Applicant to compensate District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year starting in the year of the Application Review Start Date and ending on the Final Termination Date (as set out in **EXHIBIT 5**), 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:

A. The M&O Amount owed by Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue; based on the following definitions:

- i. "Original M&O Revenue" means the total State and local Maintenance and Operations Revenue that 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 had been subject to the full ad valorem maintenance & operations tax without any limitation on value.
- ii. "New M&O Revenue" means the total State and local Maintenance and Operations

Revenue that District actually received for such school year.

B. In making the calculations for the M&O Amount required by this Section 4.2 of this Agreement:

- 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 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 4.2 of this Agreement results in a negative number for the M&O Amount, the negative number will be considered to be zero.
- iv. All calculations made for the New M&O Revenue during the Tax Limitation Period under Section 4.2.A.ii of this Agreement will reflect the Tax Limitation Amount for such year.
- v. All calculations for the M&O Amount made under this Section 4.2 of this Agreement shall be made by a methodology which isolates only the revenue impact caused by this Agreement. Applicant shall not be responsible to reimburse District for other revenue losses created by other agreements or any other factors.

Section 4.3. STATUTORY CHANGES AFFECTING M&O REVENUE. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1 of this Agreement, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State or another school district, pursuant to Chapter 41 of the TEXAS EDUCATION CODE, because of its participation in this Agreement, Applicant shall make payments to District, up to the Revenue Protection Amount limit set forth in Section 7.1 that are necessary to offset any negative impact on 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 District.

Section 4.4. COMPENSATION FOR LOSS OF OTHER REVENUES. To the extent not included in the amounts calculated pursuant to Section 4.2 above, Applicant shall also pay to the District on an annual basis all non-reimbursed costs arising from entering this Agreement, including but not limited to: (a) any loss incurred by the District resulting from successful judicial challenge to this Agreement; (b) any reasonable attorneys' fees or other costs incurred by the District due to any legal defense, enforcement or interpretation of this Agreement, irrespective of whether or not this Agreement is ultimately determined to be valid; and (c) any non-reimbursed reasonable costs incurred by the District and related to this Agreement, either directly or indirectly, including costs paid to the Appraisal District caused by increased appraised values arising solely from the Qualified Property that is subject to the limitation provided in Section 2.4 herein.

Section 4.5. THIRD PARTY CALCULATIONS. All calculations made pursuant to this Agreement shall be verified annually by one or more independent third parties (“Consultant”) selected by the District. Applicant will be solely responsible for the payment of Consultant’s up to than Seven Thousand Dollars, (\$7,000.00) for the first year of this Agreement. This amount may be increased each year of this Agreement by not more than five percent (5%) from the prior year. All calculations shall initially be based upon good-faith estimates using all available information and shall be adjusted to reflect “near final” or “actual” data for the applicable year as the data becomes available.

Section 4.6. DATA FOR CALCULATIONS. The initial calculations for any payments owing under this Agreement shall be 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 § 26.01 of the TEXAS TAX CODE in or about July of each year of this Agreement. The certified tax roll data shall form the basis from which any and all amounts due under this Agreement are calculated, and the data utilized by the Consultant will be adjusted as necessary to reflect any subsequent adjustments by the Appraisal District to the District’s tax roll. Any estimates used by the Consultant to make calculations as required by this Agreement shall be based on the best and most current information available. The Consultant shall from time-to-time adjust the data utilized to reflect actual amounts, subsequent adjustments by the Appraisal District to the District’s certified tax roll, or any other relevant changes to material items such as student counts or tax collections.

Section 4.7. DELIVERY OF CALCULATIONS.

A. All calculations required under Articles IV, V, or VI shall be made by the Consultant on or before December 1 of each year for which this Agreement is effective. The Consultant shall forward such calculations to the Parties in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Consultant shall maintain supporting data consistent with generally accepted accounting practices. The Consultant shall preserve all documents and data related to all calculations required under this Agreement for a period of three (3) years. Employees and agents of the Parties shall have reasonable access to the Consultant’s offices, personnel, books, and records pertaining to all calculations and fees.

B. In the event the District receives the Consultant’s invoice for services rendered, the District shall forward to Applicant such invoice, which Applicant shall pay within thirty (30) days of receipt.

Section 4.8. PAYMENT BY APPLICANT.

A. On or before the January 31 next following the tax levy for each year for which this Agreement is effective, and subject to the limitations contained in Section 7.1, the Applicant shall pay all amounts determined to be due and owing to the District, all amounts billed by the Consultant pursuant to Section 4.5, and any reasonable and necessary expenses paid by the District to its attorneys, auditors, or financial consultants for work resulting from the District’s participation in this Agreement. Provided that the District, upon request of Applicant, provides

supporting documentation to substantiate such reasonable and necessary expenses to the extent such supporting documentation is not excepted from disclosure as attorney-client privilege or otherwise excepted from disclosure under the Texas Public Information Act (TEXAS GOVERNMENT CODE § 552.001, *et seq*).

B. Based upon the amount of Qualified Property and the construction schedule of Applicant's project as set forth in the Application, the Parties anticipate that Applicant will have a significant M&O Amount for the first year of the Tax Limitation Period (as established in Section 2.3.D and hereinafter referred to as the "Year 1 M&O Amount"). The Year 1 M&O Amount as calculated in Section 4.2 above, shall be divided into two (2) installments with an initial installment of sixty-five percent (65%) of the actual Year 1 M&O Amount (the "Partial Payment") due and paid on or before the following January 31. The remaining installment of the Year 1 M&O Amount owed the District shall be due and paid on or before January 31 next following the year the Partial Payment is due.

C. Notwithstanding anything to the contrary in Section 4.8.B above, in no event shall the District receive less than the same amount of M&O Revenue that the District would have received if the project had not been constructed and this Agreement was not in effect (the "Floor Revenue"). Therefore, in addition to all other amounts that are owed to the District under this Agreement, including the Partial Payment as set out in Section 4.8.B, Applicant shall pay to District such portion of the Year 1 M&O Amount owed the District necessary to increase the District from the New M&O Revenue up to Floor Revenue (the "Floor Revenue Payment") that exceeds the Partial Payment described in Section 4.8.B. Applicant shall pay to the District the Floor Revenue Payment at the same time as the Partial Payment.

Section 4.9. CHALLENGING CALCULATION RESULTS. The Applicant may appeal the Consultant's results, in writing, within fifteen (15) days of receipt of such results. The Consultant will issue a final determination of the calculations within 15 days of receiving Applicant's appeal. The Applicant may appeal the final determination of the Consultant to the District within 15 District business days of its receipt, pursuant to District Policy GF (LOCAL).

Section 4.10. EFFECT OF PROPERTY VALUE APPEAL OR ADJUSTMENT. In the event that the Taxable Value of the Qualified Property is changed after an appeal of its valuation, or the Taxable Value is otherwise altered for any reason, the calculations required under Article IV of this Agreement shall be recalculated by the Consultant at Applicant's sole expense using the revised property values. The Consultant shall transmit the revised calculations to the Parties and any Party owing funds to the other Party shall pay such funds within thirty (30) days after receipt of the new calculations.

ARTICLE V

PAYMENT OF EXTRAORDINARY EDUCATION RELATED EXPENSES

Section 5.1. EXTRAORDINARY EXPENSES. In addition to the amounts determined pursuant to Article IV or Article VI of this Agreement above, Applicant on an annual basis shall also

indemnify and reimburse District for the following:

All non-reimbursed costs, certified by District's external auditor to have been incurred by 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.

Section 5.2. PAYMENTS. Payments of amounts due under this Article shall be made as set forth in Section 4.8 above.

ARTICLE VI

SUPPLEMENTAL PAYMENTS

Section 6.1. SUPPLEMENTAL PAYMENTS. Applicant shall make Supplemental Payments as set out in Section 6.2 annually, beginning with the first complete or partial year of the Qualifying Time Period, and continuing through the third year following the end of the Tax Limitation Period.

Section 6.2. SUPPLEMENTAL PAYMENT LIMITATION. Notwithstanding the foregoing:

A. The total of the Supplemental Payments made pursuant to this Article shall not exceed for any calendar year of this Agreement an amount equal to the greater of One Hundred Dollars (\$100.00) per student per year in average daily attendance, as defined by Section 42.005 of the TEXAS EDUCATION CODE, or Fifty Thousand Dollars (\$50,000.00) per year times the number of years beginning with the first complete or partial year of the Qualifying Time Period identified in Section 2.3.C and ending with the year for which the Supplemental Payment is being calculated minus all Supplemental Payments previously made by the Applicant;

B. Supplemental Payments may only be made during the period starting with the beginning of the Qualifying Time Period and ending December 31 of the third year following the end of the Tax Limitation Period.

C. The limitation in Section 6.2.A does not apply to amounts described by Section 313.027(f)(1)–(2) of the TEXAS TAX CODE as implemented in Articles IV and V of this Agreement.

D. For purposes of this Agreement, the calculation of the limit of the annual Supplemental Payment shall be the greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, based upon the District's 2014-15 Average Daily Attendance of 234, rounded to the whole number.

Section 6.3. SUPPLEMENTAL PAYMENT CHANGES. In the event Chapter 313 is modified or amended to allow the District to receive supplemental payments in excess of the foregoing limitation, Applicant agrees to cooperate with the District to amend this Agreement to allow District to receive the maximum amount of supplemental payments as allowed by law; provided

however, the total supplemental payments for any given year of this Agreement shall not exceed the greater of forty percent (40%) of Applicant's Net Tax Savings under this Agreement in such year or the amount calculated as set out in Section 6.2.A above, as determined for that school year. "Net Tax Savings" means an amount equal to (but not less than zero): (i) the sum of the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for all years during the term of this Agreement if this Agreement had not been entered into by the Parties; minus (ii) an amount equal to 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 years during the term of this Agreement, plus (B) any and all payments due to the District under Article IV of this Agreement. For clarification, Net Tax Savings in respect of a particular year pursuant to Section 6.2 shall mean an amount equal to (but not less than zero): (i) the sum of the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for such year if this Agreement had not been entered into by the Parties; minus, (ii) an amount equal to 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 such year, plus (B) any and all payments due to the District under Article IV of this Agreement for such year. This Section 6.3 shall only apply if Chapter 313 of the TEXAS TAX CODE is amended so that the District is permitted to receive Supplemental Payments greater than as described in Section 6.2 above; otherwise, Section 6.2 shall apply.

Section 6.4. PAYMENT BY APPLICANT. Payment of amounts due under this Article shall be made as set forth in Section 4.8 of this Agreement and is subject to the limitations contained in Section 7.1.

ARTICLE VII

ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

Section 7.1 ANNUAL LIMITATION. Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year of the Tax Limitation Period beginning after the second Tax Year of the Tax Limitation Period, 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 IV, V, and VI of this Agreement with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Article IV of this Agreement, 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 IV, V, and VI shall be reduced until such excess is eliminated.

Section 7.2. OPTION TO TERMINATE AGREEMENT. In the event that any payment otherwise due from the Applicant to the District under Article IV, Article V, or Article VI of this Agreement with

respect to a Tax Year is subject to reduction in accordance with the provisions of Section 7.1, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to terminate this Agreement by notifying the District of its election in writing not later than the July 31 of the year following the Tax Year with respect to which a reduction under Section 7.1 is applicable. Any termination of this Agreement under the foregoing provisions of this Section 7.2 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.

Section 7.3. EFFECT OF OPTIONAL TERMINATION. Upon the exercise of the option to terminate pursuant to Section 7.2, this Agreement shall terminate and be of no further force or effect; provided, however, that:

A. 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; and

B. the provisions of this Agreement regarding payments (including liquidated damages and tax payments), records and dispute resolution shall survive the termination or expiration of this Agreement.

ARTICLE VIII

ADDITIONAL OBLIGATIONS OF APPLICANT

Section 8.1. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE. In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall Maintain Viable Presence in the District commencing at the start of the Tax Limitation Period 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, provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure.

Section 8.2. REPORTS. In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall submit all reports required from time to time by the Comptroller, listed in 34 TEXAS ADMIN. CODE Section 9.1052 and as currently located on the Comptroller's website, including all data elements required by such form to the satisfaction of the Comptroller on the dates indicated on the form or the Comptroller's website and starting on the first such due date after the Application Approval Date.

Section 8.3. COMPTROLLER'S REPORT ON CHAPTER 313 AGREEMENTS. During the term of this Agreement, both Parties shall provide the Comptroller with all information reasonably necessary for the Comptroller to assess performance under this Agreement for the purpose of issuing the Comptroller's report, as required by Section 313.032 of the TEXAS TAX CODE.

Section 8.4. DATA REQUESTS. Upon the written request of the District, the State Auditor's Office, the Appraisal District, or the Comptroller during the term of this Agreement, the Applicant, the District or any other entity on behalf of the District shall provide the requesting party with all information reasonably necessary for the requesting party to determine whether the Applicant is in compliance with its rights, obligations, or responsibilities, including, but not limited to, any employment obligations which may arise under this Agreement.

Section 8.5. SITE VISITS AND RECORD REVIEW. The Applicant shall allow authorized employees of the District, the Comptroller, the Appraisal District, and the State Auditor's Office to have reasonable access to the Applicant's Qualified Property and business records from the Application Review Start Date through the Final Termination Date, in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property.

A. 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.

B. 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 proprietary, a trade secret, or is subject to a confidentiality agreement with any third party.

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; AUTHORITY OF STATE AUDITOR. By executing this Agreement, implementing the authority of, and accepting the benefits provided by Chapter 313 of the TEXAS TAX CODE, the Parties agree that this Agreement and their performance pursuant to its terms are subject to review and audit by the State Auditor as if they are parties to a State contract and subject to the provisions of Section 2262.154 of the TEXAS GOVERNMENT CODE and Section 313.010(a) of the TEXAS TAX CODE. The Parties further agree to comply with the following requirements:

A. The District and the Applicant shall maintain and retain supporting documents adequate to ensure that claims for the Tax Limitation Amount are in accordance with applicable Comptroller and State of Texas requirements. The Applicant and the District shall maintain all such documents and other records relating to this Agreement and the State's property for a period of four (4) years after the latest occurring date of:

- i. date of submission of the final payment;
- ii. Final Termination Date; or
- iii. date of resolution of all disputes or payment.

B. During the time period defined under Section 8.6.A, the District and the Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to this Agreement; the Applicant's Application; and the Applicant's Qualified Property, Qualified Investment, New Qualifying Jobs, and wages paid for New Non-Qualifying Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by the Comptroller, State Auditor's Office, State of Texas or their authorized representatives. The Applicant and the District shall cooperate with auditors and other authorized Comptroller and State of Texas representatives and shall provide them with prompt access to all of such property as requested by the Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, the Applicant's or the District's failure to comply with this Section shall constitute a Material Breach of this Agreement.

C. In addition to and without limitation on the other audit provisions of this Agreement, the acceptance of tax benefits or funds by the Applicant or the District or any other entity or person directly under this Agreement acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, the Applicant or the District or other entity that is the subject of an audit or investigation by the State Auditor must provide the State Auditor with access to any information the State Auditor considers relevant to the investigation or audit. The Parties agree that this Agreement shall for its duration be subject to all rules and procedures of the State Auditor acting under the direction of the legislative audit committee.

D. The Applicant shall include the requirements of this Section 8.6 in its subcontract with any entity whose employees or subcontractors are subject to wage requirements under the Act, the Comptroller's Rules, or this Agreement, or any entity whose employees or subcontractors are included in the Applicant's compliance with job creation or wage standard requirement of the Act, the Comptroller's Rules, or this Agreement.

Section 8.7. FALSE STATEMENTS; BREACH OF REPRESENTATIONS. The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application, and any supplements or amendments thereto, without which the Comptroller would not have approved this Agreement and the District would not have executed this Agreement. By signature to this Agreement, the Applicant:

A. represents and warrants that all information, facts, and representations contained in the Application are true and correct to the best of its knowledge;

B. agrees and acknowledges that the Application and all related attachments and schedules are included by reference in this Agreement as if fully set forth herein; and

C. acknowledges that if the Applicant submitted its Application with a false statement, signs this Agreement with a false statement, or submits a report with a false statement, or it is

subsequently determined that the Applicant has violated any of the representations, warranties, guarantees, certifications, or affirmations included in the Application or this Agreement, the Applicant shall have materially breached this Agreement and the Agreement shall be invalid and void except for the enforcement of the provisions required by Section 9.2 of this Agreement.

ARTICLE IX

MATERIAL BREACH OR EARLY TERMINATION

Section 9.1. EVENTS CONSTITUTING 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 (each a “Material Breach”):

A. The Application, any Application Supplement, or any Application Amendment on which this Agreement is approved is determined to be inaccurate as to any material representation, information, or fact or is not complete as to any material fact or representation or such application;

B. The Applicant failed to complete Qualified Investment as required by Section 2.5.A. of this Agreement during the Qualifying Time Period;

C. The Applicant failed to create and maintain the number of New Qualifying Jobs required by the Act;

D. The Applicant failed to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application;

E. The Applicant failed to pay at least the average weekly wage of all jobs in the county in which the jobs are located for all New Non-Qualifying Jobs created by the Applicant;

F. The Applicant failed to provide payments to the District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV of this Agreement;

G. The Applicant failed to provide the payments to the District that protect the District from the payment of extraordinary education-related expenses related to the project, to the extent and in the amounts that the Applicant agreed to provide such payments in Article V of this Agreement;

H. The Applicant failed to provide the Supplemental Payments to the extent and in the amounts that the Applicant agreed to provide such Supplemental Payments in Article VI of this Agreement;

I. The Applicant failed to create and Maintain Viable Presence on or with the Qualified Property as more fully specified in Article VIII of this Agreement;

J. The Applicant failed to submit the reports required to be submitted by Section 8.2 to the satisfaction of the Comptroller;

K. The Applicant failed to provide the District or the Comptroller with all information reasonably necessary for the District or the Comptroller to determine whether the Applicant is in compliance with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement;

L. The Applicant failed to allow authorized employees of the District, the Comptroller, the Appraisal District, or the State Auditor's Office to have access to the Applicant's Qualified Property or business records in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property under Sections 8.5 and 8.6;

M. The Applicant failed to comply with a request by the State Auditor's office to review and audit the Applicant's compliance with this Agreement;

N. The Applicant has made 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 of the TEXAS TAX CODE, in excess of the amounts set forth in Articles IV, V and VI of this Agreement;

O. The Applicant failed to comply with the conditions included in the certificate for limitation issued by the Comptroller.

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

A. Prior to making a determination that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the 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 breach of its obligations under this Agreement, or that it has cured or undertaken to cure any such breach.

B. If the Board of Trustees is not satisfied with such response 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:

- i. whether or not a breach of this Agreement has occurred;
- ii. whether or not such breach is a Material Breach;

- iii. the date such breach occurred, if any;
- iv. whether or not any such breach has been cured; and,

C. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall at that time determine:

- i. the amount of recaptured taxes under Section 9.4.C (net of all credits under Section 9.4.C);
- ii. the amount of any penalty or interest under Section 9.4.E that are owed to the District; and
- iii. in the event of a finding of a Material Breach, whether to terminate this Agreement.

D. 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") and provide a copy to the Comptroller.

Section 9.3. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustees' Determination of Breach and Notice of Contract Termination under Section 9.2, 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 initiates mediation, 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 Concho County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the TEXAS CIVIL PRACTICE AND REMEDIES CODE and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator's fees and expenses and the Applicant shall bear one-half of such mediator's fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation.

B. In the event that any mediation is not successful in resolving the dispute or that payment is not received within the time period described for mediation in Section 9.3.A, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in a judicial proceeding in a state district court in Concho County, 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 contract, agreement or undertaking made by a Party pursuant to this Agreement.

C. If payments become due under this Agreement and are not received before the expiration of the sixty (60) days provided for such payments in Section 9.3.A, and if the Applicant

has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE 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 to the attorneys representing the District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax lien shall attach to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

Section 9.4. 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 7.2 of this Agreement, the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of the notice of breach.

B. In the event that the District determines that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the Applicant shall pay to the District liquidated damages, as calculated by Section 9.4.C, prior to, and the District may terminate the Agreement effective on the later of: (i) the expiration of the sixty (60) days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.

C. 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 9.4.E. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Articles IV, V, and VI. 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.

D. In the event that the District determines that the Applicant has committed a Material Breach identified in Section 9.1, after the notice and mediation periods provided by Sections 9.2 and 9.3, then the District may, in addition to the payment of liquidated damages required pursuant to Section 9.4.C, terminate this Agreement.

E. 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 less all credits under Section 9.4.C owed for each Tax Year during the Tax Limitation Period. The District shall calculate penalty or interest for each Tax Year during the Tax Limitation Period 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 9.4.C 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 Section 33.01(a) of the TEXAS TAX CODE, or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(c) of the TEXAS TAX CODE, or its successor statute.

Section 9.5. 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 amounts calculated under Section 9.4. 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 9.5 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT. Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make \$10,000,000 of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

Section 9.7. REMEDY FOR FAILURE TO CREATE AND MAINTAIN REQUIRED NEW QUALIFYING JOBS

A. Pursuant to Section 313.0276 of the TEXAS TAX CODE, for any full Tax Year that commences after the project has become operational, in the event that it has been determined that the Applicant has failed to meet the job creation or retention requirements defined in Sections 9.1;C, the Applicant shall not be deemed to be in Material Breach of this Agreement until such time as the Comptroller has made a determination to rescind this Agreement under Section 313.0276 of TEXAS TAX CODE, and that determination is final.

Section 9.8. REMEDY FOR FAILURE TO CREATE AND MAINTAIN COMMITTED NEW QUALIFYING JOBS

A. In the event that the Applicant fails to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application, an event constituting a Material Breach as defined in Section 9.1.D, the Applicant and the District may elect to remedy the Material Breach through a penalty payment.

B. Following the notice and mediation periods provided by Sections 9.2 and 9.3, the District may request the Applicant to make a payment to the State in an amount equal to: (i) multiplying the maintenance and operations tax rate of the school district for that Tax Year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the market value of the property identified on the Appraisal District's records for each tax year the Material Breach occurs.

C. In the event that there is no tax limitation in place for the tax year that the Material Breach occurs, the payment to the State shall be in an amount equal to: (i) multiplying the maintenance and operations tax rate of the School District for each tax year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the tax limitation amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the last Tax Year for which the Applicant received a tax limitation.

D. The penalty shall be paid no later than 30 days after the notice of breach and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE.

ARTICLE X.

MISCELLANEOUS PROVISIONS

Section 10.1. INFORMATION AND NOTICES.

A. 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 or email transmission, with notice 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 or email 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.

B. Notices to the District shall be addressed to the District's Authorized Representative as follows:

To the District:

Eden Consol. Independent School District
Attn: Kent Coker, Superintendent
(or the successor Superintendent)
113 West Bryan St.
Eden, TX 76937
Phone #: (325) 869-4121
Fax #: (325) 869-5210
Email: kent.coker@edencisd.net

With a copy to:

Underwood Law Firm, P.C.
Attn: Fred Stormer
P.O. Box 9158
Amarillo, TX 79105-9158
Phone #: (806) 379-0306
Fax #: (806) 379-0316
Email: fred.stormer@uwlaw.com

C. Notices to the Applicant shall be addressed to its Authorized Representative as follows:

To Applicant:

RES Cactus Flats Wind Energy, LLC
c/o Brian Evans, CDO
11101 West 120th Ave.
Broomfield, CO 80021
Phone #: (303) 439-4200
Email: brian.evans@res-americas.com

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

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

A. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties and after completing the requirements of Section 10.2.B. 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.

B. By official action of the District's Board of Trustees, the Application and this Agreement may only be amended according to the following:

- i. The Applicant shall submit to the District and the Comptroller:
 - a. a written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;
 - b. any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller;
 - c. and any additional information requested by the District or the Comptroller necessary to evaluate the amendment or modification;
- ii. The Comptroller shall review the request and any additional information for compliance with the Act and the Comptroller's Rules and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by the Comptroller by the end of the 90-day period, the request is denied; and
- iii. If the Comptroller has not denied the request, the District's Board of Trustees shall approve or disapprove the request before the expiration of 150 days after the request is filed.

C. Any amendment of the Application and this Agreement adding additional or replacement Qualified Property pursuant to this Section 10.2 of this Agreement shall:

- i. require that all property added by amendment be eligible property as defined by Section 313.024 of the TEXAS TAX CODE;
- ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and

D. The Application and this Agreement may not be amended to extend the value limitation time period beyond its ten-year statutory term.

E. The Comptroller determination made under Section 313.026(c)(2) of the TEXAS TAX CODE in the original certificate for a limitation satisfies the requirement of the Comptroller to make the same determination for any amendment of the Application and this Agreement, provided that the facts upon which the original determination was made have not changed.

Section 10.3. ASSIGNMENT.

A. Any assignment of any rights, benefits, obligations, or interests of the Parties in this Agreement, other than a collateral assignment purely for the benefit of creditors of the project, is considered an amendment to the Agreement and such Party may only assign such rights, benefits, obligations, or interests of this Agreement after complying with the provisions of Section 10.2 regarding amendments to the Agreement. Other than a collateral assignment to a creditor, this Agreement may only be assigned to an entity that is eligible to apply for and execute an agreement for limitation on appraised value pursuant to the provisions of Chapter 313 of the TEXAS TAX CODE and the Comptroller's Rules.

B. 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.

C. In the event of an assignment to a creditor, the Applicant must notify the District and the Comptroller in writing no later than 30 days after the assignment. This Agreement shall be binding on the assignee.

Section 10.4. 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 10.5. 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 a state district court in Concho County.

Section 10.6. 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 10.7. 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 so that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 10.7, 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 10.8. 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 10.9. INTERPRETATION.

A. 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.

B. 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.

C. The provisions of the Act and the Comptroller’s Rules are incorporated by reference as if fully set forth in this Agreement. In the event of a conflict, the conflict will be resolved by reference to the following order of precedence:

- i. The Act;
- ii. The Comptroller's Rules as they exist at the time the Agreement is executed, except as allowed in the definition of Qualified Property in Section 1.1; and
- iii. This Agreement and its Attachments including the Application as incorporated by reference.

Section 10.10. 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 10.11. PUBLICATION OF DOCUMENTS. The Parties acknowledge that the District is required to publish the Application and its required schedules, or any amendment thereto; all economic analyses of the proposed project submitted to the District; and the approved and executed copy of this Agreement or any amendment thereto, as follows:

A. Within seven (7) days of receipt of such document, the District shall submit a copy to the Comptroller for publication on the Comptroller's Internet website;

B. The 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 Section 313.028 of the TEXAS TAX CODE.

Section 10.12. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS. The Applicant shall immediately notify the District in writing of any actual or anticipated change in the control or ownership of the Applicant and of any legal or administrative investigations or proceedings initiated against the Applicant related to the project regardless of the jurisdiction from which such proceedings originate.

Section 10.13. DUTY TO DISCLOSE. If circumstances change or additional information is obtained regarding any of the representations and warranties made by the Applicant in the Application or this Agreement, or any other disclosure requirements, subsequent to the date of this Agreement, the Applicant's duty to disclose continues throughout the term of this Agreement.

Section 10.14. CONFLICTS OF INTEREST.

A. The District represents that, after diligent inquiry, each local public official or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, has disclosed any conflicts of interest in obtaining or performing this Agreement and related activities, appropriately recused from any decisions relating to this Agreement when a disclosure has been made, and the performance of this Agreement will not create any appearance of impropriety. The District represents that it, the District's local public

officials or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

B. The Applicant represents that, after diligent inquiry, each of its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, involved in the representation of the Applicant with the District has complied with the provisions of Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE. The Applicant represents that it and its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

C. The District and the Applicant each separately agree to notify the other Party and the Comptroller immediately upon learning of any conflicts of interest.

Section 10.15. PROVISIONS SURVIVING EXPIRATION OR TERMINATION. Notwithstanding the expiration or termination (by agreement, breach, or operation of time) of this Agreement, the provisions of this Agreement regarding payments (including liquidated damages and tax payments), reports, records, and dispute resolution of the Agreement shall survive the termination or expiration dates of this Agreement until the following occurs:

- A. all payments, including liquidated damage and tax payments, have been made;
- B. all reports have been submitted;
- C. all records have been maintained in accordance with Section 8.6.A; and
- D. all disputes in controversy have been resolved.

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

A. This Agreement may be duly executed and delivered in person, by mail, or by facsimile or other electronic format (including portable document format (pdf) transmitted by e-mail). The executing Party must promptly deliver a complete, executed original or counterpart of this Agreement to the other executing Parties. This Agreement shall be binding on and enforceable against the executing Party whether or not it delivers such original or counterpart.

- B. Delivery is deemed complete as follows:
- i. When delivered if delivered personally or sent by express courier service;
 - ii. Three (3) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested;

- iii. When transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine; or
- iv. When the recipient, by an e-mail sent to the e-mail address for the executing Parties acknowledges having received that e-mail (an automatic "read receipt" does not constitute acknowledgment of an e-mail for delivery purposes).

[signatures follow on next page]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 28th day of November, 2016.

RES CACTUS FLATS WIND ENERGY, LLC

**EDEN CONSOLIDATED INDEPENDENT
SCHOOL DISTRICT**

BY: _____

NAME: _____

TITLE: _____

BY: _____

NAME: _____

TITLE: _____

ATTEST:

BY: _____

NAME: _____

TITLE: _____

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

The Concho County Commissioners Court passed Order Creating Concho County Reinvestment Zone, Cactus Flats No. 1 on April 26, 2016, which is more particularly described below.

CACTUS FLATS **LEGAL DESCRIPTION**

DAVID BUNGER JR. AND WIFE, LORNA BUNGER

TRACT ONE

BEING all of Survey No. 67, Block 8, H. & T.C. Ry. Co., Abstract No. 415, Concho County, Texas.

TRACT TWO

BEING 320 acres of land, more or less, located in the Southwest part of Concho County, Texas, the same comprising all of the North one-half (N/2) of H.C. Bunger Survey No. 68, Abstract No. 1687.

TRACT THREE

BEING all of the South one-half (S/2) of Survey No. 68, Abstract No. 1687, Original Grantee H.C. Bunger, Certificate 41/5188, Block 8, H. & T.C. R.R. Co., Concho County, Texas.

The above described land is the identical land heretofore conveyed by Mrs. Fannie E. Bunger unto Mrs. Cora Bunger Farnsworth by Gift Deed dated April 5, 1946, and recorded in Volume 63, Page 386, Deed Records, Concho County, Texas, and said deed and the record thereof are both here referred to for all purposes.

TRACT FOUR

BEING the West one-half (W/2) of H. & T.C. RR. Co. Survey No. 73, Certificate 41/5191, Block 8, Abstract No. 418, Patent 366, Volume 7, containing 320 acres of land, more or less, and being the identical land conveyed by H.C. Bunger, et ux, to Antonia Bunger by General Warranty Deed dated October 23, 1929, and duly recorded in Volume 37, Page 317, Deed Records, Concho County, Texas; and said Deed together with the record thereof are both here referred to and made a part hereof for all purposes.

TRACT FIVE

BEING 128.7 acres of land out of the East one-half (E/2) of H. & T.C. RR Co. Survey No. 73, Certificate 41/ 5191, Block 8, Abstract No. 418, described by metes and bounds as follows, to-wit:

BEGINNING at a st md in the center of the Fort McKavett Road for the N.W. cor of this part of said Survey No. 73, and which is also the N.E. corner of the above described Tract No. Four;

THENCE E. 947 vrs to st md for N.E. cor this Survey;

THENCE S. 455 vrs to st md;

THENCE W. 715 vrs;

THENCE S. 0 30 E. 1262 vrs to the center of the public road on the N. line of a tract of land heretofore owned by Mrs. Belle C. Wilson;

THENCE W. 235 1/2 vrs to the S.W. corner of this tract;

THENCE N. 0 30 W. 1714 vrs to the PLACE OF BEGINNING.

The above described Tract is the identical land conveyed by Bina Wilson , a widow, to Antonio Bunger, by General Warranty Deed dated June 10, 1944, duly recorded in Volume 57, Page 556, Deed Records, Concho County, Texas; and said deed and the record thereof are both here referred to and made a part hereof for all purposes.

Agreement for Limitation on Appraised Value
Between Eden Cisd and RES Cactus Flats Wind Energy, LLC
(App No. 1136), November 28, 2016
Exhibit 1 – Page 1

Texas Economic Development Act Agreement
Comptroller Form 50-826 (Jan 2016)

TRACT SIX

BEING 57 acres of land out of the S.E. corner of the South one-half (S/2) of Survey No. 72, H. C. Bunger, Abstract No. 1685, described by metes and bounds as follows, to-wit:

BEGINNING at the S.E. corner of said Survey No. 72;

THENCE N. along the E. line of said Survey, 475 vrs to a corner;

THENCE W. and parallel with the S. line of said Survey, 677.3 vrs to a corner;

THENCE S. and parallel with the E. line of said Survey, 475 vrs to cor in S. line;

THENCE E. along said S. line, 677.3 vrs TO THE BEGINNING; and being the identical land conveyed by H.F. Bunger, a single man, to Mrs. Antonio Bunger, by General Warranty Deed dated April 8, 1946, duly recorded in Volume 63, Page 393, Deed Records, Concho County, Texas; and said deed together with the record thereof are both here referred to and made a part hereof for all purposes;

TRACT SEVEN

BEING 57 acres of land out of the Northeast corner of the South one-half (S/2) of H.C. Bunger Survey No. 72, Abstract No. 1685, described by metes and bounds as follows, to-wit:

BEGINNING at a point in the East line of said Survey No. 72, 475 vrs N. of the S.E. corner of said Survey No. 72;

THENCE N. with said E. line, 475 vrs to the N.E. corner of the S. 323 acres of said Survey No. 72, and being the N.E. corner of the land in said Survey formerly belonging to Mrs. Fannie E. Bunger;

THENCE W. and parallel with the E. line of said Survey, 677.3 vrs to a corner;

THENCE S. and parallel with E. line of said Survey, 475 vrs to corner, same being the N.W. corner of a 57 acre tract formerly deeded to H.F. Bunger;

THENCE E. and parallel with the S. line of said Survey, 677.3 vrs to the PLACE OF BEGINNING; and being the identical land conveyed by Mrs. F.E. Bunger to Antonio Bunger, by General Warranty Deed dated April 4, 1946, and duly recorded in Volume 63, Page 382, Deed Records, Concho County, Texas, and said deed together with the record thereof are both here referred to and made a part hereof for all purposes; SAVE AND EXCEPT the following described forty (40) acre tract of land heretofore conveyed by Judy Bunger Crawford et al unto Thomas J. Salvato et ux by deed dated June 4, 1982, and duly recorded in Volume 131, Page 654, Deed Records, Concho County, Texas:

BEING 40 acres of land out of the N.E. corner of the South one-half (S/2) of Survey No. 72, Abstract No. 1685, in the name of H.C. Bunger, and said 40 acres is further described as being the North 40 acres out of the North 57 acre tract of two certain 57 acre tracts owned by Judy Bunger Crawford et al, out of the East part of the South one-half (S/2) of said H.C. Bunger Survey No. 72, and said 40 acre tract being described by metes and bounds as follows, to-wit:

BEGINNING at a point in middle of lane for the N.E. corner of the South one-half (S/2) of said Survey No. 72, said point being the S.E. corner of the North one-half (N/2) of said Survey No. 72, owned by the estate of Will Lapp, deceased, for the N.E. corner of this tract;

THENCE S. along the middle of said lane a distance of 332.3 vrs to point for the S.E. corner of this tract, said point being located fifteen (15) feet E, of stake set in E. fence line of said North 57 acre tract;

THENCE W. and parallel with the N. line of the South one-half (S/2) of said Survey No. 72, a distance of 681.84 vrs to stk set in E. fence line of a 209 acre tract of land owned by George Bunger which is also the W. fence line of said North 57 acre tract, for the S.W. corner of this tract;

THENCE N. along the common fence line between said George Bunger tract and said North 57 acre tract, a distance of 332.3 vrs to fence corner post in S. line of the North one-half (N/2) of said Survey No. 72, owned by Estate of Will Lapp, deceased, for the N.E. corner of said George Bunger 209 acres and for the N.W. corner of said N. 57 acre tract for the N.W. corner of this tract;

THENCE E. along N. line of South one-half (S/2) of said Survey No. 72, and the S. line of the North one-half (N/2) of said Survey owned by Will Lapp, deceased estate, and along common fence line between said Will Lapp Estate tract and said N. 57 acre tract, a distance of 681.84 vrs to the PLACE OF BEGINNING.

TRACT EIGHT

BEING 209.5 acres, more or less, the same comprising all of the South One-half (S/2) of H. & T.C. Ry. Co. Survey No. 72, Block 8, Certificate 41/5190, Abstract No. 1685, which was patented by the State of Texas to H. Bunger on February 16, 1923, by Patent No. 141, Volume 17A, for 323.5 acres of land; SAVE AND EXCEPT the following two tracts of land, to-wit:

- a. 57 acres of land out of the S.E. corner of S/2 Survey No. 72, H. & T.C. Ry. Co. Certificate 41/5190, Abstract No. 1685, and being the identical land conveyed by Mrs. Frances E. Bunger to H. F. Bunger by Gift Deed dated April 4, 1946, and which Deed is duly recorded in Volume 63, Page 384, Deed Records, Concho County, Texas; and
- b. 57 acres of land out of the N.E. corner of S/2 Survey No. 72, H. & T.C. Ry. Co., Certificate 41/5190, Abstract No. 1685, and being the identical land conveyed by Mrs. Frances E. Bunger to Antonio Bunger by Deed dated April 4, 1946, and recorded in Volume 63, Page 382, Deed Records, Concho County, Texas.

JUDY BUNGER CRAWFORD

TRACT ONE

BEING all of the West one-half (W/2) of H. & T.C. Ry. Co. Survey No. 75, Certificate 41/5192, Abstract No. 419, Block 8, Concho County, Texas, containing 325 acres, more or less.

TRACT TWO

BEING all of the South one-half (S/2) of H. & T.C. Ry. Co. Survey No. 66, Certificate 41/5187, Abstract No. 1686, Block 8, Concho County, Texas, containing 320 acres, more or less.

TRACT THREE

BEING 321.33 acres in Concho County, Texas known as the West one-half (W/2) of Section 74, Block 8, H. & T.C. R.R. Co., Certificate 47/5191, Abstract No. 1684, and more particularly described by metes and bounds as follows and incorporated herein:

BEING 321.33 acres in Concho County, Texas known as the West one-half (W/2) of Section 74, Block 8, H. & T.C. R.R. Co., Certificate 47/5191, Abstract No. 1684, and more particularly described as follows:

BEGINNING at a 1" iron pipe locate at the N. W. corner of Survey No. 75, at the N. E. corner of Survey No. 66, and at the S. E. corner of Survey No. 67, all in the name of H. & T.C. R.R. Co., Block 8 for the S. W. corner of this Survey and from which an Old Axle at fence corner located at the patented S. E. corner of Survey No. 62, same Block, bears West, 1904.5 varas;

THENCE with the North line of said Survey No. 75, East 952.25 varas to a point under N-S fence for the S. E. corner of this Survey, and being located at the Patented S. W. corner of the East one-half (E/2) of said Survey No. 74;

THENCE with said fence and with the patented West line of said East one-half (E/2) Survey No. 74, North 1905.0 varas to a fence corner located at the Patented N. W. corner of said East one-half (E/2), Survey No. 74 and in the South line of Survey No. 73, Block 8, H. & T.C. R.R. Co., being the N. E. corner of this Survey;

THENCE fence and the South line of said Survey No. 73, West 952.25 varas to a fence corner located at the S. W. corner of said Survey No. 73 at the N. E. corner of said Survey No. 67 and at the S. E. corner of Survey No. 68, Block 8, H. & T.C. R.R. Co., being the N. W. corner of this Survey;

THENCE with the East line of said Survey No. 67, South 1905.0 varas to the PLACE OF BEGINNING.

TRACT FOUR

BEING all of the North one-half (N/2) of Survey No. 66, Block 8, H. & T.C. Ry. Co., Abstract No. 1686, Concho County, Texas.

Agreement for Limitation on Appraised Value
Between Eden Cisd and RES Cactus Flats Wind Energy, LLC
(App No. 1136), November 28, 2016
Exhibit 1 – Page 3

*Texas Economic Development Act Agreement
Comptroller Form 50-826 (Jan 2016)*

**JERRY R. CUNNINGHAM OR NANCY S. CUNNINGHAM, TRUSTEE OF THE JERRY R. CUNNINGHAM REVOCABLE TRUST
DECLARATION DATED JUNE 30, 2004, AND NANCY S. CUNNINGHAM OR JERRY R. CUNNINGHAM, TRUSTEE OF THE NANCY S.
CUNNINGHAM REVOCABLE TRUST DECLARATION DATED JUNE 30, 2004**

BEING all that certain tract of land situated in Concho County, Texas comprising a total of 450.304 acres of land out of and a part of the following Surveys:

J.E. Henderson Survey No. 32, Block 8, Abstract No. 1892 - 196.515 acres, H. & T.C. R.R. Co. Survey No. 33, Block 8, Abstract No. 398 - 253.789 acres. Said 450.304 acres being out of a 6013.45 acre parent tract conveyed by Jerry L. Tinkler and Cara C. Huffman to S&S Miller Ranch, L.P., by Deed recorded July 29, 2003 in Volume 209, Page 103, et seq., of the Concho County Official Public Records, of which, 4.271 acres out of said 450.304 acre tract being in Concho County Road No. 2275.

JOHN EDWARD DAVIS AND WM. KEITH DAVIS

(The legal description for this property shall only include those portions situated in Concho County, Texas)

BEING 2539.59 acres in Menard and Concho Counties, Texas, containing 1591.022 acres in Menard County with approximately 321.499 acres out of the H. & O.B. Railroad Company Survey No. 69, Abstract No. 429; 250.535 acres out of the T. Green Survey No. 4, Abstract No. 1404; 250.413 acres out of the T. Green Survey No. 3, Abstract No. 1403; 182.088 acres out of the T. Green Survey No. 5, Abstract No. 1405; 233.288 acres out of the Fred Speck Survey No. 70, Abstract No. 1720; 171.777 acres out of the Fred Speck Survey No. 6, Abstract No. 1801; 83.521 acres out of the T. Green Survey No. 2, Abstract No. 1402; 69.200 acres out of the I. & G.N. Railroad Company Survey No. 6, Abstract No. 1255; 21.451 acres out of the A.G. Nason Survey No. 8, Abstract No. 1101; 6.123 acres out of the F. Wilhelm Survey No. 112 ½, Abstract No. 1888; and 1.127 acres out of the B. & B. Survey No. 7, Abstract No. 125; and 948.568 acres in Concho County with approximately 258.487 acres out of the T. Green Survey No. 4, Abstract No. 1618; 257.848 acres out of the T. Green Survey No. 3, Abstract No. 1617; 188.058 acres out of the T. Green Survey No. 5, Abstract No. 1619; 153.946 acres out of the Fred Speck Survey No. 6, Abstract No. 1818; and 90.229 acres out of the T. Green Survey No. 2, Abstract No. 1616; and being a combination of portions of those certain tracts described as 1210.7 acres in a deed to Richard W. Davis recorded in Volume 148, Page 442 of the Menard County Official Public Records, 1216.8 acres in a deed to J.A. & Nancy Davis recorded in Volume 198, Page 589 of the Concho County Official Public Records, and 1024.49 acres in a deed to J.A. Davis recorded in Volume 138, Page 644 of the Menard County Official Public Records.

BEGINNING at an 8" cedar "T" corner post, fence bears east, in common line of the H. & T.C. Railroad Company Survey No. 65, Abstract No. 414 and said Survey No. 2, and the south line of that certain tract described in a deed Rudloff Family Partnership, Ltd, L.L.P., recorded in Volume 197, Page 770 of the Concho County Official Public Records for the N.W. corner of that certain tract described as 306.94 acres in a deed to Steven M. Norman recorded in Volume 167, Page 21 of the Menard County Official Public Records, the N.E. corner of said 1216.8 acres, and the N.E. corner hereof;

THENCE along a fence for the west line of said 306.94 acres, the east line of said 1216.8 acres, and the east line hereof S 01°00'10" W a distance of 1748.92 feet to an 8" cedar "T" corner post, fence bears northeast, and S 00°56'31" W a distance of 1730.99 feet to a railroad tie "T" corner post, fence bears east, for the N.W. corner of that certain tract described as 300.76 acres in a deed to T.R. Norman recorded in Volume 167, Page 21 of the Menard County Official Public Records, and the S.W. corner of said 306.94 acres;

THENCE along a fence for the west line of said 300.76 acres, the east line of said 1216.8 acres, and the east line hereof S 00°57'11" W a distance of 2117.85 feet to a calculated point, S 00°44'57" W a distance of 1029.90 feet to a 2" galvanized pipe found for a common corner said Surveys No. 2 and No. 69, and S 00°42'51" W a distance of 1827.15 feet to a 2" galvanized pipe found for the common corner of said Surveys No. 112 ½ and No. 2 for the S.W. corner of said 300.76 acres, a re-entrant corner of said 1216.8 acres, and a re-entrant corner hereof;

THENCE along a fence for the common line of said Surveys No. 2 and No. 112 1/2, the south line of said 300.76 acres, a northerly line of said 1218.6 acres, and a northerly line hereof S 89°31'27" E a distance of 320.29 feet to a 2" galvanized pipe found for the common corner of the Owen Baker Survey No. 112, Abstract No. 1817 and said Survey No. 112 ½ for the N.W. corner of that certain tract described as 670.31 acres in a deed to Kaddo F. Kothmann recorded in Volume 136, Page 150 of the Menard County Official Public Records, an easterly corner of said 1216.8 acres, and an easterly corner hereof;

THENCE along a fence for the common line of said Surveys No. 112 and No. 112 ½ for the west line of said 670.31 acres, an easterly line of said 1216.8 acres, and an easterly line hereof S 00°20'07" W a distance of 825.90 feet to a 120d nail found for the N.E. corner of said 1024.49 acres, the S.E. corner of said 1216.8 acres, and the most easterly S.E. corner hereof;

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THENCE along a fence for an occupational northerly line of said 1024.49 acres, a southerly line of said 1216.8 acres, and a southerly line hereof N 89°23'45" W a distance of 4665.33 feet to a 3" pipe "T" corner post, fence bears northeast, and N 89°24'48" W a distance of 839.65 feet to a 3" pipe "L" corner post for a re-entrant corner hereof;

THENCE along a fence for a division line of said 1024.49 acres for an easterly line hereof
S 24°52'31" W a distance of 800.68 feet to a 2.5" pipe angle post,
S 13°31'26" W a distance of 214.85 feet to a 2.5" pipe angle post,
S 09°40'09" E a distance of 1318.74 feet to a 2.5" pipe angle post,
S 08°26'22" E a distance of 790.08 feet to a ½" steel stake,
S 29°23'46" W a distance of 1140.86 feet to a ½" steel stake,
S 63°27'17" E a distance of 86.99 feet to a ½" steel stake,
S 29°08'26" W a distance of 76.02 feet to a ½" steel stake,
S 63°45'46" W a distance of 87.84 feet to a ½" steel stake,
S 29°53'35" W a distance of 255.66 feet to a 2.5" pipe angle post, and
S 18°09'29" W a distance of 16.43 feet to a 3" pipe 4-way corner post for an easterly corner of that certain tract described as 1705.673 acres in a deed to Victoria Davis Ray recorded in Volume 138, Page 644 of the Menard County Official Public Records, a re-entrant corner of said 1024.90 acres, and the most southerly S.E. corner hereof;

THENCE along a fence for a northerly line of said 1705.673 acres, a southerly line of said 1024.49 acres, and a southerly line hereof N 87°19'50" W a distance of 418.23 feet to a ½" steel stake found for a re-entrant corner of said 1705.673 acres, a southerly corner of said 1024.49 acres, and a southerly corner hereof;

THENCE along a fence for an easterly line of said 1705.673 acres, a westerly line of said 1024.49 acres, and a westerly line hereof N 05°33'51" W a distance of 145.10 feet to a calculated point,
S 89°03'33" W a distance of 138.98 feet to a calculated point,
N 00°00'00" W a distance of 22.39 feet to a calculated point,
N 42°41'57" E a distance of 850.31 feet to a calculated point,
N 22°42'06" E a distance of 29.66 feet to a calculated point,
N 02°43'50" W a distance of 1499.61 feet to a calculated point,
N 02°24'00" W a distance of 2394.64 feet to a calculated point, and
N 02°12'40" W a distance of 741.82 feet to a calculated point at a "T" fence intersection, fence bears east, for the N.E. corner of said 1705.673 acres, the S.E. corner of said 1210.7 acres, the most westerly S.W. corner of said 1216.8 acres, and a re-entrant corner hereof;

THENCE along a fence for a northerly line of said 1705.673 acres, a southerly line of said 1210.7 acres, and a southerly line hereof, N 89°28'10" W a distance of 2118.53 feet to a 4" cedar "T" corner post, fence bears north,
N 89°26'53" W a distance of 744.33 feet to a 120d nail found, and
N 89°27'55" W a distance of 1615.19 feet to a 120d nail found by an "L" corner post in the common line of said Speck Survey No.6 and said Survey No. 70 for the most northerly N.W. corner of said 1705.673 acres, a re-entrant corner of said 1210.7 acres, and a re-entrant corner hereof;

THENCE along a fence for the common line of said Speck Survey No. 6 and said Survey No. 70, the west line of said 1705.673 acres, an easterly line of said 1210.7 acres, and an easterly line hereof S 00°48'08" W a distance of 583.27 feet to a 1.25" galvanized iron pipe found in the west line of said Survey No. 70 for the S.E. corner of said Speck Survey No. 6, a re-entrant corner of said 1705.673 acres, a southerly corner of said 1210.7 acres, and a southerly corner hereof;

THENCE along a fence for the south line of said Speck Survey No. 6, a northerly line of said Survey No. 70, a northerly line of said 1705.673 acres, a southerly line of said 1210.7 acres, and a southerly line hereof, N 89°29'39" W a distance of 24.92 feet to a 1.25" galvanized iron pipe found for the N.E. corner of the Fred Speck Survey No. 130, Abstract No. 1721, the most westerly N.W. corner of said Survey No. 70, and the most westerly N.W. corner of said 1705.673 acres;

THENCE along a fence for the common line of said Speck Survey No. 6 and said Survey No. 130, a northerly line of said 1705.673 acres, a southerly line of said 1210.7 acres, and a southerly line hereof, S 89°38'53" W a distance of 208.00 feet to a 2" pipe "T" corner post, fence bears south, in an occupational easterly line of that certain tract described as 2260.49 acres in a deed to Dora Wright recorded in Volume 153, Page 149 of the Menard County Official Public Records and Volume

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174, Page 65 of the Concho County Official Public Records for the most westerly N.W. corner of said 1705.673 acres, a southwesterly corner of said 1210.7 acres, and a southwesterly corner hereof;

THENCE along a fence for an occupational easterly line of said 2260.49 acres, an occupational westerly line of said 1210.7 acres, and a westerly line hereof N 00°32'55" E a distance of 79.08 feet to a 4.5" pipe "L" corner post for an occupational easterly corner of said 2260.49 acres, a re-entrant corner of said 1210.7 acres, and a re-entrant corner hereof;

THENCE along a fence for an occupational northerly line of said 2260.49 acres, an occupational southerly line of said 1210.7 acres, and a southerly line hereof N 88°15'35" W a distance of 1905.81 feet to a 10" cedar "T" corner post, fence bears west, for an occupational re-entrant corner of said 2260.49 acres, the occupational S.W. corner of said 1210.7 acres, and the S.W. corner hereof;

THENCE along an occupational easterly line of said 2260.49 acres, an occupational westerly line of said 1210.7 acres, and a westerly line hereof N 00°30'59" E a distance of 1730.54 feet to a calculated point in the occupational common line of said Survey No. 6 for a re-entrant corner of said 2260.49 acres, the most westerly N.W. corner of said 1210.7 acres, and the occupational most westerly N.W. corner hereof;

THENCE along the occupational common line of said Survey No. 6, a southerly line of said 2260.49 acres, a northerly line of said 1210.7 acres, and a northerly line hereof N 89°59'12" E a distance of 566.69 feet to a ½" iron pipe found for an easterly corner of said 2260.49 acres, a re-entrant corner of said 1210.7 acres, and a re-entrant corner hereof;

THENCE along an easterly line of said 2260.49 acres, a westerly line of said 1210.7 acres, and a westerly line hereof N 00°11'39" E a distance of 6755.44 feet to a calculated point in the common line of the H. & T.C. Railroad Company Survey No. 49, Abstract No. 406 and said Speck Survey No. 6, the south line of that certain "Tract 1" described in a deed to Ralph M. Ebeling, Jr., recorded in Volume 188, Page 614 of the Concho County Official Public Records for the N.E. corner of said 2260.49 acres, the most northerly N.W. corner of said 1210.7 acres, and the most northerly N.W. corner hereof;

THENCE along a fence for the common line of said Speck Survey No. 6 and said Survey No. 49, the south line of said "Tract 1", the north line of said 1210.7 acres, and the north line hereof S 89°54'33" E a distance of 1983.13 feet to a 2" galvanized iron pipe for the common corner of said Speck Survey No. 6 and said Survey No. 5;

THENCE along a fence for the common line of said Survey No. 5 and said Survey No. 49, the south line of said "Tract 1", the north line of said 1210.7 acres, and the north line hereof S 89°58'58" E @ 11135.58 feet passing a fence intersection for a common corner of the G.A. Conant Survey No. 64, Abstract No. 1257 and said Survey No. 49, the S.E. corner of said "Tract 1", and the S.W. corner of that certain "Tract 6" described in a deed to Ralph M. Ebeling, Jr., recorded in Volume 188, Page 614 of the Concho County Official Public Records for a total distance for this course of 2430.90 feet to a 1.25" galvanized iron pipe for the common corner of said Surveys No. 5 and No. 4;

THENCE along a fence for the common line of said Survey No. 4 and said Survey No. 64, the south line of said "Tract 6", the north line of said 1210.7 acres, and the north line hereof S 89°53'21" E @ approximately 1672.38 feet passing the N.E. corner of said 1210.7 acres, and the N.W. corner of said 1216.8 acres for a total distance for this course of 3344.77 feet to a 2" galvanized iron pipe for the common corner of said Surveys No. 4 and said Survey No. 3;

THENCE along a fence for the common line of said Survey No. 3 and said Survey No. 64, the south line of said "Tract 6", the north line of said 1216.8 acres, and the north line hereof S 89°52'26" E @ 642.58 feet passing a fence intersection for a common corner of said Surveys No. 64 and No. 65, the S.E. corner of said "Tract 6", and the S.W. corner of said "Rudloff" tract for a total distance for this tract of 3343.26 feet to a 1.5" galvanized angle iron for the common corner of said Surveys No. 3 and No. 2;

THENCE along a fence for the common line of said Survey No. 2 and said Survey No. 65, the south line of said "Rudloff" tract, the north line of said 1216.8 acres, and the north line hereof N 89°36'34" E a distance of 1198.83 feet to the POINT OF BEGINNING, having an area of 2539.59 acres.

RALPH M. EBELING, JR. AND DIANN W. EBELING

BEING approximately 5, 175.41 acres of land out of the following described tracts of land:

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TRACT ONE

649.41 acres of land being all of Section 49, Block 8, H. & T.C. Ry. Co. Survey, Certificate 41/5179, Abstract No. 406;

TRACT TWO

650.10 acres of land being all of Section 50, Block 8, H. & T.C. Ry. Co. Survey, Certificate 41/5179, Abstract No. 1254;

TRACT THREE

650.18 acres of land being all of Section 51, Block 8, H. & T.C. Ry. Co. Survey, Certificate 41/5180, Abstract No. 407;

TRACT FOUR

647.63 acres of land being all of Section 52, Block 8, Sherman Conant, Original Grantee, Certificate 41/5180, Abstract No. 1262;

TRACT FIVE

644.99 acres of land being all of Section 61, Block 8, H. & T.C. Ry. Co. Survey, Certificate 41/5185, Abstract No. 412;

TRACT SIX

645.97 acres of land being all of Section 62, Block 8, G.A. Conant, Original Grantee, Certificate 41/5185, Abstract No. 1258;

TRACT SEVEN

674.04 acres of land being all of Section 63, Block 8, H. & T.C. Ry. Co. Survey, Certificate 41/5186, Abstract No. 413;

TRACT EIGHT

648.19 acres of land being all of Section 64, Block 8, G.A. Conant, Original Grantee, Certificate 41/5186, Abstract No. 1257;

All of the above described tracts of land being located in Concho County, Texas.

THE EDEN RANCH TRUST FOR NANCY HOPKINS

BEING 722.611 acres in Concho County, Texas, out of the H. & T.C. Railroad Company Block 8, and containing approximately 305.022 acres out of Survey No. 35, Abstract No. 399; 225.216 acres out of the Sherman Conant Survey No. 30, Abstract No. 1149; 87.448 acres out of the Sherman Conant Survey No. 34, Abstract No. 1263; 73.594 acres out of Survey No. 31, Abstract No. 397; 18.840 acres out of the Sherman Conant Survey No. 36, Abstract No. 1264; and 12.491 acres out of Survey No. 29, Abstract No. 395, and being out of that certain parent tract described as 3116.673 acres in a deed to Harlan Lary Priour recorded in Volume 215, Page 13 of the Concho County Official Public Records.

BEGINNING at a calculated point in the road bed of County Road 2275, and in the west line of said parent tract for the S.W. corner hereof, from which a ½" steel stake bears S 89°59'57" E a distance of 21.15 feet;

THENCE in the road bed of County Road 2275 with the west line of said parent tract, and the west line hereof N 00°03'08" E a distance of 1729.03 feet to a calculated point in the common line of said Surveys No. 30 and No. 31, from which a stone mound with 60d nail found bears S 89°40'29" E a distance of 1861.11 feet, N 00°28'39" E a distance of 5267.35 feet to a calculated point in the common line of said Surveys No. 29 and No. 30, from which a stone mound with 60d nail found bears S 89°47'43" E a distance of 1862.50 feet, and N 00°35'54" E a distance of 289.01 feet to a calculated point for the S.W. corner of a northerly 719.511 acre (net) partition tract of said parent tract and that certain tract described as 1832.214 acres in a deed to Edna E. Priour Trust recorded in Volume 218, Page 79 of said Official Public Records, and the N.W. corner hereof, from which a ½" steel stake bears N 89°57'57" E a distance of 22.79 feet;

THENCE along a division line of said parent tract for the south line of said northerly 719.511 (net) acres, and the north line hereof N 90°00'00" E a distance of 4623.42 feet to a ½" steel stake for the N.W. corner of a 116.939 acre partition tract of said parent tract and said 1832.214 acres, and the N.E. corner hereof;

THENCE along a division line of said parent tract for the west line of said 116.939 acres, and the east line hereof S 05°12'39" W @ 2785.70 passing the S.W. corner of said 116.939 acres, and the N.W. corner of a 212.766 acre partition tract of said parent tract for a total distance for this course of 7315.48 feet to a ½" steel stake for the S.W. corner of said 212.766 acres, and the S.E. corner hereof;

THENCE along a division line of said parent tract for the south line hereof N 89°59'57" W a distance of 4007.52 feet to the POINT OF BEGINNING, having an area of 722.611 acres, and with 3.100 acres lying in County Road 2275 for a total of 719.511 net acres, of which 253.637 acres lies within "Trust" lands.

THOMAS F. JEFFCOAT AND KETHLEEN M. JEFFCOAT

BEING 714.454 acres in Concho County, Texas, out of the H. & T.C. Railroad Company Block 8, and containing approximately 503.313 acres out of the Sherman Conant Survey No. 36, Abstract No. 1264, and 211.141 acres out of Survey No. 29, Abstract No. 396, and being out of that certain parent tract described as 731.037 acres in a deed to Gary D. Priour recorded in Volume 265, Page 1 of the Concho County Official Public Records, and being further described as follows:

BEGINNING at a calculated point in the intersection of County Road 2264 and County Road 2275 in the North line of said Block 8, the common line of the Mrs. P. Cropper Survey No. 107, Abstract No. 1564 and said Survey No. 29, and the South line of that certain tract described as 2105.72 acres in a deed to Earl R. Bruno, et al, recorded in Volume 152, Page 37 of the Concho County Deed Records for the N.E. corner of that certain tract described as 6511.51 acres in a deed to Bill Upton, et ux (Eloise), described in Volume 138, Page 117 of said Deed Records, the N. W. corner of said parent tract, and the N.W. corner hereof, from which ½" steel stakes found bear S 19°59'27" E a distance of 103.44 feet, and S 63°23'43" E a distance of 132.25 feet;

THENCE in the road bed of County Road 2264 along the North line of said Block 8, the common line of said Surveys No. 107 and No. 29, the South line of said 2105.72 acres, the North line of said parent tract, and the North line hereof S 89°50'05" E a distance of 6232.71 feet to a calculated point for the N.W. corner of a 16.583 acre partition tract of said parent tract, and the N.E. corner hereof, from which a ½" steel stake bears S 00°26'41" W a distance of 62.08 feet;

THENCE along a fence for a division line of said parent tract, the West line of said 16.583 acres, and the East line hereof S 00°26'51" W a distance of 672.50 feet to a 3/8" steel stake found,
S 00°31'07" W a distance of 1054.88 feet to a 3/8" steel stake found,
S 00°26'19" W a distance of 1013.58 feet to a 3/8" steel stake found,
S 00°27'40" W a distance of 1108.21 feet to a 3/8" steel stake found, and
S 00°24'14" W a distance of 1130.71 feet to a 3/8" steel stake found in a northerly line of that certain tract described as 116.939 acres in a deed to Lary Priour recorded in Volume 266, Page 451 of said Official Public Records, and the South line of said parent tract for the S.W. corner of said 16.583 acres, and the S.E. corner hereof;

THENCE along a northerly line of said 116.939 acres, the South line of said parent tract, and the South line hereof N 90°00'00" W @ 1621.78 feet passing the N.E. corner of that certain tract described as 722.611 acres in a deed to Wesley Hopkins (Trustee) recorded in Volume 265, Page 358 of said Official Public Records, and the N.W. corner of said 116.939 acres for a total distance of 6245.20 feet to a calculated point in the road bed of County Road 2275, and the East line of said 6511.51 acres for the N.W. corner of said 722.611 acres, the S.W. corner of said parent tract, and the S.W. corner hereof, from which a ½" steel stake bears N 89°58'57" E a distance of 22.79 feet;

THENCE in the road bed of County Road 2275 for the East line of said 6511.51 acres, the West line of said parent tract, and the West line hereof N 00°35'44" E a distance of 4997.97 feet to the POINT OF BEGINNING, having an area of 714.454 acres.

CHAS. & SOPHIE KOTHMANN RANCHES, LTD., a Texas limited partnership

(The legal description for this property shall only include those portions situated in Concho County, Texas)

TRACT ONE

BEING 619.98 acres of land, more or less, out of Newsom Gwatney Survey No. 10, Menard County Abstract No. 1387, Concho County Abstract No. 1607, as described in "PARCEL NINE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas.

TRACT TWO

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BEING 301.07 acres of land, more or less, out of N. W. Gwatney Survey No. 11, Menard County Abstract No. 1357, Concho County Abstract No. 1606, as described in "PARCEL NINE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas.

TRACT THREE

BEING 319.97 acres of land, more or less, out of J. W. Byrne Survey 7, Menard County Abstract No. 1156, as described in "PARCEL NINE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas.

TRACT FOUR

BEING 114.93 acres of land, more or less, out of J. W. Byrne Survey 8, Menard County Abstract No. 1155, as described in "PARCEL NINE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas.

TRACT FIVE

BEING 108.18 acres of land, more or less, out of Fred Speck Survey No. 6, Menard County Abstract No. 1801, Concho County Abstract No. 1888, as described in "PARCEL NINE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas.

TRACT SIX

BEING 338.18 acres of land, more or less, out of Fred Speck Survey No. 7, Menard County Abstract No. 1800, Concho County Abstract No. 1887, as described in "PARCEL NINE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas; and 30.43 acres of land, more or less, out of Fred Speck Survey No. 7, Menard County Abstract No. 1800, as described in "PARCEL TEN, TRACT ONE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas, and as described in "PARCEL ONE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 255, Page 144, Official Public Records Concho County, Texas; and 128.30 acres of land, more or less, out of Fred Speck Survey No. 7, Menard County Abstract No. 1800, as described in "PARCEL TEN, TRACT TWO" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas; and 173.64 acres of land, more or less, out of Fred Speck Survey No. 7, Menard County Abstract No. 1800, as described in "PARCELELEVEN" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas.

TRACT SEVEN

BEING 26.06 acres of land, more or less, out of J. Hughes Survey No. 20, Menard County Abstract No. 1777, as described in "PARCEL NINE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas; and 136.73 acres of land, more or less, out of J. Hughes Survey No. 20, Menard County Abstract No. 1777 as described in "PARCEL TEN, TRACT ONE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas, and as described in "PARCEL ONE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 255, Page 144, Official Public Records Concho County, Texas; said 136.73 acres of land, more or less, out of Survey No. 20, J. Hughes, Original Grantee, Menard County Abstract No. 1777, Concho County Abstract No. 1865 as further described in "PARCEL ONE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 255, Page 144, Official Public Records Concho County, Texas.

TRACT EIGHT

BEING 162.79 acres of land, more or less, out of P. Easley, Original Grantee, Menard County Abstract No. 1764 as described in "PARCEL TEN, TRACT ONE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas; same said tract being 162.79 acres of land, more or less, out of Survey No. 20, P. Easley, Original Grantee, Menard County Abstract No. 1764, Concho County Abstract No. 1863 as described in "PARCEL ONE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 255, Page 144, Official Public Records Concho County, Texas.

TRACT NINE

BEING 373.586 acres of land, more or less, out of the E.L.&R.R. Railroad Co. Survey No. 127, Menard County Abstract No. 923, Concho County Abstract No. 1613, as described in "PARCEL TWELVE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas; SAVE AND EXCEPT 27.171 acres out of the E.L. & R.R. Railroad Co. Survey No. 127, Abstract No. 923 in Menard County, Texas and being out of and a part of that

certain tract described as "Tract 1" in a deed from Earl Lynn Haley to Billy Dale, recorded November 4, 1994 in Vol. 146, Pg. 289 of the Concho County Deed Records.

TRACT TEN

BEING 297.41 acres of land, more or less, out of C.C.S.D. & R. G. N. G. Ry. Co. Survey No. 19, Concho County Abstract No. 1610 as described in "PARCEL ONE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 255, Page 144, Official Public Records Concho County, Texas; and 24.78 acres of land, more or less, out of C.C.S.D. & R. G. N. G. Ry. Co. Survey No. 19, Concho County Abstract No. 1610, as described in "PARCEL NINE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 220, Page 205, Official Public Records Menard County, Texas.

TRACT ELEVEN

BEING 69.244 acres out of A B. & M. Survey No. 92, Abstract No. 1862 in Concho County, as described in "PARCEL THREE" in that certain Special Warranty Deed dated June 11, 2008, recorded in Volume 255, Page 144, Official Public Records Concho County, Texas.

CALVIN B. MCGOWAN

TRACT ONE

BEING a 3011.12 acre tract of land comprised of the following:

643.01 acres in Survey No. 42, Abstract No. 1185; 643.26 acres in Survey No. 55, Abstract No. 409; 296.95 acres in Survey No. 58, Abstract No. 1183; 482.30 acres in Survey No. 43, Abstract No. 403; 643.41 acres in Survey No. 54, Abstract No. 1182; and 302.19 acres in Survey No. 59, Abstract No. 411, all in H. & T.C. R.R. Co. Block 8, Concho County, Texas; said 3011.12 acre tract, also being part of the land described in Deed from P.A. Roche and wife to Mrs. Cora Loftin Henderson dated May 9, 1895 and recorded in Volume O, Page 325 of the Deed Records of Concho County, Texas, is described by metes and bounds as follows:

BEGINNING at a 1 ¼" iron pipe in stone mound found 2 feet North of a fence corner post from which a point for the N.W. corner of said Survey No. 42 and the S.W. corner of Survey No. 41 of Block 8 bears N.69°14'17"W. 38.16 feet;

THENCE South of the North line of Survey No. 42 and along or near the fenced South line of a "6263.58" acre tract described in Deed from Hy-Land Joint Venture to Eugene O. Beck, et al recorded in Volume 130, Page 408 of the Deed Records of Concho County, S.89°33'41"E. 5255.94 to a ½" iron rod in a 2" iron pipe set in the East line of Survey No. 42 and the West line of Survey No. 55 from which an old stone mound found for the S.E. corner of Survey No. 42, S.W. corner of Survey No. 55, N.W. corner of Survey No. 54 and N.E. corner of Survey No. 43 bears S.0°25'03"W. 5305.98 feet;

THENCE South of the North line of Survey No. 55 and continuing along or near said fenced South line, S.89°28'34"E., at 5290.17 feet cross the East line of Survey No. 55 from which a ½" iron rod set in an old stone mound found for the S.E. corner of Survey No. 55, S.W. corner of Survey No. 58, N.W. corner of Survey No. 59 and N.E. corner of Survey No. 54 bears S.0°24'06"W. 5286.02 feet, in all 5295.99 feet to a 1 ¼" galvanized iron pipe marked "SW 57" found on the South side of a fence corner post;

THENCE South of the North line of Survey No. 58, S.89°26'17"E. 2425.02 feet to a point for the N.E. corner of the tract described herein from which a 1 ¼" galvanized iron pipe marked "SE 57" found on the South side of a fence post for the patented S.W. corner of A.J. Caffey Survey No. 2, Abstract No. 1932 bears S.89°26'17"E. 2867.66 feet;

THENCE South, at 5276.36 feet cross the South line of Survey No. 58 and the North line of Survey No. 59 from which a ½" iron rod set in an old stone mound found for the S.E. corner of Survey No. 58, the N.E. corner of Survey No. 59, and the N.W. corner of Survey No. 70 of Block 8 bears S.89°40'04"E. 2823.39 feet, in all 10569.28 feet to a point in the South line of Survey No. 59 and North line of Survey No. 60 of Block 8 from which a ½" iron rod set in an old stone mound found for the S.E. corner of Survey No. 59, the S.W. corner of Survey No. 70, the N.W. corner of Survey No. 69, and the N.E. corner of Survey No. 60 of Block 8 bears S.89°41'17"E. 2792.54 feet;

THENCE with the South line of Survey No. 59, N.89°41'17"W. 544.77 feet to a point in the fence;

THENCE along or near said fence, N.0°16'20"E. 5.09 feet to a 4" iron pipe post;

THENCE along or near a fence, N.89°57'12"W. 1100.30 feet to a point in or near said fence in the South line of Survey No. 59;

THENCE with the South line of Survey No. 59 and North line of Survey No. 60 and a tract described in Deed from Aubrey W. Harrell to F.R. Owens dated February 15, 1974 and recorded in Volume 116, Page 245 of the Deed Records, N.89°41'17"W., at 861.71 feet and S.W. corner of Survey No. 59, N.W. corner of Survey No. 60, the N.E. corner of Survey No. 53 and S.E. corner of Survey No. 54, and continuing at 6147.8 pass a 4" iron pipe post at or near the N.W. corner of said Harrell to Owens tract, in all 6159.21 feet to a point for the S.W. corner of Survey No. 54, N.W. corner of Survey No. 53, N.E. corner of Survey No. 44, and S.E. corner of Survey No. 43 of Block 8 and S.E. corner of a "160" acre tract described in Deed from J.E. Henderson to James E. Henderson, Jr. dated August 8, 1963 and recorded in Volume 88, Page 279 of said Deed Records from which a point for the S.E. corner of said Survey No. 44 bears S.0°29'06"W. 5297.48 feet; from said S.E. corner of Survey No. 44 a found set rock bears S.40°49'W. 72.78 feet and brass disk marked "4JEP 1968" bears S.36°06'45"W. 66.39 feet;

THENCE with the East line of Survey No. 43 and the West line of Survey No. 54, N.0°29'06"E. 1319.44 feet to a point for the N.E. corner of said "160" acre tract;

THENCE with the North line of said "160" acre tract, N.89°41'17"W. 23.93 feet to a point in a fence;

THENCE along or near said fence, N.0°16'48"E. 3.71 feet to a 3/8" iron rod found at a fence post;

THENCE along or near said fence, N.89°42'11"W. 5256.72 feet to a 1/2" iron rod set on the West side of a fence corner post from which the N.W. corner of said "160" acre tract bears S.80°52'15"W. 14.20 feet;

THENCE along or near a fence N.0°16'54"E. 3976.22 feet to a 1 1/4" galvanized iron pipe marked "NE 38" found in an old stone mound 2.5 feet West of a fence for the N.W. corner of Survey No. 43, S.W. corner of Survey No. 42, S.E. corner of Survey No. 39 and N.E. corner of Survey No. 38 of Block 8;

THENCE along or near a fence, N.0°50'11"E., at 228.56 feet a 1/2" iron rod found on the South side of a large fence post at or near a N.E. corner of a "2105.72" acre tract described in Deed from Henderson to Pelitjean dated March 19, 1974 and recorded in Volume 117, Page 32 of the Deed Records and the S.E. corner of the land described in Deed from Denis Ranch to A.H. Denis III, et al dated July 10, 1992 and recorded in Volume 154, Page 436 of the Official Public Records of Concho County, Texas bears N.89°09'49"W. 1.50 feet, in all 5313.15 feet to the POINT OF BEGINNING and containing 3011.12 acres of land.

TRACT TWO

BEING a 1.12 acre tract of land comprised of a 0.04 acre in Survey No. 60, Abstract No. 1184 and 1.08 acres in Survey No. 53, Abstract No. 408 of H. & T.C. R.R. Co. Block 8, Concho County, Texas; said 1.12 acre tract, also being in a part of the land described in Deed from Aubrey W. Harrell to F.R. Owens dated February 15, 1974 and recorded in Volume 116, Page 245 of the Deed Records of Concho County, Texas, is described by metes and bounds as follows:

BEGINNING at a point in the North line of Survey No. 60 and South line of Survey No. 59 of said Block 8 from which a 1/2" iron rod set in an old stone mound found for the N.E. corner of Survey No. 60 bears S.89°41'17"E. 4437.61 feet;

THENCE with the North line of Survey No. 60, N.89°41'17"W., at 861.71 feet pass the N.W. corner of Survey No. 60 and S.W. corner of Survey No. 59 from which a set 1/2" iron rod in old stone mound found for the N.W. corner of Survey No. 59 and N.E. corner of Survey No. 54 of Block 8 bears N.0°25'18"E. 5293.72 feet, and continuing with the South line of Survey No. 54 and North line of Survey No. 53 at 6147.8 feet pass a 4" iron pipe post, in all 6159.21 feet to a point for the West corner of this 1.12 acre tract at the N.W. corner of Survey No. 53 and S.W. corner of Survey No. 54 from which an old stone mound found for the N.W. corner of Survey No. 54 bears N.0°29'06"E. 5293.33 feet and a point for the S.W. corner of Survey No. 53 bears S.0°29'06"W. 5297.48 feet; from said S.W. corner of Survey No. 53 a found set rock bears S.40°49'W. 72.78 feet and a brass disk marked "4JEP 1968" bears S.36°06'45"W. 66.39 feet;

THENCE along or near a fence, S.89°05'42"E. 722.31 feet to a fence post;

THENCE continuing along or near said fence, S.89°33'22"E. 2551.07 feet to a fence post;

THENCE continuing along or near said fence, S.89°57'12"E. 2885.90 feet to the POINT OF BEGINNING and containing 1.12 acres of land.

TRACT THREE

BEING a 0.65 acre tract of land in and a part of Survey No. 43, Abstract No. 403 of H. & T.C. R.R. Co. Block 8, Concho County, Texas; said 0.65 acre tract, also being a part of a "160" acre tract described in Deed from J.E. Henderson to James E. Henderson, Jr. dated August 8, 1963 and recorded in Volume 88, Page 279 of the Deed Records of Concho County, Texas, is described by metes and bounds as follows:

BEGINNING at a point for the S.E. corner of this 0.65 acre tract at the S.E. corner of Survey No. 43, S.W. corner of Survey No. 54, N.W. corner of Survey No. 53 and N.E. corner of Survey No. 44 of H. & T.C. R.R. Co. Block 8 from which a point for the S.E. corner of Survey No. 44 bears S.0°29'06"W. 5297.48 feet; from said S.E. corner of Survey No. 44 a found set rock bears S.40°49'W. 72.78 feet and a brass disk marked "4JEP 1968" bears S.36°06'45"W. 66.39 feet;

THENCE with the East line of said Survey No. 43 and said "160" acre tract, N.0°29'06"E. 1319.44 feet to a point for the N.E. corner of said "160" acre tract from which an old stone mound found for the N.E. corner of Survey No. 43 bears N.0°29'06"E. 3973.89 feet;

THENCE with the North line of said "160" acre tract, N.89°41'17"W. 23.93 feet to a point in a fence from which a 3/8" iron rod found at a fence corner bears N.0°16'48"E. 3.71 feet;

THENCE along or near said fence, S.0°16'48"W. 1319.24 feet to a fence corner post;

THENCE along or near a fence S.89°05'42"E. 19.21 feet to the POINT OF BEGINNING and containing 0.65 acre of land.

Parcel 2

BEING the East 3,012.89 acres of the Courtney/J.E. Henderson Ranch in the Southwest part of Concho County, Texas, more fully described in the following three tracts:

TRACT ONE

BEING 3006.86 acres of land comprised of the following:

639.90 acres in G.C.& S.F. R.R. Co. Survey No. 1, Abstract No. 1081; 343.77 acres in Survey No. 58, Abstract No. 1183; 341.15 acres in Survey No. 59, Abstract No. 411; 401.54 acres in Survey No. 60, Abstract No. 1184; 638.23 acres in Survey No. 69, Abstract No. 416; and 642.27 acres in Survey No. 70, Abstract No. 1438, all in H. & T.C. R.R. Co. Block 8, Concho County, Texas; said 3006.86 acres, also being a part of the land described in Deed from P.A. Roche and wife to Mrs. Cora Loftin Henderson dated May 9, 1895 and recorded in Volume O, Page 325 of the Deed Records of Concho County, Texas, is described by metes and bounds as follows:

BEGINNING at a 1" pinched galvanized iron pipe on East side of a fence corner post found for the patented S.E. corner of a "126 2/3" acre tract in A.J. Caffey Survey No. 2, Abstract No. 1697 and accepted for the N.E. corner of said Survey No. 1;

THENCE S.0°34'19"W. 5259.03 feet to a point for the N.E. corner of Survey No. 70 and accepted for the S.E. corner of said Survey No. 1 from which a 4" iron pipe post bears S.48°43'56"E. 48.08 feet and a 1/2" iron rod set in an old stone mound found for the S.E. corner of Survey No. 58, the N.E. corner of Survey No. 59, and the N.W. corner of Survey No. 70 of H. & T.C. R.R. Co. Block 8 and accepted for the S.W. corner of Survey No. 1 bears N.89°39'57"W. 5288.87 feet;

THENCE with the East line of Survey No. 70 and West line of Survey No. 71 Block 8, S.0°21'21"W., at 5289.80 feet a point for the S.E. corner of Survey No. 70 from which a 1/2" iron rod set at a fence corner post for the patented N.W. corner of the North part of Survey No. 72 of Block 8 bears N.17°36'04"E. 43.39 feet and a 1/2" iron rod set in an old stone mound found for the S.W. corner of Survey No. 70, the N.W. corner of Survey No. 69, the N.E. corner of Survey No. 60, and the S.E. corner of Survey No. 59 of Block 8 bears N.89°41'17"W. 5286.84 feet, and continuing with the East line of Survey No. 69 and West line of Survey No. 72 of Block 8 at 6716.89 feet a point 2 feet West of a fence corner post, and continuing along or near a fence in all 10550.50 feet a 1/2" iron rod set at a fence corner post from which a point in a caliche road for the S.E. corner of Survey No. 69 bears S.0°21'21"W. 30.70 feet;

THENCE along or near the fenced North line of a caliche road, N.89°37'12"W., at 5288.86 feet cross the West line of Survey No. 69 and East line of Survey No. 60, in all 5338.79 feet to a fence post on the West side of a gate;

THENCE along or near the fenced North line of said caliche road, N.89°47'19"W. 3277.71 feet to a 4" iron pipe post from which a point for the S.E. corner of the West 240 acres of Survey No. 60 described in Deed from Aubrey W. Harrell to F.R. Owens dated February 15, 1974 and recorded in Volume 116, Page 245 of the Deed Records bears N.89°47'19"W. 1.58 feet and S.0°25'18"E. 35.35 feet;

THENCE along or near a fence, N.0°16'20"E. 607.08 feet to a point in the East line of said West 240 acres;

THENCE with the East line of the 240 acre tract, N.0°25'18"E., crossing a rock and cement water tank, in all 4653.02 feet to a point in the North line of Survey No. 60;

THENCE with the North line of Survey No. 60 and South line of Survey No. 59, S.89°41'17"E. 532.65 feet to a point for corner from which the aforementioned S.E. corner of Survey No. 59 bears S.89°41'17"E. 2792.54 feet;

THENCE North, at 5292.92 feet cross the North line of Survey No. 59 and South line of Survey No. 58 from which a ½" iron rod set in an old stone mound found for the N.W. corner of Survey No. 59, the N.E. corner of Survey No. 54, the S.E. corner of Survey No. 55, and S.W. corner of Survey No. 58 of Block 8 bears N.89°40'04"W. 2647.82 feet and the aforementioned S.E. corner of Survey No. 58 bears S.89°40'04"E. 2823.39 feet, in all 10569.28 feet to a point in or near a fence from which a 1 ¼" galvanized pipe marked "SW 57" found on the South side of a fence corner post bears N.89°26'17"W. 2425.02 feet;

THENCE along or near a fence, S.89°26'17"E., at 2859.13 feet cross the East line of Survey No. 58 and West line of Survey No. 1, in all 2867.66 feet to a 1 ¼" galvanized iron pipe marked "SE 57" on the South side of a fence post for the patented S.W. corner of "523.9" acres of A.J. Caffey Survey No. 2, Abstract No. 1932 from which a found 3/8" iron rod bears S.16°14'W. 1.6 feet;

THENCE along or near a fence and with the patented South line of Survey No. 2, S.89°36'12"E., at 2265.67 feet the patented S.E. corner of said "523.9" acres and patented S.W. corner of the aforesaid "126 2/3" acre tract from which a 3/8" iron rod bears N.0°23'48"E. 0.84 feet, in all 5297.24 feet to the POINT OF BEGINNING and containing 3006.86 acres of land.

TRACT TWO

BEING a 0.65 acre tract in and a part of Survey No. 60, Abstract No. 1184 of H. & T.C. R.R. Co. Block 8, Concho County, Texas; said 0.65 acre tract, also being a part of the West 240 acres of Survey No. 60 described in Deed from Aubrey W. Harrell to F.R. Owens dated February 15, 1974 and recorded in Volume 116, Page 245 of the Deed Records of Concho County, Texas, is described by metes and bounds as follows:

BEGINNING at a point in the North line of Survey No. 60 for the N.E. corner of said West 240 acres from which a ½" iron rod set in an old stone mound found for the N.E. corner of Survey No. 60 bears S.89°41'17"E. 3325.19 feet;

THENCE with the East line of said 240 acres, S.0°25'18"W., crossing a rock and cement water tank, in all 4653.02 feet to a point in or near a fence for the South corner of this 0.65 acre tract from which a 4" iron pipe post bears S.0°16'20"W. 607.08 feet;

THENCE along or near said fence, N.0°16'20"E. 4653.02 feet to a point in the North line of said 240 acres and the North line of Survey No. 60 from which a 4" iron pipe post bears N.0°16'20"E. 5.09 feet;

THENCE with said North line, S.89°41'17"E. 12.12 feet to the POINT OF BEGINNING and containing 0.65 acre of land.

TRACT THREE

BEING a 5.38 acre tract comprised of 2.20 acres in E.M. Caffey Survey No. 2, Abstract No. 1696; 2.98 acres in Survey No. 71, Abstract No. 417; and 0.20 acres in the North part of Survey No. 72, Abstract No. 1923 of H. & T.C. R.R. Co. Block 8, all in Concho County, Texas; said 5.38 acre tract is described by metes and bounds as follows:

BEGINNING at a 1" pinched galvanized iron pipe on the East side of a fence post found for the patented S.E. corner of a "126 2/3" acre tract in A.J. Caffey Survey No. 2, Abstract No. 1697 and accepted for the N.E. corner of G.C. & S.F. R.R. Co. Survey No. 1, Abstract No. 1081;

THENCE along or near a fence, S.0°10'38"W. 5290.50 feet to a 4" iron pipe post at the Southwest corner of a lane;

THENCE continuing along or near a fence, S.0°36'49"W. 5216.92 feet to a ½" iron rod set at a fence corner post for the patented N.W. corner of the North part of Survey No. 72;

THENCE along or near a fence, S.0°51'28"W. 1468.59 feet to a point 2.0 feet West of a fence corner post for the South corner of this 5.38 acre tract in the West line of Survey No. 72;

THENCE with the West line of Survey No. 72 and the East line of Survey No. 69 of Block 8, N.0°21'21"E., at 1427.09 feet pass the N.W. corner of Survey No. 72 and N.E. corner of Survey No. 69 from which a ½" iron rod set in an old stone mound found for the N.W. corner of Survey No. 69 and S.W. corner of Survey No. 70 of Block 8 bears N.89°41'17"W. 5286.84 feet, and continuing with the West line of Survey No. 71 and East line of Survey No. 70 of Block 8, in all 6716.89 feet a point for the N.E. corner of Survey No. 70 and accepted for the S.E. corner of the aforesaid Survey No. 1 from which a ½" iron rod set in an old stone mound found for the N.W. corner of Survey No. 70 bears N.89°39'57"W. 5288.87 feet;

THENCE N.0°34'19"E. 5259.03 feet to the POINT OF BEGINNING and containing 5.38 acres of land.

Parcel 3

Easement along Survey No. 60, Abstract No. 1184 of H. & T.C. R.R. Co. Block 8, Concho County, Texas, executed by John Edward Henderson, et al, in favor of Calvin B. McGowan as described and recorded in Volume 177, Page 465 of the Official Public Records of Concho County, Texas.

BEING a strip of land thirty feet in width parallel to, East of and adjoining the following described course:

BEGINNING at a point in the North line of Survey No. 60 for the Northeast corner of the West 240 acres of Survey No. 60 described in a Deed from Aubrey W. Harrell to F.R. Owens dated February 15, 1974, recorded in Volume 116, Page 245, Deed Records, Concho County, Texas, from which a ½" iron rod set in an old stone mound found for the Northeast corner of Survey No. 60 bears S 89° 41' 17" E. 3325.19 feet;

THENCE with the East line of said 240 acres, S 0° 25' 18" W crossing a rock and cement water tank, in all 4653.02 feet to a point in or near a fence in the North line of a caliche road, from which point a 4" iron pipe post bears S 0° 16' 20" W. 607.08 feet.

TRAVIS PRIOUR AND DAVID PRIOUR

BEING 719.511 acres in Concho County, Texas, out of the H. & T.C. Railroad Company Block 8, and containing approximately 326.132 acres out of the Sherman Conant Survey No. 46, Abstract No. 1261, 283.499 acres out of Survey No. 47, Abstract No. 405, 59.814 acres out of Survey No. 35, Abstract No. 399, and 50.066 acres out of the Sherman Conant Survey No. 34, Abstract No. 1263, and being out of that certain parent tract described as 1832.214 acres in a deed to the Edna E. Priour Trust recorded in Volume 218, Page 79 of the Concho County Official Public Records.

BEGINNING at a ½" steel stake found in the common line of the G.A. Conant Survey No. 50, Abstract No. 1254 and said Survey No. 47, the west line of that certain Tract Five described as 650.10 acres in a deed to Ralph M. Ebeling, Jr., recorded in Volume 188, Page 614 of said Official Public Records, and the east line of said parent tract for the N.E. corner of that certain 417.603 acre tract out of 6013.45 acres described in a deed to S & S Miller Ranch, L.P., recorded in Volume 209, Page 103 of said Official Public Records, the S.E. corner of said parent tract, and the S.E. corner hereof;

THENCE along a fence for the north line of said 417.603 acres, the south line of said parent tract, and the south line hereof N 89°49'42" W a distance of 1067.35 feet to a 3/8" steel stake found, N 89°46'29" W a distance of 1115.92 feet to a 3/8" steel stake found, N 89°43'26" W a distance of 953.76 feet to a 3/8" steel stake found, N 89°49'56" W a distance of 1053.66 feet to a 3/8" steel stake found, N 89°48'36" W a distance of 1036.21 feet to a 3/8" steel stake found, and N 89°47'06" W a distance of 939.85 feet to a ½" steel stake found in the east line of that certain tract described as 3116.673 acres in a deed to Harlan Lary Priour recorded in Volume 215, Page 13 of said Official Public Records for the N.W. corner of said 417.603 acres, the S.W. corner of said parent tract, and the S.W. corner hereof;

THENCE along a fence for the east line of said 3116.673 acres, the west line of said parent tract, and the west line hereof N 00°20'27" E a distance of 670.07 feet to a ½" steel stake for the S.E. corner of a 212.766 acre partition tract of said 3116.673

acres, N 00°20'25" E a distance of 41.94 feet to a 3/8" steel stake found under an electric line, N 00°15'37" E a distance of 1113.86 feet to a 3/8" steel stake found, N 00°16'38" E a distance of 1875.78 feet to a 3/8" steel stake found, N 00°16'06" E a distance of 1067.53 feet to a 3/8" steel stake found, and N 00°18'27" E a distance of 411.94 feet to a 1/2" steel stake for the S.E. corner of a 116.939 acre partition tract of said parent tract and said 3116.673 acres, the N.E. corner of said 212.766 acres, the S.W. corner of a 362.509 acre partition tract of said parent tract, and the N.W. corner hereof;

THENCE along a division line of said parent tract for the south line of said 362.509 acres, and the north line hereof N 90°00'00" E a distance of 4040.78 feet to a 1/2" steel stake, S 48°47'04" E a distance of 522.07 feet to a 1/2" steel stake, and N 90°00'00" E a distance of 1727.92 feet to a 1/2" steel stake in the common line of the H. & T.C. Railroad Company Survey No. 51, Abstract No. 407, and said Survey No. 46, the west line of that certain Tract Two described as 650.18 acres in a deed to Ralph M. Ebeling, Jr., recorded in Volume 188, Page 614 of said Official Public Records, and the east line of said parent tract for the S.E. corner of said 362.509 acres, and the N.E. corner hereof;

THENCE along a fence for the approximate common line of said Surveys No. 51 and No. 46, the west line of said Tract Two, the east line of said parent tract, and the east line hereof S 00°15'40" W a distance of 232.22 feet to a 3/8" steel stake found, S 00°13'50" W a distance of 1057.80 feet to a 3/8" steel stake found, S 00°18'56" W a distance of 1218.57 feet to a 1/2" steel stake found, S 00°13'58" W a distance of 1182.74 feet to a 3/8" steel stake found, and S 00°10'07" W a distance of 1168.01 feet to the POINT OF BEGINNING, having an area of 719.511 acres.

HARLAN LARY PRIOUR FAMILY PARTNERS, LTD.

TRACT ONE

BEING 1355.964 acres in Concho County, Texas, out of the H. & T.C. Railroad Company Block 8, and consisting of approximately 638.642 acres out of the J.H. Hardy Survey No. 48, Abstract No. 1309, 362.429 acres out of the Sherman Conant Survey No. 34, Abstract No. 1263, 175.389 acres out of Survey No. 33, Abstract No. 398, 152.496 acres out of Survey No. 31, Abstract No. 397, and 27.008 acres out of the J.E. Henderson Survey No. 32, Abstract No. 1892, and being out of that certain parent tract described as 3116.673 acres in a Deed to Harlan Lary Priour recorded in Volume 215, Page 13 of the Concho County Official Public Records, being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2" steel stake in South line of said Block 8, the North line of Newsom Gwatney Survey No. 10, Abstract No. 1607, and the North line of that certain tract described as 2260.49 acres in a Deed to Gail K. Anderson and Dora K. Wright recorded in Volume 174, Page 65 of said Official Public Records for the common corner of Survey No. 49, Abstract No. 406, and said Survey No. 48, the S.W. corner of that certain Tract One described as 649.41 acres in a Deed to Ralph M. Ebeling, Jr. recorded in Volume 188, Page 614 of said Official Public Records, the S.E. corner of said parent tract, and the S.E. corner hereof;

THENCE along a fence for the South line of said Block 8, the common line of said Surveys No. 10 and No. 48, the North line of said 2260.49 acres, a southerly line of said parent tract, and a southerly line hereof
N 89°42'13" W a distance of 1278.13 feet to a 3/8" steel stake,
N 89°46'59" W a distance of 1105.22 feet to a 3/8" steel stake,
N 89°45'31" W a distance of 1095.42 feet to a 3/8" steel stake,
N 89°45'43" W a distance of 1131.95 feet to a 3/8" steel stake,
N 89°43'35" W a distance of 1014.91 feet to a 3/8" steel stake,
N 89°40'51" W a distance of 346.97 feet to a 1/2" steel stake found, and
N 89°47'33" W a distance of 232.85 feet to a 1/2" steel stake for the S.E. corner of a 666.744 acre partition tract of that certain tract described as 6013.45 acres in a Deed to S & S Miller Ranch, L.P., recorded in Volume 209, Page 103 of said Official Public Records, the most southerly S.W. corner of said parent tract, and the most southerly S.W. corner hereof;

THENCE along a fence for the East line of said 666.744 acres, a westerly line of said parent tract, and a westerly line hereof

N 00°17'57" E a distance of 900.79 feet to a 3/8" steel stake,
N 00°19'18" E a distance of 1039.24 feet to a 3/8" steel stake,
N 00°23'17" E a distance of 1104.83 feet to a 3/8" steel stake,
N 00°22'37" E a distance of 1080.54 feet to a 3/8" steel stake, and
N 00°21'34" E a distance of 561.14 feet to a 1/2" steel stake for the N.E. corner of said 666.744 acres, a re-entrant corner of said parent tract, and a re-entrant corner hereof;

THENCE along the North line of said 666.744 acres, a southerly line of said parent tract, and a southerly line hereof S 89°59'31" W a distance of 6232.76 feet to a calculated point in the roadbed of County Road 2275 for the N.W. corner of said 666.744 acres, the most westerly S.W. corner of said parent tract, and the most westerly S.W. corner hereof, from which a ½" steel stake bears N 89°59'31" E a distance of 21.51 feet;

THENCE in the roadbed of County Road 2275 for a westerly line of said parent tract, and a westerly line hereof N 00°00'52" E a distance of 640.09 feet to a calculated point in the common line of said Surveys No. 32 and No. 31, and N 00°03'09" E a distance of 3575.44 feet to a calculated point for the S.W. corner of a 722.611 acre partition tract of said parent tract, and the N.W. corner hereof, from which a ½" steel stake bears S 89°59'57" E a distance of 21.15 feet;

THENCE along a division line of said parent tract for the South line of said 722.611 acres, and a northerly line hereof S 89°59'57" E a distance of 4007.52 feet to a ½" steel stake for the S.E. corner of said 722.611 acres, and the S.W. corner of a 212.766 acre partition tract of said parent tract;

THENCE along a division line of said parent tract for the South line of said 212.766 acres, and a northerly line hereof N 89°59'54" E a distance of 2249.60 feet to a ½" steel stake in the West line of a 719.511 acre partition tract of that certain tract described as 1832.214 acres in a Deed to the Edna E. Priour Trust recorded in Volume 218, Page 79 of said Official Public Records, and an easterly line of said parent tract for the S.E. corner of said 212.766 acres, and the most northerly N.E. corner hereof;

THENCE along a fence for the West line of said 719.511 acres, and easterly line of said parent tract, and an easterly line hereof S 00°20'27" W a distance of 670.07 feet to a ½" steel stake found for the N.W. corner of a 417.603 acre partition tract of said 6013.45 acres, and the S.W. corner of said 719.511 acres;

THENCE along a fence for the West line of said 417.603 acres, and easterly line of said parent tract, and an easterly line hereof S 00°04'09" W a distance of 152.18 feet to a 2.5 pipe post, S 00°24'49" W a distance of 877.20 feet to a 3/8" steel stake, S 00°24'28" W a distance of 946.36 feet to a 3/8" steel stake, and S 00°23'45" W a distance of 975.56 feet to a ½" steel stake for the S.W. corner of said 417.603 acres, a re-entrant corner of said parent tract, and a re-entrant corner hereof;

THENCE along a fence for the South line of said 417.603 acres, a northerly line of said parent tract, and a northerly line hereof S 89°52'53" E a distance of 787.34 feet to a 3/8" steel stake, S 89°52'33" E a distance of 1049.59 feet to a 3/8" steel stake, S 89°52'34" E a distance of 1039.41 feet to a 3/8" steel stake, S 89°53'22" E a distance of 1067.49 feet to a 3/8" steel stake, S 89°53'19" E a distance of 1094.91 feet to a 3/8" steel stake, and S 89°50'18" E a distance of 1141.58 feet to a ½" steel stake by a "T" fence intersection, fence bears North, in the West line of said "Tract One" for the common corner of the G.A. Conant Survey No. 50, Abstract No. 1254, the H. & T.C. Railroad Company Survey No. 47, Abstract No. 405, and said Surveys No. 48 and No. 49, the S.E. corner of said 417.603 acres, the most easterly N.E. corner of said parent tract, and the most easterly N.E. corner hereof;

THENCE along a fence for the common line of said Surveys No. 48 and No. 49, the West line of said "Tract One", an easterly line of said parent tract, and an easterly line hereof S 00°06'35" W a distance of 1099.97 feet to a 3/8" steel stake, S 00°07'36" W a distance of 1129.92 feet to a 3/8" steel stake, S 00°06'33" W a distance of 998.03 feet to a 3/8" steel stake, S 00°02'31" W a distance of 785.15 feet to a 3/8" steel stake, and S 00°00'55" W a distance of 1280.95 feet to the POINT OF BEGINNING, having an area of 1355.964 acres with 2.153 acres lying in County Road 2275 for a total of 1353.811 net acres.

TRACT TWO

BEING 212.766 acres in Concho County, Texas, out of the H. & T.C. Railroad Company Block 8, and containing approximately 127.870 acres out of Survey No. 35, Abstract No. 399, and 84.896 acres out of the Sherman Conant Survey No. 34, Abstract No. 1263, and being out of that certain parent tract described as 3116.673 acres in a Deed to Harlan Lary Priour recorded in Volume 215, Page 13 of the Concho County Official Public Records, and said 212.766 acres being more particularly described by metes and bounds as follows:

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BEGINNING at a ½" steel stake in the West line of that certain tract described as 1832.214 acres in a Deed to the Edna E. Priour Trust recorded in Volume 215, Page 79 of said Official Public Records, and the East line of said parent tract for the S.E. corner hereof;

THENCE along a division line of said parent tract for the South line hereof S 89°59'54" W a distance of 2249.60 feet to a ½" steel stake for the S.E. corner of a 719.511 acre partition tract of said parent tract, and the S.W. corner hereof;

THENCE along a division line of said parent tract for the East line of said 719.91 acres, and the West line hereof N 05°12'39" E @ 1712.53 feet parking the common line of said Surveys No. 34 and No. 35, and the centerline of a 16 feet wide easement to Sun Oil Company recorded in Volume 50, Page 462 of the Concho County Oil and Gas Lease Records for a total distance for this course of 4529.78 feet to a ½" steel stake for the S.W. corner of a 716.929 acre partition tract out of said parent tract and said 1832.214 acres, and the N.W. corner hereof;

THENCE along a division line of said parent tract for the South line of said 116.939 acres, and the North line hereof N 90°00'00" E a distance of 1859.79 feet to a ½" steel stake in a fence for the West line of said 1832.214 acres, and the East line of said parent tract for the S.W. corner of a 362.509 acre partition tract out of said 1832.214 acres, the N.W. corner of a 719.511 acre partition tract of said 1832.214 acres, the S.E. corner of said 116.939 acres, and the N.E. corner hereof;

THENCE along a fence for the West line of said 1832.214 acres, the West line of said 719.511 acres, the East line of said parent tract, and the East line hereof
S 00°18'27" W a distance of 411.94 feet to a 3/8" steel stake found,
S 00°16'06" W a distance of 1067.53 feet to a 3/8" steel stake found,
S 00°16'38" W @ 1338.11 feet passing the common line of said Surveys No. 34 and No. 35, and the common line of said 16 feet wide easement for a total distance for this course of 1875.78 feet to a 3/8" steel stake found,
S 00°15'37" W a distance of 2113.86 feet to a 3/8" steel stake found under an electric line, and
S 00°20'25" W a distance of 41.94 feet to the POINT OF BEGINNING, having an area of 212.766 acres.

TRACT THREE

BEING 116.939 acres in Concho County, Texas, out of the H. & T.C. Railroad Company Block 8, and containing approximately 99.508 acres out of Survey No. 35, Abstract No. 399, and 17.431 acres out of the Sherman Conant Survey No. 36, Abstract No. 1264, and being out of those certain tracts described as 3116.673 acres and 1832.214 acres in deeds to Harlan Lary Priour and the Edna E. Priour Trust recorded in Volume 215, Page 13 and Volume 218, Page 79 of the Concho County Official Public Records, and said 116.939 acres being particularly described by metes and bounds, as follows:

BEGINNING at a ½" steel stake in the south line of a northerly 719.511 (net) acre partition tract out of said 3116.673 acres for the N.E. corner of a southerly 719.511 (net) acre partition tract out of said 3116.673 acres, and the N.W. corner hereof;

THENCE along a division line of said 3116.673 acres for the south line of said northerly 719.511 (net) acres, and the north line hereof N 90°00'00" E @ 1621.95 feet passing a fence for the east line of said 3116.673 acres, and the west line of said 1832.214 acres for a total distance for this course of 1790.04 feet to a punch mark on a large rock for the S.E. corner of said northerly 719.511 (net) acres, and a re-entrant corner hereof;

THENCE along a division line of said 1832.214 acres for the east line of said northerly 719.511 (net) acres, and a westerly line hereof N 00°00'00" W a distance of 121.90 feet to a ½" steel stake for the most westerly S.W. corner of a 719.511 (net) acre partition tract of said 1832.214 acres, and a northerly corner hereof;

THENCE along a division line of said 1832.214 acres for the south line of said 719.511 (net) acres, and a northerly line hereof N 90°00'00" E a distance of 367.10 feet to a ½" steel stake for a re-entrant corner of said 719.511 (net) acres, and the most northerly N.E. corner hereof;

THENCE along a division line of said 1832.214 acres for a southwesterly line of said 719.511 (net) acres, and a northeasterly line hereof S 32°07'48" E a distance of 430.78 feet to a ½" steel stake in the approximate centerline of road and proposed 30 feet wide easement, and with said approximate centerline of road S 19°26'47" W a distance of 69.11 feet to a calculated point in the centerline of a cattle guard in the north line of a 362.509 acre partition tract of said 1832.214 acres for the most southerly S.W. corner of said 719.511 (net) acres, and the most easterly S.E. corner hereof;

THENCE along a division line of said 1832.214 acres for the north line of said 362.509 acres, and a southerly line hereof N 89°43'59" W a distance of 743.11 feet to 3/8" steel stake found in a fence for the east line of said 3116.673 acres, and the west line of said 1832.214 acres for the N.W. corner of said 362.509 acres, and a re-entrant corner hereof;

THENCE along a fence for the west line of said 1832.214 acres, the west line of said 362.509 acres, the east line of said 3116.673 acres, and the east line hereof

S 00°18'38" W a distance of 1772.04 feet to a 3/8" steel stake found, and

S 00°18'27" W a distance of 697.58 feet to a 1/2" steel stake for the N.W. corner of a southerly 719.511 acre partition tract of said 1832.214 acres, the N.E. corner of a 212.766 acre partition tract of said 3116.673 acres, the S.W. corner of said 362.509 acres, and the S.E. corner hereof;

THENCE along a division line of said 3116.673 acres for the north line of said 212.766 acres, and the south line hereof N 90°00'00" W a distance of 1859.79 feet to a 1/2" steel stake in the east line of said southerly 719.511 (net) acres for the N.W. corner of said 212.766 acres, and the S.W. corner hereof;

THENCE along a division line of said 3116.673 acres for the east line of said southerly 719.511 (net) acres, and the west line hereof N 05°12'39" E a distance of 2785.70 feet to the POINT OF BEGINNING, having an area of 116.939 acres, of which 103.373 acres lies within "Trust" lands.

TRACT FOUR

BEING 138.557 acres in Concho County, Texas, containing approximately 86.199 acres out of said Block 8, Sherman Conant Survey No. 46, Abstract No. 1261, 52.277 acres out of the H. & T.C. Railroad Company Block 8, Survey No. 35, Abstract No. 399, and 0.081 acres out of the Block 8, Sherman Conant Survey No. 36, Abstract No. 1264, and being out of those certain tracts described as 362.509 acres and 719.511 acres in a deed to Dalene Priour Taylor recorded in Volume 265, Page 15 of the Concho County Official Public Records.

BEGINNING at a 1/2" steel stake found with cap marked "Ross" for the N.W. corner of that certain tract described as 719.511 acres in a deed to Travis & David Prior recorded in Volume 264, Page 890 of said Official Public Records, the N.E. corner of that certain tract described as 212.766 acres in a deed to Harlan Lary Priour Family Partners recorded in Volume 265, Page 26 of said Official Public Records, the most southerly S.E. corner of that certain tract described as 116.939 acres in a deed to Dalene Priour Taylor recorded in Volume 265, Page 15 of said Official Public Records, the S.W. corner of said 362.509 acres, and the S.W. corner hereof;

THENCE along a fence for an easterly line of said 116.939 acres, the west line of said 362.509 acres, and the west line hereof

N 00°18'27" E a distance of 697.58 feet to a 3/8" steel stake found, and

N 00°18'38" E a distance of 1772.04 feet to a 3/8" steel stake found in the approximate common line of said Surveys No. 35 and No. 36 for a re-entrant corner of said 116.939 acres, the N.W. corner of said 362.509 acres, and the N.W. corner hereof;

THENCE along a fence for the approximate common line of said Surveys No. 35 and No. 36, a southerly line of said 116.939 acres, the north line of said 362.509 acres, and the north line hereof S 89°43'59" E a distance of 743.11 feet to a calculated point in the approximate center of a cattle guard in the centerline of a 30 feet wide easement for the most southerly S.W. corner of said 719.511 acres (Taylor), the most easterly S.E. corner of said 116.939 acres, and a re-entrant corner hereof;

THENCE along the centerline of said 30 feet wide easement for an easterly line of said 116.939 acres, a westerly line of said 719.511 acres (Taylor), and a westerly line hereof N 19°26'47" E a distance of 69.11 feet to a 1/2" steel stake found with cap marked "Ross" for the most easterly corner of said 116.939 acres, a re-entrant corner of said 719.511 acres (Taylor), and the most northerly corner hereof;

THENCE along a division line of said 719.511 acres (Taylor) for an easterly line hereof S 52°10'59" E @ 107.06 feet passing the common line of said 719.511 acres (Taylor) and said 362.509 acres, and continuing along a division line of said 362.509 acres for a total distance for this course of 4128.39 feet to a 1/2" steel stake found with cap marked "Ross" in the north line of said 719.511 acres (Priour) for a re-entrant corner of said 362.509 acres, and the S.E. corner hereof;

THENCE along the north line of said 719.511 acres (Priour), the south line of said 362.509 acres, and the south line hereof N 90°00'00" W a distance of 4040.78 feet to the POINT OF BEGINNING, having an area of 138.557 acres.

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TRACT FIVE

A DESCRIPTION OF 417.603 ACRES OF LAND IN CONCHO COUNTY, TEXAS, MADE FOR S&S MILLER RANCH, LP.

BEING all that certain tract of land situated in Concho County, Texas comprising a total of 417.603 acres of land out of and a part of the following Surveys:

H. & T.C. R.R. Co. Survey No. 33, Block 8, Abstract No. 398-0.308 acres,
Sherman Conant Survey No. 34, Block 8, Abstract No. 1263-61.008 acres,
H. & T.C. R.R. Co. Survey No. 47, Block 8, Abstract No. 405 -355.498 acres, and
J.H. Hardy Survey No. 48, Block 8, Abstract No. 1309-0.789 acres.

Said 417.603 acres being out of a 6013.45 acre parent tract conveyed by Jerry L. Tinkler and Cara C. Huffman to S&S Miller Ranch, L.P., by Deed recorded July 29th, 2003 in Volume 209, Page 103, et seq., of the Concho County Official Public Records.

BEGINNING at a ½" steel stake set by a "T" fence corner post, fence bears North, South and West, in the East line of said parent tract for the common corner of the J.H. Hardy Survey No. 48, Block 8, Abstract No. 1309, the H. & T.C. Ry. Co. Survey No. 49, Block 8, Abstract No. 406, the G.A. Conant Survey No. 50, Block 8, Abstract No. 1254 and said Survey No. 47, the S.W. corner of that certain 650.10 acre tract (Tract Five) and N.W. corner of that certain 649.41 acre tract (Tract One, both tracts being described in a Deed to Ralph M. Ebeling recorded in Volume 188, Page 614 of said Official Public Records, the E.N.E. corner of a 3116.673 acre tract, the S.E. corner hereof and the beginning of a division line, from which point a "T" fence corner post in the North line of the Newsom Gwatney Survey No. 10, Abstract No. 1607 (Concho County) and the North line of that certain 2260.49 acre tract described in a Deed to Gail K. Anderson and Dora K. Wright recorded in Volume 174, Page 65 of said Official Public Records for the S.E. corner of said Survey No. 48 and S.W. corner of said Survey No. 49, the S.W. corner of said 649.41 acre tract and S.E. corner of said parent tract, bears S 00°04'49" W 5294.01 feet;

THENCE with the occupational North line of said Survey No. 48 and South line of said Survey No. 47, a North line of said, 3116.673 acre tract, the South line hereof and said division line through said parent tract, along a fence,
N 89°50'18" W 1141.59 feet, a 3/8" steel stake set,
N 89°53'19" W 1094.91 feet, a 3/8" steel stake set,
N 89°53'22" W 1067.49 feet, a 3/8" steel stake set,
N 89°52'34" W 1039.41 feet, a 3/8" steel stake set,
N 89°52'33" W 1049.59 feet, a 3/8" steel stake set and
N 89°52'53" W 787.34 feet to a 1/2" steel stake set by a "T" fence corner post, fence bears South, for a corner of said 3116.673 acre tract and S.W. corner hereof;

THENCE with an East line of said 3116.673 acre tract, the West line hereof and said division line through said parent tract, along a fence,
N 00°23'45" E 975.56 feet, a 3/8" steel stake set,
N 00°24'28" E 946.36 feet, a 3/8" steel stake set,
N 00°24'49" E 877.20 feet, a 2 1/2" pipe post, and
N 00°04'09" E 152.18 feet to a 1/2" steel stake set by a "T" fence corner post, fence bears North, for the S.W. corner of an 1832.214 acre tract and N.W. corner hereof;

THENCE with the South line of said 1832.214 acre tract, the North line hereof and said division line through said parent tract, along a fence,
S 89°47'06" E 939.85 feet, a 3/8" steel stake set,
S 89°48'36" E 1036.21 feet, a 3/8" steel stake set,
S 89°49'56" E 1053.66 feet, a 3/8" steel stake set,
S 89°43'26" E 953.76 feet, a 3/8" steel stake set,
S 89°46'29" E 1115.93 feet, a 3/8" steel Stake set, and
S 89°49'42" E 1067.36 feet to a ½" steel stake set by a "4-way" fence corner post, fence bears North and East, in the East line of said Survey No. 47 and West line of said Survey No. 50, the West line of said 650.10 acre tract, said East line of parent tract for the S.E. corner of said 1832.214 acre tract, the N.E. corner hereof and the terminus of said division line;

THENCE with said East line of Survey No. 47 and said West line of Survey No. 50, said West line of 650.10 acre tract, said East line of parent tract and East line hereof; along a fence,
S 00°06'14" W 1148.89 feet, a 3/8" steel stake set,

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S 00°07'51" W 883.09 feet, a 3/8" steel stake set,
S 00°09'33" W 882.02 feet, a 3/8" steel stake set, and
S 00°20'13" E 28.57 feet to the PLACE OF BEGINNING and containing 417.603 acres of land.

TRACT SIX

A DESCRIPTION OF 216.440 ACRES OF LAND IN CONCHO, COUNTY, TEXAS, MADE FOR S&S MILLER RANCH, L.P.

BEING all that certain tract of land situated in Concho County, Texas comprising of a total of 216.440 acres of land out of and a part of the H. & T.C. R.R. Co. Survey No. 33, Block 8, Abstract No. 398. Said 216.440 acres being out of a 6013.45 acre parent tract conveyed by Jerry L. Tinkler and Cara C. Huffman to S&S Miller Ranch, L.P., by Deed recorded July 29th, 2003 in Volume 209, et seq., of the Concho County Official Public Records.

BEGINNING at a ½" steel stake set in the South line of said Survey No. 33 and North line of the C.C.S.D. & R.G. Railway Co. Survey No. 19, Abstract No. 1610, the North line of that certain 627.36 acre tract (Tract One) described in a Deed to Kothmann 1992 Trust and Dora K. Wright recorded in Volume 176, Page 84 of said Official Public Records and South line of said parent tract for the S.E. corner of a 450.304 acre tract, the S.W. corner hereof and at the intersection with and beginning of a division line, from which point a ½" steel stake found by a "T" fence corner post for the N.E. corner of that certain 405.159 acre tract described in a deed to Kothmann 1992 Trust and Dora K. Wright recorded in Volume 178, Page 629 of said Official Public Records and N.W. corner of said 627.36 acre tract bears N 89°42'15" W 4161.88 feet;

THENCE with the East line of said 450.304 acre tract, the West line hereof and with said division line through said parent tract N 00°00'00" E 4676.31 feet to a ½" steel stake set in a South line of a 3116.673 acre tract for the N.E. corner of said 450.304 acre tract and N.W. corner hereof;

THENCE with a said South line of said 3116.673 acre tract, the North line hereof and said division line through said parent tract, N 89°59'31" E 2028.87 feet to a ½" steel stake set, in a fence, for a corner of said 3116.673 acre tract and N.E. corner hereof;

THENCE with a West line of said 3116.673 acre tract, the East line hereof and said division line through said parent tract, along said fence,

S 00°21'34" W 561.14 feet, a 3/8" steel stake set,
S 00°22'37" W 1080.54 feet, a 3/8" steel stake set,
S 00°23'17" W 1104.83 feet, a 3/8" steel stake set,
S 00°19'18" W 1039.24 feet, a 3/8" steel stake set,
S 00°17'57" W 900.79 feet to a ½" steel stake set by a "T" fence corner post, bears East, in the South line of said Survey No. 33 and North line of the Fred Speck Survey No. 7, Abstract No. 1887 (Concho County), the North line of that certain 2260.49 acre tract described in a Deed to Gail K. Anderson and Dora K. Wright recorded in Volume 174, Page 65 of said Official Public Records, the South line of said parent tract for the S.W. corner of said 3116.673 acre tract, the S.E. corner hereof and terminus of said division line, from which point a ½" steel stake found for the N.E. corner of said Survey No. 7, bears S 89°47'33" E 232.85 feet;

THENCE with said North line of Survey No. 7 and said South line of Survey No. 33, said North line of 2260.49 acre tract, said South line of parent tract and South line hereof, along a fence N 89°41'06" W 329.11 feet, a ½" steel stake set by a "T" fence corner post, fence bears S.S.W. and N 89°44'47" 950.35 feet to a ½" steel stake set by a "T" fence corner post, fence bears South for the N.W. corner of said 2260.49 acre tract and the N.E. corner of said 627.36 acre tract;

THENCE continuing with said South line of parent tract, the South line hereof and with the North line of said 627.36 acre tract, the North line of said Survey No. 19 and said South line of Survey No. 33, along said fence, N 89°41'41" W 720.79 feet to the PLACE OF BEGINNING and containing 216.400 acres of land.

RUDLOFF FAMILY PARTNERSHIP LTD., LLP

TRACT ONE

BEING 430.52 acres of land in Concho County, Texas, containing 93.33 acres of land in L. Fitzgerald Survey No. 2, Abstract No. 1731 and 298.34 acres of land in H. & T.C. R.R. Co. Survey No. 75, Abstract No. 419, and 38.85 acres of land in H. & T.C. R.R. Co. Survey No. 74, Abstract No. 1912, (in some prior descriptions referred to as Abstract No. 1684) and being a part of that land that Lenora Wilson deeded to Daniel Sorrell and wife, Inez Sorrell by deed dated June 15, 1972, and recorded in Volume 111, Page

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185, Concho County Deed Records, and being a part of that land that Don R. Bailey, et ux deeded to Daniel Sorrell by Deed dated October 1, 1973, and recorded in Volume 115, Page 153, of the Deed Records of Concho County, Texas, and said 430.52 acres of land being more particularly described as follows:

BEGINNING at an iron stake and corner post located 229.91 feet N. 87 deg. 42' 50" E. of the SE corner of said Survey No. 75;

THENCE N. 1 deg. 07' 17" W. 42.40 feet along a fence line to an iron stake and corner post;

THENCE N. 16 deg. 03' 30" E. 68.88 feet along a fence line to an iron stake and corner post;

THENCE N. 38 deg. 14' 36" E. 81.30 feet along a fence line to an iron stake and corner post;

THENCE N. 18 deg. 02' 36" E. 139.63 feet along a fence line to an iron stake and corner post;

THENCE N. 8 deg. 21' 25" E. 479.31 feet along a fence line to an iron stake and corner post;

THENCE N. 13 deg. 17' 28" E. 186.40 feet along a fence line to an iron stake and corner post;

THENCE N. 81 deg. 13' 25" E. 11.84 feet along a fence line to an iron stake and corner post;

THENCE N. 7 deg. 45' 27" W. 602.06 feet along the general course of a fence line to an iron stake and corner post;

THENCE N. 9 deg. 12' 55" W. 658.38 feet along the general course of a fence line to an iron stake and corner post;

THENCE N. 75 deg. 31' 06" W. 139.63 feet along the general course of a fence line to an iron stake and corner post;

THENCE N. 12 deg. 06' 31" W. 857.47 feet along the general course of a fence line to an iron stake and corner post;

THENCE N. 81 deg. 47' 20" E. 964.84 feet along the general course of a fence line to an iron stake and corner post;

THENCE N. 75 deg. 12' 33" E. 603.13 feet along the general course of a fence line to an iron stake and corner post;

THENCE S. 85 deg. 26' 40" E. 785.25 feet along the general course of a fence line to an iron stake and corner post;

THENCE S. 81 deg. 16' 00" E. 343.19 feet along the general course of a fence line to an iron stake and corner post;

THENCE N. 0 deg. 23' 17" E. 240.50 feet along a fence line to an iron stake and corner post located at the SW corner of a public road leading East;

THENCE N. 37.52 feet to an iron stake and corner post located at the NW corner of a public road;

THENCE N. 0 deg. 13' 15" E. 2260.48 feet along a fence line to an iron stake located 435.44 feet S. 0 deg. 13' 15" W. of an iron stake and corner post representing the NE corner of said Don R. Bailey tract;

THENCE W. 463.08 feet to an iron stake;

THENCE S. 0 deg. 13' 15" W. 1099.97 feet to an iron stake;

THENCE S. 9 deg. 14' 48" W. 366.14 feet to an iron stake and corner post;

THENCE N. 75 deg. 50' 30" W. 369.82 feet along the general course of an old fence line to an iron stake and corner post;

THENCE S. 35 deg. 56' 21" W. 105.04 feet along the general course of an old fence line to an iron stake and corner post;

THENCE S. 37 deg. 39' 30" W. 177.97 feet along the general course of an old fence line to an iron stake and corner post;

THENCE S. 77 deg. 50' 23" W. 575.90 feet along the general course of an old fence line to an iron stake and corner post;

THENCE N. 83 deg. 47' 55" W. 652.87 feet along the general course of an old fence line to an iron stake and corner post;

THENCE S. 82 deg. 02' 01" W. 307.31 feet along the general course of an old fence line to an iron stake and dead tree;

THENCE S. 55 deg. 07' 03" W. 632.63 feet along the general course of an old fence line to an iron stake and tree;

THENCE N. 78 deg. 31' 40" W. 10.40 feet along a fence line to an iron stake and tree;

THENCE N. 37 deg. 38' 20" W. 23.89 feet along a fence line to an iron stake and tree;

THENCE N. 15 deg. 11' 02" W. 1539.12 feet along general course of an old fence line to an iron stake and corner post;

THENCE N. 87 deg. 30' 17" E. 660.46 feet along an old fence line representing the North line of said Survey No. 75 to an iron stake located 224.37 feet S. 87 deg. 30' 17" W. of the NE corner of said Survey No. 75;

THENCE N. 46 deg. 42' 57" W. 670.93 feet along general course of an old fence line to an iron stake and corner post;

THENCE N. 14 deg. 33' W. 351.43 feet along the general course of an old fence line to an iron stake;

THENCE S. 87 deg. 32' 54" W. 1838.36 feet along a fence line to an iron stake and corner post representing the NW corner of said Don R. Bailey tract;

THENCE S. 6117.26 feet along the general course of a fence line to an iron stake and corner post representing the SW corner of the East half of said Survey No. 75;

THENCE N. 87 deg. 42' 50" E. 2869.57 feet along a fence line representing the South line of said Survey No. 75 to the PLACE OF BEGINNING.

TRACT TWO

BEING ALL of the following land located in Concho County, Texas, to-wit:

- (1) BEING 630 acres, more or less, out of Survey No. 65, Certificate No. 41/5187, H. & T.C. Ry. Co. Abstract No. 414, and described by metes and bounds as follows, to-wit:

BEGINNING at the N.W. corner of said Survey No. 65;

THENCE S. 89 deg. 45' E. 1912 varas a stone mound in N. line of said Survey No. 65 from which L.O. 8 S. 35 E. 5 L.O. 12 S. 55 W. 12, for the NE corner of this tract, and N.W. corner of 628 acre tract heretofore conveyed to Roy Wilson;

THENCE S. 1885 varas to stone mound from which L.O. 30 S. 34 W. 41 L.O. S. 24-1/2 W. 38 for the SE corner of this tract and SW corner of said Roy Wilson tract;

THENCE N. 89 W. 1884 varas to the SW corner of this tract from which L.O. 18 N. 45 E. 96 L.O. 18 N. 46 E. 98;

THENCE N. 4 W. 160 varas;

THENCE N. 0 deg. 10' W. 1696 varas to the PLACE OF BEGINNING, being all of said Survey No. 65, EXCEPT the East 10 acres thereof.

- (2) BEING the North one-half (N/2) of the hereinafter described land located in Concho County, Texas, to-wit:

628 acres, more or less, consisting of about 10 acres in Survey No. 65, Certificate No. 41/5187, in the name of H. & T.C. Ry. Co. Abstract No. 414, and about 618 acres in Survey No. 76, Certificate No. 41/5192, Michael Hughes Abstract No. 1804, all in Concho County, Texas and being described by metes and bounds as follows, to-wit:

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 Between Eden Cisd and RES Cactus Flats Wind Energy, LLC
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BEGINNING at stone mound in the N. line of said Survey No. 65, 1912 varas S. 89 deg. 45' E. from the NW corner of said Survey No. 65, from which beginning stone mound L.O. 8 S. 35 E. 5 L.O. 12 S. 55 W. and said beginning point being the NE corner of 630 acre tract heretofore conveyed to Clifton Wilson;

THENCE N. 89 deg. 26' E. 1868 varas to a stake in the N. line of said Survey No. 76, for the NE corner of this 628 acre tract, same being the NW corner of a 600 acre tract heretofore conveyed to Carlos Wilson, from which L.O. N. 28 E. 18 L.O. 16 N. 59 E. 54;

THENCE S. 1913 varas to stone mound the SE corner this 628 acre tract, and SW corner of said 600 acre tract of Carlos Wilson from which L.O. 18 W. 42 double mesquite 8" S. 15 E. 12 varas;

THENCE N. 89 deg. 45' W. 1871 varas to stone mound for the SW corner this 628 acre tract, and SE corner Clifton Wilson's 630 acre tract;

THENCE N. 1885 varas to the PLACE OF BEGINNING.

MOUNTAIN HOME SERIES, A SEPARATE SERIES OF EDPT INVESTMENTS, LLC, a Texas limited liability company

TRACT ONE

A parcel of land described in a warranty deed dated July 12, 2014, recorded December 19, 2014, in Volume 2065, Page 34, Official Public Records, Concho County, Texas, being more particularly described as follows;

BEING 727.546 acres in Concho County, Texas, out of the H. & T.C. Railroad Company Block 8, and containing approximately 638.836 acres out of Survey No. 45, Abstract No. 404, 88.608 acres out of Survey No. 35, Abstract No. 399, 0.096 acres out of the Sherman Conant Survey No. 46, Abstract No. 1261, and 0.006 acres out of the Sherman Conant Survey No. 36, Abstract No. 1264, and being out of those certain tracts described as 3116.673 acres and 1832.214 acres in deeds to Harlan Lary Priour and the Edna E. Priour Trust recorded in Volume 215, Page 13 and Volume 218, Page 79 of the Concho County Official Public Records, and said 727.546 acres being more particularly described by metes and bounds on Exhibit "A" attached hereto and made a part hereof for all purposes.

TRACT TWO

A parcel of land described in a warranty deed dated July 12, 2014, recorded December 19, 2014, in Volume 2065, Page 34, Official Public Records, Concho County, Texas, being more particularly described as follows;

BEING 362.509 acres in Concho County, Texas, containing approximately 52.317 acres out of the H. & T.C. Railroad Company Block 8 Survey No. 35, Abstract No. 399, and 310.192 acres out of said Block 8, Sherman Conant Survey No. 46, Abstract No. 1261, and being out of that certain parent tract described as 1832.214 acres in a deed to the Edna E. Priour recorded in Volume 218, Page 79 of the Concho County Official Public Records, and said 362.509 acres being more particularly described by metes and bounds on Exhibit "A" attached hereto and made a part hereof for all purposes.

TRACT THREE

BEING 16.583 acres in Concho County, Texas out of the H. & T.C. Railroad Company Block 8, and the Sherman Conant Survey No. 36, Abstract No. 1264, and being out of that certain parent tract described as 731.037 acres in a deed to Gary D. Priour recorded in Volume 265, Page 1, of the Concho County Official Public Records, and being described as follows:

BEGINNING at a calculated point in the road bed of County Road 2246 in the north line of said Block 8, the south line of that certain tract described as 2105.72 acres in a deed to Earl R. Bruno, et al, recorded in Volume 152, Page 37 of the Concho County Deed Records, and the common line of the H. & T.C. Railroad Company Survey No. 37, Abstract No. 400 and said Survey No. 36 for the N.W. corner of that certain tract described as 727.546 acres in a deed to Dalene P. Taylor recorded in Volume 165, Page 15 of said Official Public Records, the N.E. corner of said parent tract, and the N.E. corner hereof, from which a ½" steel stake found bears S 00°05'57" E a distance of 62.40 feet;

THENCE along the west line of said 727.546 acres, the east line of said parent tract, and the east line hereof S 00°05'57" E a distance of 4857.48 feet to a 1/2" steel stake found for a northerly corner of that certain tract described as 116.939 acres in a deed to Lary Priour recorded in Volume 266, Page 451 of said Official Public Records, and the most westerly S.W. corner of said 727.546 acres;

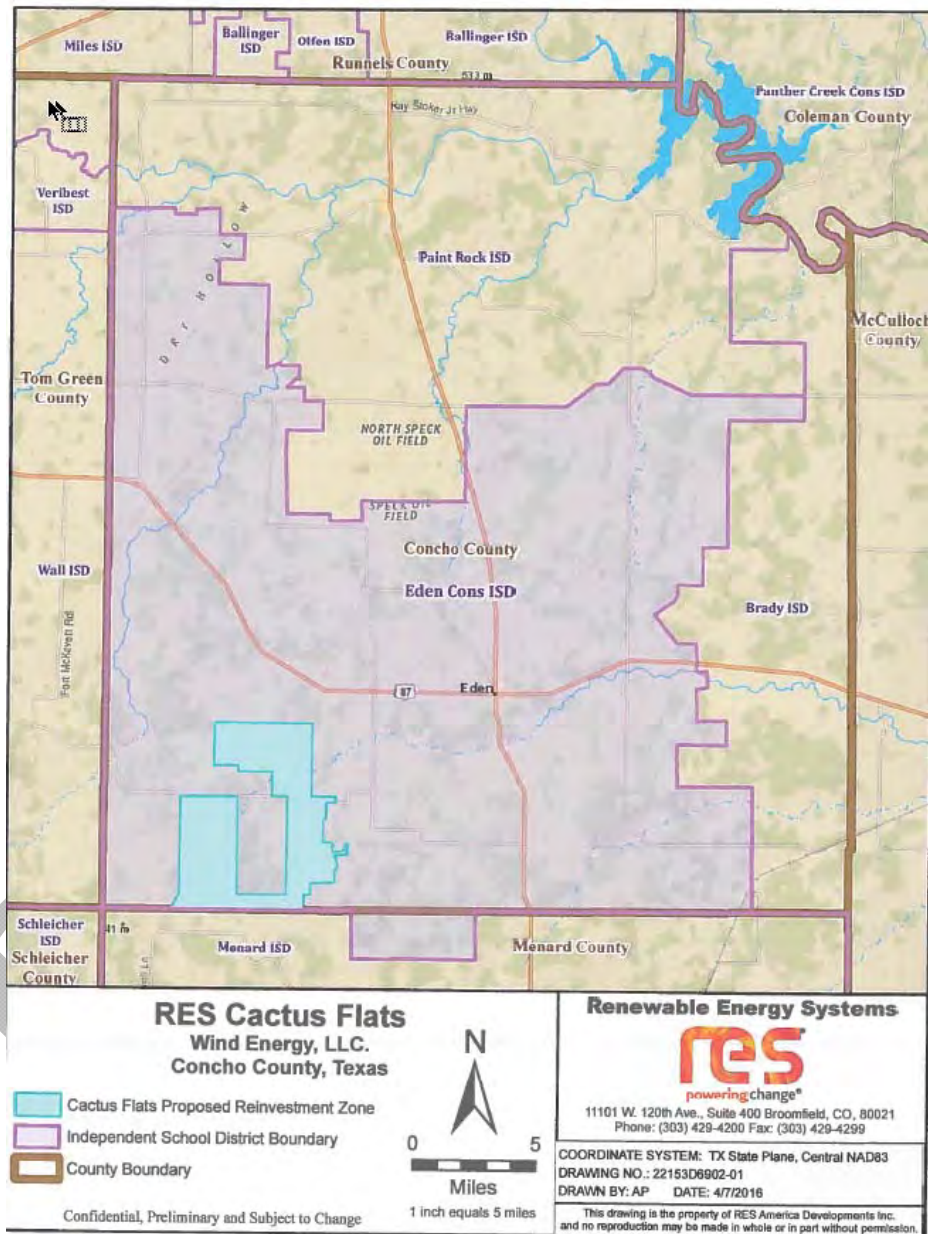
THENCE along a westerly line of said 116.939 acres, the east line of said parent tract, and the east line hereof S 00°00'00" E a distance of 121.90 feet to a punch mark on a large rock for a reentrant corner of said 116.939 acres, the S.E. corner of said parent tract, and the S.E. corner hereof;

THENCE along a northerly line of said 116.939 acres, the south line of said parent tract, and the south line hereof N 90°00'00" W a distance of 168.26 feet to a 3/8" steel stake found for the S.E. corner of a 714.454 acre partition tract of said parent tract, and the S.W. corner hereof;

THENCE along a fence for a division line of said parent tract for the east line of said 714.454 acres, and the west line hereof N 00°24'14" E a distance of 1130.71 feet to a 3/8" steel stake found,
N 00°27'40" E a distance of 1108.21 feet to a 3/8" steel stake found,
N 00°26'19" E a distance of 1013.58 feet to a 3/8" steel stake found,
N 00°31 '07" E a distance of 1054.88 feet to a 3/8" steel stake found, and
N 00°26'51" E a distance of 672.50 feet to a calculated point in the road bed of County Road 2246, the common line of said Surveys No. 36 and No. 37, the south line of said 2105.72 acres, the north line of said Block 8, and the north line of said parent tract for the N.E. corner of said 714.454 acres, and the N.W. corner hereof, from which a 1/2" steel stake found bears S 00°26'51" W a distance of 62.08 feet;

THENCE along the common line of said Surveys No. 36 and No. 37, the south line of said 2105.72 acres, the north line of said Block 8, the north line of said parent tract, and the north line hereof
S 89°50'05" E a distance of 120.42 feet to the POINT OF BEGINNING, having an area of 16.583 acres.

Map of Concho County Reinvestment Zone, Cactus Flats No. 1



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EXHIBIT 2

DESCRIPTION OF LAND

All Qualified Property owned by the Applicant is located within the boundaries of both the Eden Consolidated Independent School District and the Concho County Reinvestment Zone, Cactus Flats No. 1, and is located in an area more particularly described and depicted in **EXHIBIT 1**.

EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

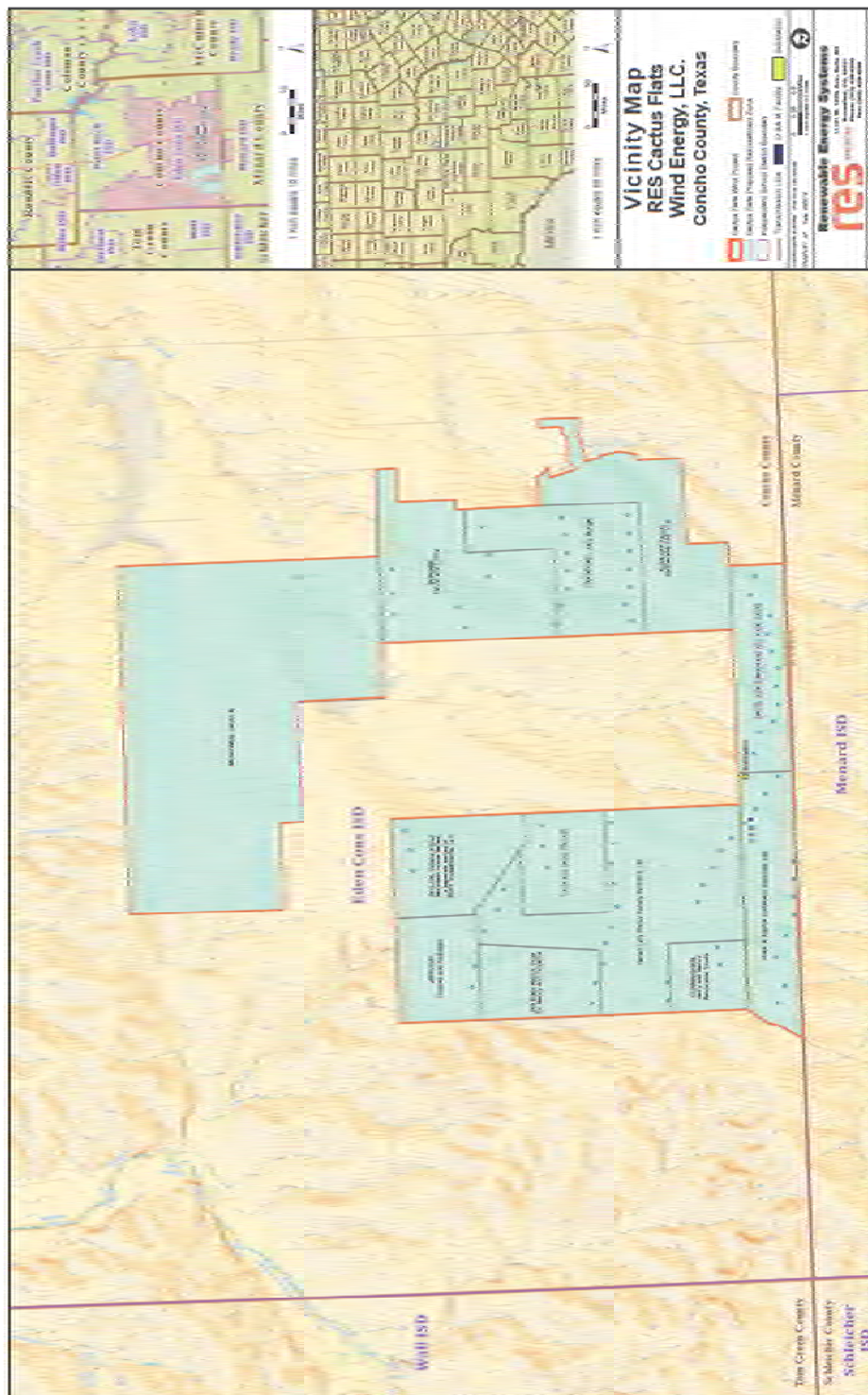
The Cactus Flats Wind Project ("Cactus Flats" or the "Project") is a proposed wind energy generation project located in Concho County, Texas. The Project is anticipated to consist of 43 to 75 wind turbines which when operational will be capable of generating up to 150 MW, depending on final turbine technology selection. Additional Project facilities will include a Project Operations and Maintenance Facility, a main project substation, and an approximate 2.5-mile transmission line to connect the project to the existing electrical grid.

The Project is situated in southwestern Concho County approximately 10 miles from the city of Eden. The Project area is comprised primarily of rangeland, utilized for grazing and hunting and is well suited for a wind farm. The project will be located on approximately 25,000 acres of private land which will be leased under a 30-year wind lease. The project is planned to be interconnected to AEP's 138kV system which intersects the southwest portion of the project area. A full suite of studies is underway to verify project viability including but not limited to environmental studies, cultural resource studies, biological studies, aviation studies, telecommunications studies and wind resource assessment studies and the Project is now in mid stages of development. The Project is anticipated to sell electricity into the Texas wholesale power market, and have an expected life exceeding 25 years. The project will include, but is not limited to, the following:

- Planned up to 150 MW-AC in size;
- Approximately 43 to 75 Wind Turbines;
- Underground Medium and high-voltage electric cabling;
- Project substation which will include a high-voltage transformer, switchgear, transmission equipment, telecommunications and SCADA equipment, among other things;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment, among other things;
- Meteorological equipment to measure weather conditions and wind speeds; and
- Associated equipment to safely operate, maintain and deliver electricity to the grid.

The map below shows the project area with the preliminary turbine, substation and transmission line locations.

MAP OF QUALIFIED INVESTMENT



Agreement for Limitation on Appraised Value
Between Eden Cisd and RES Cactus Flats Wind Energy, LLC
(App No. 1136), November 28, 2016
Exhibit 3

Texas Economic Development Act Agreement
Comptroller Form 50-826 (Jan 2016)

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

See **EXHIBIT 3**.

Draft

EXHIBIT 5

AGREEMENT SCHEDULE

	<u>Year of Agreement</u>	<u>Date of Appraisal</u>	<u>School Year</u>	<u>Tax Year</u>	<u>Summary Description</u>
Limitation Pre-Years	1	January 1, 2016	2016-17	2016	Limitation Pre-Year
	2	January 1, 2017	2017-18	2017	Limitation Pre-Year
Limitation Period (10 Years)	3	January 1, 2018	2018-19	2018	\$20 million appraisal limitation
	4	January 1, 2019	2019-20	2019	\$20 million appraisal limitation
	5	January 1, 2020	2020-21	2020	\$20 million appraisal limitation
	6	January 1, 2021	2021-22	2021	\$20 million appraisal limitation
	7	January 1, 2022	2022-23	2022	\$20 million appraisal limitation
	8	January 1, 2023	2023-24	2023	\$20 million appraisal limitation
	9	January 1, 2024	2024-25	2024	\$20 million appraisal limitation
	10	January 1, 2025	2025-26	2025	\$20 million appraisal limitation
	11	January 1, 2026	2026-27	2026	\$20 million appraisal limitation
	12	January 1, 2027	2027-28	2027	\$20 million appraisal limitation
Maintain a Viable Presence (5 Years)	13	January 1, 2028	2028-29	2028	No appraisal limitation; must maintain a viable presence
	14	January 1, 2029	2029-30	2029	No appraisal limitation; must maintain a viable presence
	15	January 1, 2030	2030-31	2030	No appraisal limitation; must maintain a viable presence
	16	January 1, 2031	2031-32	2031	No appraisal limitation; must maintain a viable presence
	17	January 1, 2032	2032-33	2032	No appraisal limitation; must maintain a viable presence

Agreement for Limitation on Appraised Value
 Between Eden CISD and RES Cactus Flats Wind Energy, LLC
 (App No. 1136), November 28, 2016
 Exhibit 5

Texas Economic Development Act Agreement
Comptroller Form 50-826 (Jan 2016)



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

November 7, 2016

Kent Coker
Superintendent
Eden Consolidated Independent School District
113 West Bryan
Eden, Texas 76937

Re: Agreement for Limitation on Appraised Value of Property for School District
Maintenance and Operations Taxes by and between Eden Consolidated
Independent School District and RES Cactus Flats Wind Energy, LLC,
Application 1136

Dear Superintendent Coker:

This office has been provided with the Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Eden Consolidated Independent School District and RES Cactus Flats Wind Energy, LLC (Agreement). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

Based on our review, this office concludes that it complies with the provisions of Tax Code, Chapter 313 and 34 TAC Chapter 9, Subchapter F.

Should you have any questions, please contact Michelle Luera with our office. She can be reached by email at michelle.luera@cpa.texas.gov or by phone at 1-800-531-5441, ext. 3-6053, or at 512-463-6053.

Sincerely,

Will Counihan
Director
Data Analysis & Transparency Division

cc: Fred Stormer, Underwood Law Firm, P.C.
Brian Evans, Renewable Energy Systems America Inc.
Sam Gregson, Cummings Westlake LLC

CUMMINGS WESTLAKE LLC

12837 Louetta Road, Suite 201 Cypress, Texas 77429-5611 713-266-4456 Fax: 713-266-2333

May 11, 2016

Mr. Kent Coker
Superintendent
Eden Consolidated Independent School District
113 West Bryan Street
Eden, TX 76837

Re: Chapter 313 Jobs Waiver Request

Dear Superintendent Coker,

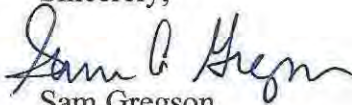
RES Cactus Flats Wind Energy, LLC requests that the Eden Consolidated Independent School District's Board of Trustees waive the job requirement provision as allowed by Section 313.025(f-1) of the Tax Code. This waiver would be based on the school district's board findings that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application.

RES Cactus Flats Wind Energy, LLC requests that the Board of Trustees make such a finding and waive the job creation requirement for 10 permanent jobs. In line with industry standards for job requirements, RES Cactus Flats Wind Energy, LLC has committed to create five total jobs for the project. In our initial request dated April 21, 2016, we indicated that three jobs would be in Eden CISD. This letter is to correct that statement to reflect that all five jobs will be in Eden CISD.

Wind projects create a large number of full and part-time, but temporary jobs during the construction phase of the project, but require a relatively small number of highly skilled technicians to operate and maintain the project after commercial operation commences.

The industry standard for employment is typically one full-time employee for approximately every 15 turbines. This number will vary depending on the operations and maintenance requirements of the turbines selected as well as the support and technical assistance offered by the turbine manufacturer. The permanent employees of a wind project maintain and service wind turbines, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. In addition to the onsite employees, there may be managers or technicians who support the project from offsite locations.

Sincerely,



Sam Gregson
Senior Consultant
Cummings Westlake, LLC



Eden Consolidated Independent School District

P. O. Box 988
Eden, Texas 76837-0988

(325) 869-4121
Fax: (325) 869-5210

October 25, 2016

Sam Gregson
Cummings Westlake LLC
12837 Louetta Rd, Suite 201
Cypress, TX 77429

*via email: sgregson@cwlp.net
and U.S. Mail*

Re: Request for Extension on Application of RES Cactus Flats Wind Energy, LLC
For an Agreement for Limitation on Appraised Value

Dear Mr. Gregson,

Please be advised that at a properly called meeting of the Eden Consolidated Independent School District Board of Trustees on October 24, 2016, the Board took action on the request for an extension to consider the application of RES Cactus Flats Wind Energy, LLC for an Agreement for Limitation Appraised Value with Lamesa ISD. The District approved the request, and has granted the extension for the maximum time allowed *i.e.*, December 31, 2016. *See* enclosed copy of the Resolution granting the extension. The Board's action will be reflected in the Minutes of this meeting.

If you have any further questions concerning your extension, please do not hesitate to contact me or Fred Stormer at the Underwood Law Firm. Thank you for your cooperation in this matter.

Sincerely,

Kent Coker, Superintendent

**RESOLUTION OF THE BOARD OF TRUSTEES
OF
EDEN CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**

The Board of Trustees of Eden Consolidated Independent School District ("the District") does hereby make the following resolution regarding a pending application by RES Cactus Flats Wind Energy, LLC ("Cactus Flats Wind") for an agreement for limitation on appraised value under Texas Tax Code, Chapter 313:

WHEREAS, on or about April 21, 2016, Cactus Flats Wind submitted to the District an application under Texas Code, Chapter 313 (the "Application") for an appraised value limitation agreement ("Agreement"); and

WHEREAS, on or about April 25, 2016, the Application was submitted to the Texas Comptroller; and,

WHEREAS, on or about June 3, 2016, the Texas Comptroller issued a letter deeming the Application complete, advising that it would move forward with its economic impact evaluation, and triggering the effective filing date of the Application; and

WHEREAS, Texas Tax Code §313.025(b) requires the Board approve or disapprove an application before the 151st day after the date the application is deemed complete by the Comptroller (the "Deadline"), unless the Comptroller's economic impact evaluation has not been received or an extension is agreed to by the Board and the Applicant; and,

WHEREAS, the Comptroller completed its economic impact analysis and issued its certificate for limitation on appraised value on August 9, 2016, and such certificate is contingent on the District approving and executing an Agreement by December 31, 2016; and,

WHEREAS, due to ongoing negotiations between the parties, it is likely the Agreement will not be approved by the Comptroller in time for the Board to issue its Findings of Fact and to approve and execute such an Agreement before the Deadline; and,

WHEREAS, on October 5, 2016, Cactus Flats Wind submitted a request to the District to extend the Deadline, a copy of which is attached here to as Exhibit "A."

NOW BE IT THEREFORE RESOLVED, that the statements contained in the preamble of this Resolution are true and correct and adopted as findings of fact and operative provisions hereof, and that it is in the District's best interest to extend the Deadline as requested, and

BE IT FURTHER RESOLVED, that Board of Trustees finds that it is in the best interest of the District to grant Cactus Flats Wind's request, and extend the Deadline for the maximum time allowed, *i.e.*, December 31, 2016, in order to complete negotiations and allow the Comptroller sufficient time to review and approve the Agreement of the parties; and,

BE IT FURTHER RESOLVED, the Superintendent is directed to provide notice to Cactus Flats Wind of the Board's decision to grant its request, and extend the Deadline until December 31, 2016.

Passed and approved by the Eden Consolidated Independent School District Board of Trustees on this 24th day of October, 2016.

Eden Consolidated Independent School District


By: ~~Vice~~ President of the Board of Trustees

KC

By: Secretary of the Board of Trustees

EXHIBIT A

CUMMINGS WESTLAKE LLC

12837 Louetta Road, Suite 201 Cypress, Texas 77429-5611 713-266-4456 Fax: 713-266-2333

October 5, 2016

Mr. Kent Coker, Superintendent
Eden CISD
113 West Bryan Street
Eden, TX 76937

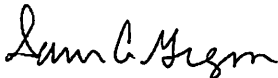
Re: Request for Extension to consider 313 Application

Dear Superintendent Coker,

Due to delays with the Comptroller's office, our recent receipt of the Certificate, and ongoing negotiations regarding the terms of the Limitation on Appraised Value Agreement (the "LAVA"), we do not believe that RES Cactus Flats Wind Energy, LLC and Eden CISD's Board of Trustees will have adequate time for consideration, approval, and execution of the LAVA within the 151 day deadline imposed by Texas Tax Code Chapter 313, Section 313.025(b). Accordingly, we ask that Eden CISD extend that deadline to December 31, 2016.

Thank you for your consideration.

Sincerely,



Sam A. Gregson
Consultant for
RES Cactus Flats Wind Energy, LLC