STATE OF TEXAS §
§
COUNTY OF REEVES §

SECOND AMENDED and RESTATED CHAPTER 381 ECONOMIC DEVELOPMENT AGREEMENT

between

REEVES COUNTY, TEXAS

and

STATELINE PROCESSING, LLC

This SECOND AMENDED AND RESTATED CHAPTER 381 ECONOMIC DEVELOPMENT AGREEMENT (the "AGREEMENT") is made, entered, and executed in duplicate originals by and between **REEVES COUNTY, TEXAS**, acting through its Commissioners Court ("COUNTY") and **STATELINE PROCESSING, LLC**, an Oklahoma limited liability company ("STATELINE PROCESSING"), as authorized by Chapter 381, TEXAS LOCAL GOVERNMENT CODE and is effective on October 10, 2017 (the "Effective Date") and is intended to supersede and replace all prior agreements of a similar nature between the Parties regarding the Eligible Property as defined herein.

WHEREAS, Article 3, Section 52A, Texas Constitution, authorizes the Legislature to enable cities and counties to implement programs for the public purposes of economic development under which counties may provide financial incentives for the purposes of stimulating local economic development and business and commercial activity in the COUNTY; and

WHEREAS, Section 381.004, TEXAS LOCAL GOVERNMENT CODE, authorizes the Commissioners Court of a county to establish and provide for the administration of one or more programs in order to stimulate business and commercial activity in the COUNTY, including programs for making loans and grants of public money to promote local economic development; and

WHEREAS, COUNTY has established a program of economic development for the purposes of creation and retention of jobs for the citizens of the COUNTY and region, to promote economic expansion, and to add to the tax base of the COUNTY; and

WHEREAS, COUNTY wishes to encourage STATELINE PROCESSING to select Reeves County as the site for the proposed Project by STATELINE PROCESSING and the STATELINE PROCESSING Affiliates (as defined below); and

WHEREAS, the proposed Project by STATELINE PROCESSING and the STATELINE PROCESSING Affiliates will result in new economic development in the COUNTY, including creating new jobs, increasing sales tax revenues to the COUNTY and increasing *ad valorem* taxes within the COUNTY; and

WHEREAS, the proposed Project by STATELINE PROCESSING and the STATELINE PROCESSING Affiliates will have a direct position and measurable economic benefit to the COUNTY; and

WHEREAS, the COUNTY recognizes the positive economic impact the proposed Project will have on the COUNTY and wishes to provide incentives to STATELINE PROCESSING to assist in the proposed Project by STATELINE PROCESSING and the STATELINE PROCESSING Affiliates, thereby contributing toward the further economic development and growth of the COUNTY; and

WHEREAS, the COUNTY finds that this AGREEMENT embodies an eligible "program" and clearly promotes economic development in Reeves County, Texas, and, as such, meets the requisites under Chapter 381 of the TEXAS LOCAL GOVERNMENT CODE and further is in the best interests of the COUNTY.

NOW, THEREFORE, for the mutual consideration set out below, the Parties hereto agree as follows:

I. AUTHORIZATION

COUNTY's execution and performance of this AGREEMENT is authorized by Section 381.004, TEXAS LOCAL GOVERNMENT CODE, and by the COUNTY's Chapter 381 Economic Development Policy, Guidelines and Criteria and constitutes the valid and binding obligation of the COUNTY from and after execution hereof by all Parties. STATELINE PROCESSING's execution and performance of this AGREEMENT has been duly authorized and constitutes the valid and binding obligation of STATELINE PROCESSING from and after execution hereof by all Parties.

II. DEFINITIONS

1. "*Ad Valorem* Taxes" means with respect to any property tax year, all *ad valorem* property taxes collected by the COUNTY on the Eligible Property for that tax year. For

the purposes of this AGREEMENT, *Ad Valorem* Taxes collected by the COUNTY shall not include penalties, interest, or attorneys' fees.

2. "Affiliate" of any specified person or entity means any other person or entity, which, (i) directly or indirectly, through one or more intermediaries, controls, or is controlled by, or (ii) is under direct or indirect common control with such specified person or entity. For the purposes of this definition, "control" when used with respect to any person or entity means (a) the ownership, directly or indirectly, of fifty percent (50%) or more of the voting securities of such person or entity; or (b) the right to direct the management and operations of such person or entity, directly or indirectly, whether through the ownership of (directly or indirectly) of securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

3. "Commercially Reasonable Efforts" means, as to a Party hereto, an undertaking by such Party to perform or satisfy an obligation or duty or otherwise act in a manner reasonably calculated to obtain the intended result by action or expenditure not disproportionate or unduly burdensome under the circumstances, which means, among other things, that such Party shall not be required to (i) expend funds other than for payment of the reasonable and customary costs and expenses of employees, contractors, counsel, consultants, representatives or agents of such Party in connection with the performance or satisfaction of such obligation, duty or other action or (ii) institute or settle any litigation or arbitration as a part of its reasonable efforts.

4. "Eligible Property" means the buildings, structures, fixed machinery and equipment, process units including all integral components necessary for operations, site improvements, infrastructure, and that office space and related fixed improvements necessary to the operations and administration of the Project. During the construction phase of the Eligible Property, STATELINE PROCESSING and/or the applicable STATELINE PROCESSING Affiliates may make such Change Orders to the Eligible Property as are reasonably necessary to accomplish its intended use.

5. "STATELINE PROCESSING Affiliates" means those Affiliates of STATELINE PROCESSING that own the portions of the Project and/or the Property that are not owned by STATELINE PROCESSING.

6. "Force Majeure" means an event or occurrence caused by (a) provisions of law, or the operation or effect of rules, regulations or orders promulgated by any governmental authority having jurisdiction over STATELINE PROCESSING, the applicable STATELINE PROCESSING Affiliates, or the Project; (b) any demand or requisition, arrest, order, request, directive, restraint or requirement of any government or governmental agency

whether federal, state, military, local or otherwise; (c) the action, judgment or decree of any court; (d) floods, storms, hurricanes, evacuation due to threats of hurricanes, lightning, earthquakes, washouts, high water, fires, acts of God or public enemies, wars (declared or undeclared), blockades, epidemics, riots or civil disturbances, insurrections, strikes, labor disputes (it being understood that nothing contained in this AGREEMENT shall require STATELINE PROCESSING or the applicable STATELINE PROCESSING Affiliates to settle any such strike or labor dispute), explosions, breakdown or failure of plant, machinery, equipment, lines of pipe or electric power lines (or unplanned or forced outages or shutdowns of the foregoing for inspections, repairs or maintenance), inability to obtain, renew or extend franchises, licenses or permits, loss, interruption, curtailment or failure to obtain electricity, gas, steam, water, wastewater disposal, waste disposal or other utilities or utility services, inability to obtain or failure of suppliers to deliver equipment, parts or material, or inability of STATELINE PROCESSING or the applicable STATELINE PROCESSING Affiliates to receive product into, or to ship or transport product out of their respective facilities; or (e) any other cause (except financial), whether similar or dissimilar, over which STATELINE PROCESSING or the applicable STATELINE PROCESSING Affiliate(s) have no reasonable control and which forbids or prevents performance.

7. "Parties" means collectively the COUNTY and STATELINE PROCESSING, and "Party" means the COUNTY or STATELINE PROCESSING, as the case may be.

8. "PILOT Payment" means the contractual payments in lieu of ad valorem taxes to be paid to the County Treasurer of Reeves County, Texas ("the County Treasurer") by STATELINE PROCESSING during the term of this Agreement in the amounts provided in Section III.6 of this Agreement.

9. "Project" means the new gas processing/manufacturing facility to be constructed by STATELINE PROCESSING, as described in Section III.1, below on the Property described in Exhibit A.

10. "Property" means the land on which the Project will be developed as described in the legal description and depicted on the plat attached hereto as Exhibit A.

11. "Term" means the period commencing on the Effective Date and ending on the Termination Date.

12. "Termination Date" means January 31, 2029.

III. STATELINE PROCESSING REPRESENTATIONS / OBLIGATIONS

STATELINE PROCESSING agrees as a condition of receiving the benefits of this AGREEMENT:

1. Project: To construct, and/or to cause the STATELINE PROCESSING Affiliates to construct the following new manufacturing cryogenic natural gas facility with a nameplate capacity of 400 MMCFD on the Property described on Exhibit "A" at the estimated construction costs set forth below:

i) Gas Plant $ 197 Million

2. Employment: To maintain from the date of completion of the Project until the Termination Date an employment level of not less than fifteen (15) full-time employees at the Project.

3. Relocation Stipend: STATELINE PROCESSING agrees to provide a Twenty Thousand-Dollar ($20,000) stipend (the "Relocation Stipend") to new or existing full-time employees who qualify for relocation, under the terms of any applicable relocation plan which may be administered by STATELINE PROCESSING or one of its' Affiliates, and who relocate within the corporate limits of the City of Pecos, Texas to work at the Project but only if they purchase and declare as homestead, real property valued at One Hundred and Twenty-Five Thousand Dollars ($125,000) or more. The maximum number of Relocation Stipends available under this AGREEMENT is ten (10) Relocation Stipends and shall not exceed Two Hundred Thousand Dollars ($200,000) in the aggregate. To be eligible to receive the Relocation Stipend, the employee is subject to, and must meet the qualifications of, the applicable relocation plan in effect at the time of the relocation and as may be amended from time to time. Employees who purchase mobile homes or modular homes are not eligible to receive the Relocation Stipend. The Relocation Stipend is available only to new or existing full-time employees who relocate within the corporate limits of the City of Pecos, Texas for a period of five (5) years commencing as of the Effective Date of this AGREEMENT.

4. Reporting and Inspection: To certify annually to the COUNTY that STATELINE PROCESSING is in compliance with each applicable term of the AGREEMENT within thirty (30) days after the end of each calendar year. Upon completion of the Project, the COUNTY JUDGE AND/OR COMMISSIONER'S COURT shall annually, upon prior written notice to STATELINE PROCESSING at least five (5) working days in advance, have access to the Project by COUNTY employees for inspection to ensure compliance with this AGREEMENT.

5. Local Sourcing: To make Commercially Reasonable Efforts, with respect to any contracts for the purchase of supplies and services in connection with construction of the Project that are let to bid after the Effective Date, to identify and ensure that qualified Reeves County vendors, suppliers and sub-contractors are given the opportunity to bid on such contracts.

6. PILOT Payments: To pay the initial PILOT Payment for the Project in the amount of Two Million Dollars ($2,000,000), as provided for in Exhibit B, to the COUNTY on or before June 30, 2018 (Paid 6/14/18), and each subsequent PILOT Payment will be paid to the County Treasurer in the tax years and in the amounts provided in Exhibit B.

IV. ABATEMENT AND TERM OF AGREEMENT

1. During the Term of this AGREEMENT, there shall be granted and allowed hereunder to STATELINE by the COUNTY, and any taxing districts for which the COUNTY by statute levies the *Ad Valorem* Taxes or approves the tax rate, a one hundred percent (100%) property tax abatement on the Eligible Property in consideration for the timely payment by STATELINE of the agreed PILOT Payments as calculated under Exhibit B; it being the parties' mutual intent that the payments to COUNTY of the agreed PILOT Payments calculated under Exhibit B result in a net effective sixty percent (60%) abatement over the time periods covered by the PILOT Payment schedule (the "Abatement"). The Abatement provided for in this AGREEMENT for the Project shall be effective on the January 1, 2019 tax valuation date, as authorized by Sec. 312.007 of the TEXAS TAX CODE and Section 381.004(g) of the TEXAS LOCAL GOVERNMENT CODE.

2. In no event shall the abatement period for the Project exceed a period of ten (10) years, in accordance with state law.

3. During the term of the Abatement, in lieu of the property taxes abated pursuant to the terms of this AGREEMENT, STATELINE PROCESSING shall pay to the COUNTY or the County Treasurer, as applicable and pursuant to Section III.6 above, each tax year a PILOT Payment in the amount set forth in the schedule of payment attached hereto as Exhibit B. Neither STATELINE PROCESSING nor its successors and assigns shall claim, demand, sue for or otherwise seek to recover any amounts paid to the COUNTY pursuant to this AGREEMENT; provided the foregoing shall in no event prevent STATELINE PROCESSING from exercising all of its rights and remedies (including contest of such appraised value and the taxable value so abated) with respect to the determination by the Chief Appraiser of the Reeves County Appraisal District of the Certified Appraised Value of the Eligible Property and the taxable value abated pursuant hereto.

4. The Chief Appraiser of the Reeves County Appraisal District shall annually determine (i) the taxable value of the Eligible Property pursuant to the abatement terms of this AGREEMENT; and (ii) the full taxable value of the Eligible Property without the abatement terms provided herein. The Chief Appraiser shall record both the abatement taxable value and full taxable value in the appraisal records. The full taxable value listed in the appraisal records shall be used to compute any recapture. Each year STATELINE PROCESSING shall furnish the Chief Appraiser with the information required by Chapter 22, TEXAS TAX CODE. Such information shall also be provided to the COUNTY in the preparation of its annual evaluation for compliance with this AGREEMENT. In the event a recapture of taxes is instituted under Section VI.4 of this AGREEMENT, the total of all payments made by STATELINE PROCESSING according to the schedule of payment attached hereto as Exhibit B and shall be credited as an offset against all tax payments sought to be recaptured by the COUNTY.

V. LIABILITY

1. No Assumption: By this AGREEMENT, STATELINE PROCESSING assumes no obligation, duty or other responsibility with regard to any governmental function or service for which the COUNTY is responsible that is not otherwise addressed by this AGREEMENT. In addition, STATELINE PROCESSING assumes no legal liability for the actions of the COUNTY through the execution of this AGREEMENT. The COUNTY individually assumes no obligation, duty or other responsibility with regard to any duty, right, obligation or responsibility associated with the Project for which STATELINE PROCESSING is responsible that is not otherwise addressed by this AGREEMENT. In addition, the COUNTY assumes no legal liability for the actions of STATELINE PROCESSING or its successors or assigns by virtue of its execution of this AGREEMENT.

2. Agents: Each Party to this AGREEMENT agrees that it shall have no liability for the actions or omissions of the employees, agents, directors, members, trustees or representatives of any other Party, and each Party is solely responsible for the actions and omissions of its own employees, agents, directors, members, trustees or representatives.

VI. DEFAULT

1. Events of Default: During the Term, the COUNTY may declare a default hereunder by STATELINE PROCESSING if STATELINE PROCESSING (i) fails to commence construction of the Project within one (1) year after the Effective Date, (ii) refuses or neglects to comply with any of the terms of this AGREEMENT, or (iii) if any representation made by STATELINE PROCESSING in this AGREEMENT is false or misleading in any material respect.

2. Notice and Cure: If the COUNTY declares STATELINE PROCESSING to be in default of this AGREEMENT, the COUNTY shall notify STATELINE PROCESSING in writing immediately upon such default, and if such default is not cured within sixty (60) days from the date of such notice (such sixty (60) day period, or such longer period as is provided for in this Section VI. 2 being referred to as the "Cure Period"), then this AGREEMENT may be terminated or modified; provided, however, that in the case of a default for causes beyond STATELINE PROCESSING's reasonable control which cannot with due diligence be cured within such sixty (60) day period, the Cure Period shall be deemed extended if STATELINE PROCESSING (i) shall immediately, upon the receipt of such notice, advise the COUNTY of STATELINE PROCESSING's intention to institute all steps necessary to cure such default and (ii) shall proceed to attempt to cure the alleged default.

3. Delinquent *Ad Valorem* Taxes: In the event STATELINE PROCESSING allows its *ad valorem* taxes on the Project owed to the COUNTY to become delinquent and fails to timely and properly follow the legal procedures for their protest and appeal, or if STATELINE PROCESSING materially violates any of the terms and conditions of this AGREEMENT and fails to cure during the Cure Period, this AGREEMENT may then be terminated.

4. Recapture: In the event STATELINE PROCESSING (i) allows its *Ad Valorem Taxes* on the Project to become delinquent or fails to timely and properly follow the legal procedures for the protest and appeal of the *Ad Valorem Taxes* on the Project or (ii) defaults under this AGREEMENT and fails to cure, this AGREEMENT may then be terminated. In the event of termination of the AGREEMENT pursuant to the provisions of this paragraph, all taxes previously abated by virtue of this AGREEMENT will be recaptured by the COUNTY and paid by STATELINE PROCESSING within sixty (60) days of termination, together with penalties and interest as required by the TEXAS TAX CODE, subject, however, to a credit commensurate to the amounts paid pursuant to Section III.6, and in accordance with the provisions of Section IV.5 of this AGREEMENT.

5. Termination: If after notice of default and failure to cure, the COUNTY terminates this Agreement, it shall provide STATELINE PROCESSING written notice of such termination. If STATELINE PROCESSING believes that such termination was improper, STATELINE PROCESSING may file suit in the Reeves County District Court appealing such termination within sixty (60) days after receipt from the COUNTY of written notice of the termination. If such a suit is filed, STATELINE PROCESSING shall remit to the COUNTY, within ninety (90) days after receipt of the notice of termination, any additional Ad *Valorem* Taxes as may be payable during the pendency of the litigation pursuant to the payment provisions of Section 42.08, TEXAS TAX CODE. If the final determination of the appeal increases STATELINE PROCESSING's tax liability above the amount of tax paid, STATELINE PROCESSING shall remit the additional tax to the COUNTY pursuant to Section 42.42, TEXAS TAX CODE. If the final determination of the appeal decreases STATELINE PROCESSING's tax liability, the COUNTY shall refund to STATELINE PROCESSING the difference between the amount of tax paid and the amount of tax for which STATELINE PROCESSING is liable pursuant to Section 42.43, TEXAS TAX CODE.

VII. NOTICE

Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing the same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate Party at the following addresses:

Notices to STATELINE PROCESSING shall be addressed to:

STATELINE PROCESSING, LLC
Attn: John Spillner, Sr. Manager, Property Tax
16211 La Cantera Parkway, Suite 202
San Antonio, TX 78256

(210) 634-1325 Telephone / Facsimile

With copies to (which shall not constitute notice):

STATELINE PROCESSING, LLC
ATTN: Legal Counsel

16211 La Cantera Parkway, Suite 202
San Antonio, TX 78256
(210) 298-2222 Telephone
(210) 298-2221 Facsimile

Notices to REEVES COUNTY shall be addressed to:

Honorable Leo Hung, County Judge
100 East Fourth Street, Suite 207
Pecos, TX 79772
Fax: (432) 445-5389

With copies to:

Greg Hudson
Hudson & O'Leary LLP
3006 Oakhurst Ave
Austin, TX 78703
Fax: (512) 480-0308

Either Party may change its address for receipt of notices under this AGREEMENT from time to time by delivering at least ten (10) days prior written notice of such change to the other Party in the manner prescribed above.

VIII. MISCELLANEOUS PROVISIONS

1. Disclaimer: Nothing herein shall confer upon any person, firm or other entity other than the Parties hereto any benefit or any legal or equitable right, remedy or claim under this AGREEMENT. All obligations hereunder of the Parties shall be binding upon their respective successors and assigns.

2. Amendments to Agreement; Waivers: This AGREEMENT may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties. Waiver of any term, condition or provision of this AGREEMENT by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition or provision, or a waiver of any other term, condition or provision of this AGREEMENT.

3. Approvals or Consents: Approvals or consents required or permitted to be given under this AGREEMENT shall be evidenced by an ordinance, resolution, or minute order adopted by the governing body or board of the appropriate Party or by a certificate executed by a person, firm or entity previously authorized to give such approval

or consent on behalf of a Party. Approvals and consents shall be effective without regard to whether given before or after the time required for giving such approvals or consents.

4. Assignment: STATELINE PROCESSING may assign this AGREEMENT in whole or in part to an Affiliate or a new owner or lessee of the Property or the Project, or any portion thereof, provided that STATELINE PROCESSING shall provide written notice of such assignment to the COUNTY. Upon such assignment, STATELINE PROCESSING's assignee will be liable to the COUNTY for outstanding taxes or other obligations arising under this AGREEMENT with respect to the applicable portion of the Property or the Project. The COUNTY shall not assign its rights or obligations under this Agreement to any other person or party.

5. Parties in Interest: This AGREEMENT shall be for the sole and exclusive benefit of the Parties hereto and shall not be construed to confer any rights upon any third parties.

6. Supplementation: In the event any further documentation or information is required for this AGREEMENT to be valid, then the Parties to this AGREEMENT shall provide or cause to be provided such documentation or information. The Parties shall execute and deliver such documentation, including but not limited to any amendments, corrections, deletions or additions as necessary to this AGREEMENT provided however that the Parties shall not be required to do anything that has the effect of changing the essential economic terms of this AGREEMENT or imposing greater liability on the Parties. The Parties further agree that they shall do anything necessary to comply with any requirements to enable the full effect of this AGREEMENT; provided, however, that the Parties shall not be required to do anything that has the effect of changing the essential economic terms of this AGREEMENT or imposing greater liability on the Parties.

7. 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.

8. Governing Law: This AGREEMENT and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in Reeves County, Texas.

9. Authorization: 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.

10. 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 a mutually acceptable manner so as to affect the original intent of the Parties as closely as possible to the end that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section VIII.10, 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.

11. Payment of Expenses: After the Effective Date of this AGREEMENT, STATELINE PROCESSING agrees to reimburse the COUNTY for its reasonable legal fees and expenses incurred in connection with the negotiation and preparation of this AGREEMENT, within thirty (30) days of the receipt of an invoice for such amounts up to a maximum of seven thousand five hundred dollars ($7,500). Except the foregoing reimbursement provision, or as covered by the application fee, (i) 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, and (ii) in the event of a dispute between the Parties in connection with this AGREEMENT, the prevailing Party in the resolution of any such dispute, whether by litigation or otherwise, shall be entitled to full recovery of all attorneys' fees (including a reasonable hourly fee for in-house legal counsel), costs and expenses incurred in connection therewith, including costs of court, from the non-prevailing Party to the extent allowed by law.

12. Force Majeure: In the event either Party is rendered unable, wholly or in part, by Force Majeure to carry out any of its obligations under this AGREEMENT, except the obligation to pay amounts owed or required to be paid pursuant to the terms of this AGREEMENT, then the obligations of such Party, to the extent affected by such Force Majeure and to the extent that due diligence is being used to resume performance

at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. As soon as reasonably possible after the occurrence of the Force Majeure relied upon, the Party whose contractual obligations are affected thereby shall give notice and full particulars of such Force Majeure to the other Party. Such cause, as far as possible, shall be remedied with all reasonable diligence.

13. Interpretation: When a reference is made in this AGREEMENT to a Section, Article or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this AGREEMENT unless otherwise indicated. The headings contained in this AGREEMENT are for reference purposes only and shall not affect in any way the meaning or interpretation of this AGREEMENT. The words "include," "includes" and "including" when used in this AGREEMENT shall be deemed in such case to be followed by the phrase "but not limited to" words used in this AGREEMENT, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require. This AGREEMENT is the joint product of the Parties and each provision of this AGREEMENT has been subject to the mutual consultation, negotiation and agreement of each Party and shall not be construed for or against any Party.

14. 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.

15. Waiver: Failure of any Party hereto to insist on the strict performance of any of the agreements herein or to exercise any rights or remedies accruing thereunder upon default or failure of performance shall not be considered a waiver of the right to insist on and to enforce by an appropriate remedy, strict compliance with any other obligation hereunder to exercise any right or remedy occurring as a result of any future default or failure of performance.

16. Governmental Immunity; Consent to Suit: Nothing in this AGREEMENT shall constitute a waiver by the COUNTY of its governmental or sovereign immunity. Nothing in this AGREEMENT shall be construed as express or implied consent by the COUNTY to being sued.

Executed in duplicate this the 17th day of June, 2020 but effective for all purposes as of the Effective Date.

REEVES COUNTY:

Judge Leo Hung
Reeves County Judge

STATELINE PROCESSING, LLC:

Scott Archer
SVP / CFO

EXHIBIT A

Property Description

PROPERTY DESCRIPTION
SOUTH PART OF SURVEY 4, BLOCK 56, TOWNSHIP 2,
T. & P. RAILWAY CO. SURVEYS, REEVES COUNTY, TEXAS

March 25, 2017

Being the description of 325.534 acres of land known at the south part of the East 12 and the West 12 of Survey 4, Block 56, Township 2, Texas and Pacific Railway Surveys, Reeves County, Texas. Said land also being all of said Survey 4 lying south of the Pecos River, and is more particularly described by metes and bounds as follows:

BEGINNING AT A 518" IRON ROD WITH AN ALUMINUM CAP, set at the common corner of Surveys 3, 4,9 & 10, said Block Township 2, for the southeast and beginning corner of this parcel. Said corner having a value of ✓=1 Oi660,843.49 ft., E=-1,202,994.21 ft., in the Texas Coordinate System, Central Zone, NAD83 datum;

THENCE North 02 ° 3339" East with the common boundary of said Surveys 3 and 4,

5007.14 feet, to a point in the center of the Pecos River bed, on the common boundary of Loving and Reeves counties for the northeast corner of this parcel;

THENCE with the meanders of the bed of the Pecos River and the Loving-Reeves counties boundary, the following courses and distances:

South 75 °29 '04" west, 196.31 feet,

South 70 °2458" West 222.06 feet,

South 59040143" West, 312.45 feet,

South 35 ° 3251" West, 290,05feet

South 50 ° 31,West, 270.69 feet)

South 39 ° 0501" West, 124.02 feet,

South 1404847" West, 750.44 feet,

South 25° 2741" West, 248.78 feet,

South 65 °3809" West, 244.86 feet,

South 79034146" West, 125.90 feet,

South 42 ° 57'33" West, 170.03 feet,

South 37 °1532" West, 568.25 feet,

South 23 °20 104" West, 80.08 feet,

South 44025'1 West,416.95feet,

South 38 °06'25'T West, 202.20 feet*

South 85 °3334" West, 384.54 feet,

South 79 ° 30 116" West, 180.80 feet,

Non h 86 ° 34'20" West 311 r 18 feet,

North 67°10 149" West, 325.46 feet,

South 81°53 133" West, 166.69 feet,

North 87 ° 27 117" West, 252.83 feet,

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South 78 °2304" West, 347.26 feet,

North 85044'46'1 West, 218.10 feet,

South 72 °09 143"West,135.16 feet,

South 34° 50'35" West, 307.11 feet,

South 23°26 119 1'West,298.24 feet,

South 18°2826"West,250.78feet,

South 01 °2215" East, 347.60 feet,

South 11 West, 232 17 feet,

South 02°30 113" East, 105.06 feet,

South 11°49 137" East, 196.69 feet,

South 05 ° 04'36" West, 116.14 feet,

THENCE continuing South 29 °56 '03" West, 112.47 feet, to a point where the River crosses the common boundary of said Survey 4 and Survey 9y said Block 56, Township

2, for the southwest corner of this parcel;

THENCE South 88° 12'53" East, with the common boundary of said surveys 4 and 9, at feet, pass a 5/8" iron rod with an aluminum cap set at the south corner of the East 1/2 and the West 1/2 of said Survey 4, continuing for a total distance of 5166.58 feet, to the POINT OF BEGINNING.

CONTAINING 325.534 ACRES OF LAND (SURFACE AREA)

EXHIBIT B

PILOT Payment Calculation Schedule

Tax Year	PILOT Payment Amount	PILOT Payment Date
	$2,000,000 Paid 6/14/18	
2019	[((AV*TR)*.40)-$200,000]	1/31/2020
2020	[((AV*TR)*.40)-$200,000]	1/31/2021
2021	[((AV*TR)*.40)-$200,000]	1/31/2022
2022	[((AV*TR)*.40)-$200,000]	1/31/2023
2023	[((AV*TR)*.40)-$200,000]	1/31/2024
2024	[((AV*TR)*.40)-$200,000]	1/31/2025
2025	[((AV*TR)*.40)-$200,000]	1/31/2026
2026	[((AV*TR)*.40)-$200,000]	1/31/2027
2027	[((AV*TR)*.40)-$200,000]	1/31/2028
2028	[((AV*TR)*.40)-$200,000]	1/31/2029

AV = Appraised Value
TR = Tax Rate