Tax Abatement Agreement
between
Callahan County, Texas and KC Wind, LLC

FILED FOR RECORD
AT 1135 A
County Clerk, Callahan County, TX

State of Texas

County of Callahan

This Tax Abatement Agreement (this "**Agreement**") is made and entered into by and between Callahan County, Texas (the "**County**"), acting through its duly elected officers, and KC Wind, LLC, a Delaware limited liability company, owner of Eligible Property (as defined below) to be located on a portion of the tract of land comprising the Kaiser Creek Reinvestment Zone, more specifically described in Attachment A to this Agreement, and this Agreement becomes effective upon final signature by both parties (the "**Effective Date**"). This Agreement remains in effect until fulfillment of the obligations described in Section IV herein, unless terminated earlier as provided herein.

Recitals

WHEREAS, the County indicated its election to be eligible to participate in tax abatements in a resolution dated April 17, 2017, and established the Callahan County Tax Abatement Guidelines and Criteria (the "**Guidelines**") in a resolution dated April 17, 2017;

WHEREAS, the Commissioners Court of Callahan County, Texas (the "**County Commissioners Court**") desires to promote economic development within its jurisdiction as authorized by the Property Redevelopment and Tax Abatement Act, as amended (Texas Tax Code § 312.001, *et seq.*), and the Guidelines;

WHEREAS, on May 8, 2017, a hearing before the County Commissioners Court was held, such date being at least seven (7) days after the date of publication of the notice of such public hearing in the local newspaper of general circulation in the County and the delivery of written notice to the respective presiding officers of each taxing entity that includes within its boundaries real property that is to be included in the proposed Reinvestment Zone (as defined below);

WHEREAS, the County Commissioners Court, after conducting a hearing, having heard evidence and testimony, and prior to considering this Agreement, found, based on the evidence and testimony presented to it, the Reinvestment Zone met the criteria set forth in Chapter 312 of the Texas Tax Code for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, in that it was reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract investment in the zone that would be a benefit to the property and contribute to the economic development of the County, and that the entire tract of land was located entirely within an unincorporated area of the County;

WHEREAS, entering into this Agreement will serve the best interests of the County and its citizens and comply with the Guidelines by:

A. enhancing and diversifying the economic and industrial bases of the County;

B. contributing to the retention and expansion of primary employment; and

C. attracting major investment that will be of benefit to and contribute to the economic development of the County;

WHEREAS, the contemplated use of the Site (as defined below) and the contemplated Improvements (as defined below) as set forth in this Agreement, and the other terms of this Agreement will encourage development of the Reinvestment Zone, are in accordance with the purposes for its creation, and are in compliance with the Guidelines and all applicable laws;

WHEREAS, Owner's (as defined below) use of the Site is expected to favorably influence the economic and employment base of the County;

WHEREAS, the County finds that the Improvements sought are feasible and practical and will be of benefit to the real property located in the Reinvestment Zone, to the Site, and to the County after expiration of this Agreement;

WHEREAS, the County finds that the terms of this Agreement and the proposed Improvements and Eligible Property subject to this Agreement meet the Guidelines;

WHEREAS, a copy of this Agreement has been furnished, in the manner prescribed by law, to the presiding officers of the governing bodies of each of the taxing units in which the property subject to this Agreement is located; and

NOW, THEREFORE, in consideration of these premises, the promises, mutual covenants, and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the County and Owner agree as follows:

I. Authorization

This Agreement is authorized and governed by Chapter 312 of the Texas Tax Code, as amended, and by the Guidelines.

II. Definitions

As used in this Agreement, the following terms shall have the meaning set forth below:

A. "**Abatement**" means the full or partial exemption from ad valorem taxes on property in a Reinvestment Zone as provided herein and in no event can the duration of the Abatement period exceed 10 years.

B. "**Base Year**" means the Calendar Year in which the Effective Date occurs.

C. "**Calendar Year**" means each year beginning on January 1 and ending on December 31.

D. "**Certificate**" means a letter, provided by Owner to the County, certifying that the Project has achieved Commercial Operations, outlining the Improvements and stipulating the overall Turbine Nameplate Capacity of the Project. Upon receipt of the Certificate, the County may inspect the property in accordance with this Agreement to determine that the Improvements are in place as certified. If the Certificate indicates that certain ancillary facilities not required for Commercial Operations are still under construction on the date that the Certificate is delivered, Owner will deliver an amended Certificate to the County within thirty (30) days after all Project construction is complete.

E. "**Certified Appraised Value**" means the appraised value, for property tax purposes, of the property within the Reinvestment Zone as certified by the Callahan County Appraisal District (the "**Appraisal District**") for each taxable year.

F. "**COD**" means the date that the Project commences Commercial Operations.

G. "**Commercial Operations**" means that the Project has become commercially operational and placed into service for the purpose of generating electricity for sale on one or more commercial markets.

H. "**Eligible Property**" means property eligible for Abatement under the Guidelines, including: new, expanded or modernized buildings and structures; fixed machinery and equipment; Site improvements; related fixed improvements; other tangible items necessary to the operation and administration of the Project or facility; and all other real and tangible personal property permitted by Chapter 312 of the Texas Tax Code and the Guidelines. Taxes on Real Property may be abated only to the extent the property's value for a given year exceeds its value for the year in which this Agreement is executed. Tangible personal property located on the Real Property at any time before the period covered by this Agreement is not eligible for Abatement. Tangible personal property eligible for Abatement shall not include inventory or supplies.

I. "**Force Majeure**" includes events not reasonably within the control of the party whose performance is sought to be excused thereby, including the following causes and events (to the extent such causes and events are not reasonably within the control of the party claiming suspension): acts of God and the public enemy; strikes; lockouts or other industrial disturbances; inability to obtain material or equipment or labor due to an event that meets the definition of Force Majeure; wars; blockades; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; storms; floods; high water washouts; inclement weather; arrests and restraint of rulers and people; interruptions by government or court orders; present or future orders of any regulatory body; civil disturbances; explosions; or any other event that is beyond the reasonable control of the party claiming Force Majeure.

J. "**Improvements**" means Eligible Property meeting the definition for improvements provided by Chapter 1 of the Texas Tax Code and includes, but is not limited to, any building, structure, or fixture erected on or affixed to the land. Improvements specifically include Owner's fixed machinery, equipment and process units that may consist of substations and switching stations, underground and overhead electrical distribution and transmission facilities, wind powered turbines, transformers, appurtenant electric equipment, communication cable, data collection facilities, anemometer towers to be installed, added, upgraded, or used on the Property by or for Owner and located in the County.

K. "**Owner**" means KC Wind, LLC, the entity that owns or leases the Real Property for which Abatement is being granted, and any assignee or successor in interest of KC Wind, LLC. The term "KC Wind, LLC" means and includes Owner.

L. "**Payments In Lieu of Taxes**" means the payments to be made by Owner to the County described in Section IV(D) of this Agreement.

M. "**Project**" means the construction and operation of the Improvements on the Site as set forth in this Agreement.

N. "**Real Property**" means Eligible Property meeting the description for real property provided by Chapter 1 of the Texas Tax Code.

O. "**Reinvestment Zone**" means the reinvestment zone as that term is defined in Chapter 312 of the Texas Tax Code, created by the County by the resolution described in the Recitals, duly passed by the County Commissioners Court and referred to as the Kaiser Creek Reinvestment Zone, more specifically described in Attachment A to this Agreement. The fact that the designation of the Reinvestment Zone may expire before this Agreement shall not affect the terms and condition of this Agreement.

P. "**Site**" means the portion of the Reinvestment Zone on which Owner makes the Improvements for which the Abatement is granted hereunder and which is shown on Attachment A-1. Upon completion of construction of the Improvements, the parties agree to amend Attachment A-1 to include the as-built Improvements within the Site to the extent such Improvements are not included therein.

Q. "**Turbine Nameplate Capacity**" means the generating capacity of an individual wind turbine (in megawatts) as designated by the manufacturer(s) of the turbines to be constructed as Improvements hereunder and where appropriate may refer to the total or overall generating capacity.

III. Improvements in Reinvestment Zone

Owner agrees to make the following Improvements in consideration for the Abatement set forth in Section IV of this Agreement:

A. Owner agrees to use commercially reasonable efforts to construct Improvements on the Site consisting of a wind power facility of a minimum Turbine Nameplate

Capacity of ninety (90) megawatts, which is 90% of the currently anticipated capacity of approximately one hundred (100) megawatts of overall Turbine Nameplate Capacity located in the Reinvestment Zone. It is anticipated that Owner will make a capital investment of approximately one hundred thirty million dollars ($130,000,000). The Certified Appraised Value will depend upon annual appraisals by the Appraisal District and may be more than or less than the amount stated herein. The number of turbines will vary depending on the types of turbines used and the size of the wind power facility, but the Abatement of the County in this Agreement shall be based upon the overall Turbine Nameplate Capacity of the Project not being less than the minimum stated above nor greater than 110% of the anticipated capacity, unless approved in writing by the County.

B. Improvements also shall include any other property on the Site meeting the definition of "Eligible Property" that is used to produce wind power and perform other functions related to the production, distribution and transmission of electric power. The County agrees, without limitation, that the wind turbines, towers, transmission lines, substations, and other related materials and equipment affixed to the land will constitute Improvements under this Agreement.

C. Owner agrees that the Project, if built, shall achieve Commercial Operations on or before December 31, 2020. If Owner has not achieved Commercial Operations on or before December 31, 2020, and Owner has notified County in writing that it does not intend to pursue the Project to Commercial Operations, then this Agreement shall terminate and neither Owner nor County shall be in default as provided for in Section VII below.

IV. Term and Portion of Tax Abatement; Taxability of Property

A. The County and Owner specifically agree and acknowledge that the property on the Site within the Reinvestment Zone shall be taxable in the following ways before and during the Term of this Agreement:

1. Property not eligible for Abatement, if any, shall be fully taxable at all times;

2. The Certified Appraised Value of property existing on the Site prior to execution of this Agreement shall not be subject to this Agreement and be fully taxable at all times;

3. Prior to commencement of the Abatement period designated in Section IV(B), 100% of property taxes levied on the Certified Appraised Value of real and personal property of Owner located on the Site will be owed and payable by Owner;

4. All County property taxes on the Certified Appraised Value of Eligible Property shall be abated for the periods and in the amounts as provided for by Section IV(B) below; and

5. 100% of the Certified Appraised Value of Eligible Property existing on the Site shall be fully taxable after expiration of the Abatement period designated in Section IV(B), including the remainder of the Term.

B. The County and Owner specifically agree and acknowledge that this Agreement shall provide for tax Abatement, under the conditions set forth herein, of all County property taxes as follows:

1. Beginning with the year after the year in which the COD occurs, and ending upon the conclusion of ten (10) full calendar years thereafter, the Abatement percentage of value of Eligible Property to be abated each year is 100%.

2. The percentage of property taxes set forth in Section IV(B)(1) above on the Certified Appraised Value of all Improvements described in the Certificate (and actually in place on the Site) is abated in the respective period designated in Section IV(B)(1) above.

3. The percentage of property taxes set forth in Section IV(B)(1) above on the Certified Appraised Value of any and all otherwise taxable personal property owned by Owner and located on the Site is abated in the respective period designated in Section IV(B)(1) above.

4. As of January 1 of the Base Year, the value for the proposed Improvements is zero.

5. The Abatement granted under this Agreement shall commence upon January 1 of the year after the year in which the COD occurs and shall expire at the end of the tenth (10th) Calendar Year thereafter. Owner shall provide the Certificate in writing both to the County and to the Appraisal District within sixty (60) days of the COD. The Certificate shall describe any ancillary facilities not required for Commercial Operations that are still under construction on the date that the Certificate is delivered, and if the Certificate indicates any such facilities exist, Owner will deliver an amended Certificate to the County and to the Appraisal District within thirty (30) days after the construction of all Improvements is complete. Such ancillary facilities, once completed, shall become part of the Improvements eligible for the Abatement under this Agreement.

6. Notwithstanding any statement or implication in this Agreement to the contrary, the parties agree that the Abatement granted hereby shall not extend beyond ten (10) Calendar Years.

C. A portion or all of the Improvements may be eligible for complete or partial exemption from ad valorem taxes as a result of existing law or future legislation. This Agreement is not to be construed as evidence that no such exemptions shall apply to the Improvements.

D. As additional consideration for this Abatement, Owner agrees to make an annual Payment in Lieu of Taxes to the County of two thousand dollars ($2,000.00) per megawatt of Turbine Nameplate Capacity included in the Certificate (and actually in place in the Reinvestment Zone) during the ten (10) Calendar Years the Abatement is in effect. The first such payment shall be due and payable on October 1 of the year following the COD, being the first year of the Abatement, and delinquent if not paid on or before January 31 of the following year, with the remaining nine (9) payments due and payable annually on or before October 1 thereafter and delinquent if not paid on or before the immediately following January 31. Past due amounts shall be subject to any and all statutory interest and penalties applicable to the payment and collection of taxes as provided in the Texas Tax Code.

E. Owner agrees that the Improvements described in Section III, once constructed, will remain in place until at least twenty (20) Calendar Years after the COD ("**Term**"); provided that nothing herein prevents Owner from replacing equipment or fixtures comprising the Improvements prior to that date, as long as such replacement does not result in a reduction of the Certified Appraised Value of the Improvements. [In the event that Owner removes Improvements (comprising in the aggregate not more than 10% of all Improvements), Owner's removal shall not be deemed a default under this Agreement if Owner pays to the County as liquidated damages for such removal from the Abatement in this Agreement, within thirty (30) days after demand, all taxes for such removed Improvements (which otherwise would have been paid to the County without benefit of a tax Abatement) with interest at the statutory rate under the Texas Tax Code, as amended, but without penalty. IN THE EVENT OF A BREACH OF THIS SECTION IV(E), THE SOLE REMEDY OF THE COUNTY, AND OWNER'S SOLE LIABILITY, WILL BE FOR OWNER TO PAY TO THE COUNTY THE FULL AMOUNT OF ACTUAL TAXES ABATED AT ANY TIME UNDER THIS AGREEMENT ON THE REMOVED IMPROVEMENTS, LESS ANY PAYMENTS IN LIEU OF TAXES REMITTED WITH RESPECT TO THE REMOVED IMPROVEMENTS. IN THE EVENT OF A BREACH OF THIS SECTION IV(E), ANY TAXES DUE BY OWNER SHALL BE SUBJECT TO ANY AND ALL STATUTORY RIGHTS FOR THE PAYMENT AND COLLECTION OF TAXES IN ACCORDANCE WITH THE TEXAS TAX CODE.

V. Representations

The County and Owner make the following respective representations:

A. Owner represents and agrees that (i) Owner, its successors and/or assigns, will have a taxable interest with respect to Improvements to be placed on the Site; (ii) construction of the proposed Improvements described in Section III will be performed by Owner, its successors and/or assigns and/or their contractors or subcontractors; (iii) Owner's and its successors' and assigns' use of the property in the Reinvestment Zone will be limited to the use described in this Agreement during the Term; (iv) all representations made in this Agreement and in the Application for Abatement, if any, are true and correct in all material respects to the best of Owner's knowledge; (v) Owner will make required filings, if any, by Owner with the Office of the Comptroller of Public Accounts and other governmental entities concerning this

Agreement that may be required in the future; and (vi) the Project will not be constructed without first obtaining all necessary local, state and federal environmental and construction permits, and Owner will abide by all conditions of the permits and all laws, ordinances, rules and regulations governing the construction and operation of the Project throughout its economic life.

B. The County represents that (i) the County has formally elected to be eligible to grant property tax abatements under Chapter 312 of the Tax Code; (ii) the Reinvestment Zone and this Agreement have been created in accordance with Chapter 312 of the Texas Tax Code and the Guidelines as both exist on the Effective Date of this Agreement; (iii) as applicable, (a) no interest in the Improvements or the land on which they are located is held or subleased by a member of the County Commissioners Court, or (b) any member of the County Commissioners Court that has a potential economic or financial interest in the Improvements or the land on which the Improvements are located has abstained from any vote or decision regarding this Agreement; (iv) the property within the Reinvestment Zone is located within the legal boundaries of the County and outside the boundaries of all municipalities located in the County; and (v) the County has made and will continue to make all required filings with the Office of the Comptroller of Public Accounts and other governmental entities concerning the Reinvestment Zone and this Agreement.

C. At least twenty-four (24) hours prior to Owner issuing any press release relating to the Project, Owner shall make a good faith effort to email or fax a copy of such press release to the County. To the extent allowed by law, the County shall maintain the confidentiality of any press release and shall not disclose any information in the press release until such time as such information is made public by Owner.

D. Within sixty (60) days of the receipt of written notice, Owner will reimburse the County for all reasonable legal fees and expenses, directly or indirectly incurred by the County in entering into and/or modifying this Agreement.

VI. Access to and Inspection of Property by County Employees

A. Owner shall allow the County's employees access to the Improvements for the purpose of inspecting any Improvements erected to ensure that the same are conforming to the minimum specifications of this Agreement and to ensure that all terms and conditions of this Agreement are being met. All such inspections shall be made only after giving Owner twenty-four (24) hours' notice and shall be conducted in such a manner as to avoid any unreasonable interference with the construction and/or operation of the Improvements. All such inspections shall be made with one (1) or more representatives of Owner in accordance with all applicable safety standards.

B. Owner shall, on or before March 31 of each Calendar Year starting with the first Calendar Year beginning after Owner delivers the Certificate, certify annually to the County its compliance with this Agreement by providing written testament to the same to the County Judge using the form attached hereto as Attachment C.

VII. Default, Remedies and Limitation of Liability

A. The County may declare a default if Owner breaches any material term or condition of this Agreement. If the County declares a default of this Agreement, this Agreement shall terminate, after notice and opportunity to cure as provided for below, or the County may modify this Agreement upon mutual agreement with Owner. If Owner believes that such termination was improper, Owner may file suit in the proper court challenging such termination. In the event of default, the County may pursue the remedies provided for in Section VII(C) below or the preceding Section IV(E), as applicable. The County shall not declare a default, and no default will be deemed to have occurred, when the circumstances giving rise to such declaration are the result of Force Majeure. Notwithstanding any other provision of this Agreement to the contrary, in the event a party is rendered unable, wholly or in part, by Force Majeure to carry out its obligations under this Agreement (other than any obligation to make payment of any amount when due and payable hereunder), the obligation of such party, so far as it is affected by such Force Majeure, shall be suspended during the continuance of any condition or event of Force Majeure, but for no longer period, and such condition or event shall so far as possible be remedied with all reasonable dispatch. The party prevented or hindered from performing shall give prompt (but in no event later than twenty (20) business days after the occurrence of such event) notice and reasonably full particulars of such event to the other party and shall take all reasonable actions within its power to remove the basis for nonperformance (including securing alternative supply sources) and after doing so shall resume performance as soon as possible. The settlement of strikes or lockouts or resolution of differences with workers shall be entirely within the discretion of the affected party, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes, lockouts or differences by acceding to the demands of the opposing party in such strike, lockout or difference when such course is inadvisable in the reasonably exercised discretion of the affected party.

B. The County shall notify Owner and any lender for which Owner has provided contact information to the County of any default in writing in the manner prescribed herein. All contact information for purposes of a notice of default shall be provided to the County Judge. The notice shall specify the basis for the declaration of default, and Owner shall have sixty (60) days from the date of such notice to cure any default, except that where the default is incapable of being cured within sixty (60) days using reasonable business efforts, Owner shall commence performance of the cure within thirty (30) days after receipt of notice and diligently pursue those efforts until the default is cured. Any lender of which the County has notice shall maintain the right to cure any defect, including any defect caused by an assignee or contractor of Owner during the same cure period identified in the foregoing sentence.

C. As required by section 312.205 of the Texas Tax Code, if Owner fails to make the Improvements as provided for by this Agreement or fails to cure a default after proper notice and the expiration of the provided cure period, the County shall be entitled to

cancel this Agreement and recapture property tax revenue, if any, lost as a result of this Agreement, subject to the above provisions regarding notice and right to cure.

D. LIMITATION OF LIABILITY: CANCELLATION OF THIS AGREEMENT (RESULTING IN A FORFEITURE OF ANY RIGHT TO ABATEMENT HEREUNDER BEYOND THE CANCELLATION DATE), RECAPTURE OF PROPERTY TAXES ABATED (BUT LESS ALL PAYMENTS IN LIEU OF TAXES PAID BY OWNER) ONLY AS PROVIDED FOR AND ONLY UNDER THE CIRCUMSTANCES DEFINED IN SECTION VII(C) OF THIS AGREEMENT, AND/OR RECOVERY OF THE AMOUNTS PROVIDED FOR IN SECTION IV(E) ONLY AS PROVIDED FOR AND ONLY UNDER THE CIRCUMSTANCES DEFINED IN SECTION IV(E), ALONG WITH ANY REASONABLY INCURRED COSTS AND FEES, SHALL BE THE COUNTY'S SOLE REMEDY, AND OWNER'S SOLE LIABILITY, IN THE EVENT OWNER FAILS TO MAKE THE SPECIFIED IMPROVEMENTS OR TAKE OTHER ACTION REQUIRED BY THIS AGREEMENT, INCLUDING ANY FAILURE TO PAY AMOUNTS OWED UNDER THIS AGREEMENT. OWNER AND THE COUNTY AGREE THAT THE LIMITATIONS CONTAINED IN THIS PARAGRAPH ARE REASONABLE AND REFLECT THE BARGAINED FOR RISK ALLOCATION AGREED TO BY THE PARTIES. IN THE EVENT OF A BREACH OF THIS AGREEMENT, ANY TAXES DUE BY OWNER SHALL BE SUBJECT TO ANY AND ALL STATUTORY RIGHTS FOR THE PAYMENT AND COLLECTION OF TAXES IN ACCORDANCE WITH THE TEXAS TAX CODE.

E. Any notice of default under this Agreement shall prominently state the following at the top of the notice:

NOTICE OF DEFAULT UNDER TAX ABATEMENT AGREEMENT

YOU ARE HEREBY NOTIFIED OF THE FOLLOWING DEFAULT UNDER YOUR TAX ABATEMENT AGREEMENT WITH THE COUNTY. FAILURE TO CURE THIS DEFAULT WITHIN SIXTY DAYS OF NOTICE OR OTHERWISE CURE THE DEFAULT AS PROVIDED BY THIS AGREEMENT SHALL RESULT IN TERMINATION OF THE TAX ABATEMENT AGREEMENT AND MAY INCLUDE RECAPTURE OF TAXES ABATED PURSUANT TO THAT AGREEMENT.

VIII. Compliance with State and Local Regulations

Nothing in this Agreement shall be construed to alter or affect the obligations of Owner to comply with any order, rule, statute or regulation of the County or the State of Texas.

IX. Assignment of Agreement

A. The parties agree that the rights and obligations under this Agreement may be assigned, in whole or in part, by Owner, only with the consent of the Commissioners Court.

B. Consent to a transfer or assignment will be subject to the County approving the financial capacity of the transferee/assignee and subject to all conditions and obligations in this Agreement being assumed and guaranteed by the transferee/assignee. The County shall not unreasonably withhold consent to a transfer or an assignment. The transfer or assignment shall be presumed to be reasonable where (i) the proposed assignee is an affiliate of Owner, or (ii) the proposed transferee/assignee demonstrates to the County its financial capacity to meet the terms of this Agreement, agrees to be bound by all conditions and obligations stated herein, and is not in default under any other agreement with the County. The following assignments or transfers shall not require the consent of the Commissioners Court: (1) a collateral assignment to lenders as collateral, and (2) a change of control by transfer of an ownership interest in Owner to a third party; provided however, Owner or the transferee shall provide written notice to the County of the change of control within sixty (60) days of such transfer.

X. Notice

All notices, demands, or other communications of any type (collectively, "**Notices**" and each individually, a "**Notice**") given shall be given in accordance with this Section. All Notices shall be in writing and delivered, by commercial delivery service to the office of the person to whom the Notice is directed (provided that that delivery is confirmed by the courier delivery service); by United States Postal Service (USPS), postage prepaid, as a registered or certified item, return receipt requested in a proper wrapper and with proper postage; by recognized overnight delivery service as evidenced by a bill of lading, or by facsimile transmission. Notices delivered by commercial delivery service shall be deemed delivered on receipt or refusal; Notices delivered by USPS shall be deemed to have been given upon deposit with the same; facsimile Notice shall be effective upon receipt by the sender of an electronic confirmation. Regardless of the method of delivery, in no case shall Notice be deemed delivered later than actual receipt. In the event of a notice of default given pursuant to Article VII, such Notice shall be given by at least two (2) methods of delivery and consistent with Section VII(E). All Notices shall be mailed or delivered to the following addresses:

To Owner:

KC Wind, LLC
717 Texas Avenue, Suite 1000
Houston, Texas 77002
Attention: Chief Legal Officer
Ph: (713)-830-2000
Fax: (713)-830-2001

With a copy to:

KC Wind, LLC
717 Texas Avenue, Suite 1000
Houston, Texas 77002

Attention: William Whitlock, Vice President – Development
Ph: (713) 332-2505
Fax: (713)-830-2001

To the County:

Callahan County Judge
100 West Fourth Street, Suite 200
Baird, Texas 79504

Any party may designate a different address by giving the other party at least ten (10) days written notice in the manner prescribed above.

XI. Severability

In the event any section or other part of this Agreement is held invalid, illegal, factually insufficient, unconstitutional or otherwise unenforceable, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid, illegal, factually insufficient, unconstitutional or otherwise unenforceable section(s) or other part(s). In the event that (i) the term of the Abatement with respect to any property is longer than allowed by law or (ii) the Abatement applies to a broader classification of property than is allowed by law, then the Abatement shall be valid with respect to the classification of property not deemed overly broad, and for the portion of the term of the Abatement not deemed excessive. Any provision required by the Tax Code to be contained herein that does not appear herein is incorporated herein by reference.

XII. Applicable Law and Venue

This Agreement shall be construed under and governed by the laws of the State of Texas. This Agreement, in its entirety, shall be performable in Callahan County, Texas. As part of the consideration for entering into this Agreement, both the County and Owner agree that any litigation to construe or enforce the terms or conditions of this Agreement shall be brought in the State Courts of Callahan County, Texas.

XIII. Amendment

Except as otherwise provided, this Agreement may be modified by the parties hereto upon mutual written consent to include other provisions which could have originally been included in this Agreement or to delete provisions that were not originally necessary to this Agreement pursuant to the procedures set forth in Chapter 312 of the Texas Tax Code.

XIV. Guidelines and Criteria

This Agreement is entered into by the parties consistent with the Guidelines. To the extent this Agreement modifies any requirement or procedure set forth in the Guidelines, the Guidelines are deemed amended for purposes of this Agreement only.

XV. Entire Agreement

This Agreement contains the entire and integrated Tax Abatement Agreement between the County and Owner, and supersedes any and all other negotiations and agreements, whether written or oral, between the parties. This Agreement has not been executed in reliance upon any representation or promise except those contained herein.

XVI. Coordination of Local Hiring and Services

A. Owner shall use reasonable commercial efforts to maximize its use of County labor and services and supplies purchased from County businesses in the course of performing under this Agreement, as is further described in the Local Spending and Support Plan attached to this Agreement as Attachment B.

B. For every year during the Term, Owner, its contractors, and their respective affiliates will use commercially reasonable efforts to collectively employ at least three (3) full-time Project employees.

C. Upon request by Owner, County shall provide a written statement certifying that Owner is then in compliance (or has fully complied) with the Local Spending and Support Plan; if County cannot make such statement, County will provide an explanation to Owner of its determination.

XVII. Road and Bridge Maintenance

During construction of the Improvements, Owner agrees to use commercially reasonable efforts to minimize the disruption to County roads and bridges and agrees to repair any damage caused to County roads or bridges by Owner or its agents. After construction, Owner will leave such County roads and bridges in a state of equal or better condition than they were prior to construction, excepting normal wear and tear. Prior to the beginning of construction, Owner and County agree to use commercially reasonable efforts to negotiate and execute a road use agreement pertaining to Owner's use of County roads and bridges.

XVIII. Setbacks

In the absence of a waiver from the affected landowner permitting less stringent distance restrictions or waiving any such restrictions, and based solely on the distances as of the final turbine location map on the initial construction date, no wind turbine erected on the Site shall be located any closer than:

a. 1,200 feet from any existing Residence located on the Site, or
b. 1,500 feet from any existing Residence located off the Site.

Nothing contained in this Section may be deemed to be a gift or dedication of any portion of the Site or Project Property to or for the general public or for any public purpose whatsoever. This Section is strictly limited to the purposes explicitly set forth herein and enforcement of the provisions contained in this Section is limited to the Parties to this Agreement only, and

no right to enforce any of the provisions of this Section are reserved in any other party. There are no third-party beneficiaries intended by this Section. No residential construction after the initial date of Project construction shall cause a violation of this Section. For the purpose of this Section, "Residence" means a routinely occupied dwelling structure actually and continuously occupied as a home, whether owned, leased, or rented by the persons in occupancy of such dwelling structure. Whether a structure is a Residence, as defined by this section, will be determined as of the effective date of this Agreement. Without limiting the foregoing, hunting cabins, storage buildings, barns, or other temporary, moveable or agricultural structures are not routinely occupied dwelling structure. The setback distance required by this Section shall be measured from the center of the base of the WTG to the nearest point of the affected Residence.

XIX. Indemnity

Owner agrees to indemnify, defend, and hold the County, each of its elected officials, all of its servants, agents, and employees, any person or legal entity designated by the County to perform any function required under the Guidelines, under the tax abatement application, or by the terms of this Agreement, and the Appraisal District, its officers, directors, servants, agents and employees (collectively, the "**Indemnitees**") harmless from any and all claims, demands, liabilities, losses, costs, actions, causes of action, and reasonable attorneys' fees incurred by or alleged against the Indemnitees arising from or in any way relating to the tax abatement application, the terms, covenants, and conditions contained in this Agreement, and the actions contemplated by this Agreement.

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IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the County as authorized by the County Commissioners Court and executed by Owner on the respective dates shown below.

ATTEST/SEAL:

CALLAHAN COUNTY, TEXAS Date: June 12, 2017

By:

Roger Corn, Callahan County Judge

Harold Hicks, Precinct 1 Commissioner

Absent
Bryan Farmer, Precinct 2 Commissioner

Abstain
Tom Windham, Precinct 3 Commissioner

Absent
Cliff Kirkham, Precinct 4 Commissioner

Attest:

~~Donna Bell~~, Callahan County Clerk
Nicole Crocker
Deputy Clerk

KC WIND, LLC

Date: June 7, 2017

By: _____
William Whitlock
Vice President, Development JVO

Attachment A

Attached is the Reinvestment Zone created by resolution dated May 8, 2017, duly passed by the County Commissioners Court and referred to as the Kaiser Creek Reinvestment Zone.

RESOLUTION OF THE COMMISSIONERS COURT OF CALLAHAN COUNTY, TEXAS DESIGNATING KAISER CREEK REINVESTMENT ZONE

A RESOLUTION DESIGNATING A CERTAIN AREA AS A REINVESTMENT ZONE FOR A COMMERCIAL/INDUSTRIAL TAX ABATEMENT IN CALLAHAN COUNTY, TEXAS, ESTABLISHING THE BOUNDARIES THEREOF, AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the Commissioners Court of Callahan County, Texas (the "**County Commissioners Court**") desires to promote the development or redevelopment of a certain contiguous geographic area within its jurisdiction by the creation of a reinvestment zone as authorized by the Property Redevelopment and Tax Abatement Act, as amended (Texas Tax Code § 312.001, *et seq.*), and the Callahan County Tax Abatement Guidelines and Criteria (the "**Guidelines**");

WHEREAS, on this date, a hearing before the County Commissioners Court was held, such date being at least seven (7) days after the date of publication of the notice of such public hearing in the local newspaper of general circulation in Callahan County (the "**County**") and the delivery of written notice to the respective presiding officers of each taxing entity that includes within its boundaries real property that is to be included in the proposed reinvestment zone;

WHEREAS, the County Commissioners Court at such public hearing invited any interested person to appear and speak for or against the creation of the reinvestment zone and whether all or part of the territory described should be included in the proposed reinvestment zone; and

WHEREAS, the proponents of the reinvestment zone offered evidence, both oral and documentary, in favor of all of the foregoing matters relating to the creation of the reinvestment zone and opponents, if any, of the reinvestment zone appeared to contest the creation of the reinvestment zone.

BE IT RESOLVED BY THE COUNTY COMMISSIONERS COURT:

SECTION 1. That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

SECTION 2. That the County Commissioners Court, after conducting such hearing and having heard such evidence and testimony, has made the following findings and determinations based on the evidence and testimony presented to it:

(a) That the public hearing on adoption of the Kaiser Creek Reinvestment Zone has been properly called, held and conducted and that notice of such hearing has been published as required by law and mailed to the respective presiding officers of the governing bodies of all taxing units overlapping the territory inside the proposed reinvestment zone;

(b) That the boundaries of the Kaiser Creek Reinvestment Zone should be the area described in the legal description and corresponding map attached hereto as Exhibit "A", which is incorporated herein by reference for all purposes;

(c) That creation of the Kaiser Creek Reinvestment Zone will result in benefits to the County and to land included in the reinvestment zone and that the improvements sought are feasible and practical; and

(d) The Kaiser Creek Reinvestment Zone meets the criteria set forth in Chapter 312 of the Texas Tax Code for the creation of a reinvestment zone as set forth in the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, in that it is reasonably likely as a result of the designation to contribute to the retention or expansion of primary employment or to attract investment in the zone that would be a benefit to the property and that would contribute to the economic development of the County, and that the entire tract of land is located entirely within an unincorporated area of the County.

SECTION 3. That pursuant to the Property Redevelopment and Tax Abatement Act, as amended, and the Guidelines, the County Commissioners Court hereby creates the Kaiser Creek Reinvestment Zone; a reinvestment zone for commercial-industrial tax abatement encompassing only the area described on and as shown on the map in "Exhibit A", and such reinvestment zone is hereby designated and shall hereafter be referred to as the Kaiser Creek Reinvestment Zone.

SECTION 4. That the Kaiser Creek Reinvestment Zone shall take effect on the date of this Resolution and shall remain designated as a commercial-industrial reinvestment zone for a period of five (5) years from such date of designation, and may be renewed for an additional five (5) year period thereafter.

SECTION 5. That if any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

SECTION 6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject of the meeting of the County Commissioners Court at which this Resolution was adopted was posted at a place convenient and readily accessible at all times as required by the Texas Open Meetings Act, Texas Government Code, Chapter 551, as amended, and that a public hearing was held prior to the designation of such reinvestment zone and that proper notice of the hearing was published in the official newspaper of general circulation within the County, and furthermore, such notice was in fact delivered to the presiding officer of any affected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.

PASSED, APPROVED AND ADOPTED on this the 1st day of May, 2017.

Roger Corn, Callahan County Judge

Harold Hicks, Precinct 1 Commissioner

Bryan Farmer, Precinct 2 Commissioner

Tom Windham, Precinct 3 Commissioner

Cliff Kirkham, Precinct 4 Commissioner

Attest:

Donna Bell, Callahan County Clerk

EXHIBIT A

LEGAL DESCRIPTION AND MAP OF KAISER CREEK REINVESTMENT ZONE

The Kaiser Creek Reinvestment Zone is comprised of the following tract of land located in Callahan County Texas. In the event of a discrepancy between the following legal description and the attached map, the map shall control; provided however, the Kaiser Creek Reinvestment Zone shall in no way be deemed to include any portion of any municipality.

LEGAL DESCRIPTION: BEING APPROXIMATELY 47,309 ACRES OF LAND AND BEING ALL OF AND/OR PORTIONS OF SECTIONS 86, A-713, 85, A-403, 95, A-402, 96, A-556, A-623, A-589 & A-1545, BLOCK 13, T. & P. RR Co. SURVEY, SECTIONS 90, A-1685, 91, A-396, 92, A-1633, 93, A-398, 94, A-1826, AND 95, A-399, BLOCK 12, T. & P. RR Co. SURVEY, THE A. YONGE SURVEY, A-1817, THE I.N. JACKSON SURVEY, A-1801, THE W.A. HINDS SURVEY, A-1797, SECTIONS 25, A-171, 24, A-1632, 23, A-163, 22, A-1153, 21, A-170, 9, A-166, 10, A-925 & A-1484, 11, A-164, 12, A-1629, 13, A-165 AND 14, A-1243, E.T. RR Co. SURVEY, SECTIONS 70, A-1727, 71, A-37, 84, A-926 & A-1378, 85, A-41, 98, A-1244, 99, A-44, 114, A-799, 115, A-53, 69, A-36, 72, A-1269, 83, A-40, 86, A-947, A-839 & A-1520, 97, A-45, 100, A-1175, 113, A-52, 116, A-1071, 73, A-38, 82, A-1486, A-834, A-1735 & A-837, 87, A-42, 96, A-1226, 101, A-47, 112, A-790, A-698 & A-1382, 117, A-54, 81, A-39, 88, A-1647, A-1894, A-1925, A-1880, A-1885, A-1898, A-1739, A-1899 & A-1646, 95, A-44, 102, A-1097, 111, A-51, 118, A-1099, 94, A-835, A-1069 & A-1070, 103, A-48, 90, A-1191, 93, A-91, 104, A-766 & A-765, 78, A-1635, 92, A-1893, A-1667, & A-1683, 105, A-92, 108, A-606 & A-759, 106, A-1399 & A-1672, 107, A-50, B.B.B. & C. RR Co. SURVEY, THE M. ROBERTS SURVEY, A-1219, THE E. JACKSON SURVEY, A-1207, SECTION 528, A-1, T. ASHER SURVEY, THE JP COLLINS SURVEY, A-1170, SECTION 7, A-890, R. CORDWENT SURVEY, SECTION 7, A-182, W. GATLIN SURVEY, SECTION 7, A-391, T. & N.O. RR Co. SURVEY, THE T. OGILVY SURVEY, A-1311, THE G. HART SURVEY, A-653, SECTION 335, A-903, I. & G.N. RR Co. SURVEY, SECTION 527, A-223, H. HUNTER SURVEY, SECTION 8, A-832, T. & N.O. RR Co. SURVEY, THE R. CORDEVENT SURVEY, A-1566, THE G. MCKELVY SURVEY, A-1415, THE J. MILNE SURVEY, A-1304, THE E. THURGOOD SURVEY, A-1348, THE L NICHOLS SURVEY, A-1342, AND SECTION 336, A-513, VICTORIA COUNTY SCHOOL LAND, ALL LYING IN AND BEING SITUATED OUT OF CALLAHAN COUNTY, TEXAS: SAID 47,309 ACRE TRACT BEING GENERALLY DESCRIBED AS FOLLOWS:

BEGINNING at a point at or near the common corner of Section 120, A-675, and Section 121, A-56, of said BBB & C RR Co. Survey, Section 109, A-49 of said BBB & C RR Co. Survey, and said Section 108, A-759 for an ell corner hereof and having an approximate Latitude and Longitude of 32.38544° and 99.38491°;

THENCE South 01°04'04" West a distance of 29869.73 feet generally along the east line of said Sections 108, 107, 528 and said JP Collins Survey to a point at or near the west line of Section 126, A-1075, J. Moore Survey for the approximate easterly common corner of Section 3, A-388,

T. & N.O. RR Co. Survey and said JP Collins Survey and the southerly southeast corner hereof and having an approximate Latitude and Longitude of 32.30334° and 99.38590°;

THENCE generally along the south and west lines of said JP Collins Survey the following four (4) calls:

1. North 89°14'58" West a distance of 14750.11 feet to a point at or near the east line of Section 27, A-536, J. Yates Survey for an ell corner of said JP Collins Survey and hereof and having an approximate Latitude and Longitude of 32.30352° and 99.43363°;
2. North 01°01'30" East a distance of 439.98 feet to a point at or near the northeast corner of said Section 27 for an interior corner of said JP Collins Survey and hereof;
3. North 88°31'25" West a distance of 1689.62 feet to a point at or near the east line of Section 30, A-183, L. Gibbs Survey, for an ell corner of said JP Collins Survey and hereof;
4. North 00°40'33" East a distance of 1965.87 feet to a point at or near the easterly common corner of said Section 30 and said Section 7, A-890, for an interior corner hereof;

THENCE North 86°48'18" West a distance of 4760.31 feet crossing said Section 7, A-890, said Ogilvy Survey, and said Hart Survey to a point at or near the southerly common corner of Section 2, A-1786, R. Cordevent Survey and said Section 335 for an ell corner hereof and having an approximate Latitude and Longitude of 32.31082° and 99.45446°;

THENCE North 02°02'43" East a distance of 4560.05 feet generally along the east line of said Section 2, A-1786 and Section 2, A-1214, I. Jackson Survey to a point at or near the easterly common corner of said Section 2, A-1214 and said Section 527, A-223 for an interior corner hereof;

THENCE North 88°02'21" West a distance of 1157.71 feet generally along the north line of said Section 2, A-1214, to a point at or near the southwest corner of said Section 527 for an ell corner hereof and having an approximate Latitude and Longitude of 32.32343° and 99.45782°;

THENCE North 01°29'33" East a distance of 4270.65 feet generally along the west line of said Section 527 to a point at or near the easterly common corner of Section 34, A-184, I.D Gibbs Survey, and Section 37, A-18, M. Bigham Survey, for an angle point hereof;

THENCE North 01°29'31" East a distance of 1992.43 feet generally along the west line of said Section 527 to a point at or near the south line of said Section 336, A-513 for the approximate northerly common corner of said Sections 37 and 527 and an angle point hereof;

THENCE North 00°53'25" East a distance of 12111.75 feet crossing said Section 336, A-513 to a point at or near the common line of said Section 78, A-1635, and said Section 336 for an angle point hereof and having an approximate Latitude and Longitude of 32.37394° and 99.45722°;

THENCE North 43°40'30" East a distance of 2976.41 feet crossing said Section 78, A-1635 to a point at or near the common corner of said Section 78, A-1635, Section 78, A-1186, Section 92,

A-1891 and said Section 92, A-1667 and an angle point hereof and having an approximate Latitude and Longitude of 32.37991° and 99.45063°;

THENCE South 89°42'34" East a distance of 1684.02 feet generally along the common line of said Section 92, A-1891 and said Section 92, A-1667 to a point at or near the southerly common corner of said Section 92, A-1891 and said Section 92, A-1893 for an interior corner hereof;

THENCE North 01°18'41" East a distance of 2325.21 feet generally along the common line of said Section 92, A-1891 and said Section 92, A-1893 to a point at or near the south line of said Section 90, A-1191 for the approximate northerly common corner of said Section 92, A-1891, and said Section 92, A-1893 for an interior corner hereof;

THENCE North 89°31'20" West a distance of 442.63 feet generally along the common line of said Section 92, A-1891 and said Section 90, A-1191 to a point at or near the southerly common corner of Section 90, A-1028 and said Section 90, A-1191 for an ell corner hereof and having an approximate Latitude and Longitude of 32.38631° and 99.44650°;

THENCE North 01°03'09" East a distance of 2778.76 feet generally along the common line of said Section 90, A-1028 and said Section 90, A-1191 to a point at or near the common corner of said Section 90, A-1028, Section 90, A-754, Section 90, A-1689 and said Section 90, A-1191 for an ell corner hereof;

THENCE South 89°21'22" East a distance of 2640.95 feet along the north line of said Section 90, A-1191 to a point at or near the west line of said Section 93 for the approximate easterly common corner of Section 90, A-748 and said Section 90, A-1191 for an interior corner hereof;

THENCE North 00°39'53" East a distance of 2651.44 feet generally along the common line of said Section 90, A-748 and said Section 93 to a point at or near the common corner of said Section 90, A-748, Section 89, A-43, said Section 94, A-836 and said Section 93 for an angle point hereof and having an approximate Latitude and Longitude of 32.40122° and 99.43784°;

THENCE North 00°50'23" East a distance of 5328.54 feet generally along the common line of Section 89, A-43, of said BBB & C RR Co. Survey, and said Section 94 to a point at or near the common corner of Section 88, A-1739 and Section 95, A-44 of said BBB & C RR Co. Survey, and said Sections 89 and 94 for an interior corner hereof and having an approximate Latitude and Longitude of 32.41587° and 99.43774°;

THENCE North 89°10'11" West a distance of 10569.55 feet generally along the common line of said Sections 88 and 89 and Section 80 of said BBB & C RR Co. Survey and said Section 81 to a point at or near the common corner of Sections 74 and 75 of said BBB & C RR Co. Survey and said Sections 81 and 80 for an ell corner hereof;

THENCE North 00°36'26" East a distance of 5325.82 feet generally along the common line of said Sections 74 and 81 to a point at or near the common corner of said Sections 73, 82, 81 and 74 for an interior corner hereof;

THENCE North 88°51'35" West a distance of 5425.62 feet generally along the common line of said Sections 73 and 74 to a point at or near the common corner of Sections 67 and 68 of said BBB & C RR Co. Survey and said Sections 73 and 74 for an ell corner hereof and having an approximate Latitude and Longitude of 32.43082° and 99.48955°;

THENCE North 00°40'47" East a distance of 5296.24 feet generally along the common line of said Sections 68 and 73 to a point at or near the common corner of said Sections 69, 72, 73 and 68 for an interior corner hereof;

THENCE North 89°11'22" West a distance of 5562.52 feet generally along the common line of said Sections 68 and 69 to a point at or near the common corner of Sections 58 and 59 of said BBB & C RR Co. Survey and said Sections 68 and 69 for an ell corner hereof and having an approximate Latitude and Longitude of 32.44545° and 99.50754°;

THENCE North 01°33'14" East a distance of 5316.14 feet generally along the common line of said Sections 58 and 69 to a point at or near the common corner of Section 57 of said BBB & C RR Survey and said Sections 58, 70 and 69 and an angle point hereof;

THENCE North 00°00'28" West a distance of 5287.83 feet generally along the common line of said Sections 57 and 70 to a point at or near the south line of Section 1, A-363, S.P. RR Co. Survey for the northerly common corner of said Sections 57 and 70 for the westerly northwest corner hereof and having an approximate Latitude and Longitude of 32.47460° and 99.50740°;

THENCE South 89°21'35" East a distance of 6629.78 feet generally along the north line of said Sections 70 and 71 to a point at or near the southerly common corner of Section 7, A-375, S.P. RR Co. Survey and Section 2, A-1642, W.E. Kennard Survey for an angle point hereof;

THENCE South 89°00'11" East a distance of 4442.36 feet generally along the north line of said Sections 70 and 71 to a point at or near the common corner of said Sections 2, 9, 84 and 71 for an interior corner hereof and having an approximate Latitude and Longitude of 32.47447° and 99.47150°;

THENCE North 00°32'31" East a distance of 5300.08 feet along the west line of said Section 9 to a point at or near the westerly common corner of Section 26 of said ET RR Co. Survey and Section 9 for an ell corner hereof;

THENCE South 88°48'00" East a distance of 5325.25 feet generally along the common line of said Sections 9 and 26 to a point at or near the common corner of said Sections 26, 24, 10 and 9 for an interior corner hereof and having an approximate Latitude and Longitude of 32.48886° and 99.45423°;

THENCE North 00°16'37" East a distance of 4093.43 feet generally along the common line of said Sections 25 and 26 to a point at or near the south line of said Section 91, A-396 for the northerly common corner of said Sections 25 and 26 for an interior corner hereof and having an approximate Latitude and Longitude of 32.50012° and 99.45428°;

THENCE South 83°31'57" West a distance of 5340.53 feet generally along the north line of said Sections 26 to a point at or near the northerly common corner of Section 1, A-1264, T.C. RR Co. Survey and said Section 26 and an angle point hereof;

THENCE South 85°35'34" West a distance of 5592.37 feet generally along the north line of said Section 1 to a point at or near the southerly common corner of Section 94 of said Block 13 and said Section 95 for an ell corner hereof and having an approximate Latitude and Longitude of 32.49700° and 99.48955°;

THENCE North 05°01'25" West a distance of 6548.65 feet generally along the common line of said Sections 94 and 95 and the common line of Section 87 of said Block 13 and said Section 86 to a point at or near the common line of Shackelford County, Texas and said Callahan County, Texas for the northerly northwest corner hereof and having an approximate Latitude and Longitude of 32.51492° and 99.49161°;

THENCE South 89°33'24" East a distance of 37335.54 feet generally along the common county line to a point at or near the northerly common corner of Section 96 of said Block 12 and said Section 95 for the northerly northeast corner hereof and having an approximate Latitude and Longitude of 32.51504° and 99.37049°;

THENCE South 06°14'30" East a distance of 2890.35 feet generally along the common line of said Sections 95 and 96 to a point at or near the north line of said Hinds Survey for the southerly common corner of said Sections 95 and 96 for an interior corner hereof;

THENCE North 85°28'15" East a distance of 834.77 feet generally along the common line of said Hinds Survey and said Section 96 to a point for the northerly common corner of Section 19 of said ET RR Co. Survey and said Hinds Survey for an ell corner hereof and having an approximate Latitude and Longitude of 32.50735° and 99.36669°;

THENCE South 00°34'28" West a distance of 33525.75 feet generally along the east line of said Hinds Survey, Sections 21 and 14 of said ET RR Co. Survey, and Sections 115, 116, 117 and 118 to a point at or near the common corner of Sections 137, 136 and 119 of said BBB & C RR Co. Survey and said Section 118 for an ell corner hereof and having an approximate Latitude and Longitude of 32.41519° and 99.36688°;

THENCE North 88°57'43" West a distance of 13722.12 feet generally along the south line of said Sections 118, 111 and 102 to a point at or near the northwest corner of the east-half of said Section 103 for an interior corner hereof and having an approximate Latitude and Longitude of 32.41556° and 99.41135°;

THENCE South 00°59'29" West a distance of 2784.36 feet generally along the west line of the east-half of said Section 103 to a point at or near the north line of the City Limits of the City of Baird, Texas for an ell corner hereof;

THENCE generally along the north, west and south lines of said City Limits the following approximate twelve (12) calls:

1. North 89°00'33" West a distance of 87.95 feet;
2. South 10°10'03" West a distance of 106.64 feet;
3. South 21°04'43" West a distance of 117.30 feet;
4. South 11°30'05" West a distance of 54.02 feet;
5. South 24°11'53" West a distance of 67.86 feet;
6. South 30°25'24" West a distance of 113.40 feet;
7. South 32°57'26" West a distance of 129.90 feet;
8. South 32°02'04" West a distance of 165.82 feet;
9. South 29°32'22" West a distance of 154.03 feet;
10. South 30°39'23" West a distance of 123.24 feet;
11. South 57°49'51" East a distance of 311.03 feet;
12. South 89°00'33" East a distance of 260.34 feet to a point at or near the west line of said east-half of Section 103 for an ell corner hereof;

THENCE South 00°59'29" West a distance of 6997.06 feet generally along the west line of the east-half of said Section 103 and the west line of the east-half of said Section 104 (A-760 and A-762) and the west line of said City Limits to a point at or near the north line of said Section 105 for the approximate southerly common corner of said Section 104, A-765 and said Section 104, A-762, the southwest corner of said City Limits and for an interior corner hereof;

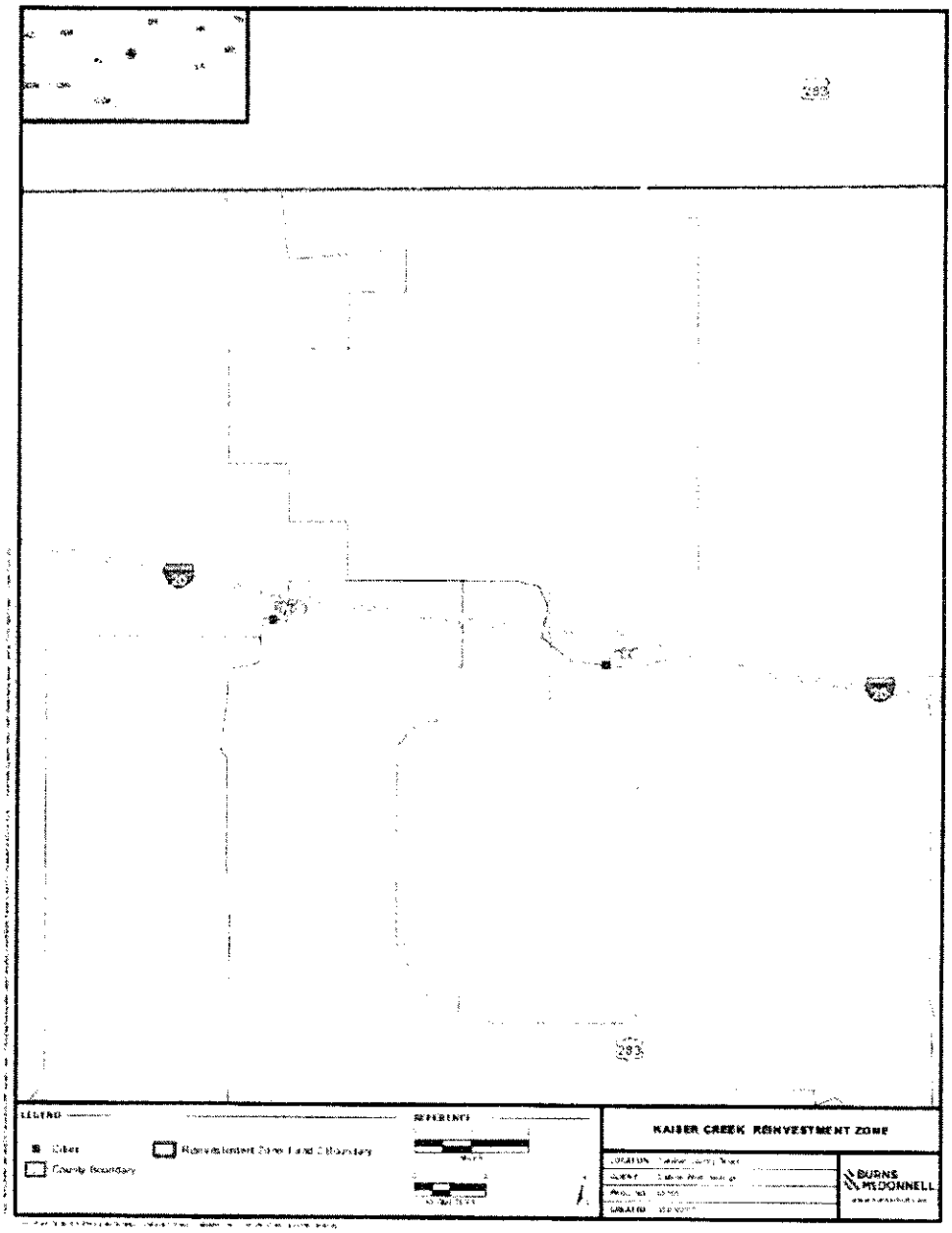
THENCE South 88°53'12" East a distance of 8256.39 feet generally along the north line of said Section 105 and said Section 108 and the south line of said City Limits to the **POINT OF BEGINNING** and containing 47.309 acres of land, more or less; SAVE AND EXCEPT any portion herein lying within the City Limits of the City of Baird, Texas.

Note: Bearings and distances shown hereon are NAD83, Texas North Central Zone, and coordinates shown hereon are WGS84 Latitude (North) and Longitude (West) and all are approximate based on GIS mapping. This description does not constitute a boundary survey and is provided for reference purposes only.

EXHIBIT A (CONTINUED)

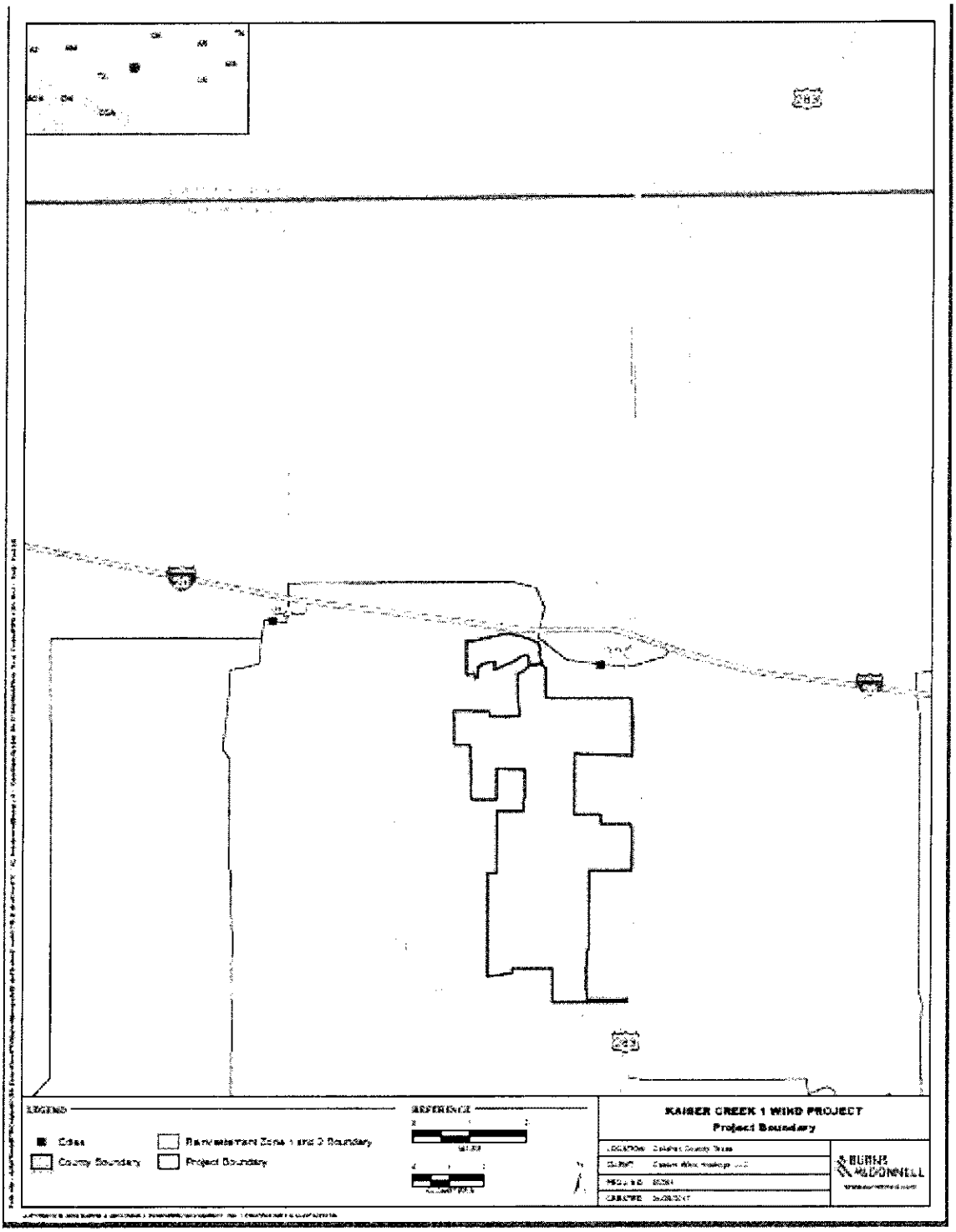
MAP OF
KAISER CREEK REINVESTMENT ZONE

SEE ATTACHED MAP


LEGEND
Cities
County Boundary
Reinvestment Zone I and II Boundary
REFERENCE
KAISER CREEK REINVESTMENT ZONE
BURNS
McDONNELL

Attachment A-1

See Project Site boundary shown on the attached map.



Attachment B

LOCAL SPENDING AND SUPPORT PLAN

A. In connection with the construction and operation of the Improvements in the County, Owner and Owner's prime contractor(s) ("**Prime Contractor(s)**") responsible for overseeing construction and/or operation of the Improvements will use reasonable efforts to invest at one million dollars ($1,000,000) during the Term by using commercially reasonable efforts to use services, materials and supplies purchased from County individuals and businesses, provided that nothing in this paragraph shall require Owner or the Prime Contractor(s) to use services, materials and supplies provided by County residents that are not: (i) of similar quality to those provided by nonresidents; or (ii) made available on terms and/or at prices comparable to those offered by nonresidents. On a semi-annual basis during physical construction of the Project and within ninety (90) days following the COD, Owner shall provide the County with a written report showing the status of spending in the County and its compliance with the requirement set forth in this Local Spending and Support Plan.

B. In filling employment vacancies in connection with the Project, Owner and the Prime Contractor(s) will use commercially reasonable efforts to use County labor, provided that nothing in this paragraph shall require Owner or the Prime Contractor to employ County residents who are not: (i) equally or more qualified than nonresident applicants; or (ii) available for employment on terms and/or at salaries comparable to those required by nonresident applicants.

C. Owner or the Prime Contractor shall designate a point of contact to coordinate local hiring and services who will act as a liaison between all contractors and any individual or business residing in the County who is interested in obtaining information about (i) employment, or (ii) commercial services or supplies expected to be purchased by a contractor.

D. Owner or the Prime Contractor shall hold a job and contracting information session prior to or within 30 days from beginning physical construction of the Project at which information will be provided regarding the construction and hiring needs of the Project. Such information also will be provided on a continuing basis through the Coordinator of Local Hiring and Services.

E. For every year during the Term, Owner, its contractors, and their respective affiliates will use commercially reasonable efforts to collectively employ at least the requisite number of full-time Project employees specified in the Agreement, as described in Section XVI B of the Agreement.

Attachment C

Owner's Annual Reporting and Compliance Form		
Pursuant to Section VI(B) of the Agreement, this form shall be submitted by Owner to the County Judge on or before March 31 of each Calendar Year beginning with the first Calendar Year after Owner delivers the Certificate. To the extent that any of the provisions herein conflict with the provisions in the Agreement, the provisions of the Agreement shall control.		
Provision and Description	**Compliance Guidelines**	**Provision Complied With?**
		Yes (date complied with)/No/In Process (include explanation)
Improvements and Reinvestment Zone – Section III(A)	Owner constructed the Improvements on the Site as set forth in Section III(A).	
Improvements and Reinvestment Zone - Section III(C)	Owner commenced construction of the Improvements and the Project achieved Commercial Operations as required by the timelines.	
Representations – Section V	Owner has made all required filings with the Office of the Comptroller of Public Accountants and other governmental entities concerning the Agreement. Note: Any filings made during the course of the prior year by Owner which pertain to the Agreement should be listed here. At least 24 hours prior to Owner issuing any press release relating to relating to the Project, Owner shall make a good faith effort to email or fax a copy of such press release to the County. To the extent allowed by law, the County shall maintain the confidentiality of any press release and shall not disclose any information in the press release until such time as such information is made public by Owner.	
Assignment - Section IX	Describe any instances in which the Agreement was duly assigned or transferred in accordance with Section IX of the Agreement.	
Local Spending Plan – Attachment B, Section A	• During construction of the Project and within 90 days following the COD, Owner provided the County with a written project summary showing its good faith and commercially	

	reasonable efforts to comply with the requirements set forth in the Local Spending and Support Plan (in the form of Attachment B), which includes all reasonably available local spending information collected by Owner in the ordinary course of business including (among other information): • Summary of Local services/materials/supplies purchased within the County • Proof that Owner designated a point of contact to coordinate local hiring and services (per Attachment B, Section D) • Proof that Owner used commercially reasonable efforts to utilize the County Labor Force by conducting a job and contracting information session within 30 days of beginning physical construction of the Project (per Attachment B, Section E) • Proof that Owner or its contractors or their respective affiliates have collectively employed at least the requisite number of full-time Project employees for every year during the Term (per Section XVI(B) and Attachment B, Section F)	
Local Spending Plan – Attachment B, Section D	Owner or the Prime Contractor designated a Coordinator of Local Hiring Services who acted as a liaison to residents of the County.	
Full-time Project Jobs – Section XVI(B) and Attachment B, Section F	For every year during the Term, Owner or its contractors or their respective affiliates have collectively employed at least the requisite number of full-time Project employees as described in Section XVI B of the Agreement.	