
Attachment G

Participation Agreement

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

by and between

BARBERS HILL INDEPENDENT SCHOOL DISTRICT

and

ONEOK HYDROCARBON, LP

(Texas Taxpayer ID # 14812520568)

Dated

December 12, 2011

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

STATE OF TEXAS §

COUNTY OF CHAMBERS §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this "Agreement," is executed and delivered by and between the **BARBERS HILL INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as the "District," a lawfully created independent school district within the State of Texas operating under and subject to the Texas Education Code, and **ONEOK HYDROCARBON, LP**, Texas Taxpayer Identification Number *14812520568*, hereinafter referred to as the "Applicant." The Applicant and the District are each hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties." Certain capitalized and other terms used in this Agreement shall have the meanings ascribed to them in Section 1.3.

RECITALS

WHEREAS, on August 16, 2011, the Superintendent of Schools of the Barbers Hill Independent School District (hereinafter referred to as "Superintendent"), acting as agent of the Board of Trustees of the District (hereinafter referred to as "Board of Trustees"), received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code; and,

WHEREAS, on August 22, 2011, the Board of Trustees authorized the Superintendent to accept, on behalf of the District, the Application from Oneok Hydrocarbon, LP, and on or about August 23, 2011, the Assistant Superintendent of Finance acknowledged receipt of the Application and the requisite application fee as established pursuant to Texas Tax Code § 313.025(a)(1) and Local District Policy CCG (Local); and,

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

WHEREAS, the Comptroller established October 11, 2011 as the completed Application date; and,

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

WHEREAS, the Comptroller, pursuant to Texas Tax Code § 313.025(d), reviewed the Application and on November 18, 2011, the Comptroller, via letter, recommended that the Application be approved; and,

WHEREAS, the Comptroller conducted an economic impact evaluation pursuant to Chapter 313 of the Texas Tax Code which was presented to the Board of Trustees at the December 12, 2011 public hearing held in connection with the Board of Trustees' consideration of the Application; and,

WHEREAS, the Board of Trustees carefully reviewed the economic impact evaluation pursuant to Texas Tax Code § 313.026 and carefully considered the Comptroller's positive recommendation for the project; and,

WHEREAS, on December 12, 2011, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District; and,

WHEREAS, on December 12, 2011, the Board of Trustees made factual findings pursuant to Texas Tax Code § 313.025(f), including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) this Agreement is in the best interest of the District and the State of Texas; (iii) the Applicant is eligible for the Limitation on Appraised Value of the Applicant's Qualified Property; and, (iv) each criterion referenced in Texas Tax Code § 313.025(e) has been met; and,

WHEREAS, the Barbers Hill Independent School District was within an area that qualified as a strategic investment area under Texas Tax Code Chapter 171, Subchapter O immediately before that Subchapter expired; and because of that fact, the District qualifies as a rural school district under the provisions of Texas Tax Code § 313.051(a)(1); and,

WHEREAS, on December 12, 2011, the Board of Trustees determined that the Tax Limitation Amount requested by the Applicant, and as defined in Sections 1.2 and 1.3, below, is consistent with the minimum values set out by Texas Tax Code §§ 313.053 and 313.054 for the category of the District established by Texas Tax Code § 313.052, as such Tax Limitation Amount was computed as of the date of this Agreement; and,

WHEREAS, on December 5, 2011, the District received written notification, pursuant to 34 Texas Administrative Code § 9.1055(e)(2)(A), that the Comptroller reviewed this Agreement, and reaffirmed the recommendation previously made on November 18, 2011 that the Application be approved, and,

WHEREAS, on December 12, 2011, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the President and Secretary of the Board of Trustees to execute and deliver such Agreement to the Applicant;

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

ARTICLE I

AUTHORITY, TERM, DEFINITIONS, AND GENERAL PROVISIONS

Section 1.1. AUTHORITY

This Agreement is executed by the District as its written agreement with the Applicant pursuant to the provisions and authority granted to the District in Texas Tax Code § 313.027.

Section 1.2. TERM OF THE AGREEMENT

This Agreement shall commence and first become effective on the Commencement Date, as defined in Section 1.3, below. In the event that the Applicant makes a Qualified Investment in the amount defined in Section 2.6 below, between the Commencement Date and the end of the Qualifying Time Period, the Applicant will be entitled to the Tax Limitation Amount defined in Section 1.3 below, for the Tax Years: 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021. The limitation on the local ad valorem property values for Maintenance and Operations purposes shall commence with the property valuations made as of January 1, 2014, the appraisal date for the third full Tax Year following the Commencement Date.

The period beginning with the Commencement Date of December 12, 2011 and ending on December 31, 2013 will be referred to herein as the "Qualifying Time Period," as that term is defined in Texas Tax Code § 313.021(4). The Applicant shall not be entitled to a tax limitation during the Qualifying Time Period.

Unless sooner terminated as provided herein, the limitation on the local ad valorem property values shall terminate on December 31, 2021. Except as otherwise provided herein, this Agreement will terminate, in full, on the Final Termination Date. The termination of this Agreement shall not (i) release any obligations, liabilities, rights and remedies arising out of any breach of, or failure to comply with, this Agreement occurring prior to such termination, or (ii) affect the right of a Party to enforce the payment of any amount, including any Tax Credit, to which such Party was entitled before such termination or to which such Party became entitled as a result of an event that occurred before such termination, so long as the right to such payment survives said termination.

Except as otherwise provided herein, the Tax Years for which this Agreement is effective are as set forth below and set forth opposite each such Tax Year are the corresponding year in the term of this Agreement, the date of the Appraised Value determination for such Tax Year, and a summary description of certain provisions of this Agreement corresponding to such Tax Year (it being understood and agreed that such summary descriptions are for reference purposes only, and shall not affect in any way the meaning or interpretation of this Agreement):

Full Tax Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions
Partial Year (Commencing December 12, 2011)	January 1, 2011	2011-12	2011	Start of Qualifying Time Period beginning with Commencement Date. No limitation on value. First year for computation of Annual Limit.
1	January 1, 2012	2012-13	2012	Qualifying Time Period. No limitation on value. Possible Tax Credit in future years.
2	January 1, 2013	2013-14	2013	Qualifying Time Period. No limitation on value. Possible Tax Credit in future years.
3	January 1, 2014	2014-15	2014	\$ 30 million property value limitation.
4	January 1, 2015	2015-16	2015	\$ 30 million property value limitation. Possible Tax Credit due to Applicant.
5	January 1, 2016	2016-17	2016	\$ 30 million property value limitation. Possible Tax Credit due to Applicant.
6	January 1, 2017	2017-18	2017	\$ 30 million property value limitation. Possible Tax Credit due to Applicant.
7	January 1, 2018	2018-19	2018	\$ 30 million property value limitation. Possible Tax Credit due to Applicant.
8	January 1, 2019	2019-20	2019	\$ 30 million property value limitation. Possible Tax Credit due to Applicant.
9	January 1, 2020	2020-21	2020	\$ 30 million property value limitation. Possible Tax Credit due to Applicant.

Full Tax Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions
10	January 1, 2021	2021-22	2021	\$ 30 million property value limitation. Possible Tax Credit due to Applicant.
11	January 1, 2022	2022-23	2022	No tax limitation. Possible Tax Credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
12	January 1, 2023	2023-24	2023	No tax limitation. Possible Tax Credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
13	January 1, 2024	2024-25	2024	No tax limitation. Possible Tax Credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.

Section 1.3. DEFINITIONS

Wherever used herein, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning, to-wit:

“*Act*” means the Texas Economic Development Act set forth in Chapter 313 of the Texas Tax Code, as amended.

“*Affiliate*” means any entity that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Applicant. For purposes of this definition, control of an entity means (i) the ownership, directly or indirectly, of fifty (50) percent or more of the voting rights in a company or other legal entity or (ii) the right to direct the management or operation of such entity whether by ownership (directly or indirectly) of securities, by contract or otherwise.

“*Affiliated Group*” means a group of one or more entities in which a controlling interest is owned by a common owner or owners, either corporate or non-corporate, or by one or more of the member entities.

“*Aggregate Limit*” means, for any Tax Year of this Agreement, the cumulative total of the Annual Limit amount for the current Tax Year and all previous Tax Years of the Agreement, less all amounts paid by the Applicant to or on behalf of the District under Article IV, below.

"Agreement" means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented from time to time in accordance with Section 6.3.

"Annual Limit" means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Texas Tax Code § 313.027(i). For purposes of this Agreement, the amount of the Annual Limit shall be calculated for each Tax Year by multiplying the District's Average Daily Attendance for the applicable school year, as calculated pursuant to Texas Education Code § 42.005 times the greater of \$100, or any larger amount allowed by Texas Tax Code § 313.027(i), if such limit amount is increased for any future year of this Agreement. The Annual Limit shall first be computed for Tax Year 2011, which, by virtue of the Commencement Date is the first year of the Qualifying Time Period under this Agreement.

"Applicant" means Oneok Hydrocarbon, LP, (Texas Taxpayer ID # 14812520568), the company listed in the Preamble of this Agreement who, on July 20, 2011, filed the Original Application with the District for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The term "Applicant" shall also include the Applicants' assigns and successors-in-interest and their direct and indirect subsidiaries.

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

"Application" means the Original Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C, of the Texas Tax Code) filed with the District by the Applicant on August 16, 2011, which has been certified by the Comptroller to collectively constitute a complete final Application as of the date of October 11, 2011. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

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

"Appraisal District" means the Chambers County Appraisal District.

“Board of Trustees” means the Board of Trustees of the Barbers Hill Independent School District.

“Commencement Date” means December 12, 2011, the date upon which this Agreement was approved by the District’s Board of Trustees.

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

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

“County” means Chambers County, Texas.

“Determination of Breach and Notice of Contract Termination” shall have the meaning assigned to such term in Section 7.8 of the Agreement

“District” or “School District” means the Barbers Hill Independent School District, being a duly authorized and operating independent school district in the State, having the power to levy, assess, and collect ad valorem taxes within its boundaries and to which Subchapter C of the Act applies. The term also includes any successor independent school district or other successor governmental authority having the power to levy and collect ad valorem taxes for school purposes on the Applicant’s Qualified Property or the Applicant’s Qualified Investment.

“Final Termination Date” means December 31, 2024. However, any payment obligations of any Party arising under this Agreement prior to the Final Termination Date will survive until paid by the Party owing same.

“Force Majeure” means a failure caused by (a) provisions of law, or the operation or effect of rules, regulations or orders promulgated by any governmental authority having jurisdiction over the Applicant, the Applicant’s Qualified Property or the Applicant’s Qualified Investment or any upstream, intermediate or downstream equipment or support facilities as are necessary to the operation of the Applicant’s Qualified Property or the Applicant’s Qualified Investment; (b) any demand or requisition, arrest, order, request, directive, restraint or requirement of any government or governmental agency whether federal, state, military, local or otherwise; (c) the action, judgment or decree of any court; (d) floods, storms, hurricanes, evacuation due to threats of hurricanes, lightning, earthquakes, washouts, high water, fires, acts of God or public enemies, wars (declared or undeclared), blockades, epidemics, riots or civil disturbances, insurrections, strikes, labor disputes (it being understood that nothing contained in this Agreement shall require the Applicant to settle any such strike or labor dispute), explosions, breakdown or failure of plant, machinery, equipment, lines of pipe or electric power lines (or unplanned or forced outages or shutdowns of the foregoing for inspections, repairs or maintenance), inability to obtain, renew or extend franchises, licenses or permits, loss, interruption, curtailment or failure to obtain electricity, gas, steam, water, wastewater disposal, waste disposal or other utilities or utility services, inability to obtain or failure of suppliers to

deliver equipment, parts or material, or inability of the Applicant to ship or failure of carriers to transport electricity from the Applicant's facilities; or (e) any other cause (except financial), whether similar or dissimilar, over which the Applicant has no reasonable control and which forbids or prevents performance.

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

"Maintain Viable Presence" means, after the development and construction of the project described in the Application and in the description of the Applicant's Qualified Investment and Qualified Property as set forth in Section 2.3, below, (i) the operation over the term of this Agreement of the facility or facilities for which the tax limitation is granted, as the same may from time to time be expanded, upgraded, improved, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured, and/or reengineered; (ii) the maintenance of at least the number of New Jobs required by Chapter 313 of the Texas Tax Code from the time they are created until the Final Termination Date; and (iii) the maintenance of at least the number of Qualifying Jobs set forth in the Application from the time they are created until the Final Termination Date.

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

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

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

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

"New Jobs" means the total number of jobs, defined by 34 Texas Administrative Code § 9.1051, which the Applicant will create in connection with the project which is the subject of

its Application. In accordance with the requirements of Texas Tax Code § 313.024(d), Eighty Percent (80%), of all New Jobs created by the Applicant on the project shall also be Qualifying Jobs, as defined below.

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

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

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

“Qualifying Time Period” means the period that begins on the Commencement Date of December 12, 2011 and ends on December 31, 2013.

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

“State” means the State of Texas.

“Substantive Document” means a document or other information or data in electronic media determined by the Comptroller to substantially involve or include information or data significant to an application, the evaluation or consideration of an application, or the agreement or implementation of an agreement for limitation of appraised value pursuant to Texas Tax Code, Chapter 313. The term includes, but is not limited to, any application requesting a limitation on appraised value and any amendments or supplements, any economic impact evaluation made in connection with an application, any agreement between Applicant and the District and any subsequent amendments or assignments, any District written findings or reports filed with the Comptroller as required under this subchapter, and any application requesting Tax Credits under Texas Tax Code, § 313.103.

“Tax Credit” means the tax credit, either to be paid by the District to the Applicant, or to be applied against any taxes that the District imposes on the Applicant’s Qualified Property, as computed under the provisions of Subchapter D of the Act, and rules adopted by the Comptroller and/or the Texas Education Agency, provided that the Applicant complies with the requirements under such provisions, including the timely filing of a completed application under Texas Tax Code § 313.103 and the duly adopted administrative rules.

“Tax Limitation Amount” means the maximum amount which may be placed as the Appraised Value on Qualified Property/Qualified Investment for Tax Years three (3) through ten (10) of this Agreement pursuant to Texas Tax Code § 313.054. That is, for each of the eight (8) Tax Years 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021, the Appraised Value of the Applicant’s Qualified Property/Qualified Investment for the District’s maintenance and operations ad valorem tax purposes shall not exceed, and the Tax Limitation Amount shall be, the lesser of:

- (a) the Market Value of the Applicant’s Qualified Investment; or
- (b) Thirty Million Dollars (\$30,000,000.00).

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the effective date of this Agreement, as set out by Texas Tax Code § 313.052.

“Tax Year” shall have the meaning assigned to such term in Section 1.04(13) of the Texas Tax Code (*i.e.*, the calendar year).

“Taxable Value” shall have the meaning assigned to such term in Section 1.04(10) of the Texas Tax Code.

“Texas Education Agency Rules” means the applicable rules and regulations adopted by the Texas Commissioner of Education in relation to the administration of Chapter 313, Texas Tax Code, which are set forth at Title 19 – Part 2, Texas Administrative Code, together with any court or administrative decisions interpreting same.

ARTICLE II

PROPERTY DESCRIPTION

Section 2.1. LOCATION WITHIN A QUALIFIED REINVESTMENT OR ENTERPRISE ZONE

The Applicant’s Qualified Property upon which the Applicant’s Qualified Investment will be located is within an area designated as a reinvestment zone under Chapter 311 or 312 of the Texas Tax Code. The legal description of the reinvestment zone in which the Applicant’s Qualified Property is located is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

Section 2.2. LOCATION OF QUALIFIED PROPERTY

The location of the Applicant’s Qualified Property upon which the Applicant’s Qualified Investment will be located is described in the legal description which is attached to this Agreement as **EXHIBIT 2** and is incorporated herein by reference for all purposes. The Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in **EXHIBIT 2** without the express authorization of each of the Parties.

Section 2.3. DESCRIPTION OF QUALIFIED INVESTMENT AND QUALIFIED PROPERTY

The Qualified Investment and/or Qualified Property that is subject to the Tax Limitation Amount is described in EXHIBIT 3, which is attached hereto and incorporated herein by reference for all purposes (“Applicant’s Qualified Investment”). Qualified Investment shall be that property, described in EXHIBIT 3 which is placed in service under the terms of the Application, during the Qualifying Time Period described in both Section 1.2, above and the definition of Qualifying Time Period set forth in Section 1.3, above. Qualified Property shall be all property, described in EXHIBIT 3, including, but not limited to the Applicant’s Qualified Investment, together with the land described in EXHIBIT 2 which: 1) is owned by the Applicant; 2) was first placed in service after October 11, 2011, the completed Application date established by the Comptroller; and 3) is used in connection with the activities described in the Application. Property which is not specifically described in EXHIBIT 3 shall not be considered by the District or the Appraisal District to be part of the Applicant’s Qualified Investment or Qualified Property for purposes of this Agreement, unless pursuant to Texas Tax Code § 313.027(e) and Section 8.3 of this Agreement, the Board of Trustees, by official action, provides that such other property is a part of the Applicant’s Qualified Investment or Qualified Property for purposes of this Agreement.

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

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

Section 2.4. APPLICANT’S OBLIGATIONS TO PROVIDE CURRENT INVENTORY OF QUALIFIED PROPERTY

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

Section 2.5. QUALIFYING USE

The Applicant's Qualified Investment and Qualified Property described above in Section 2.3 qualifies for a Tax Limitation Agreement under Texas Tax Code § 313.024(b)(1) as a manufacturing facility.

Section 2.6. LIMITATION ON APPRAISED VALUE

So long as the Applicant makes a Qualified Investment in the amount Thirty Million Dollars (\$30,000,000.00), or greater, during the Qualifying Time Period; and unless this Agreement has been terminated as provided herein before such Tax Year, for each of the following eight (8) Tax Years 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021, the Appraised Value of the Applicant's Qualified Investment and Qualified Property for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

- (a) the Market Value of the Applicant's Qualified Investment; or
- (b) Thirty Million Dollars (\$30,000,000.00).

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the effective date of this Agreement, as set out by Texas Tax Code § 313.052.

ARTICLE III

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 3.1. INTENT OF THE PARTIES

Subject to the limitations contained in this Agreement (including Section 5.1), it is the intent of the Parties that the District shall, in accordance with the provisions of Texas Tax Code § 313.027(f)(1), be compensated by the Applicant for any loss that the District incurs in its Maintenance and Operations Revenue as a result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement. Such payments shall be independent of, and in addition to, all such other payments as are set forth in Article IV. Subject only to the limitations contained in this Agreement (including Section 5.1), it is the intent of the Parties that the risk of any negative financial consequence to the District in making the decision to enter into this Agreement will be borne by the Applicant and not by the District, and paid by the Applicant to the District in addition to any and all payments due under Article IV.

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

Subject to the provisions of Sections 5.1 and 5.2, the amount to be paid by the Applicant to compensate the District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year during the term of this Agreement (the "M&O

Amount") shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

The M&O Amount owed by the Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue;

Where:

- i. "Original M&O Revenue" means the total State and local Maintenance & Operations Revenue that the District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Applicant's Qualified Property and/or Qualified Investment been subject to the ad valorem maintenance & operations tax.
- ii. "New M&O Revenue" means the total State and local Maintenance & Operations Revenue that the District actually received for such school year, after all adjustments have been made to Maintenance and Operations Revenue because of any portion of this Agreement.

In making the calculations required by this Section 3.2:

- i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.
- ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property and/or the Applicant's Qualified Investment will be presumed to be one hundred percent (100%)
- iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue as calculated under this Section 3.2 results in a negative number, the negative number will be considered to be zero.
- iv. All calculations made for years three (3) through ten (10) of this Agreement under Section 3.2, Subsection *ii* of this Agreement will reflect the Tax Limitation Amount for such year.
- v. All calculations made under this Section 3.2 shall be made by a methodology which isolates the full M & O revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements, on account of any other factors not contained in this Agreement.

Section 3.3. COMPENSATION FOR LOSS OF OTHER REVENUES

In addition to the amounts determined pursuant to Section 3.2 above, and to the extent provided in Section 6.3, the Applicant, on an annual basis, shall also indemnify and reimburse the District for the following:

- (a) all non-reimbursed costs incurred by the District in paying or otherwise crediting to the account of the Applicant, any applicable Tax Credit to which the Applicant may be entitled pursuant to Chapter 313, Subchapter D of the Texas Tax Code, and for which the District does not receive reimbursement from the State pursuant to Texas Education Code § 42.2515, or other similar or successor statute.
- (b) all non-reimbursed costs, certified by the District's external auditor to have been incurred by the District for extraordinary education-related expenses related to the project Applicant's Qualified Property that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the project. The Applicant may contest the amounts certified by the District's external auditor under the provisions of Section 3.8 below.
- (c) any other loss of District revenues which directly result from, or are reasonably attributable to the payment by the Applicant to or on behalf of any other third party beneficiary of this Agreement.

Section 3.4. CALCULATIONS TO BE MADE BY THIRD PARTY

All calculations under this Agreement shall be made annually by an independent third party (the "Third Party") jointly approved each year by the District and the Applicant. If the Parties cannot agree on the Third Party, then the Third Party shall be selected by the mediator provided in Section 7.9 of this Agreement.

Section 3.5. DATA USED FOR CALCULATIONS

The calculations for payments under this Agreement shall be initially based upon the valuations placed upon the Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal District in its annual certified tax rolls submitted to the District pursuant to Texas Tax Code § 26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party selected under Section 3.4. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax rolls or any other changes in student counts, tax collections, or other data.

Section 3.6. DELIVERY OF CALCULATIONS

On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 3.4 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 3.2 and/or 3.3 and Article IV, or under Section 5.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's offices, personnel, books, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation and fee for a period of five (5) years after payment. The Applicant shall not be liable for any of Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement or the fee paid by the Applicant to the Third Party pursuant to Section 3.7, if such fee is timely paid.

Section 3.7. PAYMENT BY APPLICANT

The Applicant shall pay any amount determined to be due and owing to the District under this Agreement on or before the January 31 next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Third Party for all calculations under this Agreement under Section 3.6, above, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or Tax Credit or other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement. For no Tax Year during the term of this Agreement shall the Applicant be responsible for the payment of any total expenses under this Section and Section 3.6, above, in excess of Ten Thousand Dollars (\$10,000.00).

Section 3.8. RESOLUTION OF DISPUTES

Pursuant to Sections 3.3(b), 3.4 and Section 3.6, should the Applicant disagree with the certification containing the calculations, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days of receipt of the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the District's Board of Trustees within thirty (30) days of the final determination of certification containing the calculations.

Section 3.9. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT

In the event that, at the time the Third Party selected under Section 3.4 makes its calculations under this Agreement, the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property, and such appeal remains unresolved, the Third Party shall base its calculations upon the values placed upon the Qualified Property by the Appraisal District.

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

Section 3.10. EFFECT OF STATUTORY CHANGES

Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 5.1, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State because of its participation in this Agreement, the Applicant shall make payments to the District, up to the revenue protection amount limit set forth in Section 5.1, that are necessary to offset any negative impact on the District as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on the District.

ARTICLE IV

Section 4.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS

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

- (a) Amounts Exclusive of Indemnity Amounts

In addition to undertaking the responsibility for the payment of all of the amounts set forth under Article III, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the Supplemental Payments set forth in this Article IV (the "Supplemental Payments"). The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this

Agreement for limitation on appraised value made pursuant to Chapter 313, Texas Tax Code, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the obligation for Supplemental Payments under this Article IV is separate and independent of the obligation of the Applicant to pay the amounts described in Article III; provided, however, that all payments under Articles III and IV are subject to the limitations contained in Section 5.1, and that all payments under Article IV are subject to the separate limitations contained in Section 4.4.

(b) Adherence to Statutory Limits on Supplemental Payments

It is the express intent of the Parties that any Supplemental Payments made to or on behalf of the District by the Applicant, under this Article IV, shall not exceed the limit imposed by the provisions of Texas Tax Code 313.027(i) unless that limit is increased by the Legislature in a future year of this Agreement; however, in such event it shall not exceed the Stipulated Supplemental Payment Amount described in and calculated pursuant to Sections 4.2 through 4.5 below.

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

During the term of this Agreement, the District shall not be entitled to receive Supplemental Payments that exceed the lesser of:

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

Section 4.3. ANNUAL CALCULATION OF STIPULATED SUPPLEMENTAL PAYMENT AMOUNT

The Parties agree that for each Tax Year of this Agreement, beginning with the third full year (Tax Year 2014), the Stipulated Supplemental Payment Amount, described in Section 4.2 will annually be calculated based upon the then most current estimate of tax savings to the Applicant, which will be made, based upon assumptions of student counts, tax collections, and other applicable data, in accordance with the following formula:

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

Minus,

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

Multiplied by,

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

Plus,

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

Minus,

Any amounts previously paid to the District under Article III;

Multiplied by,

The number 0.4;

Minus,

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

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

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

For each Tax Year during the term of this Agreement, beginning with year three (Tax Year 2014) and continuing thereafter through year thirteen (Tax Year 2024), the District, or its Successor Beneficiary should one be designated under Section 4.6, below, shall not be entitled to receive Supplemental Payments, computed under Sections 4.2 and 4.3, above, that exceed the Aggregate Limit, defined in Section 1.3, above.

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

Any Stipulated Supplemental Payment Amount, which cannot be made to the District prior to the end of year thirteen (Tax Year 2024), because such payment would exceed the Aggregate Limit, will be deemed to have been cancelled by operation of law, and the Applicant shall have no further obligation with respect thereto.

Section 4.5. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS

- (a) All calculations required by this Article, including but not limited to: (i) the calculation of the Stipulated Supplemental Payment Amount; (ii) the determination of both the Annual Limit and the Aggregate Limit; (iii) the effect, if any, of the Aggregate Limit upon the actual amount of Supplemental Payments eligible to be paid to the District by the Applicant; and, (iv) the carry forward and accumulation of any Stipulated Supplemental Payment Amounts unpaid by the Applicant due to the Aggregate Limit in previous years, shall be calculated by the Third Party selected pursuant to Section 3.4.
- (b) The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 3.6.
- (c) The payment of all amounts due under this Article shall be made at the time set forth in Section 3.7 commencing on or before January 31, 2015 (the payment due date for Tax Year 2014), and continuing thereafter on or before the January 31 of each of the ten (10) years thereafter (i.e. through January 31, 2025, the payment due date for Tax Year 2024).

Section 4.6. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY

At any time during this Agreement, the District's Board of Trustees may, in its sole discretion, so long as such decision does not result in additional costs to the Applicant under this Agreement, direct that the Applicant's payment obligations under this Article IV be made to its educational foundation, or to a similar entity. The alternative entity may only use such funds received under this Article to support the educational mission of the District and its students. Any designation of an alternative entity must be made by recorded vote of the District's Board of Trustees at a properly posted public Board meeting. Any such designation will become effective after public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 8.1, below. Such designation may be rescinded by the District's Board of Trustees, by Board action, at any time.

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

ARTICLE V

ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

SECTION 5.1. ANNUAL LIMITATION AFTER FIRST THREE YEARS

Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year during the term of this Agreement after the 2014 Tax Year, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles III and IV with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Sections 3.4 and 3.6, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles III and IV shall be reduced until such excess is eliminated.

Section 5.2. OPTION TO CANCEL AGREEMENT

In the event that any payment otherwise due from the Applicant to the District under Article III and/or Article IV with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 5.1 above, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to cancel this Agreement by notifying the District of its election in writing not later than the July 31 of the year next following the Tax Year with respect to which a reduction under Section 5.1 is applicable. Any cancellation of this Agreement under the foregoing provisions of this Section 5.2 shall be effective immediately prior to the second Tax Year next following the Tax Year in which the reduction giving rise to the option occurred. Upon such termination this Agreement shall terminate and be of no further force or effect; provided, however, that the Parties' respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged.

ARTICLE VI

TAX CREDITS

Section 6.1. APPLICANT'S ENTITLEMENT TO TAX CREDITS

The Applicant shall be entitled to Tax Credits from the District under and in accordance with the provisions of Subchapter D of the Act and Comptroller Rules, provided that the Applicant complies with the requirements under such provisions, including the filing of a completed Application under Section 313.103 of the Texas Tax Code and Comptroller Rules.

Section 6.2. DISTRICT’S OBLIGATIONS WITH RESPECT TO TAX CREDITS

The District shall timely comply and shall cause the District’s collector of taxes to timely comply with their obligations under Subchapter D of the Act and Comptroller Rules, including, but not limited to, such obligations set forth in Section 313.104 of the Texas Tax Code, the Comptroller’s Rules, and/or the Texas Education Agency Rules.

Section 6.3. COMPENSATION FOR LOSS OF TAX CREDIT PROTECTION REVENUES

If after the Applicant has actually received the benefit of a Tax Credit under Section 6.1, the District does not receive aid from the State pursuant to Texas Education Code § 42.2515 or other similar or successor statute with respect to all or any portion of such Tax Credit for reasons other than the District’s failure to comply with the requirements for obtaining such aid, then the District shall notify the Applicant in writing thereof and the circumstances surrounding the State’s failure to provide such aid to the District. The Applicant shall pay to the District the amount of such Tax Credit for which the District did not receive such aid within thirty (30) calendar days after receipt of such notice, and such payment, thirty (30) days past due from the date of the reimbursement claim, shall be subject to the same provisions for late payment as are set forth in Section 7.4 and 7.5. If the District receives aid from the State for all or any portion of a Tax Credit with respect to which the Applicant has made a payment to the District under this Section 6.3, then the District shall pay to the Applicant the amount of such aid within thirty (30) calendar days after the District’s receipt thereof.

ARTICLE VII

ADDITIONAL OBLIGATIONS OF APPLICANT

Section 7.1. DATA REQUESTS

During the term of this Agreement, and upon the written request of one Party or by the Comptroller (the “Requesting Party”), the other Party shall provide the Requesting Party with all information reasonably necessary for the Requesting Party to determine whether the other Party is in compliance with its obligations, including any employment obligations which may arise under this Agreement. The Applicant shall allow authorized employees of the District, the Comptroller, and/or the Appraisal District to have access to the Applicant’s Qualified Property and/or business records, in accordance with Texas Tax Code § 22.07, during the term of this Agreement, in order to inspect the project to determine compliance with the terms hereof. All inspections will be made at a mutually agreeable time after the giving of not less than forty-eight (48) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant’s Qualified Property. All inspections may be accompanied by one or more representatives of the Applicant, and shall be

conducted in accordance with the Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District, the Comptroller, or the Appraisal District with any technical or business information that is private personnel data, proprietary, a trade secret or confidential in nature or is subject to a confidentiality agreement with any third party.

Section 7.2. REPORTS TO OTHER GOVERNMENTAL AGENCIES

The Applicant shall timely make any and all reports that are or may be required under the provisions of law or administrative regulation, including but not limited to the annual report or certifications that may be required to be submitted by the Applicant to the Comptroller under the provisions of Texas Tax Code § 313.032. The Applicant shall forward a copy of all such required reports or certifications to the District contemporaneously with the filing thereof. The obligation to make all such required filings shall be a material obligation under this Agreement.

Section 7.3. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE

By entering into this Agreement, the Applicant warrants that:

- (a) it will abide by all of the terms of the Agreement;
- (b) it will Maintain Viable Presence in the District through the Final Termination Date of this Agreement; provided, however, notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure (as hereinafter defined), provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure; and,
- (C) it will meet the applicable minimum eligibility requirements under Texas Tax Code, Chapter 313 throughout the period from and including the Tax Year 2014 through and including the last Tax Year during the term of this Agreement with respect to which the Applicant receives the benefit of a Tax Credit.

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

(a) In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 5.2, or in the event that the Applicant or its successor-in-interest fails to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, after the notice and cure period provided by Section 7.8, then the District shall be entitled to the recapture of all ad valorem tax revenue lost as a result of this Agreement together with the payment of penalty and interest, as calculated in accordance with Section 7.5, on that recaptured ad valorem tax revenue. For purposes of this recapture calculation, the Applicant shall be entitled to a credit for all payments made to the

District pursuant to Article III. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV.

(b) Notwithstanding Section 7.4(a), in the event that the District determines that the Applicant has failed to Maintain Viable Presence and provides written notice of termination of the Agreement, then the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of such termination notice. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem taxes for all of the Tax Years for which a Tax Limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 7.5. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Article III. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV. Upon payment of such liquidated damages, the Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

Section 7.5. CALCULATION OF PENALTY AND INTEREST

In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes owed less all credits under Section 7.4 for each Tax Year during the term of this Agreement since the Commencement Date. The District shall calculate penalty or interest for each Tax Year during the term of this Agreement since the Commencement Date in accordance with the methodology set forth in Chapter 33 of the Texas Tax Code, as if the base amount calculated for such Tax Year less all credits under Section 7.4 had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code § 33.01(a), or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code § 33.01(c), or its successor statute.

Section 7.6 MATERIAL BREACH OF AGREEMENT

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

- (a) Applicant is determined to have failed to meet its obligations to have made accurate representations of fact in submission of its Application as is required by Section 8.13, below.
- (b) Applicant fails to Maintain Viable Presence in the District, as required by Section 7.3 of this Agreement, through the Final Termination Date of this Agreement.
- (c) Applicant fails to make any payment required under Articles III or IV of this Agreement on or before its due date.

- (d) Applicant fails to create and maintain at least the number of New Jobs it committed to create and maintain on Schedule C, Column C of its Application.
- (e) Applicant fails to create and maintain at least the number of New Jobs it committed to create and maintain on Schedule C, Column E of its Application, which is inclusive of the number of New Jobs described in Section 7.6(d) above.
- (f) Applicant fails to create and maintain at least Eighty Percent (80%) of all New Jobs created by the Applicant on the project as Qualifying Jobs.
- (g) Applicant knowingly makes any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313, Texas Tax Code, in excess of the amounts set forth in Articles III and IV, above. Voluntary donations made by the Applicant to the District after the date of execution of this Agreement, and not mandated by this Agreement or made in recognition of or in consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 Texas Tax Code, are not barred by this provision.
- (h) Applicant fails to comply in any material respect with any other term of this Agreement, or the Applicant fails in any material respect to meet its obligations under the applicable Comptroller's Rules, and under the Act.

Section 7.7 LIMITED STATUTORY CURE OF MATERIAL BREACH

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

Section 7.8. DETERMINATION OF MATERIAL BREACH AND TERMINATION OF AGREEMENT

Prior to making a determination that the Applicant is in Material Breach of this Agreement, such as making a misrepresentation in the Application, failing to Maintain Viable Presence in the District as required by Section 7.3 of this Agreement, failing to make any payment required under this Agreement when due, or has otherwise committed a material breach of this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the Material Breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, the Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that a Material

Breach of this Agreement has not occurred and/or that it has cured or undertaken to cure any such Material Breach.

If the Board of Trustees is not satisfied with such response and/or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to the Applicant, conduct a hearing called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to whether or not a Material Breach of this Agreement has occurred, the date such breach occurred, if any, and whether or not any such breach has been cured. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall also terminate the Agreement and determine the amount of recaptured taxes under Section 7.4 (net of all credits under Section 7.4), and the amount of any penalty and/or interest under Section 7.5 that are owed to the District.

After making its determination regarding any alleged breach, the Board of Trustees shall cause the Applicant to be notified in writing of its determination (a "Determination of Breach and Notice of Contract Termination").

Section 7.9. DISPUTE RESOLUTION

After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 7.8, the Applicant shall have ninety (90) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within ninety (90) days after the Applicant's receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 7.8, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Chambers County, Texas. The Parties agree to sign a document that designates the mediator and the mediation will be governed by the provisions of Chapter 154 of the Texas Civil Practice and Remedies Code and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator's fees and expenses and the Applicant shall bear one-half of such mediator's fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation.

In the event that any mediation is not successful in resolving the dispute or that payment is not received before the expiration of such ninety (90) days, the District shall have the remedies for the collection of the amounts determined under Section 7.8 as are set forth in Texas Tax Code Chapter 33, Subchapters B and C, for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees and a tax lien on the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Texas Tax Code § 33.07 to the attorneys representing the District pursuant to Texas Tax Code § 6.30.

In any event where a dispute between the District and the Applicant under this Agreement cannot be resolved by the Parties, after completing the procedures required above in this Section, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in any judicial proceeding, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any covenant, agreement or undertaking made by a Party pursuant to this Agreement.

Section 7.10. LIMITATION OF OTHER DAMAGES

Notwithstanding anything contained in this Agreement to the contrary, in the event of default or breach of this Agreement by the Applicant, the District's damages for such a default shall under no circumstances exceed the greater of either any amounts calculated under Sections 7.4 and 7.5 above, or the monetary sum of the difference between the payments and credits due and owing to the Applicant at the time of such default and the District taxes that would have been lawfully payable to the District had this Agreement not been executed. In addition, the District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement.

The Parties further agree that the limitation of damages and remedies set forth in this Section 7.10 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 7.11. BINDING ON SUCCESSORS

In the event of a merger or consolidation of the District with another school district or other governmental authority, this Agreement shall be binding on the successor school district or other governmental authority.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.1. INFORMATION AND NOTICES

Unless otherwise expressly provided in this Agreement, all notices required or permitted hereunder shall be in writing and deemed sufficiently given for all purposes hereof if (i) delivered in person, by courier (e.g., by Federal Express) or by registered or certified United States Mail to the Party to be notified, with receipt obtained, or (ii) sent by facsimile transmission, with "answer back" or other "advice of receipt" obtained, in each case to the appropriate address or number as set forth below. Each notice shall be deemed effective on receipt by the addressee as aforesaid; provided that, notice received by facsimile transmission after 5:00 p.m. at the location of the addressee of such notice shall be deemed received on the first business day following the date of such electronic receipt.

Notices to the District shall be addressed to the District's Authorized Representative as follows:

Dr. Greg Poole, Superintendent
BARBERS HILL INDEPENDENT SCHOOL DISTRICT
P.O. Box 1108
9600 Eagle Drive.
Mont Belvieu, Texas 77580
Fax: (281) 576-3410

or at such other address or to such other facsimile transmission number and to the attention of such other person as the District may designate by written notice to the Applicant.

Notices to the Applicant shall be addressed to:

ATTN: Tim Blake, VP Oneok Tax
ONEOK HYDROCARBON, LP
100 West Fifth Street, Tax 14-5
Tax 14-5, P.O. Box 871
Tulsa, Oklahoma 74102-0871
Fax: (918) 588-7145

or at such other address or to such other facsimile transmission number and to the attention of such other person as the Applicant may designate by written notice to the District.

Section 8.2. EFFECTIVE DATE, TERMINATION OF AGREEMENT

- (a) This Agreement shall be and become effective on the date of final approval of this Agreement by the District's Board of Trustees,

- (b) The obligation to Maintain Viable Presence under this Agreement shall remain in full force and effect through the Final Termination Date established in Section 1.2 of this Agreement.
- (c) In the event that the Applicant fails to make a Qualified Investment in the amount of Thirty Million Dollars (\$30,000,000.00), or greater, during the Qualifying Time Period, this Agreement shall become null and void on December 31, 2013.

Section 8.3. AMENDMENTS TO AGREEMENT; WAIVERS

This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties. Waiver of any term, condition or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition or provision, or a waiver of any other term, condition or provision of this Agreement. By official action of the Board of Trustees, this Agreement may be amended to include, in the Applicant's Qualified Investment, additional or replacement Qualified Property not specified in **EXHIBIT 3**, provided that the Applicant reports to the District, the Comptroller, and the Appraisal District, in the same format, style, and presentation as the Application, all relevant investment, value, and employment information that is related to the additional property. Any amendment of the Agreement adding additional or replacement Qualified Property pursuant to this Section 8.3 shall, (1) require that all property added by amendment be eligible property as defined by Texas Tax Code, § 313.024; (2) clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and (3) define minimum eligibility requirements for the recipient of limited value. This Agreement may not be amended to extend the value limitation time period beyond its eight year statutory term.

Section 8.4. ASSIGNMENT

The Applicant may assign this Agreement, or a portion of this Agreement, to an Affiliate or a new owner or lessee of all or a portion of the Applicant's Qualified Property and/or the Applicant's Qualified Investment, provided that the Applicant shall provide written notice of such assignment to the District. Upon such assignment, the Applicant's assignee will be liable to the District for outstanding taxes or other obligations arising under this Agreement. A recipient of limited value under Texas Tax Code, Chapter 313 shall notify immediately the District, the Comptroller, and the Appraisal District in writing of any change in address or other contact information for the owner of the property subject to the limitation agreement for the purposes of Tax Code § 313.032. The assignee's or its reporting entity's Texas Taxpayer Identification Number shall be included in the notification.

Section 8.5. MERGER

This Agreement contains all of the terms and conditions of the understanding of the Parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence,

and preliminary understandings between the Parties and others relating hereto are superseded by this Agreement.

Section 8.6. MAINTENANCE OF APPRAISAL DISTRICT RECORDS

When appraising the Applicant's Qualified Property and the Applicant's Qualified Investment subject to a limitation on Appraised Value under this Agreement, the Chief Appraiser of the Appraisal District shall determine the Market Value thereof and include both such Market Value and the appropriate value thereof under this Agreement in its appraisal records.

Section 8.7. GOVERNING LAW

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

Section 8.8. AUTHORITY TO EXECUTE AGREEMENT

Each of the Parties represents and warrants that its undersigned representative has been expressly authorized to execute this Agreement for and on behalf of such Party.

Section 8.9. SEVERABILITY

If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision or condition cannot be so reformed, then such term, provision or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality and enforceability of the remaining terms, provisions and conditions contained herein (and any other application such term, provision or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in a mutually acceptable manner so as to effect the original intent of the Parties as closely as possible to the end that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 8.9, the term "Law" shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

Section 8.10. PAYMENT OF EXPENSES

Except as otherwise expressly provided in this Agreement, or as covered by the application fee, (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.

Section 8.11. INTERPRETATION

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

Section 8.12. EXECUTION OF COUNTERPARTS

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

Section 8.13. ACCURACY OF REPRESENTATIONS CONTAINED IN APPLICATION

The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application. The Applicant warrants that all material information, facts, and representations contained therein were true and correct when made, and there have been no material changes in the information, facts, and representations, contained in the Application that have not been previously disclosed to the District. The parties further agree that the Application and all the attachments thereto are included by reference into this Agreement as if set forth herein in full; provided, however, to the extent of any differences or inconsistencies between the terms, conditions, representations, information, and facts contained in the Application and those contained in this Agreement, the terms, conditions, representations, information, and facts contained in this Agreement shall be controlling.

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

Section 8.14. PUBLICATION OF DOCUMENTS

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

- a. Within seven days of such document, the District shall submit a copy to the Comptroller for publication on the Comptroller's Internet website.
- b. The District shall provide on its website a link to the location of those documents posted on the Comptroller's website.
- c. This Section does not require the publication of information that is confidential under Texas Tax Code § 313.028.

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 12 day of December 2011.

ONEOK HYDROCARBON, LP

**BARBERS HILL INDEPENDENT
SCHOOL DISTRICT**

By: 
Authorized Representative

By: 
CARMENA GOSS
President
Board of Trustees

Name: TIM BLAKE

Attest:

Title: VP OF TAX

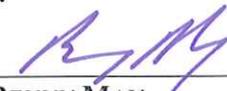
By: 
BENNY MAY
Secretary
Board of Trustees

EXHIBIT 1

DESCRIPTION OF QUALIFIED REINVESTMENT ZONE

A Reinvestment Zone was originally created on June 20, 2011 by action of the City Council of the City of Mont Belvieu, Texas in adopting *City of Mont Belvieu Ordinance No. 2011-009*. A map of the Reinvestment Zone created by *City of Mont Belvieu Ordinance No. 2011-009* is attached, below to this **EXHIBIT 1**.

As a result of the action of the City Council of the City of Mont Belvieu, Texas, the Reinvestment Zone includes real property within the City of Mont Belvieu, Texas and Chambers County, Texas, more specifically described by the metes and bounds description chart also attached to this **EXHIBIT 1**.

ONEOK MONT BELVIEU PROPERTY

ACQUIRED FROM VALERO

(Attached to and made a part of Special Warranty Deed by and between Valero Refining-Texas, L.P., as Grantor, and ONEOK Mont Belvieu Storage Company, L.L.C., as Grantee.)

PARCEL A: TRACT OF 55.30 ACRES
SITUATED IN THE HENRY GRIFFITH LEAGUE, A-12
CHAMBERS COUNTY, TEXAS

Metes and bounds description of a 55.30 acre tract of land situated in the Henry Griffith League, Abstract 12, Chambers County, Texas, said 55.30 acre tract being out of that certain 57.07 acre tract conveyed to Valero Refining-Texas, L.P. as recorded in Volume 04-669, Page 586, Chambers County Official Public Records (C.C.O.P.R.), said 55.30 acre tract being more particularly described by metes and bounds as follows:

All bearings are based on deed bearings and the Texas Coordinate System, South Central Zone.

BEGINNING at an old 2" iron pipe in concrete, accepted as the Southerly corner of the Annie Higgins Subdivision No. 1 as recorded in Volume 27, Page 43, Chambers County Deed Records (C.C.D.R.);

THENCE, along the Westerly line of said Annie Higgins Subdivision, North 32°49'21" West, 238.04 feet to a 5/8" iron rod with plastic cap set in the curved Easterly ROW line of State Highway Loop No. 207 (width varies);

THENCE, 207.29 feet Northwesterly along a non-tangent curve to the left having a radius of 607.96 feet, a delta of 19°32'08" and a chord bearing North 23°03'16" West, 206.29 feet to a found 1" iron pipe;

THENCE, along said Easterly ROW line, North 32°49'21" West, 690.13 feet to a 1/2" iron rod found for the most Westerly Northwest corner of the herein described tract;

THENCE, North 57°23'00" East, 194.43 feet to a found 5/8" iron rod;

THENCE, North 57°12'26" East, 190.41 feet to a found 3/4" iron pipe;

THENCE, North 57°03'23" East, 499.46 feet to a found 1" iron pipe in concrete;

THENCE, North 57°08'27" East, at 154.94 feet pass a found 1/2" iron rod in concrete, and continuing for a total distance of 165.00 feet to a found 1" iron pipe;

THENCE, North 22°04'28" West, at 936.76 feet pass a 4"x4" concrete monument found for reference in the Southerly ROW line of Fitzgerald Road (60' wide), and continuing for a total distance of 967.41 feet to a 1-1/2" iron pipe found in the center of Fitzgerald Road, said iron pipe being the most Northerly Northwest corner of the herein described tract;

THENCE, along the centerline of said Fitzgerald Road, North 57°05'33" East, 368.29 feet to a 1/2" iron rod with cap set in asphalt for a corner of a Charles Dyer tract as recorded in Volume 455, Page 150, Chambers County Deed Records (C.C.D.R.), said corner being South 57°05'33" West, 27.0 feet from a 3" iron pipe found at the Northeast corner of said 57.07 acre tract;

THENCE, along the Westerly line of said Dyer tract, South 25°21'57" East, 30.26 feet to a found 1/2" iron rod in concrete;

THENCE, along the Southerly line of said Dyer tract and the Southerly ROW line of Fitzgerald Road, North 57°05'33" East, 25.00 feet to a 4"x4" concrete monument found for corner;

THENCE, South 21°38'58" East, 1507.82 feet to 4"x4" concrete monument found for corner of a second Charles Dyer tract as recorded in said Volume 455, Page 150;

THENCE, along the Northerly line of said second Dyer tract, South 41°20'40" West, 145.08 feet to a found 4" x 4" concrete monument;

THENCE, along the Westerly line of said second Dyer tract, South 22°06'11" East, 25.31 feet to a 4" x 4" concrete monument found in the South line of Home Tract 8 of the Fitzgerald partition as recorded in Volume 309, Page 667, C.C.D.R.;

THENCE, along the Southerly line of Home Tract 8, South 56°44'00" West, 3.22 feet to a 4"x4" concrete monument found at the Northwesterly corner of Oil Tract 6;

THENCE, along the Westerly line of Oil Tract 6, South 21°32'23" East, 1099.58 feet to a 1" iron pipe found in the Northerly ROW line of Winfree Road;

THENCE, along the Northerly ROW line of Winfree Road, South 57°27'17" West, at 233.83 feet pass a found 1-1/4" iron pipe in concrete, and continuing for a total distance of 260.00 feet to a found 1-1/4" iron pipe in concrete;

THENCE, along the Southerly line of a 10 foot wide easement to Chambers County for road right of way as recorded in Volume 176, Page 82, C.C.D.R., South 57°22'43" West, 438.40 feet to a found 1" iron pipe;

THENCE, North 32°37'50" West, 172.00 feet to found 1/2" iron rod;

THENCE, South 57°21'54" West, 379.21 feet to a found 1/2" iron rod;

THENCE, North 24°44'21" West, 28.48 feet to a found 1/2" iron rod;

{937521;}

THENCE, South 57°21'54" West, 100.50 feet to a 1/2" iron rod found in the Northeasterly ROW line of State Highway Loop 207;

THENCE, along said Northeasterly ROW line, North 24°44'21" West, 46.26 feet to a 1/2" iron rod found at an angle point in said ROW line;

THENCE, along said Northeasterly ROW line, North 23°15'15" West, 192.92 feet to a 1" iron pipe found at the beginning of a non-tangent curve to the right;

THENCE, 133.33 feet along said curve to the right having a radius of 681.20 feet, a delta of 11°12'52", and a chord bearing North 19°07'55" West, 133.11 feet to a found 1" iron pipe;

THENCE, North 57°35'12" East, 104.19 feet to the POINT OF BEGINNING and containing 55.30 acres of land.

PARCEL A, TRACT 2; TRACT OF 1.6215 ACRES
SITUATED IN THE HENRY GRIFFITH LEAGUE, A-12
CHAMBERS COUNTY, TEXAS

Metes and bounds description of a 1.6215 acre tract of land situated in the Henry Griffith League, Abstract 12, Chambers County, Texas, said 1.6215 acre tract being out of that certain 57.07 acre tract conveyed to Valero Refining-Texas, L.P. as recorded in Volume 04-669, Page 586, Chambers County Official Public Records (C.C.O.P.R.), said 1.6215 acre tract being Oil Tract 5 of the Fitzgerald partition as recorded in Volume 309, Page 667, Chambers County Deed Records, said 1.6215 acre tract being more particularly described by metes and bounds as follows:

All bearings are based on deed bearings and the Texas Coordinate System, South Central Zone.

BEGINNING at a 2" iron pipe found at the Southeast corner of said Oil Tract 5, said "POINT OF BEGINNING" being in the Northerly ROW line of Winfree Road (width varies);

THENCE, along the Southerly line of said Oil Tract 5, South 59°50'34" West, 64.97 feet to a 5/8" iron rod found at the Southwest corner of said Oil Tract 5;

THENCE, along the Westerly line of said Oil Tract 5, North 21°33'01" West, 1100.47 feet to a 5/8" iron rod found in the Southerly line of Home Tract 8 of said Fitzgerald partition;

THENCE, along the Southerly line of said Oil Tract 5, said Southerly line being the Southerly line of a Charles Dyer tract as recorded in Volume 455, Page 150, C.C.D.R., North 56°47'17" East, 65.27 feet to a 5/8" iron rod with plastic cap set for corner;

THENCE, along the Easterly line of said Oil Tract 5, South 21°34'00" East, 1103.94 feet to the POINT OF BEGINNING and containing 1.6215 acres of land.

PARCEL B: TRACT OF 47.37 ACRES
SITUATED IN THE HENRY GRIFFITH LEAGUE, A-12
CHAMBERS COUNTY, TEXAS

Metes and bounds description of a 47.37 acre tract of land situated in the Henry Griffith League, Abstract 12, Chambers County, Texas, said 47.37 acre tract being that same 47.37 acre tract conveyed to Valero Refining-Texas, L.P. as recorded in Volume 04-669, Page 586, Chambers County Official Public Records (C.C.O.P.R.), said 47.37 acre tract being part of Prairie Tract 1 and part of Prairie Tract 2 described in the partition of the F.M. Fitzgerald lands as recorded in Volume 309, Page 667, C.C.D.R., said 47.37 acre tract being more particularly described by metes and bounds as follows:

All bearings are based on deed bearings and the Texas Coordinate System, South Central Zone.

BEGINNING at a 3" iron pipe found in the most Southerly corner of Prairie Tract 1 and the herein described tract, said 3" iron pipe being at the intersection of the centerline of Fitzgerald Road (60' wide) with the Easterly ROW line of Old Dayton-Barbers Hill Road (width varies-abandoned);

THENCE, along said Easterly ROW line of Old Dayton-Barbers Hill Road as abandoned in Volume 02-576, Page 172, C.C.O.P.R., North 07°30'31" West, at 33.21 feet pass a found 1" iron pipe, and continuing for a total distance of 755.27 feet to a 1" iron pipe found for corner:

THENCE, along the Northerly line of Prairie Tract 2, same being the Southerly line of a call 12.152 acre tract as recorded in Volume 393, Page 366, C.C.D.R., North 57°20'13" East, 1005.92 feet to a 1" iron pipe found in the Southwesterly line of the Coastal Water Authority (CWA) canal (no deed description found), from which iron pipe a found 4"x4" concrete monument bears North 65°20'17" West, 0.94 feet;

THENCE, along the Southwesterly line of said CWA canal, as fenced and marked with concrete monuments, as follows:

South 65°20'17" East, 297.01 feet to a found 4"x4" concrete monument;
South 65°19'45" East, 401.27 feet to a found 4"x4" concrete monument;
South 64°47'04" East, 415.56 feet to a found 4"x4" concrete monument;
South 64°47'54" East, 400.43 feet to a found 4"x4" concrete monument;
South 64°46'48" East, 397.01 feet to a found 4"x4" concrete monument;
South 64°46'07" East, 402.56 feet to a found 4"x4" concrete monument;
South 64°27'36" East, 47.66 feet to a found fence corner post for corner;

THENCE, South 42°21'52" West, 86.44 feet to a turnbuckle found in the most Southerly line of said Prairie Tract 1, said turnbuckle being in the North line of a call 50.44 acre tract as recorded in Volume 97-330, Page 563, C.C.O.P.R.;

THENCE, along the Northerly line of said 50.44 acre tract and the Northerly line of the Home Tracts of said Fitzgerald partition, same being the Southerly line of said Prairie Tract 1, South

87°02'28" West, at 1323.87 feet pass an old 1-1/2" iron pipe found at the Northeast corner of Home Tract 1 of said partition, and continuing for a total distance of 1749.23 feet to an old 1-1/2" iron pipe found at the Northeast corner of Home Tract 4;

THENCE, South 87°10'29" West, 21.09 feet to a 1/2" iron rod found at the Southeast corner of a Mobil Oil Company Pump Station 0.34 acre lease tract as recorded in Volume 177, Page 633, C.C.D.R.;

THENCE, North 02°58'38" West, 100.59 feet to a 1/2" iron rod found at the Northeast corner of said 0.34 acre tract;

THENCE, South 87°10'29" West, 150.00 feet to a 1/2" iron rod found at the Northwest corner of said 0.34 acre tract;

THENCE, South 02°58'38" East, 100.59 feet to a 6' chain link fence corner found at the Southwest corner of said 0.34 acre lease tract and being in the Southerly line of Prairie Tract 1;

THENCE, South 87°10'29" West, 773.03 feet to a found 5/8" iron rod;

THENCE, South 56°54'26" West, 166.15 feet to the POINT OF BEGINNING and containing 47.37 acres of land.

PARCEL C: TRACT OF 0.6433 ACRES
SITUATED IN THE HENRY GRIFFITH LEAGUE, A-12
CHAMBERS COUNTY, TEXAS

Metes and bounds description of a 0.6433 acre tract situated in the Henry Griffith League, Abstract 12, Chambers County, Texas, said 0.6433 acre tract being that same 0.6433 acre tract conveyed to Valero Refining-Texas, L.P. as recorded in Volume 04-669, Page 586, Chambers County Official Public Records, said 0.6433 tract being the Easterly portion of Old Dayton-Barbers Hill Road adjoining a call 47.375 acre tract and containing a call 0.497 acre tract both as recorded in Volume 01-526, Page 745, Chambers County Official Public Records (C.C.O.P.R.), said 0.6433 acre tract being that same called 0.664 acre tract out of said Old Dayton-Barbers Hill Road as abandoned and recorded in Volume 02-576, Page 172, C.C.O.P.R. and as shown on plat recorded in Volume 'A', Page 228, Chambers County Map Records, said 0.6433 acre tract being more particularly described by metes and bounds as follows:

All bearings are based on deed bearings and the Texas Coordinate System, South Central Zone.

COMMENCING at a 3" iron pipe found in the most Southerly corner of said 47.375 acre tract, said 47.375 acre tract being that same 47.37 acre tract as recorded in said Volume 04-669, Page 586, C.C.O.P.R., said 3" iron pipe being at the intersection of the centerline of Fitzgerald Road (60' wide) with the Easterly ROW line of said Old Dayton-Barbers Hill Road, said Easterly ROW line being the West line of said 47.37 acre tract;

THENCE, along the West line of said 47.37 acre tract, North 07°30'31" West, 33.21 feet to a 1" iron pipe found for the POINT OF BEGINNING and Southeast corner of the herein described 0.6433 acre tract, said "POINT OF BEGINNING" being at the intersection of said West line with the projection of the Northwesterly ROW line of Fitzgerald Road, said "POINT OF BEGINNING" being the Southeast corner of said 0.664 acre tract;

THENCE, South 57°05'33" West, 44.58 feet with the projected Northwesterly line of Fitzgerald Road to a 5/8" iron rod with plastic cap set for corner;

THENCE, North 07°16'35" West, 723.65 feet (call=723.92') to a 5/8" iron rod with plastic cap set for the Northwest corner of the herein described 0.6433 acre tract;

THENCE, North 57°20'13" East, 41.25 feet to a 1" iron pipe found at the most Westerly Northwest corner of said 47.37 acre tract;

THENCE, along said Easterly ROW line of Old Dayton-Barbers Hill Road, same being the West line of said 47.37 acre tract, South 07°30'31" East, 722.06 feet (call=722.61') to the POINT OF BEGINNING and containing 0.6433 acres of land.

DYER PROPERTY ACQUISITION

{937521;}

GENERAL WARRANTY DEED

STATE OF TEXAS)
) ss.
COUNTY OF CHAMBERS)

OFFICIAL PUBLIC RECORDS
CHAMBERS COUNTY, TEXAS
Heather H. Hawthorne, County Clerk

That B-J DYER FAMILY LIMITED PARTNERSHIP, a Texas limited partnership, CHARLES D. DYER and MARY BETH DYER, husband and wife, BRYANT DYER and RHONDA R. DYER, husband and wife, ANDY VIRUETTE, JR. and JULIE DYER VIRUETTE, husband and wife (collectively, "Grantors"), for and in consideration of the sum of Ten and no/100 Dollars (\$10.00) paid to Grantors and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged have GRANTED, SOLD and CONVEYED and do hereby GRANT, SELL and CONVEY unto ONEOK MONT BELVIEU STORAGE COMPANY, L.L.C., a Delaware limited liability company ("Grantee"), all right title and interest of every kind and character, including any life estate, homestead, reversionary or easement rights (except as hereinafter provided) in and to that certain land located in the City of Mont Belvieu, Chambers County, Texas, being more particularly described on Exhibit "A", attached hereto and made a part hereof, together with all improvements located on such land (such land and improvements being collectively referred to as the "Property") LESS AND EXCEPT any interest in and to oil, gas and other minerals or royalties therein and thereunder, and all rights, interests and estates of whatsoever nature incident thereto or arising therefrom, PROVIDED THAT Grantors shall retain no right to use the surface for production, development, ingress or egress or the right to use the surface in any way in connection therewith, and SUBJECT TO the easements, rights of way, gas storage agreements and gas storage easements, restrictive covenants of record, special assessments not yet due, and those items listed on Exhibit "B" attached hereto and made a part hereof; *or \$1000.00 INCLUDING ANY ROLL-BACK TAXES*

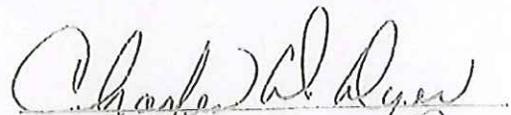
TO HAVE AND TO HOLD the Property unto the Grantee, Grantee's successors and assigns forever, subject to the reservation in favor of Grantors as provided above, and Grantors, their successors and assigns, hereby covenant, promise and agree to and with Grantee that (i) at the delivery of these presents that Grantors are lawfully seized in their own right of an absolute and indefeasible estate of inheritance in fee simple, of and in all and singular the above granted and described premises, with the appurtenances, and that the same are free, clear and discharged of and from all former grants, charges, taxes, judgments, mortgages, liens and encumbrances of whatsoever nature, except and subject to those matters described above, and (ii) Grantors do hereby bind themselves, their heirs, successors and assigns to warrant and forever defend, all and singular, the Property unto the said Grantee, its successors and assigns, against all persons whomsoever claiming or to claim the same or any part thereof.

2008 3/2/08

EXECUTED as of the 15th day of April, 2008, but effective for all purposes as of 4 : 45
P.m. central time on April 15, 2008.

B-J DYER FAMILY LIMITED PARTNERSHIP
a Texas limited partnership,

By:
(Signatories below execute this conveyance as both
members of the Partnership and as individual interest
holders)

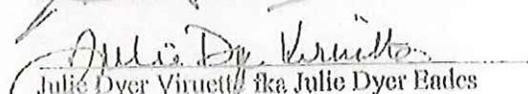

Charles D. Dyer


Mary Beth Dyer aka Mary Elizabeth Dyer


Bryant Dyer


Rhonda R. Dyer


Addy Viruetto, Jr.


Julie Dyer Viruetto aka Julie Dyer Eades

ACKNOWLEDGEMENT

STATE OF TEXAS)
) ss.
COUNTY OF Chambers)

This instrument was acknowledged before me on the 15 th day of April, 2008, by CHARLES D. DYER and MARY BETH DYER, husband and wife, BRYANT DYER and RHONDA R. DYER, husband and wife, and ANDY VIRUETTE, JR. and JULIE DYER VIRUETTE, husband and wife, in their individual capacities and as partners in R-J DYER FAMILY LIMITED PARTNERSHIP, a Texas limited partnership.

Darlene Bennett

Notary Public

Notary Commission No. _____

My Commission Expires:

[SEAL]



EXHIBIT "A"

FIELD NOTES of a 27.92 acre tract of land situated in the Henry Griffith League, Abstract No. 12, Chambers County, Texas, being all of the following tracts of land:

A) residue of 10 acres called Tract 1, 4.75 acres called Tract 2, 1.61 acres called Tract 3, & 3.75 acres called Tract 4 conveyed to B.J Dyer Family Limited Partnership by Charles D. Dyer, et ux, by deed dated December 28, 2006, and recorded in Volume 923 at Page 706 of the Official Public Records of Chambers County, Texas.

B) 1 acre conveyed to Bryant Dyer, et ux, by Mary Beth Dyer, et vir, by deed recorded in Volume 453 at Page 234 of the Official Public Records of Chambers County, Texas.

C) residue of 4.75 acres conveyed to Charles D. Dyer by Virginia Lillieh, et al, by deed recorded in Volume 345 at Page 498 of the Deed Records of Chambers County, Texas.

D) 4.7864 acres, 1.61 acres, a tract of land called Tract "A", & a tract of land called Tract "B" conveyed to Bryant Dyer, et al, by Hal K. Jarrell, Trustee, by deed dated December 16, 1997, and recorded in Volume 352 at Page 319 of the Official Public Records of Chambers County, Texas.

This 27.92 acre tract of land is more particularly described by metes and bounds as follows, to-wit:

NOTE: BEARINGS ARE BASED ON DEED BEARINGS AND FOUND MONUMENTS IN THE NORTH AND SOUTH LINES OF SAID 4.7864 ACRES.

BEGINNING at a 1 ½ inch iron pipe found leaning for the Southeast corner of this tract of land, the Southeast corner of said 4.7864 acres, the Southwest corner of 4.75 acres called Tract 4D conveyed to Kinnie Lee Fitzgerald by W. L. Fitzgerald, Jr., by deed dated September 26, 1933, and recorded in Volume 36 at Page 623 of the Deed Records of Chambers County, Texas, and in the North line of 15.43 acres conveyed to B. G. Lawrence by P. O. Wood, et ux, by deed dated February, 1967, and recorded in volume 282 at Page 291 of the Deed Records of Chambers County, Texas.

THENCE South 85°48'45" West with a South line of this tract of land, the South line of said 4.7864 acres, and the North line of said 15.43 acres a distance of 141.39 feet to a 2 inch iron pipe found for an angle corner of this tract of land, the Southwest corner of said 4.7864 acres, the Southeast corner of said 4.75 acres called Tract 2, and an angle corner of said 15.43 acres.

THENCE South 68°53'39" West with a South line of this tract of land, a South line of said 4.75 acres called Tract 2, and the North line of said 15.43 acres a distance of 55.99 feet to a 2 inch iron pipe found for a Southwest corner of this tract of land, a Southwest corner of said 4.75 acres called Tract 2, the Northwest corner of said 15.43 acres, and in the East line of 1.61 acres awarded to Mary O. Scott by deed dated March 30, 1918, and recorded in Volume 309 at Page 667 of the Deed Records of Chambers County, Texas.

THENCE North 24°30'18" West with a West line of this tract of land, a West line of said 4.75 acres called Tract 2, and the East line of said 1.61 acres a distance of 28.67 feet to a 2 inch iron pipe found leaning for an interior corner of this tract of land, an interior corner of said 4.75 acres called Tract 2, and the Northeast corner of said 1.61 acres.

THENCE South 56°50'05" West with a South line of this tract of land, the South lines of said 4.75 acres called Tract 2, the South line of said 3.75 acres called Tract 4, the North line of said 1.61 acres, and the North line of 1.61 acres awarded to Mrs. S. E. Morgan by deed dated March 30, 1918, and recorded in Volume 309 at Page 667 of the Deed Records of Chambers County, Texas, at a distance of 97.66 feet found a 1 ½ inch iron pipe on line, in all a total distance of

126.71 feet to a 2 inch iron pipe found in concrete for an interior corner of this tract of land, the Northwest corner of said Morgan 1.61 acres, and the Northeast corner of said Bryant Dyer 1.61 acres.

THENCE South 21°37'52" East with an East line of this tract of land, the East line of said Bryant Dyer 1.61 acres, and the West line of said Morgan 1.61 acres a distance of 1102.67 feet to a ½ inch iron rod set for the Southwest corner of this tract of land, the Southeast corner of said Bryant Dyer 1.61 acres, and the Southwest corner of said Morgan 1.61 acres in the North right of way line of Winfree Road, 60 foot wide right of way.

THENCE South 57°23'05" West with a South line of this tract of land, the South line of said Bryant Dyer 1.61 acres, and the North right of way line of Winfree Road a distance of 65.11 feet to a ½ inch iron rod set for the Southwest corner of this tract of land, the Southwest corner of said Bryant Dyer 1.61 acres, and the Southeast corner of 1.61 acres awarded to Kinzoy Lee Fitzgerald, et al, by deed dated March 30, 1918, and recorded in Volume 309 at Page 667 of the Deed Records of Chambers County, Texas.

THENCE North 21°37'52" West with a West line of this tract of land, the West line of said Bryant Dyer 1.61 acres, and the East line of said Fitzgerald 1.61 acres a distance of 1101.93 feet to a ½ inch iron rod set for an interior corner of this tract of land, the Northwest corner of said Bryant Dyer 1.61 acres, the Northeast corner of said Fitzgerald 1.61 acres, and in the South line of said 3.75 acres called Tract 4.

THENCE South 56°50'05" West with a South line of this tract of land, the South line of said 3.75 acres called Tract 4, the South line of said Tract "B", and the North line of said Fitzgerald 1.61 acres, at a distance of 60.92 feet found a 2 inch iron pipe on line, in all a total distance of 65.42 feet to a 1 inch iron pipe found for an angle corner of this tract of land, the Northwest corner of said Fitzgerald 1.61 acres, and a Northeast corner of part of 57.07 acres called Parcel "A" conveyed to Valero Refining Texas, L.P., by EOTT Energy Liquids, L.P., by deed recorded in Volume 669 at Page 686 of the Official Public Records of Chambers County, Texas. From this corner a capped iron rod found bears South 22°04'16" West a distance of 0.26 feet.

THENCE South 56°36'48" West with a South line of this tract of land, the South line of said Tract "B", and the North line of said part of 57.07 acres a distance of 65.24 feet to a 1 inch iron pipe found for an interior corner of this tract of land, a Northwest corner of said part of 57.07 acres, and the Northeast corner of said 1.61 acres called Tract 3.

THENCE South 21°37'52" East with an East line of this tract of land, the East line of said 1.61 acres called Tract 3, and the West line of said part of 57.07 acres a distance of 1100.39 feet to a ½ inch iron rod set for the Southeast corner of this tract of land, the Southeast corner of said 1.61 acres called Tract 3, and a Southwest corner of said part of 57.07 acres in the North line of said Winfree Road.

THENCE South 57°23'01" West with a South line of this tract of land, the South line of said 1.61 acres called Tract 3, and the North right of way line of Winfree Road, at a distance of 38.91 feet found a concrete monument on line, in all a total distance of 65.11 feet to a 5/8 inch iron rod inside a 1 inch iron pipe found for a Southwest corner of this tract of land, the Southwest corner of said 1.61 acres called Tract 3, and a Southeast corner of said part of 57.07 acres.

THENCE North 21°37'52" West with the West line of this tract of land, the West line of said 1.61 acres called Tract 3, and an East line of said part of 57.07 acres a distance of 1099.60 feet to a concrete monument found broken for a Northwest corner of this tract of land, the Northwest corner of said 1.61 acres called Tract 3, and an interior corner of said part of 57.07 acres.

THENCE North 56°36'48" East with a North line of this tract of land, the North line of said 1.61 acres called Tract 3, and a South line of said part of 57.07 acres, a distance of 2.95 feet to a

concrete monument found broken for a Southwest corner of this tract of land, the Southwest corner of said Tract "B", and a Southeast corner of said part of 57.07 acres.

THENCE North 21°45'25" West with a West line of this tract of land, the West line of said Tract "B", and an East line of said part of 57.07 acres a distance of 26.39 feet to a concrete monument found for an Interior corner of this tract of land, the Northwest corner of said Tract "B", and an Interior corner of said part of 57.07 acres.

THENCE North 41°14'12" East with a North line of this tract of land, the North line of said Tract "B", and a South line of said part of 57.07 acres a distance of 145.20 feet to a concrete monument found for an Interior corner of this tract of land, the Northeast corner of said Tract "B", a Southeast corner of said part of 57.07 acres, and in the West line of said residue of 10 acres.

THENCE North 21°45'25" West with a West line of this tract of land, the West line of said residue of 10 acres, and an East line of said part of 57.07 acres a distance of 1507.93 feet found a concrete monument broken for an Interior corner of this tract of land, the Southeast corner of said Tract "A", and a Northeast corner of said part of 57.07 acres at the South line of Fitzgerald Road, 60 foot wide right of way.

THENCE South 56°54'44" West with a South line of this tract of land, the South line of said Tract "A", the South right of way line of Fitzgerald Road, a North line of said part of 57.07 acres a distance of 25.00 feet to a ½ Inch Iron rod set for a Southwest corner of this tract of land, the Southwest corner of said Tract "A", and an Interior corner of said part of 57.07 acres.

THENCE North 31°09'25" West with a West line of this tract of land, the West line of said Tract "A", and an East line of said part of 57.07 acres a distance of 30.01 feet to a ½ Inch Iron rod set for a Northwest corner of this tract of land, the Northwest corner of said Tract "A", and a Northeast corner of said part of 57.07 acres.

THENCE North 56°54'44" East with a North line of this tract of land, the North line of said Tract "A", the North line of said residue of 10 acres, and the South line of 47.37 acres called Parcel "B" conveyed to Valero Refining Texas, L.P., by EOTT Energy Liquids, L.P., by deed recorded in Volume 669 at Page 586 of the Official Public Records of Chambers County, Texas, at a distance of 28.90 feet found an aluminum disc on line, at a distance of 30.00 feet found a 3 Inch Iron pipe for the Northeast corner of said Tract "A", the Northwest corner of said residue of 10 acres, and the Southeast corner of said 47.37 acres, in all a total distance of 196.37 feet to a 5/8 Inch Iron rod found for an angle corner of this tract of land, an angle corner of said residue of 10 acres, and an angle corner of said 47.37 acres.

THENCE North 87°04'28" East with a North line of this tract of land, a North lines of said residue of 10 acres, 3.75 acres called Tract 4, 4.75 acres called Tract 2, 4.7864 acres, the South line of said 47.37 acres, and the South line of a 0.34 of an acre tract of land conveyed in Lease Agreement from Mary O. Scott, et vir, to Magnolia Pipe Line Company by Instrument dated April 20, 1956, and recorded in Volume 177 at Page 633 of the Deed Records of Chambers County, Texas, at a distance of 386.82 feet found a 1 ½ inch Iron pipe in concrete for the Northeast corner of said residue of 10 acres, and the Northwest corner of said 3.75 acres called Tract 4, in all a total distance of 801.61 feet to a ½ Inch Iron rod set for the Northeast corner of this tract of land, the Northeast corner of said 4.7864 acres, and the Northwest corner of said Fitzgerald 4.75 acres.

THENCE South 02°38'15" East with an East line of this tract of land, the East line of said 4.7864 acres, and the West line of said Fitzgerald 4.75 acres a distance of 1470.80 feet to the PLACE OF BEGINNING, containing within said boundaries 27.92 acres of land, more or less.

END OF EXHIBIT "A"

EXHIBIT "B"

1. Pipeline right of way dated July 12, 1965, recorded in Volume 265, Page 509 of the Deed Records of Chambers County, Texas, from Louise E. Eckman, et al to Sinclair Pipe Line Company. (Home Tract 7)
2. Pipeline right of way dated August 10, 1965, recorded in Volume 266, Page 267 of the Deed Records of Chambers County, Texas, from Lawson H. Davis, et al to Sinclair Pipe Line Company. (Home Tract 6)
3. Pipeline right of way dated September 24, 1965, recorded in Volume 268, Page 248 of the Deed Records of Chambers County, Texas, from Elda Fitzgerald to Sinclair Pipe Line Company. (Home Tract 11)
4. Pipeline right of way dated September 24, 1965, recorded in Volume 268, Page 359 of the Deed Records of Chambers County, Texas, from Mildred Somers, et al to Sinclair Pipe Line Company. (Home Tract 8)
5. Easement dated November 17, 1965, recorded in Volume 270, Page 259 of the Deed Records of Chambers County, Texas, from Willard Alvester Leavens to Houston Lighting and Power Company. (Home Tract 5)
6. Easement dated February 4, 1976, recorded in Volume 380, Page 721 of the Deed Records of Chambers County, Texas, from Charles D. Dyer to Houston Lighting and Power Company. (Home Tract 7)
7. Easement dated February 4, 1976, recorded in Volume 380, Page 725 of the Deed Records of Chambers County, Texas, from Mary Beth Dyer to Houston Lighting and Power Company. (Home Tract 11)
8. Terms, conditions and stipulations contained in that certain Agreement dated December 17, 1979 regarding the placement and width of underground storage wells, as described in Memorandum recorded in Volume 446, Page 312 of the Deed Records of Chambers County, Texas, by and between Tenneco Oil Company and Charles Dyer and Mary Beth Dyer. (Home Tracts 6, 7 and 11 and Oil Tracts 3 and 6)
9. Pipeline right of way dated December 17, 1979, recorded in Volume 465, Page 158 of the Deed Records of Chambers County, Texas, from Tenneco Oil Company to Charles Dyer. (Home Tract 8)
10. Pipeline right of way dated March 23, 1981, recorded in Volume 476, Page 27 of the Deed Records of Chambers County, Texas, from Charles D. Dyer, et ux to Matador Pipeline, Inc. (Home Tracts 8 and 11 and Oil Tract 3)
11. Pipeline right of way dated March 18, 1992, recorded in Volume 170, Page 896 of the Official Public Records of Chambers County, Texas, from Charles D. Dyer, et ux to Koch Pipelines, Inc., as amended by instrument dated April 15, 1993, recorded in Volume 205, Page 122 of the Official Public Records of Chambers County, Texas. (Home Tracts 7, 8 and 11 and Oil Tract 3)
12. Pipeline right of way dated March 19, 1992, recorded in Volume 170, Page 889 of the Official Public Records of Chambers County, Texas, from Charles D. Dyer et ux to Koch Pipelines, Inc. (Home Tract 7)

13. Pipeline easement rights conveyed in Gift Deed dated December 5, 1996, recorded in Volume 325, Page 245 of the Official Public Records of Chambers County, Texas, from Charles D. Dyer, et ux to Bryant Dyer and Julie Dyer Eades and reconveyed to Charles D. Dyer and Mary E. Dyer by Gift Deed dated June 15, 1999, recorded in Volume 453, Page 228 of the Official Public Records of Chambers County, Texas.
14. Royalty interests in and to all oil, gas and other minerals conveyed in Deed dated June 19, 1958, recorded in Volume 202, Page 218 of the Deed Records of Chambers County, Texas, from Elda Fitzgerald to Mildred Somers, et al.
15. All oil, gas and other minerals from an undivided interest in subject property reserved by conveyance of the Surface Estate Only in Deed dated May 28, 1973, recorded in Volume 348, Page 283 of the Deed Records of Chambers County, Texas, from Joe M. Davis, et al to Charles D. Dyer. (Oil Tract 6 and Home Tract 6)
16. All oil royalties from an undivided interest in subject property reserved in Deed dated June 20, 1975, recorded in Volume 369, Page 778 of the Deed Records of Chambers County, Texas, from Clyde V. Hornback, et al to Charles D. Dyer. (Oil Tract 6 and Home Tract 6)
17. All oil, gas and other minerals, together with the right of ingress and egress for the purpose of exploring for and developing same, reserved in Deed dated September 25, 1975, recorded in Volume 374, Page 477 of the Deed Records of Chambers County, Texas, from Elda Fitzgerald to Mary Beth Dyer. (Home Tract 11)
18. All oil, gas and other minerals, including salt, together with the right of ingress and egress for the purpose of exploring for and developing same, conveyed in Gift Deed dated December 5, 1996, recorded in Volume 325, Page 245 of the Official Public Records of Chambers County, Texas, from Charles D. Dyer, et ux to Bryant Dyer and Julie Dyer Eades, and reconveyed to Charles D. Dyer and Mary E. Dyer by Gift Deed dated June 15, 1999, recorded in Volume 453, Page 228 of the Official Public Records of Chambers County, Texas.
19. All oil, gas and other minerals in, under and that may be produced from subject property reserved in Deed dated December 28, 2006, recorded in Volume 923, Page 706 of the Official Public Records of Chambers County, Texas, from Charles D. Dyer, et ux to B-J Dyer Family Limited Partnership. (Home Tracts 6, 7 and 11 and Oil Tract 6)
20. Subject to the terms, conditions and stipulations contained in any valid and existing oil, gas and/or minerals lease affecting subject property, any ratifications or renewals thereof, any oil or gas units designated under the terms thereof, and/or the rights of all parties thereto and thereunder, including but not limited to those certain oil, gas and mineral leases recorded in Volume 16, Page 177, Volume 21, Page 291, Volume 30, Page 625, Volume 553, Pages 7, 11, 15, 19 and 23 and Volume 561, Pages 293, 297, 301, 305 and 309, all of the Deed Records of Chambers County, Texas, and in Volume 89, Page 290 of the Official Public Records of Chambers County, Texas.

END OF EXHIBIT "B"

FITZGERALD PROPERTY ACQUISITION

{937521;}

OFFICIAL PUBLIC RECORDS
CHAMBERS COUNTY, TEXAS
Heather H. Hawthorne, County Clerk

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SPECIAL WARRANTY DEED

Date: April 29, 2008

Grantor: PHILIP R. FITZGERALD; FRANK H. FITZGERALD; BRYAN LEE FITZGERALD; and BARBARA FITZGERALD O'TOOLE

Grantor's Mailing Address:

PHILIP R. FITZGERALD
P. O. BOX 108457
HOUSTON, TEXAS 77224

FRANK H. FITZGERALD
12602 LAUREN LANE
MONTGOMERY, TEXAS 77356

BRYAN LEE FITZGERALD
5610 RUMMELL ROAD
LITTLE ROCK ARKANSAS 77356

BARBARA FITZGERALD O'TOOLE
2804 MID LANE
HOUSTON, TEXAS 77017

Grantee: ONEOK Mont Belvieu Storage Company, L.L.C., a Delaware limited liability company

Grantee's Mailing Address:

ONEOK Mont Belvieu Storage Company, L.L.C.
501 GAGE
TOPEKA, KANSAS

Consideration:

TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged.

*Special Warranty Deed
Philip R. Fitzgerald et al to
ONEOK Mont Belvieu Storage Company LLC*

2008 36341

Property (including any improvements):

Those two (2) certain tracts or parcels of land situated in the HENRY GRIFFITH LEAGUE, Abstract No. 12, Chambers County, Texas, and being Lot 4C commonly known as OIL TRACT NO. 4 and Lot 4D, commonly known as HOME TRACT NO. 4 as set aside to Kinzie Lee Fitzgerald and W. L. Fitzgerald, Jr, as heirs of Myrtle R. Fitzgerald in Report of Commissioners entered in Cause No. 157 in the District Court of Chambers County, Texas, styled "T. S. Fitzgerald vs. F. M. Fitzgerald, et al". Said tracts or parcels of land being more particularly described by notes and bounds as follows, to-wit:

OIL TRACT NO. 4: BEGINNING at the South corner of Oil Tract No. 3;

THENCE North 10° 36' West along the line between Tracts 3 and 4, 306 varas to the South line of Home Tract No. 7;

THENCE South 60° 20' West along the South line of said Home Tract No. 7, 23.44 varas;

THENCE South 10° 36' East 306 varas to the South line of said Fitzgerald lands;

THENCE North 60° 20' East 23.44 varas to the PLACE OF BEGINNING, containing 1.61 acres of land, more or less.

HOME TRACT NO. 4: BEGINNING at the Westerly corner of Home Tract No. 3;

THENCE North 00° 40' East along the line between Tracts 3 and 4, 527.8 varas to the South line of Prairie Tract No. 1;

THENCE West 64 varas;

THENCE South 00° 40' West 529.4 varas;

THENCE North 89° 03' East 64 varas to the PLACE OF BEGINNING, containing 4.75 acres of land, more or less.

Reservations from Conveyance:

For Grantor and Grantor's heirs, successors, and assigns forever, a reservation of all oil, gas, and other minerals in and under and that may be produced from the Property. If the mineral estate is subject to existing production or an existing lease, this reservation includes the production, the lease, and all benefits from it.

Grantor waives and conveys to Grantee the right of ingress and egress to and from the surface of the Property relating to the portion of the mineral estate owned by Grantor.

Special Warranty Deed
Phillip R. Fitzgerald et al to
ONEOK Heat Exchanger Storage Company LLC

Nothing herein, however, restricts or prohibits the pooling or unitization of the portion of the mineral estate owned by Grantor with land other than the Property, or the exploration or production of the oil, gas, and other minerals by means of wells that are drilled or mined that open on land other than the Property but enter or bottom under the Property, provided that these operations in no manner interfere with the surface or subsurface support of any improvements constructed or to be constructed on the Property.

Exceptions to Conveyance and Warranty:

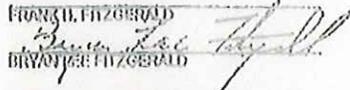
Validly existing easements, rights-of-way, and prescriptive rights, whether of record or not; all properly recorded and validly existing instruments, other than conveyances of the surface fee estate, that affect the Property, and taxes for 2003, which Grantee assumes and agrees to pay, and subsequent assessments for that and prior years due to change in land usage, ownership, or both, the payment of which Grantee assumes.

Grantor, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty, grants, sells, and conveys to Grantee the Property, together with all and wherever the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's heirs, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through, or under Grantor but not otherwise, except as to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty.

Grantor grants and conveys the Property to Grantee as separate property.

When the context requires, singular nouns and pronouns include the plural.


FRANCIS H. FITZGERALD

FRANCIS H. FITZGERALD

BRYAN LEE FITZGERALD
FRANCIS H. FITZGERALD & SONS

Nothing herein, however, restricts or prohibits the pooling or utilization of the portion of the mineral estate owned by Grantor with land other than the Property; or the exploration or production of the oil, gas, and other minerals by means of wells that are drilled or mines that open on land other than the Property but enter or bottom under the Property, provided that these operations in no manner interfere with the surface or subsurface support of any improvements constructed or to be constructed on the Property.

Exceptions to Conveyance and Warranty:

Validly existing easements, rights-of-way, and prescriptive rights, whether of record or not; all presently recorded and validly existing instruments, other than conveyances of the surface fee estate, that affect the Property; and taxes for 2008, which Grantee assumes and agrees to pay, and subsequent assessments for that and prior years due to change in land usage, ownership, or both, the payment of which Grantee assumes.

Grantor, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty, grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's heirs, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through, or under Grantor but not otherwise, except as to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty.

Grantor grants and conveys the Property to Grantee as separate property.

When the context requires, singular nouns and pronouns include the plural.

PHILIP R. FITZGERALD

FRANK H. FITZGERALD

BRYAN LEE FITZGERALD

Barbara Fitzgerald O'Toole

BARBARA FITZGERALD O'TOOLE

Nothing herein, however, restricts or prohibits the pooling or unitization of the portion of the mineral estate owned by Grantor with land other than the Property, or the exploration or production of the oil, gas, and other minerals by means of wells that are drilled or mined that open on land other than the Property but enter or bottom under the Property, provided that these operations in no instance interfere with the surface or subsurface support of any improvements constructed or to be constructed on the Property.

Exceptions to Conveyance and Warranty:

Validly existing easements, right-of-way, and prescriptive rights, whether of record or not; all presently recorded and validly existing instruments, other than conveyances of the curbed fee estate, that affect the Property; and taxes for 2009, which Grantee assumes and agrees to pay, and subsequent assessments for that and prior years due to changes in land usage, ownership, or both, the payment of which Grantee assumes.

Grantor, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty, grants, sells, and conveys to Grantee the Property, together with all and wherever the rights and responsibilities therein in any way belonging, to have and to hold it to Grantee and Grantee's heirs, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs and successors to warrant and forever defend all and wherever the Property to Grantee and Grantee's heirs, successors, and assigns against every person whatsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through, or under Grantor but not otherwise, except as to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty.

Grantor grants and conveys the Property to Grantee as separate property
When the context requires, singular nouns and pronouns include the plural

PHILIP R. FITZGERALD
Philip R. Fitzgerald
PHILIP R. FITZGERALD
BRYAN LUC FITZGERALD
BARRON FITZGERALD O'CONNOR

STATE OF TEXAS)
COUNTY OF Cherokee)

This instrument was acknowledged before me on April 29
2009, by PHILIP R. FITZGERALD.

Doree Bennett
Notary Public, State of Texas
My commission expires: _____



STATE OF TEXAS)
COUNTY OF _____)

This instrument was acknowledged before me on _____
2009, by FRANK H. FITZGERALD.

Notary Public, State of Texas
My commission expires: _____

STATE OF ARKANSAS)
COUNTY OF Pulaski)

This instrument was acknowledged before me on April 28
2009, by BRYAN LEE FITZGERALD.



Joy Jones
Notary Public, State of Arkansas
My commission expires: 04-28-2010

STATE OF TEXAS)
COUNTY OF _____)

This instrument was acknowledged before me on _____
2008, by PHILIP R. FITZGERALD.

Notary Public, State of Texas
My commission expires: _____

STATE OF TEXAS)
COUNTY OF Deer Park)

This instrument was acknowledged before me on 18 Apr. 1
2008, by FRANK J. FITZGERALD.



Frank J. Fitzgerald
Notary Public, State of Texas
My commission expires: 8/12/08

STATE OF ARKANSAS)
COUNTY OF _____)

This instrument was acknowledged before me on _____
2008, by BRYAN LEE FITZGERALD.

Notary Public, State of ARKANSAS
My commission expires: _____

STATE OF ^{TEXAS} ARKANSAS)
COUNTY OF Wann)

This instrument was acknowledged before me on April 28, 2008,
2008, by BARBARA FITZGERALD O'TOOLE.



Tommy Welch
Notary Public, State of Texas
My commission expires: July 6, 2011

PREPARED IN THE OFFICE OF:
JOE F. GANDLIN
P. O. BOX 683
707 WILLCOX
ANAHUAC, TEXAS 77814
Tel: (409) 267-8793
Fax: (409) 267-9792

AFTER RECORDING RETURN TO:
ONEOK Mont Belvieu Storage Company, L.L.C
801 GAGE
TOPEKA, KANSAS

FILED FOR RECORD IN

Clatsop County

BOOK 150 P. 2033 AT 031456

IS AND Public Records

Booker H. Matthews COUNTY CLERK

CLERK MONTH 0007400

AMOUNT \$4.00

RECORD NUMBER 03230012

BY RECORDS
STATE OF OREGON Clatsop County
AS SUPERVISOR OF CL. FOR 2005

Booker H. Matthews COUNTY CLERK
Recorded: *Booker H. Matthews*

KOCH PROPERTY DESCRIPTION

(Odell property)

(Less and except property conveyed by ONEOK to Placid*)

Plus

PROPERTY CONVEYED BY PLACID AS PART OF SWAP

(*Note - The deed covering the conveyance from ONEOK to Placid may not have been recorded)

October 1, 1997

METES AND BOUNDS DESCRIPTION
OF AN 11.715 ACRE TRACT SITUATED IN THE
HENRY GRIFFITH LEAGUE, ABSTRACT 12
CHAMBERS COUNTY, TEXAS

A Metes and Bounds description of an 11.715 acre tract out of a call 30 acre tract as recorded in Volume 53, Page 258, Chambers County Deed Records (C.C.D.R.), said 11.715 acre tract being situated in the Henry Griffith League, Abstract 12, Chambers County, Texas, and being more particularly described as follows:

All bearings are based on the Texas Coordinate System, South Central Zone.

BEGINNING at a 3/4" iron pipe found for the Southwest corner of the herein described 11.715 acre tract, said "POINT OF BEGINNING" being the point of intersection of the Westerly line of said 30 acre tract with the West ROW line of State Highway 146 (120' wide);

THENCE, along the Westerly line of said 30 acre tract, North 33°26'17" West, 1226.79 feet to a 1/2" iron rod (bent) found for corner, said corner being the Southwest corner of a call 5.859 acre tract conveyed to Koch Pipeline as recorded in Volume 93-213, Page 708, Official Public Records of Chambers County;

THENCE, along the South line of said 5.859 acre tract, North 56°19'06" East, 573.61 feet to a 1/2" iron rod found for corner in the Easterly line of said 30 acre tract, said corner being the Southeast corner of said 5.859 acre tract;

THENCE, along said East Line, South 33°29'26" East, 551.42 feet to a 5/8" iron rod set for the Southeast corner of the herein described tract, said Southeast corner being the most Southerly corner of a call 9.149 acre tract conveyed to Placid Refining as recorded in Volume 423, Page 237, C.C.D.R., said corner being in the West ROW line of State Highway 146;

THENCE, along said West ROW line, South 06°49'36" West, 888.27 feet to the POINT OF BEGINNING and containing 11.715 acres of land. (Plat Attached.)

Lucien C. Schaffer Jr. 10-2-97
Lucien C. Schaffer Jr. RPLS 4803



October 1, 1997

METES AND BOUNDS DESCRIPTION
OF AN 6.149 ACRE TRACT SITUATED IN THE
HENRY GRIFFITH LEAGUE, ABSTRACT 12
CHAMBERS COUNTY, TEXAS

A Metes and Bounds description of an 6.149 acre tract out of a call 30 acre tract as recorded in Volume 53, Page 258, Chambers County Deed Records (C.C.D.R.), said 6.149 acre tract being situated in the Henry Griffith League, Abstract 12, Chambers County, Texas, and being more particularly described as follows:

All bearings are based on the Texas Coordinate System, South Central Zone.

BEGINNING at a 3/4" iron rod found for the Northeast corner of the herein described 6.149 acre tract, said "POINT OF BEGINNING" being the point of intersection of the Easterly line of said 30 acre tract with the East ROW line of State Highway 146 (120' wide);

THENCE, along the Easterly line of said 30 acre tract, South 33°29'26" East, 539.32 feet (called 544.94 feet) to a 5/8" iron rod set for corner, said corner being the South corner of a call 3.743 acre tract conveyed to Flacid Refining as recorded in Volume 423, Page 237, C.C.D.R., said corner being in the West ROW line of Old Dayton-Barber's Hill Road;

THENCE, along the West ROW line of Old Dayton-Barber's Hill Road, South 07°44'41" East, 492.90 feet to a 5/8" iron rod set for corner, said corner being the calculated Northeast corner of a call 3.804 acre tract conveyed to Robert N Herrington as recorded in Volume 90-117, Page 34, Official Public Records of Chambers County;

THENCE, along the North line of said 3.804 acre tract, North 83°12'21" West, at 4.20 feet pass a found 3/8" iron rod, and continuing for a total distance of 472.96 feet (called 468.01 feet) to a 5/8" iron rod found for the Northwest corner of said 3.804 acre tract, said corner being in the East ROW line of State Highway 146;

THENCE, along said East ROW line, North 06°49'36" East, 888.53 feet to the POINT OF BEGINNING and containing 6.149 acres of land. (Plat Attached.)

Lucien C. Schaffer, Jr. 10-2-97
Lucien C. Schaffer, Jr. RPLS 4803



SSC

Leas & Except this tract
STANGER SURVEYING CANTON LLC

581 S. TRADE DAYS BLVD.
CANTON, TEXAS 75103

PH: 903-567-5680

FAX: 903-567-6861

HENRY GRIFFITH LEAGUE, ABSTRACT NO. 12
CHAMBERS COUNTY, TEXAS

METES AND BOUNDS DESCRIPTION FOR 0.344 OF AN ACRE OF LAND

BEING 0.344 of an acre of land situated in the Henry Griffith League, Abstract No. 12, Chambers County, Texas, and being a part of that certain called 5.859 acre tract described in a Special Warranty Deed, dated July 1, 2005, from Koch Pipeline Company, L.P. to KPL NGL Pipeline, L.P., recorded in 05 790 671 of the Official Public Records of Chambers County, Texas. Said 0.344 of an acre of land being more particularly described as follows:

BEGINNING at a crimped 2 inch iron pipe (found) for corner at the North corner of the above referenced 5.859 acre tract, at the West corner of that certain called 9.149 acre tract (Tract No. 1) described in a Warranty Deed from Vantage Realty Company, Trustee, to Placid Refining Company, recorded in Volume 423, Page 237 of the Deed Records of Chambers County, Texas, in the Southeast line of that certain called 376.764 acre (Tract No. 4) described in said Warranty Deed to Placid Refining Company (Vol. 423, Pg. 237), and being located in the recognized Northwest line of the Henry Griffith League, Abstract No. 12;

THENCE: South 33 deg. 27 min. 08 sec. East, with the Northeast line of said 5.859 acre tract and with the Southwest line of said 9.149 acre tract, a distance of 214.80 feet to a point for corner in the existing edge of water (as of November 2, 2007) on the North side of the Coastal Industrial Water Authority Canal, from which a 1/2 inch iron rod (set) for reference bears North 33 deg. 27 min. 08 sec. West, a distance of 10.03 feet;

THENCE: in a Northwesterly direction, over and across said 5.859 acre tract, and with the existing edge of water (as of November 2, 2007) on the North side of said canal, as follows:

North 64 deg. 31 min. 50 sec. West, a distance of 8.61 feet to a point for corner;

North 66 deg. 26 min. 04 sec. West, a distance of 49.70 feet to a point for corner;

North 66 deg. 16 min. 52 sec. West, a distance of 54.86 feet to a point for corner;

North 65 deg. 43 min. 24 sec. West, a distance of 52.13 feet to a point for corner;

North 68 deg. 36 min. 41 sec. West, a distance of 50.77 feet to a point for corner;

North 73 deg. 39 min. 15 sec. West, a distance of 40.24 feet to a point for corner;

and

North 82 deg. 59 min. 38 sec. West, a distance of 4.10 feet to a point for corner in the Northwest line of said 5.859 acre tract, in the Southeast line of the above mentioned 376.764 acre tract, and being located in the recognized Northwest line of the Henry Griffith League, Abstract No. 12;

THENCE: North 56 deg. 17 min. 50 sec. East, with the Northwest line of said 5.859 acre tract, with the Southeast line of said 376.764 acre tract, and with the recognized Northwest line of the Henry Griffith League, a distance of 147.41 feet back to the PLACE OF BEGINNING and containing 0.344 of an acre of land.

I, Mark D. Bryant, Sr., Registered Professional Land Surveyor, do hereby certify that the above description was prepared from an actual survey made on the ground under my direction and supervision during the month of November, 2007.

A red plastic cap stamped "Stanger" was placed on the above described 1/2 inch iron rods (set). Bearings are based on the record bearing of "S 06°49'36" W" along the monumented East line of that certain called 11.715 acre tract described in 02 535 347 of the Official Public Records of Chambers County, Texas. Reference made to Plat of Survey prepared even date (C07214).

GIVEN UNDER MY HAND AND SEAL, this the 5th day of November, 2007.

Mark D. Bryant, Sr.

Mark D. Bryant, Sr.,
Registered Professional Land Surveyor
State of Texas No. 4360

Job No.: C07214

Survey Completed: 11-02-2007



*Property Acquired
From Blawie*

SSC

STANGER SURVEYING CANTON LLC

581 S. TRADE DAY BLVD.
CANTON, TEXAS 75103

PH: 903-567-8680

FAX: 903-567-6861

HENRY GRIFFITH LEAGUE, ABSTRACT NO. 12
CHAMBERS COUNTY, TEXAS

METES AND BOUNDS DESCRIPTION FOR 1.740 ACRES OF LAND

BEING 1.740 acres of land situated in the Henry Griffith League, Abstract No. 12, Chambers County, Texas, and being a part of that certain called 9.149 acre tract (Tract No. 1) described in a Warranty Deed, dated September 19, 1978, from Vantage Realty Company, Trustee, to Placid Refining Company, recorded in Volume 423, Page 237 of the Deed Records of Chambers County, Texas. Said 1.740 acres of land being more particularly described as follows:

COMMENCING at a crimped 2 inch iron pipe (found) for corner at the West corner of the above referenced 9.149 acre tract, in the Southeast line of that certain called 376.764 acre (Tract No. 4) described in the above referenced Warranty Deed to Placid Refining Company (Vol. 423, Pg. 237), at the North corner of that certain called 5.859 acre tract described in a Special Warranty Deed from Koch Pipeline Company, L.P. to KPL NGL Pipeline, L.P., recorded in 05 790 671 of the Official Public Records of Chambers County, Texas, and being located in the recognized Northwest line of the Henry Griffith League, Abstract No. 12;

THENCE: South 33 deg. 27 min. 08 sec. East, with the Southwest line of said 9.149 acre tract and with the Northeast line of said 5.859 acre tract, a distance of 345.01 feet to a point for corner at the PLACE OF BEGINNING of the hereinafter described 1.740 acre tract and being located in the existing edge of water (as of November 2, 2007) on the South side of the Coastal Industrial Water Authority Canal, from which a 1/2 inch iron rod (set) for reference bears South 33 deg. 27 min. 08 sec. East, a distance of 11.16 feet;

THENCE: in a Southeasterly direction, over and across said 9.149 acre tract and with the existing edge of water (as of November 2, 2007) on the South side of said canal, as follows:

South 65 deg. 08 min. 50 sec. East, a distance of 5.67 feet to a point for corner;

South 63 deg. 59 min. 25 sec. East, a distance of 63.42 feet to a point for corner;

South 65 deg. 16 min. 20 sec. East, a distance of 76.08 feet to a point for corner;

South 65 deg. 49 min. 12 sec. East, a distance of 101.06 feet to a point for corner;

South 65 deg. 48 min. 04 sec. East, a distance of 69.08 feet to a point for corner;

South 69 deg. 25 min. 27 sec. East, a distance of 27.89 feet to a point for corner;

South 63 deg. 15 min. 15 sec. East, a distance of 20.33 feet to a point for corner;

and

South 61 deg. 42 min. 51 sec. East, a distance of 21.94 feet to a point for corner;

THENCE: South 21 deg. 17 min. 48 sec. West, at 1.55 feet entering the concrete wall on the Southwest end of a flood gate, continuing along the outside face of said wall, in all a total distance of 2.11 feet to a point for corner;

THENCE: South 65 deg. 42 min. 12 sec. East, along the outside face of the concrete wall on the South side of said flood gate, at 26.12 feet leaving said wall, continuing in all a total distance of 57.30 feet to a 1/2 inch iron rod (set) for corner in the East line of said 9.149 acre tract and being located in the West right-of-way line of State Highway No. 146 (a 120' right-of-way at this location);

THENCE: South 06 deg. 49 min. 36 sec. West, with the East line of said 9.149 acre tract and with the West right-of-way line of State Highway No. 146, a distance of 360.47 feet to a 5/8 inch iron rod (found) for corner at the most Southerly corner of said 9.149 acre tract and being located at the most Easterly Northeast corner of that certain called 11.715 acre tract described in a Special Warranty Deed from Koch Hydrocarbon Company to Koch Pipeline Company, L.P., recorded in 02 535 347 of the Official Public Records of Chambers County, Texas;

THENCE: North 33 deg. 27 min. 08 sec. West, with the Southwest line of said 9.149 acre tract, with the Northeast line of said 11.715 acre tract, and with the Northeast line of the above mentioned 5.859 acre tract, a distance of 651.37 feet back to the PLACE OF BEGINNING and containing 1.740 acres of land.

I, Mark D. Bryant, Sr., Registered Professional Land Surveyor, do hereby certify that the above description was prepared from an actual survey made on the ground under my direction and supervision during the month of November, 2007.

A red plastic cap stamped "Stanger" was placed on the above described 1/2 inch iron rods (set).

Bearings are based on the record bearing of "S 06°49'36" W" along the monumented East line of the above mentioned 11.715 acre tract recorded in 02 535 347 of the Official Public Records of Chambers County, Texas;

Reference made to Plat of Survey prepared even date (C07214)

GIVEN UNDER MY HAND AND SEAL, this the 5th day of November, 2007.

Mark D. Bryant, Sr.

Mark D. Bryant, Sr.,
Registered Professional Land Surveyor
State of Texas No. 4360

Job No.: C07214

Survey Completed: 11-02-2007



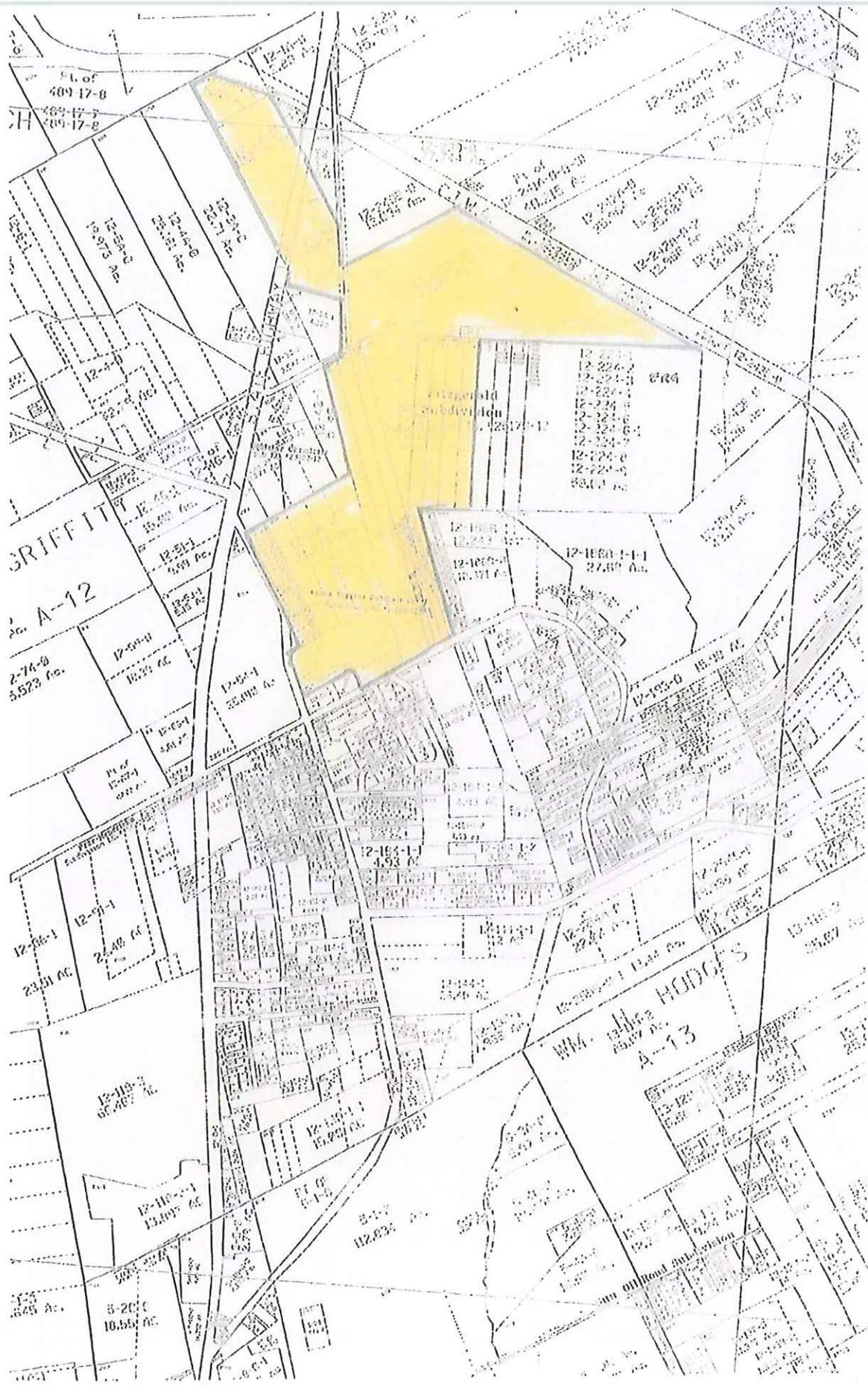


EXHIBIT 2

LOCATION OF QUALIFIED INVESTMENT/QUALIFIED PROPERTY

All Qualified Property owned by the Applicant and located within the boundaries of both the Barbers Hill Independent School District and the Reinvestment Zone originally created on June 20, 2011 by action of the City Council of the City of Mont Belvieu, Texas in adopting *City of Mont Belvieu Ordinance No. 2011-009* will be included in and subject to this Agreement. Specifically, all Qualified Property of the Applicant located within the boundaries on the map and/or the metes and bounds description chart attached as **EXHIBIT 1** is specifically included.

A map and the metes and bounds description chart of the Reinvestment Zone created by *City of Mont Belvieu Ordinance No. 2011-009* are attached as **EXHIBIT 1**.

EXHIBIT 3

DESCRIPTION OF THE APPLICANT'S QUALIFIED INVESTMENT/QUALIFIED PROPERTY

The proposed project will consist of a new NGL fractionator. The plant Components consist of:

- DeEthanizer
- DePropanizer
- DeButanizer
- DeIsobutanizer (DIB)
- Towers
- Heat Medium
- Gasoline Treater
- Compression Equipment

The facility will also require the use of personal property. All of the property for which the Applicant is seeking a limitation on appraised value will be owned by the Applicant or a valid assignee pursuant to this Agreement.

S U S A N

C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



December 5, 2011

John Koonce
Assistant Superintendent of Finance
Barbers Hill Independent School District
P. O. Box 1108
Mont Belvieu, Texas 77580-1108

Re: Agreement for Limitation on Appraised Value of Property for School District
Maintenance and Operations Taxes by and between Barbers Hill Independent School
District and Oneok Hydrocarbon, LP

Dear Assistant Superintendent Koonce:

This office has been provided the "Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Barbers Hill Independent School District and Oneok Hydrocarbon, LP" (the "Agreement"). As requested, the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1).

Based on our review, this office concludes that it complies with the provisions of Tax Code, Chapter 313 and 34 TAC Chapter 9, Subchapter F.

If you need additional information or have questions, please contact me at (512) 463-3973.

Sincerely,

A handwritten signature in black ink, appearing to read "R. B. Wood", is written over a horizontal line.

Robert B. Wood
Director
Economic Development and Analysis Division

cc: Kevin O'Hanlon, O'Hanlon, McCollom & Demerath, PC
Tim Blake, Oneok Hydrocarbon, LP
Mike Fry, K E Andrews