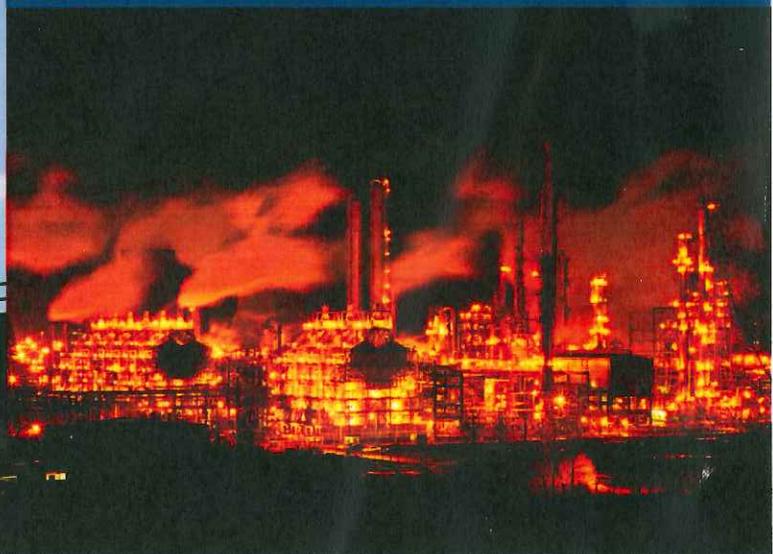


**FINDINGS OF THE BARBERS HILL
INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE
APPLICATION SUBMITTED
BY
ONEOK HYDROCARBONS LP**



September 23, 2013

**FINDINGS
OF THE
BARBERS HILL INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES
UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
ONEOK HYDROCARBONS LP
(APPLICATION #252)**

SEPTEMBER 23, 2013

Board Findings of the Barbers Hill Independent School District

FINDINGS OF THE BARBERS HILL INDEPENDENT
SCHOOL DISTRICT BOARD OF TRUSTEES UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT
ON THE APPLICATION SUBMITTED BY
ONEOK HYDROCARBONS LP

STATE OF TEXAS §

COUNTY OF CHAMBERS §

On the 23rd day of September, 2013, a public meeting of the Board of Trustees of the Barbers Hill Independent School District was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board of Trustees took up and considered the application of Oneok Hydrocarbons LP (Oneok) for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. The Board of Trustees solicited input into its deliberations on the Application from interested parties within the District. After hearing presentations from the District's administrative staff, and from consultants retained by the District to advise the Board in this matter, the Board of Trustees of the Barbers Hill Independent School District makes the following findings with respect to the application of Oneok, and the economic impact of that application:

On October 22, 2012, the Superintendent of Schools of the Barbers Hill Independent School District, acting as agent of the Board of Trustees, and the Texas Comptroller of Public Accounts received an Application from Oneok for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is attached as **Attachment A**.

The Applicant, Oneok (Texas Taxpayer Id. 14812520568), is an entity subject to Chapter 171, Texas Tax Code, and is certified to be in good standing with the Texas Comptroller of Public Accounts. See **Attachment B**.

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

Board Findings of the Barbers Hill Independent School District

The Application was delivered to the Texas Comptroller's Office for review pursuant to Texas Tax Code § 313.025(d). A copy of the Application was delivered to the Chambers County Appraisal District for review pursuant to 34 Tex. Admin. Code § 9.1054.

The Application was reviewed by the Texas Comptroller's Office pursuant to Texas Tax Code § 313.026, and a favorable recommendation was issued on April 5, 2013. A copy of the Comptroller's letter is attached to the findings as **Attachment C**.

After receipt of the Application, the Texas Comptroller of Public Accounts caused to be conducted an economic impact evaluation pursuant to Texas Tax Code § 313.026 and the Board of Trustees has carefully considered such evaluation. A copy of the economic impact evaluation is attached to these findings as **Attachment D**.

The Board of Trustees also directed that a specific financial analysis be conducted of the impact of the proposed value limitation on the finances of the Barbers Hill Independent School District. A copy of a report prepared by Moak, Casey & Associates, Inc. is attached to these findings as **Attachment E**.

The Board of Trustees has confirmed that the taxable value of property in the Barbers Hill Independent School District for the preceding tax year, as determined under Subchapter M, Chapter 403, Government Code, is as stated in **Attachment F**.

After receipt of the Application, the District entered into negotiations with Oneok, over the specific language to be included in the Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District. The proposed Agreement is attached to these findings as **Attachment G**.

Board Findings of the Barbers Hill Independent School District

After review of the Comptroller's recommendation, and in consideration of its own economic impact study the Board finds:

Board Finding Number 1.

There is a strong relationship between the Applicant's industry and the types of qualifying jobs to be created by the Applicant and the long-term economic growth plan of this State as described in the strategic plan for economic development (ED Plan) submitted by the Texas Strategic Economic Development Planning Commission under Section 481.033, Texas Government Code.

In support of Finding 1, the economic impact evaluation states:

The Texas Economic Development Plan focuses on attracting and developing industries using technology. It also identifies opportunities for existing Texas industries. The plan centers on promoting economic prosperity throughout Texas and the skilled workers that the Oneok project requires appear to be in line with the focus and themes of the plan. Texas identified manufacturing as one of six target clusters in the Texas Cluster Initiative. The plan stresses the importance of technology in all sectors of the manufacturing industry.

Board Finding Number 2.

The economic condition of Mont Belvieu, Texas is in need of long-term improvement, based on the state's analysis of Chambers County data.

Based on information provided by the Comptroller's Office that focused on the county level, Chambers County is the 91st largest county in the state in terms of population. Population growth in Chambers County is up; the population of Chambers County grew by 2.5 percent between 2009 and 2010, slightly above the state average of 1.8 percent.

September 2011 employment for Chambers County was up 1.8 percent from September 2010, above the state's 0.9 percent increase in total employment during the same period, based on information provided by the Comptroller's Office. Even with the increase in total employment, however, the unemployment rate in Chambers County was 10.5 percent in September 2011, higher than the state average of 8.5 percent.

Board Findings of the Barbers Hill Independent School District

Chambers County has a higher per capita personal income than the state as a whole. In terms of per capita income, Chambers County's \$45,257 in 2009 ranked 13th among the 254 counties in Texas, while the Texas average was \$38,609 for the same period.

While the population growth and employment growth are generally positive trends, the higher unemployment rate reported in the analysis prepared by the Comptroller's Office indicates the need for long-term economic growth in the area served by Barbers Hill ISD. The local economy in Chambers County will benefit from economic activity like that associated with the Oneok project. Major capital investments like this project are beneficial to the community on a number of fronts, including direct and indirect employment, expanded opportunities for existing businesses and increased local tax bases.

Board Finding Number 3.

The average salary level of qualifying jobs is expected to be at least \$59,076 per year. The review of the application by the State Comptroller's Office indicated that this amount—based on Texas Workforce Commission data—complies with the requirement that qualifying jobs must pay 110 percent of the regional average manufacturing wage. Oneok indicates that total employment will be approximately 10 new jobs, all of which will be qualifying jobs.

In support of Finding 3, the economic impact evaluation states:

After construction, the project will create ten new jobs when fully operational. All ten jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the Houston-Galveston Area State Planning Region, where Chambers County is located was \$53,711 in 2011. The annual average manufacturing wage for 2011 for Chambers County is \$82,732. That same year, the county annual average wage for all industries was \$51,662. In addition to a salary of \$59,076, each qualifying position will receive benefits such as medical plan & prescription drug coverage, vision coverage, dental coverage, flexible spending accounts, life insurance coverage, disability coverage, and 401(k) profit sharing plan.

Board Finding Number 4.

The level of the applicant's average investment per qualifying job over the term of the Agreement is estimated to be approximately \$48 million on the basis of the goal of 10 new qualifying positions for the entire Oneok project.

In support of Finding 4, the economic impact evaluation states:

The project's total investment is \$480 million, resulting in a relative level of investment per qualifying job of \$48 million.

Board Finding Number 5.

Subsequent economic effects on the local and regional tax bases will be significant. In addition, the impact of the added infrastructure will be significant to the region.

In support of Finding 5, the economic impact evaluation states:

Table 1 depicts Oneok's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 16 years of annual investment and employment levels using software from Regional Economic Models, Inc. (REMI). The impact includes the construction period and the operating period of the project.

Board Findings of the Barbers Hill Independent School District

Table 1: Estimated Statewide Economic Impact of Investment and Employment in Oneok

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	50	57	107	\$2,750,000	\$3,250,000	\$6,000,000
2014	400	445	845	\$22,000,000	\$30,000,000	\$52,000,000
2015	410	494	904	\$22,590,760	\$38,409,240	\$61,000,000
2016	10	88	98	\$590,760	\$12,409,240	\$13,000,000
2017	10	59	69	\$590,760	\$9,409,240	\$10,000,000
2018	10	45	55	\$590,760	\$8,409,240	\$9,000,000
2019	10	35	45	\$590,760	\$6,409,240	\$7,000,000
2020	10	31	41	\$590,760	\$5,409,240	\$6,000,000
2021	10	33	43	\$590,760	\$5,409,240	\$6,000,000
2022	10	39	49	\$590,760	\$5,409,240	\$6,000,000
2023	10	49	59	\$590,760	\$7,409,240	\$8,000,000
2024	10	45	55	\$590,760	\$6,409,240	\$7,000,000
2025	10	43	53	\$590,760	\$6,409,240	\$7,000,000
2026	10	43	53	\$590,760	\$6,409,240	\$7,000,000
2027	10	45	55	\$590,760	\$7,409,240	\$8,000,000
2028	10	51	61	\$590,760	\$7,409,240	\$8,000,000

Source: CPA, REMI, Oneok

The statewide average ad valorem tax base for school districts in Texas was \$1.74 billion in 2011. Barbers Hill ISD's ad valorem tax base in 2011 was \$3.4 billion. The statewide average wealth per WADA was estimated at \$347,943 for fiscal 2011-2012. During that same year, Barbers Hill ISD's estimated wealth per WADA was \$669,576. The impact on the facilities and finances of the district are presented in Attachment 2.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Chambers County, and the City of Mont Belvieu, with all property tax incentives sought being granted using estimated market value from Oneok's application. Oneok has applied for both a value limitation under Chapter 313, Tax Code and tax abatements with the county and city. Table 3 illustrates the estimated tax impact of the Oneok project on the region if all taxes are assessed.

Board Findings of the Barbers Hill Independent School District

Table 2 Estimated Direct Ad Valorem Taxes with all property tax incentives sought

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Barbers Hill ISD I&S Levy	Barbers Hill ISD M&O Levy	Barbers Hill ISD M&O and I&S Tax Levies (Before Credit Credited)	Barbers Hill ISD M&O and I&S Tax Levies (After Credit Credited)	Chambers County Tax Levy	City of Mont Belvieu Tax Levy	Estimated Total Property Taxes
				0.2698	1.0600			0.6466	0.4367	
2014	\$160,000,000	\$160,000,000		\$431,680	\$1,696,000	\$2,127,680	\$2,127,680	\$0	\$0	\$2,127,680
2015	\$400,000,000	\$400,000,000		\$1,079,200	\$4,240,000	\$5,319,200	\$5,319,200	\$0	\$0	\$5,319,200
2016	\$380,000,000	\$30,000,000		\$1,025,240	\$318,000	\$1,343,240	\$1,343,240	\$614,308	\$0	\$1,957,548
2017	\$361,000,000	\$30,000,000		\$973,978	\$318,000	\$1,291,978	\$645,989	\$933,748	\$0	\$1,579,737
2018	\$342,950,000	\$30,000,000		\$925,279	\$318,000	\$1,243,279	\$621,640	\$1,108,826	\$374,424	\$2,104,890
2019	\$325,802,500	\$30,000,000		\$879,015	\$318,000	\$1,197,015	\$598,508	\$2,106,769	\$569,125	\$3,274,402
2020	\$309,512,375	\$30,000,000		\$835,064	\$318,000	\$1,153,064	\$576,532	\$2,001,431	\$675,836	\$3,253,799
2021	\$294,036,756	\$30,000,000		\$793,311	\$318,000	\$1,111,311	\$555,656	\$1,901,359	\$642,044	\$3,099,059
2022	\$279,334,918	\$30,000,000		\$753,646	\$318,000	\$1,071,646	\$535,823	\$1,806,291	\$609,942	\$2,952,056
2023	\$265,368,173	\$30,000,000		\$715,963	\$318,000	\$1,033,963	\$516,982	\$1,715,977	\$869,167	\$3,102,125
2024	\$252,099,764	\$252,099,764		\$680,165	\$2,672,257	\$3,352,423	\$2,103,551	\$1,630,178	\$1,100,945	\$4,834,674
2025	\$239,494,776	\$239,494,776		\$646,157	\$2,538,645	\$3,184,802	\$3,184,802	\$1,548,669	\$1,045,898	\$5,779,368
2026	\$227,520,037	\$227,520,037		\$613,849	\$2,411,712	\$3,025,561	\$3,025,561	\$1,471,236	\$993,603	\$5,490,400
2027	\$216,144,035	\$216,144,035		\$583,157	\$2,291,127	\$2,874,283	\$2,874,283	\$1,397,674	\$943,923	\$5,215,880
2028	\$205,336,833	\$205,336,833		\$553,999	\$2,176,570	\$2,730,569	\$2,730,569	\$1,327,790	\$896,726	\$4,955,086
						Total	\$26,760,015	\$19,564,256	\$8,721,632	\$55,045,903

Assumes School Value Limitation and Tax Abatements with the County and the City.

Source: CPA, Oneok

¹Tax Rate per \$100 Valuation

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Barbers Hill ISD I&S Levy	Barbers Hill ISD M&O Levy	Barbers Hill ISD M&O and I&S Tax Levies	Chambers County Tax Levy	City of Mont Belvieu Tax Levy	Estimated Total Property Taxes	
				0.2698	1.0600			0.6466	0.4367	
2014	\$160,000,000	\$160,000,000		\$431,680	\$1,696,000	\$2,127,680	\$1,034,624	\$698,736	\$3,861,040	
2015	\$400,000,000	\$400,000,000		\$1,079,200	\$4,240,000	\$5,319,200	\$2,586,560	\$1,746,840	\$9,652,600	
2016	\$380,000,000	\$380,000,000		\$1,025,240	\$4,028,000	\$5,053,240	\$2,457,232	\$1,659,498	\$9,169,970	
2017	\$361,000,000	\$361,000,000		\$973,978	\$3,826,600	\$4,800,578	\$2,334,370	\$1,576,523	\$8,711,472	
2018	\$342,950,000	\$342,950,000		\$925,279	\$3,635,270	\$4,560,549	\$2,217,652	\$1,497,697	\$8,275,898	
2019	\$325,802,500	\$325,802,500		\$879,015	\$3,453,507	\$4,332,522	\$2,106,769	\$1,422,812	\$7,862,103	
2020	\$309,512,375	\$309,512,375		\$835,064	\$3,280,831	\$4,115,896	\$2,001,431	\$1,351,671	\$7,468,998	
2021	\$294,036,756	\$294,036,756		\$793,311	\$3,116,790	\$3,910,101	\$1,901,359	\$1,284,088	\$7,095,548	
2022	\$279,334,918	\$279,334,918		\$753,646	\$2,960,950	\$3,714,596	\$1,806,291	\$1,219,884	\$6,740,771	
2023	\$265,368,173	\$265,368,173		\$715,963	\$2,812,903	\$3,528,866	\$1,715,977	\$1,158,889	\$6,403,732	
2024	\$252,099,764	\$252,099,764		\$680,165	\$2,672,257	\$3,352,423	\$1,630,178	\$1,100,945	\$6,083,545	
2025	\$239,494,776	\$239,494,776		\$646,157	\$2,538,645	\$3,184,802	\$1,548,669	\$1,045,898	\$5,779,368	
2026	\$227,520,037	\$227,520,037		\$613,849	\$2,411,712	\$3,025,561	\$1,471,236	\$993,603	\$5,490,400	
2027	\$216,144,035	\$216,144,035		\$583,157	\$2,291,127	\$2,874,283	\$1,397,674	\$943,923	\$5,215,880	
2028	\$205,336,833	\$205,336,833		\$553,999	\$2,176,570	\$2,730,569	\$1,327,790	\$896,726	\$4,955,086	
						Total	\$56,630,865	\$27,537,812	\$18,597,733	\$102,766,410

Source: CPA, Oneok

¹Tax Rate per \$100 Valuation

Board Finding Number 6.

The revenue gains that will be realized by the school district if the Application is approved will be significant in the long-term, with special reference to revenues used for supporting school district debt.

In support of this finding, the analysis prepared by Moak, Casey & Associates projects that the project would initially add \$400 million to the tax base for debt service purposes at the peak investment level for the 2015-16 school year. The Oneok project remains fully taxable for debt services taxes, with Barbers Hill ISD currently levying a \$0.2698 per \$100 I&S rate. While the value of the Oneok project is expected to depreciate over the life of the agreement and beyond, full access to the additional value will add to the District's tax base and assist it in meeting its debt service needs.

Board Finding Number 7.

The effect of the applicant's proposal, if approved, on the number or size of needed school district instructional facilities is not expected to increase the District's facility needs, with current trends suggest little underlying enrollment growth based on the impact of the Oneok project.

The summary of financial impact prepared by Moak, Casey & Associates, Inc., indicates that there will be little to no impact on school facilities created by the new manufacturing project. This finding is confirmed by the TEA evaluation of this project's impact on the number and size of school facilities in Barbers Hill ISD as stated in **Attachment D**.

Board Finding Number 8.

The ability of the applicant to locate the proposed facility in another state or another region of this state is substantial, as a result of the highly competitive marketplace for economic development.

In support of Finding 8, the economic impact evaluation states:

According to Oneok's application, "Oneok Hydrocarbon LP currently operates in three states. They allocate capital investment to projects and locations that create the best economic return. The existence of a limitation on tax value is a significant factor in calculating the economic return and

Board Findings of the Barbers Hill Independent School District

allocation of reserves to the project. However, Oneok Hydrocarbon LP could redirect its expenditures to its plants in: Medford – Oklahoma, Bushton - Kansas”

Board Finding Number 9.

During the past two years, 20 projects in the Houston-Galveston Area Council of Governments Region applied for value limitation agreements under Tax Code, Chapter 313.

Board Finding Number 10.

The Board of Trustees hired consultants to review and verify the information in the Application from Oneok. Based upon the consultants’ review, the Board has determined that the information provided by the Applicant is true and correct.

Board Finding Number 11.

The Board of Trustees has determined that the Tax Limitation Amount requested by Applicant is currently Thirty Million Dollars, which is consistent with the minimum values currently set out by Tax Code, §§ 313.054(a).

According to the Texas Comptroller of Public Accounts’ School and Appraisal Districts’ Property Value Study 2012 Final Findings made under Subchapter M, Chapter 403, Government Code for the preceding tax year, Attachment F, the total 2012 industrial value for Barbers Hill ISD is \$3.68 billion. Barbers Hill ISD is categorized as Subchapter C, which applies only to a school district that has territory in a strategic investment area, as defined under Subchapter O, Chapter 171, Tax Code or in a county: (1) that has a population of less than 50,000 and (2) in which, from 1990 to 2000, according to the federal decennial census, the population: (A) remained the same; (B) decreased; or (C) increased, but at a rate of not more than three percent per annum. Barbers Hill ISD is classified as a “rural” district due to its demographic characteristics. It is classified as a Category I district which can offer a minimum value limitation of \$30 million.

Board Findings of the Barbers Hill Independent School District

Board Finding Number 12.

The Applicant (Taxpayer Id. 14812520568) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on its “good standing” certification as a franchise-tax paying entity.

Board Finding Number 13.

The Agreement for an Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code, attached hereto as Attachment G, includes adequate and appropriate revenue protection provisions for the District.

In support of this finding, the report of Moak, Casey & Associates, Inc. shows that the District will incur a revenue loss under current law in several years that the value limitation is in effect without the proposed Agreement. However, with this Agreement, the negative consequences of granting the value limitation are offset through the revenue protection provisions agreed to by the Applicant and the District. Revenue protection measures are in place for the duration of the Agreement.

Board Finding Number 14.

Considering the purpose and effect of the law and the terms of the Agreement, that it is in the best interest of the District and the State to enter into the attached Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

It is therefore ORDERED that the Agreement attached hereto as **Attachment G** is approved and hereby authorized to be executed and delivered by and on behalf of the Barbers Hill Independent School District. It is further ORDERED that these findings and the Attachments referred to herein be attached to the Official Minutes of this meeting, and maintained in the permanent records of the Board of Trustees of the Barbers Hill Independent School District.

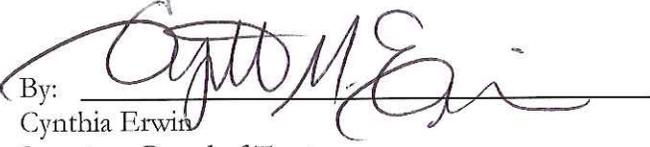
Board Findings of the Barbers Hill Independent School District

Dated the 23rd day of September 2013.

BARBERS HILL INDEPENDENT SCHOOL DISTRICT

By: 
Becky Tice
President, Board of Trustees

ATTEST:

By: 
Cynthia Erwin
Secretary, Board of Trustees



LYNN M. MOAK, PARTNER

DANIEL T. CASEY, PARTNER

August 26, 2013

President and Members
Board of Trustees
Barbers Hill Independent School District
9600 Eagle Drive
Mont Belvieu, Texas 77580

Re: Recommendations and Findings of the firm Concerning Application of Oneok Hydrocarbons LP for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes

Dear President Tice and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Barbers Hill Independent School District, with respect to the pending Application of Oneok Hydrocarbons LP for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. Based upon our review we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.
4. All applicable school finance implications arising from the contemplated Agreement have been explored.
5. The proposed Agreement contains adequate revenue protection provisions to protect the interests of the District.

As a result of the foregoing it is our recommendation that the Board of Trustees approve the Application of Oneok Hydrocarbons LP for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

Daniel T. Casey

www.moakcasey.com

O'HANLON, McCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE
AUSTIN, TEXAS 78701
TELEPHONE: (512) 494-9949
FACSIMILE: (512) 494-9919

KEVIN O'HANLON
CERTIFIED, CIVIL APPELLATE
CERTIFIED, CIVIL TRIAL

LESLIE McCOLLOM
CERTIFIED, CIVIL APPELLATE
CERTIFIED, LABOR AND EMPLOYMENT
TEXAS BOARD OF LEGAL SPECIALIZATION

JUSTIN DEMERATH

August 26, 2013

President and Members
Of the Board of Trustees
Barbers Hill Independent School District
9600 Eagle Drive
Mont Belvieu, Texas 77580

Re: Recommendations and Findings of the Firm Concerning Application of Oneok Hydrocarbons LP for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, first qualifying year 2014

Dear President Tice and Members of the Board of Trustees:

Please accept this letter as formal notification of the completion of due diligence research on behalf of the Barbers Hill Independent School District, with respect to the pending Application of Oneok Hydrocarbons LP for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, to be effected by an agreement with a first qualifying time year of 2014. Since our engagement on behalf of the District, we have been actively engaged in reviewing the pending Application and verifying its contents. We have also negotiated an Agreement between the District and Oneok Hydrocarbons LP Based upon our review we have drawn the following conclusions:

1. All statements of current fact contained in the Application are true and correct.
2. The project proposed in the Application meets all applicable eligibility criteria of Chapter 313 of the Texas Tax Code.
3. The Applicant has the current means and ability to complete the proposed project.

Letter to Barbers Hill ISD
August 26, 2013
Page 2 of 2

4. All applicable school finance implications arising from the contemplated Agreement have been explored.
5. The proposed Agreement contains adequate legal provisions so as to protect the interests of the District.

As a result of the foregoing conclusions it is our recommendation that the Board of Trustees approve the Application of Oneok Hydrocarbons LP for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin O'Hanlon", written in a cursive style.

Kevin O'Hanlon
For the Firm

Attachment A

Application

O'HANLON, McCOLLOM & DEMERATH

ATTORNEYS AND COUNSELORS AT LAW

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LESLIE McCOLLOM
CERTIFIED, CIVIL APPELLATE
CERTIFIED, LABOR AND EMPLOYMENT
TEXAS BOARD OF LEGAL SPECIALIZATION

JUSTIN DEMERATH

November 5, 2012

Local Government Assistance & Economic Analysis
Texas Comptroller of Public Accounts
P.O. Box 13528
Austin, Texas 78711-3528

RE: Application to the Barbers Hill Independent School District from the Oneok Hydrocarbon, LP

To the Local Government Assistance & Economic Analysis Division:

By copy of this letter transmitting the application for review to the Comptroller's Office, the Barbers Hill Independent School District is notifying the Applicant Oneok Hydrocarbon, LP of its intent to consider the application for appraised value limitation on qualified property. The Applicant submitted the application to the school district on October 22, 2012. The Board voted to accept the application October 22, 2012. The application was determined completed on November 1, 2012. Please prepare the economic impact report. This Application has a first qualifying year of **2014**.

The school district has determined that the wage information included in the application represents the most recent wage data available at the time of the application. The wage the Applicant has committed to paying on this project is well above the required statutory minimums. A paper copy of your application will be hand delivered to your office today.

Due to the size of the application, an electronic copy is not attached to this email. However, a paper copy and an electronic copy have been delivered to your office.

Please feel free to contact me with questions.

Sincerely,

Letter to Local Government Assistance & Economic Analysis Division
November 5, 2012
Page 2 of 2

A handwritten signature in black ink, appearing to read 'Kevin O'Hanlon', written in a cursive style.

Kevin O'Hanlon
School District Consultant

October 22nd, 2012

Barbers Hill ISD
Dr. Greg Poole
PO BOX 1108
Mont Belvieu, TX 77580

Re: Application for Section 313 - Value Limitation Agreement

Dear Dr. Greg Poole:

Oneok Hydrocarbon, LP is considering plans to build a fractionation facility, EP Splitter, and IGP project inside Barbers Hill ISD, which will allow us the ability to process raw natural gas into useable products. The estimated investment for this project is \$480,000,000.

The positive economic impact stretches beyond the investment by providing hundreds of jobs during the construction phase, and at least 10 full time local jobs once construction is complete.

Oneok Hydrocarbon, LP is committed to the growth and welfare of the community. We believe our investment in Mont Belvieu affirms our dedication to maintaining a considerable presence in the area.

Attached is our application for property tax abatement. We respectfully request this 10 year limitation under The Appraised Value Limitation on Qualified Property (Chapter 313 of the Texas Tax Code).

Please feel free to contact me if you have any questions. I can be reached via telephone 469-298-1594 or by email mfry@keatax.com.

Sincerely,



Mike Fry
Senior Property Tax Consultant

Enclosures



Application for Appraised Value Limitation on Qualified Property

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

(Revised May 2010)

INSTRUCTIONS:

a completed application. Texas Tax Code, Section 313.025 requires that any completed application and any supplemental materials received by the school district

- the date on which the school district received the application;
- the date the school district determined that the application was complete;
- the date the school board decided to consider the application; and
- a request that the comptroller prepare an economic impact analysis of the application;
- provide a copy of the notice to the appraisal district;
- must complete the sections of the application reserved for the school district and provide information required in the Comptroller rules located at 34 Texas Administrative Code (TAC) Section 9.1054; and
- forward the original completed application to the Comptroller in a three-ring binder with tabs separating each section of the documents, in addition to an electronic copy on CD. See 34 TAC Chapter 9, Subchapter F.

The governing body may, at its discretion, allow the applicant to supplement or amend the application after the filing date, subject to the restrictions in 34 TAC Chapter 9, Subchapter F.

When the Comptroller receives the notice and required information from the school district, the Comptroller will publish all submitted application materials on its Web site. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules as explained in the Confidentiality Notice below.

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project, make a recommendation to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application—as

The school board must approve or disapprove the application before the 151st day after the application review start date (the date the application is finally determined to be complete), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is

Please visit the Comptroller's Web site to find out more about the program at <http://www.window.state.tx.us/taxinfo/proptax/hb1200/index.html>. There are links on this Web page to the Chapter 313 statute, rules and forms. Information about minimum limitation values for particular districts and wage standards may also be

SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION

Authorized School District Representative

10/22/2012

Becky

McManus

Title

Assistant Superintendent of Finance

Barbers Hill Independent School District

9600 Eagle Drive

Mailing Address

P. O. Box 1108

City

Mont Belvieu

State

TX

ZIP

77580-1108

Phone Number

(281) 576-2221

Fax Number

(281) 576-5879

Mobile Number (optional)

E-mail Address

BMcManus@bhisd.net

I authorize the consultant to provide and obtain information related to this application..... Yes

Will consultant be primary contact? Yes



Application for Appraised Value Limitation on Qualified Property

SCHOOL DISTRICT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized School District Consultant (If Applicable)

Kevin		O'Hanlon	
Title Consultant			
O'Hanlon, McCollom & Demerath			
808 West Avenue			
Mailing Address 808 West Avenue			
City Austin	State TX	ZIP 78701	
Phone Number 512-494-9949	Fax Number 512-494-9919		
Mobile Number (Optional)	E-mail Address kohanlon@808west.com		

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

Signature 	Date 10-22-12
---	------------------

Has the district determined this application complete? Yes

If yes, date determined complete. 11/2/2012

Have you completed the school finance documents required by TAC 9.1054(c)(3)? Yes

SCHOOL DISTRICT CHECKLIST AND REQUESTED ATTACHMENTS

	Checklist	Page X of 16	Check Completed
1	Date application received by the ISD	1 of 16	X
2	Certification page signed and dated by authorized school district representative	2 of 16	X
3	Date application deemed complete by ISD	2 of 16	X
4	Certification pages signed and dated by applicant or authorized business representative of applicant	4 of 16	X
5	Completed company checklist	12 of 16	X
6	School finance documents described in TAC 9.1054(c)(3) (Due within 20 days of district providing notice)	2 of 16	will supplement

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION

Authorized Business Representative (Applicant)

First Name

Tim

Last Name

Blake

Title

V P Oneok Tax

Organization

Oneok Hydrocarbon, LP

Street Address

100 West Fifth Street , Tax 14-5

Mailing Address

Tax 14-5, PO Box 871

City

Tulsa

State

Oklahoma

ZIP

74102-0871

Phone Number

(918)588-7109

Fax Number

(918)588-7145

Mobile Number (optional)

Business e-mail Address

tim.blake@oneok.com

Will a company official other than the authorized business representative be responsible for responding to future information requests?

Yes

No

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

First Name

Marshall

Last Name

Mungle

Title

Tax Manager

Organization

Oneok Hydrocarbon, LP

Street Address

100 West Fifth Street , Tax 14-5

Mailing Address

Tax 14-5, PO Box 871

City

Tulsa

State

Oklahoma

ZIP

74102-0871

Phone Number

(918)588-7700

Fax Number

(918)588-7145

Mobile Number (optional)

E-mail Address

marshall.mungle@oneok.com

I authorize the consultant to provide and obtain information related to this application.. .. Yes

No

Will consultant be primary contact? Yes

No



APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

First Name

Mike

Last Name

Fry

Title

Tax Agent

Firm Name

K E Andrews

Street Address

1900 Dalrock Road

Mailing Address

1900 Dalrock Road

City

Rowlett

State

Texas

ZIP

75088

Phone Number

469-298-1594

Fax Number

469-298-1619

Business email Address

mfry@keatax.com

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

Signature (Authorized Business Representative (Applicant))

[Handwritten Signature]

Date

10/10/12

GIVEN under my hand and seal of office this 10 day of October, 2012



Kim Baucum
Notary Public, State of Oklahoma

My commission expires 12/7/2012

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code § 37.10.

FEES AND PAYMENTS

Enclosed is proof of application fee paid to the school district.

For the purpose of this question, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.

Please answer only either A OR B:

A. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code, 313.027(l)?

B. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(l)?

BUSINESS APPLICANT INFORMATION

Legal Name under which application is made

Oneok Hydrocarbon, LP

Texas Taxpayer I.D. Number of entity subject to Tax Code, Chapter 171 (11 digits)

14812520568

NAICS code

325120

Is the applicant a party to any other Chapter 313 agreements?

If yes, please list name of school district and year of agreement.

Barbers Hill ISD - 2012

APPLICANT BUSINESS STRUCTURE

Registered to do business in Texas with the Texas Secretary of State?

Identify business organization of applicant (corporation, limited liability corporation, etc.)

Limited Partnership

1. Is the applicant a combined group, or comprised of members of a combined group, as defined by Texas Tax Code Chapter 171.0001(7)?

2. Is the applicant current on all tax payments due to the State of Texas?

3. Are all applicant members of the combined group current on all tax payments due to the State of Texas?

If the answer to either question is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (Use attachment if necessary.)



ELIGIBILITY UNDER TAX CODE CHAPTER 313.024

- Are you an entity to which Tax Code, Chapter 171 applies?
The property will be used as an integral part, or as a necessary auxiliary part, in one of the following activities:
(1) manufacturing
(2) research and development
(3) a clean coal project, as defined by Section 5.001, Water Code
(4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code
(5) renewable energy electric generation
(6) electric power generation using integrated gasification combined cycle technology
(7) nuclear electric power generation
(8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7)
Are you requesting that any of the land be classified as qualified investment?
Will any of the proposed qualified investment be leased under a capitalized lease?
Will any of the proposed qualified investment be leased under an operating lease?
Are you including property that is owned by a person other than the applicant?
Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment?

PROJECT DESCRIPTION

Provide a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information. (Use attachments as necessary)

See Attachment

Describe the ability of your company to locate or relocate in another state or another region of the state.

See Attachment

PROJECT CHARACTERISTICS (CHECK ALL THAT APPLY)

- New Jobs, Construct New Facility, New Business / Start-up, Expand Existing Facility, Relocation from Out-of-State, Expansion, Purchase Machinery & Equipment, Consolidation, Relocation within Texas

PROJECTED TIMELINE

Begin Construction May 2013, Begin Hiring New Employees July 2014, Construction Complete December 2014, Fully Operational January 2015, Purchase Machinery & Equipment September 2012

Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)?

When do you anticipate the new buildings or improvements will be placed in service? January 2015



ECONOMIC INCENTIVES

Identify state programs the project will apply for:

State Source	Amount
N/A	N/A
Total	

Will other incentives be offered by local units of government? Yes No

Please use the following box for additional details regarding incentives. (Use attachments if necessary.)

Seeking abatement with Chambers County with the following percentages through year 5 of the project. Year 1 - 100%, Year 2 - 100%, Year 3 - 75%, Year 4 - 60%, Year 5 - 60%. Seeking Mont Belvieu City abatement with the following percentages through year 9 of the project. Year 1 - 100%, Year 2 - 100%, Year 3 - 100%, Year 4 - 100%, Year 5 - 75%, Year 6 - 60%, Year 7 - 60%.

THE PROPERTY

Identify county or counties in which the proposed project will be located Chambers

Central Appraisal District (CAD) that will be responsible for appraising the property Chambers

Will this CAD be acting on behalf of another CAD to appraise this property? Yes No

List all taxing entities that have jurisdiction for the property and the portion of project within each entity

County: Chambers -100% City: Mont Belvieu City -100%
(Name and percent of project) (Name and percent of project)

Hospital District: N/A Water District: N/A
(Name and percent of project) (Name and percent of project)

Other (describe): N/A Other (describe): N/A
(Name and percent of project) (Name and percent of project)

Is the project located entirely within this ISD? Yes No

If not, please provide additional information on the project scope and size to assist in the economic analysis.



INVESTMENT

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as rural, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's Web site at www.window.state.tx.us/taxinfo/proptax/hb1200/values.html.

At the time of application, what is the estimated minimum qualified investment required for this school district? \$30,000,000

What is the amount of appraised value limitation for which you are applying? \$30,000,000

What is your total estimated qualified investment? \$155,000,000

NOTE: See 313.021(1) for full definition. Generally, Qualified Investment is the sum of the investment in tangible personal property and buildings and new improvements made between beginning of the qualifying time period (date of application final approval by the school district) and the end of the second complete tax year.

What is the anticipated date of application approval? May 2013

What is the anticipated date of the beginning of the qualifying time period? May 2013

What is the total estimated investment for this project for the period from the time of application submission to the end of the limitation period? 480 million

Describe the qualified investment.[See 313.021(1).]

Attach the following items to this application:

- (1) a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021,
(2) a description of any new buildings, proposed improvements or personal property which you intend to include as part of your minimum qualified investment and
(3) a map of the qualified investment showing location of new buildings or new improvements with vicinity map.

Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or 313.053 for rural school districts) for the relevant school district category during the qualifying time period? [X] Yes [] No

Except for new equipment described in Tax Code §151.318(q) or (q-1), is the proposed tangible personal property to be placed in service for the first time:

(1) in or on the new building or other new improvement for which you are applying? [X] Yes [] No

(2) if not in or on the new building or other new improvement for which you are applying for an appraised value limitation, is the personal property necessary and ancillary to the business conducted in the new building or other new improvement? [X] Yes [] No

(3) on the same parcel of land as the building for which you are applying for an appraised value limitation? [X] Yes [] No

("First placed in service" means the first use of the property by the taxpayer.)

Will the investment in real or personal property you propose be counted toward the minimum qualified investment required by Tax Code §313.023, (or 313.053 for rural school districts) be first placed in service in this state during the applicable qualifying time period? [X] Yes [] No

Does the investment in tangible personal property meet the requirements of Tax Code §313.021(1)? [X] Yes [] No

If the proposed investment includes a building or a permanent, non-removable component of a building, does it house tangible personal property? [X] Yes [] No

QUALIFIED PROPERTY

Describe the qualified property. [See 313.021(2)] (If qualified investment describes qualified property exactly you may skip items (1), (2) and (3) below.)

Attach the following items to this application:

- (1) a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021,
(2) a description of any new buildings, proposed improvements or personal property which you intend to include as part of your qualified property and
(3) a map of the qualified property showing location of new buildings or new improvements - with vicinity map.

Land

Is the land on which you propose new construction or improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? [X] Yes [] No

If you answered "no" to the question above, what is the anticipated date on which you will submit proof of a reinvestment zone with boundaries encompassing the land on which you propose new construction or improvements?

Will the applicant own the land by the date of agreement execution? [X] Yes [] No

Will the project be on leased land? [] Yes [X] No



QUALIFIED PROPERTY (CONTINUED)

If the land upon which the new building or new improvement is to be built is part of the qualified property described by §313.021(2)(A), please attach complete documentation, including:

- 1. Legal description of the land
2. Each existing appraisal parcel number of the land on which the improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property
3. Owner
4. The current taxable value of the land. Attach estimate if land is part of larger parcel.
5. A detailed map (with a vicinity map) showing the location of the land

Attach a map of the reinvestment zone boundaries, certified to be accurate by either the governmental entity creating the zone, the local appraisal district, or a licensed surveyor. (With vicinity map)

Attach the order, resolution or ordinance establishing the zone, and the guidelines and criteria for creating the zone, if applicable.

Miscellaneous

Is the proposed project a building or new improvement to an existing facility? ... [] Yes [x] No

Attach a description of any existing improvements and include existing appraisal district account numbers.

List current market value of existing property at site as of most recent tax year. 0 (Market Value) 2012 (Tax Year)

Is any of the existing property subject to a value limitation agreement under Tax Code 313? ... [] Yes [x] No

Will all of the property for which you are requesting an appraised value limitation be free of a tax abatement agreement entered into by a school district for the duration of the limitation? ... [x] Yes [] No

WAGE AND EMPLOYMENT INFORMATION

What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0

The last complete calendar quarter before application review start date is the:

[] First Quarter [] Second Quarter [x] Third Quarter [] Fourth Quarter of 2012 (year)

What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the TWC? Twelve (12)

Note: For job definitions see TAC §9.1051(14) and Tax Code 313.021(3). If the applicant intends to apply a definition for "new job" other than TAC §9.1051(14)(C), then please provide the definition of "new job" as used in this application. N/A

Total number of new jobs that will have been created when fully operational 10

Do you plan to create at least 25 new jobs (at least 10 new jobs for rural school districts) on the land and in connection with the new building or other improvement? ... [x] Yes [] No

Do you intend to request that the governing body waive the minimum new job creation requirement, as provided under Tax Code §313.025(f-1)? ... [] Yes [x] No

If you answered "yes" to the question above, attach evidence documenting that the new job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards. Note: Even if a minimum new job waiver is provided, 80% of all new jobs must be qualifying jobs pursuant to Texas Tax Code, §313.024(i).

What is the maximum number of qualifying jobs meeting all criteria of §313.021(3) you are committing to create? 10

If this project creates more than 1,000 new jobs, the minimum required wage for this project is 110% of the average county weekly wage for all jobs as described by 313.021(3)(E)(II).

If this project creates less than 1,000 new jobs, does this district have territory in a county that meets the demographic characteristics of 313.051(2)? (see table of information showing this district characteristic at http://www.window.state.tx.us/taxinfo/proptax/hb1200/values.html)

If yes, the applicant must meet wage standard described in 313.051(b) (110% of the regional average weekly wage for manufacturing)

If no, the applicant shall designate one of the wage standards set out in §§313.021(5)(A) or 313.021(5)(B).

WAGE AND EMPLOYMENT INFORMATION (CONTINUED)

For the following three wage calculations please include on an attachment the four most recent quarters of data for each wage calculation. Show the average and the 110% calculation. Include documentation from TWC Web site. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(7).

110% of the county average weekly wage for all jobs (all industries) in the county is \$1096.15

110% of the county average weekly wage for manufacturing jobs in the county is \$1750.01

110% of the county average weekly wage for manufacturing jobs in the region is \$1136.08

Please identify which Tax Code section you are using to estimate the wage standard required for this project:

§313.021(5)(A) or §313.021(5)(B) or §313.021(3)(E)(ii), or §313.051(b)?

What is the estimated minimum required annual wage for each qualifying job based on the qualified property? \$59,076

What is the estimated minimum required annual wage you are committing to pay for each of the qualifying jobs you create on the qualified property? \$59,076

Will 80% of all new jobs created by the owner be qualifying jobs as defined by 313.021(3)? Yes No

Will each qualifying job require at least 1,600 of work a year? Yes No

Will any of the qualifying jobs be jobs transferred from one area of the state to another? Yes No

Will any of the qualifying jobs be retained jobs? Yes No

Will any of the qualifying jobs be created to replace a previous employee? Yes No

Will any required qualifying jobs be filled by employees of contractors? Yes No

If yes, what percent? _____

Does the applicant or contractor of the applicant offer to pay at least 80% of the employee's health insurance premium for each qualifying job? Yes No

Describe each type of benefits to be offered to qualifying jobholders. (Use attachments as necessary.)

See Attachment

ECONOMIC IMPACT

Is an Economic Impact Analysis attached (If supplied by other than the Comptroller's office)? Yes No

Is Schedule A completed and signed for all years and attached? Yes No

Is Schedule B completed and signed for all years and attached? Yes No

Is Schedule C (Application) completed and signed for all years and attached? Yes No

Is Schedule D completed and signed for all years and attached? Yes No

Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.

If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, please attach a separate schedule showing the amount for each year affected, including an explanation.

CONFIDENTIALITY NOTICE**Property Tax Limitation Agreement Applications
Texas Government Code Chapter 313
Confidential Information Submitted to the Comptroller**

Generally, an application for property tax value limitation, the information provided therein, and documents submitted in support thereof, are considered public information subject to release under the Texas Public Information Act.

There is an exception, outlined below, by which information will be withheld from disclosure.

The Comptroller's office will withhold information from public release if:

- 1) It describes the specific processes or business activities to be conducted or the specific tangible personal property to be located on real property covered by the application;
- 2) the information has been segregated in the application from other information in the application; and
- 3) the party requesting confidentiality provides the Comptroller's office a list of the documents for which confidentiality is sought and for each document lists the specific reasons, including any relevant legal authority, stating why the material is believed to be confidential.

All applications and parts of applications which are not segregated and marked as confidential as outlined above will be considered public information and will be posted on the Internet.

Such information properly identified as confidential will be withheld from public release unless and until the governing body of the school district acts on the application, or we are directed to do so by a ruling from the Attorney General.

Other information in the custody of a school district or the comptroller submitted in connection with the application, including information related to the economic impact of a project or the essential elements of eligibility under Texas Tax Code, Chapter 313, such as

the nature and amount of the projected investment, employment, wages, and benefits, will not be considered confidential business information and will be posted on the internet.

All documents submitted to the Comptroller, as well as all information in the application once the school district acts thereon, are subject to public release unless specific parts of the application or documents submitted with the application are identified as confidential. Any person seeking to limit disclosure of such submitted records is advised to consult with their legal counsel regarding disclosure issues and also to take the appropriate precautions to safeguard copyrighted material, trade secrets, or any other proprietary information. The Comptroller assumes no obligation or responsibility relating to the disclosure or nondisclosure of information submitted by respondents. A person seeking to limit disclosure of information must submit in writing specific detailed reasons, including any relevant legal authority, stating why that person believes the material to be confidential.

The following outlines how the Comptroller's office will handle requests for information submitted under the Texas Public Information Act for application portions and submitted records appropriately identified as confidential.

- This office shall forward the request for records and a copy of the documents at issue to the Texas Attorney General's office for an opinion on whether such information may be withheld from disclosure under the Texas Public Information Act.
- The Comptroller will notify the person who submitted the application/documents when the information is forwarded to the Attorney General's office.
- Please be aware that this Office is obligated to comply with an Attorney General's decision, including release of information ruled public even if it was marked confidential.



COMPANY CHECKLIST AND REQUESTED ATTACHMENTS

	Checklist	Page X of 16	Check Completed
1	Certification pages signed and dated by Authorized Business Representative (applicant)	4 of 16	✓
2	Proof of Payment of Application Fee (Attachment)	5 of 16	✓
3	For applicant members, documentation of Combined Group membership under Texas Tax Code 171.0001 (7) (If Applicable) (Attachment)	5 of 16	✓
4	Detailed description of the project	6 of 16	✓
5	If project is located in more than one district, name other districts and list percentage in each district (Attachment)	7 of 16	✓
6	Description of Qualified Investment (Attachment)	8 of 16	✓
7	Map of qualified investment showing location of new buildings or new improvements with vicinity map.	8 of 16	✓
8	Description of Qualified Property (Attachment)	8 of 16	✓
9	Map of qualified property showing location of new buildings or new improvements with vicinity map	8 of 16	✓
10	Description of Land (Attachment)	9 of 16	✓
11	A detailed map showing location of the land with vicinity map.	9 of 16	✓
12	A description of all existing (if any) improvements (Attachment)	9 of 16	✓
13	Request for Waiver of Job Creation Requirement (if applicable) (Attachment)	9 of 16	✓
14	Calculation of three possible wage requirements with TWC documentation. (Attachment)	10 of 16	✓
15	Description of Benefits	10 of 16	✓
16	Economic Impact (if applicable)	10 of 16	✓
17	Schedule A completed and signed	13 of 16	✓
18	Schedule B completed and signed	14 of 16	✓
19	Schedule C (Application) completed and signed	15 of 16	✓
20	Schedule D completed and signed	16 of 16	✓
21	Map of Reinvestment Zone (Attachment) (Showing the actual or proposed boundaries and size, Certified to be accurate by either the government entity creating the zone, the local appraisal district, or a licensed surveyor, with vicinity map)*	9 of 16	✓
22	Order, Resolution, or Ordinance Establishing the Zone (Attachment)*	9 of 16	✓
23	Legal Description of Reinvestment Zone (Attachment)*	9 of 16	✓
24	Guidelines and Criteria for Reinvestment Zone(Attachment)*	9 of 16	✓

*To be submitted with application or before date of final application approval by school board.

Schedule A (Rev. May 2010): Investment

Form 50-296

Applicant Name: Oncock Hydrocarbon, LP
 ISD Name: Barbers Hill ISD

PROPERTY INVESTMENT AMOUNTS										
(Estimated investment in each year. Do not put cumulative totals.)										
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: Tangible Personal Property The amount of new investment (original cost) placed in service during this year	Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B Qualifying investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total investment (A+B+D)		
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment)	2013-2014	2013	\$ 325,000,000	-	-	-	\$ 325,000,000		
	Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property)		2014	-	-	-	-	-		
	Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property)		2015	-	-	-	-	-		
	Complete tax years of qualifying time period		1	2014-2015	2014	\$ 155,000,000	\$ -	\$ 155,000,000	\$ -	\$ 155,000,000
			2	2015-2016	2015	\$ -	\$ -	\$ -	\$ -	\$ -
			3	2016-2017	2016	-	-	-	-	-
			4	2017-2018	2017	-	-	-	-	-
			5	2018-2019	2018	-	-	-	-	-
			6	2019-2020	2019	-	-	-	-	-
			7	2020-2021	2020	-	-	-	-	-
			8	2021-2022	2021	-	-	-	-	-
			9	2022-2023	2022	-	-	-	-	-
			10	2023-2024	2023	-	-	-	-	-
	Tax Credit Period (with 50% cap on credit)		Value Limitation Period	11	2024-2025	2024	-	-	-	-
				12	2025-2026	2025	-	-	-	-
13		2026-2027		2026	-	-	-	-		
Credit Settle-Up Period	Continue to Maintain Viable Presence	14	2027-2028	2027	-	-	-	-		
		15	2028-2029	2028	-	-	-	-		
Qualifying Time Period usually begins with the final board approval of the application and extends generally for the following two complete tax years.	Post-Settle-Up Period									

Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment - as defined in Tax Code §§13.021(1)(A)-(D). For the purposes of investment, please list amount invested each year, not cumulative totals.

Column B: Include estimates of investment for "replacement" property-property that is part of original agreement but scheduled for probable replacement during limitation period. The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §§13.021(1)(E).

Column D: For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings. Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value-for planning, construction and operation of the facility. The most significant example for many projects would be land. Other examples may be items such as professional services, etc. Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.

Notes: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed. This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

Signature:  DATE: 10/22/12

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

Schedule B (Rev. May 2010): Estimated Market And Taxable Value
Oneok Hydrocarbon, LP

Form 50-296

Applicant Name

ISD Name **Barbers Hill ISD**

	Year	School Year (YYY-YYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Reductions from Market Value	Estimated Taxable Value
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"		
	pre-year 1	2013-2014	2013	-	-	-	-	-
Complete tax years of qualifying time period	1	2014-2015	2014	-	-	160,000,000	-	160,000,000
	2	2015-2016	2015	-	-	400,000,000	-	400,000,000
	3	2016-2017	2016	-	-	380,000,000	-	380,000,000
	4	2017-2018	2017	-	-	361,000,000	-	361,000,000
	5	2018-2019	2018	-	-	342,950,000	-	342,950,000
Value Limitation Period	6	2019-2020	2019	-	-	325,802,500	-	325,802,500
	7	2020-2021	2020	-	-	309,512,375	-	309,512,375
	8	2021-2022	2021	-	-	294,036,756	-	294,036,756
	9	2022-2023	2022	-	-	279,334,918	-	279,334,918
	10	2023-2024	2023	-	-	265,368,173	-	265,368,173
Credit Settle-Up Period	11	2024-2025	2024	-	-	252,099,764	-	252,099,764
	12	2025-2026	2025	-	-	239,494,776	-	239,494,776
	13	2026-2027	2026	-	-	227,520,037	-	227,520,037
Post-Settle-Up Period	14	2027-2028	2027	-	-	-	-	216,144,035
Post-Settle-Up Period	15	2028-2029	2028	-	-	-	-	205,336,833

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

This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

[Handwritten Signature]

10/22/12

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

Schedule D: (Rev. May 2010): Other Tax Information

Applicant Name

Oneok Hydrocarbon, LP

ISD Name

Barbers Hill ISD

Form 50-296

		Sales Tax Information			Franchise Tax			Other Property Tax Abatements Sought		
		Sales Taxable Expenditures			Franchise Tax			Other		
	Year	School Year (YYYY-YYYY)	Tax/Calendar Year YYYY	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	County	City	Hospital	Other
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)	1	2013-2014	2013	\$ 400,000	\$ 600,000	\$ 275,856	100	100		
	2	2014-2015	2014	\$ 400,000	\$ 600,000	\$ 319,113	100	100		
	3	2015-2016	2015	\$ 400,000	\$ 600,000	\$ 362,370	75	100		
	4	2016-2017	2016	\$ 400,000	\$ 600,000	\$ 405,627	60	100		
	5	2017-2018	2017	\$ 400,000	\$ 600,000	\$ 448,884	50	75		
	6	2018-2019	2018	\$ 400,000	\$ 600,000	\$ 492,141		60		
	7	2019-2020	2019	\$ 400,000	\$ 600,000	\$ 535,396		50		
	8	2020-2021	2020	\$ 400,000	\$ 600,000	\$ 578,655		50		
	9	2021-2022	2021	\$ 400,000	\$ 600,000	\$ 621,912		50		
	10	2022-2023	2022	\$ 400,000	\$ 600,000	\$ 665,169		25		
	11	2023-2024	2023	\$ 400,000	\$ 600,000	\$ 708,426				
	12	2024-2025	2024	\$ 400,000	\$ 600,000	\$ 751,683				
	13	2025-2026	2025	\$ 400,000	\$ 600,000	\$ 794,940				
	14	2026-2027	2026	\$ 400,000	\$ 600,000	\$ 838,197				
	15	2027-2028	2027	\$ 400,000	\$ 600,000	\$ 881,454				
		2028-2029	2028	\$ 400,000	\$ 600,000	\$ 881,454				

*For planning, construction and operation of the facility.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

Attachment

A

Certification pages by Authorized Business Representative

APPLICANT INFORMATION - CERTIFICATION OF APPLICATION (CONTINUED)

Authorized Company Consultant (If Applicable)

First Name

Mike

Last Name

Fry

Title

Tax Agent

Firm Name

K E Andrews

Street Address

1900 Dalrock Road

Mailing Address

1900 Dalrock Road

City

Rowlett

State

Texas

ZIP

75088

Phone Number

469-298-1594

Fax Number

469-298-1619

Business email Address

mfry@keatax.com

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

Signature (Authorized Business Representative (Applicant))

Date

[Handwritten Signature]

10/16/12

GIVEN under my hand and seal of office this 10 day of October, 2012



Kim Baucum
Notary Public, State of Oklahoma

My commission expires 12/7/2012

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code § 37.10.

Attachment

B

Proof of Payment of Application Fee

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

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

Attachment

C

Documentation of Combined Group Membership

N/A

Attachment

D

Detailed Description of Project

ATTACHMENT: 1
APPLICATION FOR TAX ABATEMENT
BARBERS HILL SCHOOL DISTRICT

Proposed Project Description

Oneok Hydrocarbon, LP proposes to build a new NGL fractionator in Mont Belvieu, Texas.

NGL Fractionation

NGL fractionation is the process of manufacturing raw NGL mix produced by natural gas processing plants into discrete NGL purity components (i.e., ethane, propane, normal butane, iso-butane, and natural gasoline).

Fractionation Process

The fractionation process is accomplished by applying heat and pressure to the mixture of raw NGL hydrocarbons and separating each discrete product at the different boiling points for each NGL component of the mixture. The raw NGL mixture is passed through a specific series of distillation towers: deethanizer, depropanizer, debutanizer, and deisobutanizer. The name of each of these towers corresponds to the NGL component that is separated in that tower. The raw NGL mixture first passes through the deethanizer, where its temperature is increased to the point where ethane (the lightest component) boils off the top of the tower as a gas and is condensed into a purity liquid that is routed to storage. The heavier components in the mixture at the bottom of the tower (i.e., propane, butane, iso butane, and natural gasoline) are routed to the second tower (depropanizer), where the process is repeated and the next lightest component (propane) is separated. This process is repeated until the mixture of liquids has been separated into its purity components. This facility will also be built with the necessary equipment to produce International Grade Propane, along with an ethane-propane splitter which allows for purity ethane to be shipped to petrochemical customers.

Demand for NGLs

Sources of U.S. NGL demand include petrochemical consumption, gasoline blending, heating and fuel, and exports. Demand is driven primarily by the petrochemical industry, which accounts for 40-50% of total consumption. The U.S. petrochemical industry uses NGL products as feedstock (i.e. raw material) to produce ethylene, propylene, and butadiene (also known as olefins).

The following factors influence demand for each individual NGL component:

- **Ethane.** Essentially all of the ethane extracted from natural gas is consumed by the petrochemical industry as a feedstock for ethylene production. (Ethylene is a building block for polyethylene, which is the most popular plastic in the world.)
- **Propane.** Approximately 25-30% of propane is used as a feedstock by the petrochemical industry to produce ethylene and propylene. (Like ethylene,

propylene is an important building block used in the manufacture of plastics.) The bulk of the remaining demand for propane is primarily as a heating fuel in the residential and commercial markets.

- **Normal butane.** Normal butane is used as a petrochemical feedstock for the production of ethylene and butadiene (used to make synthetic rubber), as a blendstock for motor gasoline, and as a feedstock to create isobutene.
- **Isobutane.** Isobutane has the same molecular formula as normal butane, but a different structural formula (i.e., atoms are rearranged). Isobutane is used in refinery alkylation to enhance the octane content of motor gasoline.
- **Natural gasoline.** Natural gasoline is used primarily as a blendstock.

List of Improvements

Plant Components

- DeEthanizer
- DePropanizer
- Debutanizer
- Towers
- Heat Medium
- Gasoline Treater
- Compression Equipment
- Ethane-Propane Splitter
- International Grade Propane

Ability to locate or relocate:

Oneok Hydrocarbon LP currently operates in three states. They allocate capital investment to projects and locations that create the best economic return. The existence of a limitation on tax value is a significant factor in calculating the economic return and allocation of reserves to the project. However, Oneok Hydrocarbon LP could redirect its expenditures to its plants in:

Medford – Oklahoma
Bushton - Kansas

Attachment

E

District Allocation of Project

District Allocation:

Oneok Hydrocarbon LP is located 100% in Chambers County and Barbers Hill ISD

Attachment

F

Description of Qualified Investment

ATTACHMENT: 1
APPLICATION FOR TAX ABATEMENT
BARBERS HILL SCHOOL DISTRICT

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Attachment

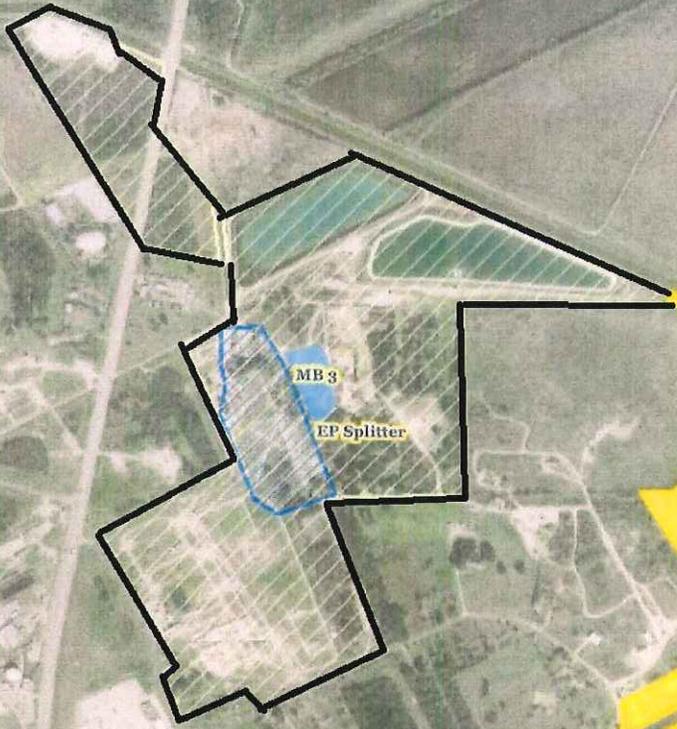
G

Map of Qualified Investment

Reinvestment Zone Boundary

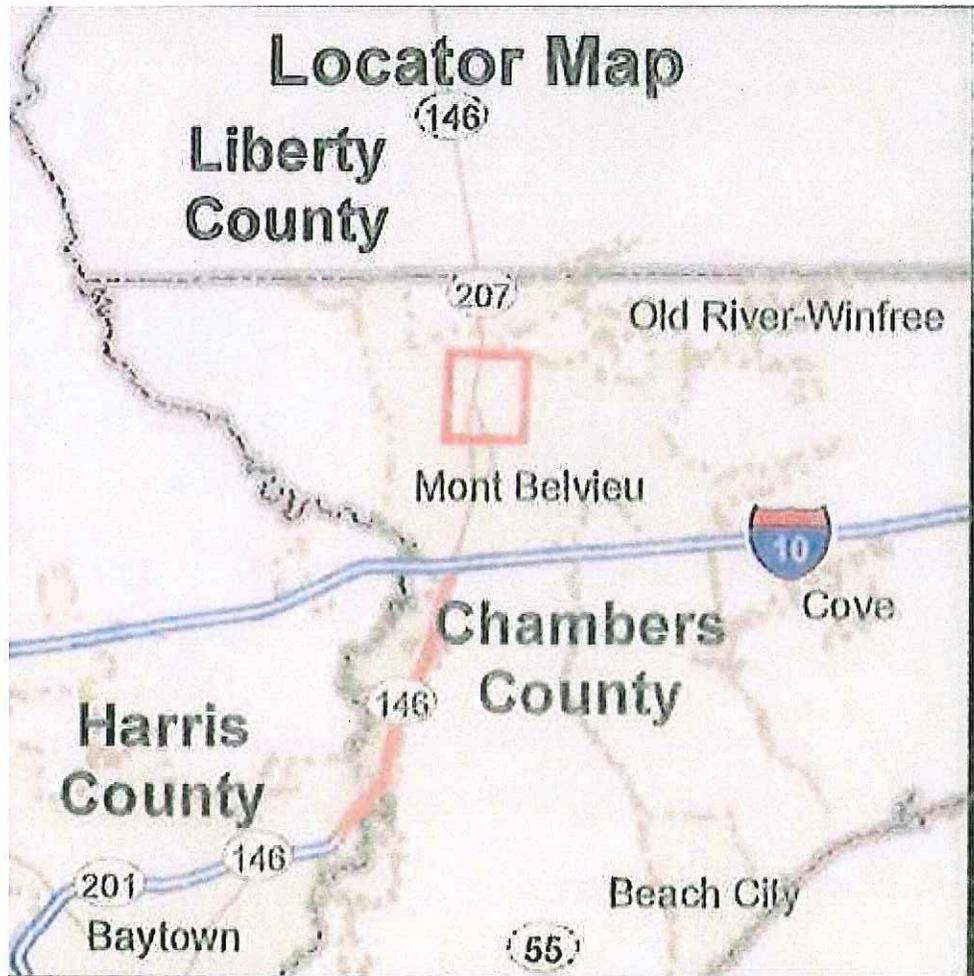
Qualified Investment/Property

"MB3" - Mont Belvieu Frac 3
EP Splitter



infrec

Locator Map



**Liberty
County**

(146)

(207)

Old River-Winfree

Mont Belvieu



Cove

**Chambers
County**

(146)

**Harris
County**

(201)

(146)

Baytown

Beach City

(55)

Attachment

H

Description of Qualified Property

ATTACHMENT: 1
APPLICATION FOR TAX ABATEMENT
BARBERS HILL SCHOOL DISTRICT

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Attachment

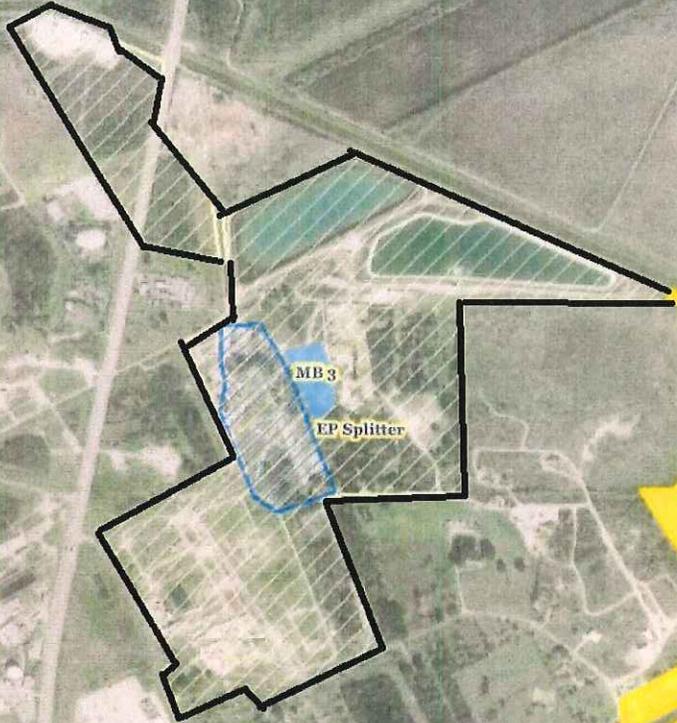
I

Map of Qualified Property

Reinvestment Zone Boundary

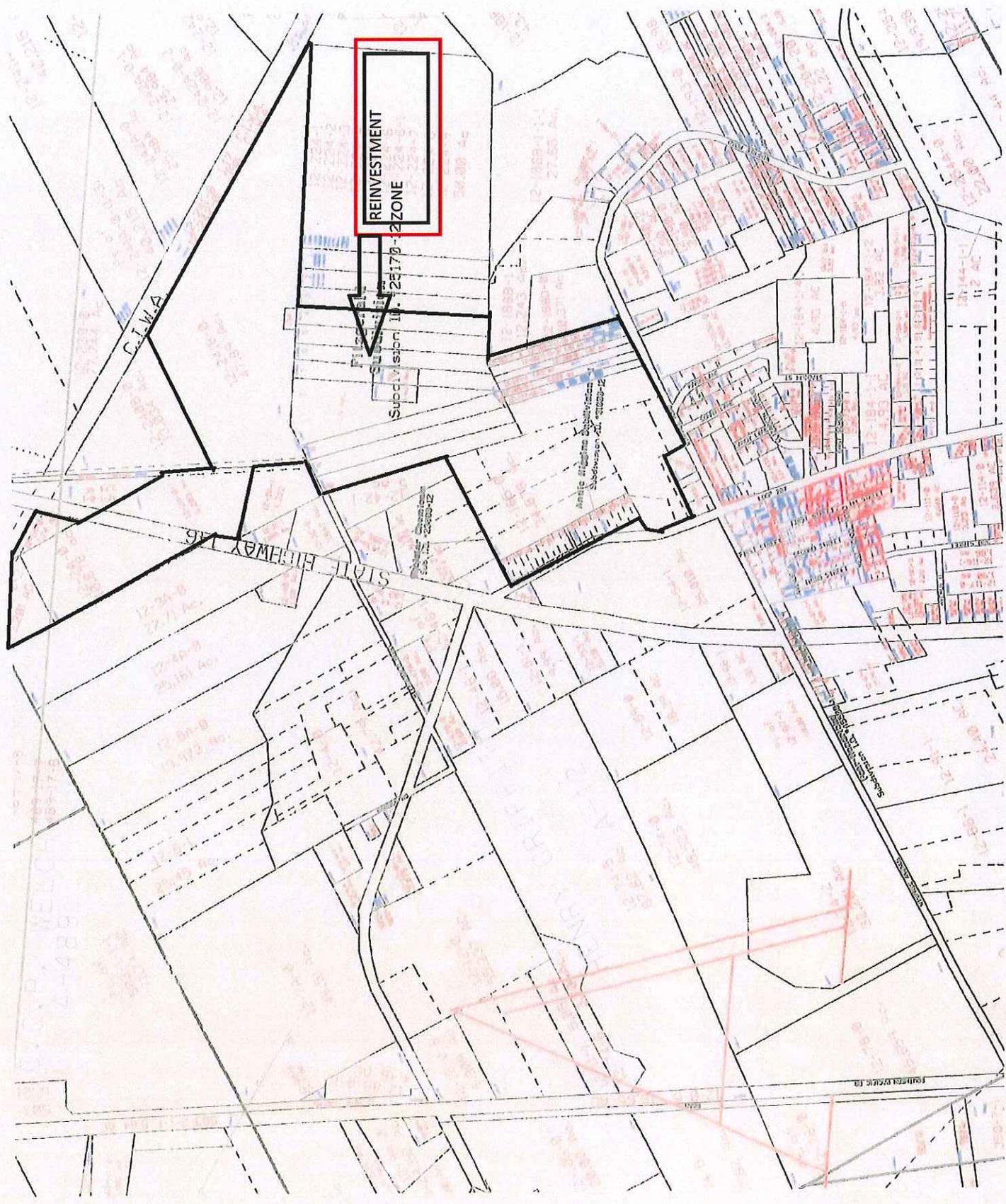
Qualified Investment/Property

"MB3" - Mont Belvieu Frac 3
EP Splitter



infree

3



REINVESTMENT
ZONE

Subdivision II - 25170-2 ZONE

C.I.W.A.

STATE HIGHWAY 16

Amble Heights Subdivision
Subdivision 25170-2

CANTON STREET

SOUTH STREET

4-489

4-489

4-489

Attachment

J

Description of Land

Chambers County Appraisal District

Chief Appraiser - Michael L. Fregla, RPA



Official Website

Hosted by Pritchard & Abbott, Inc.



Real Estate Roll Search Results: --- 26 matches found

Appraisal District	Parcel Area	Lot Area	Property Type	Owner Name	Property Location	City/State/Zip
00012-17700-00300-090001	7,890	4391	Real Estate	ONEOK MONT BELVIEU STORAGE CO LLC	WINFREE RD	MONT BELVIEU TX 77523
25170-00012-00000-000600	15,530	4392	Real Estate	ONEOK MONT BELVIEU STORAGE CO LLC		MONT BELVIEU TX
25170-00012-00000-000701	12,260	4393	Real Estate	ONEOK MONT BELVIEU STORAGE CO LLC		MONT BELVIEU YX
00012-18000-00000-090001	11,270	4394	Real Estate	ONEOK MONT BELVIEU STORAGE CO LLC	WINFREE RD	MONT BELVIEU TX 77523
25170-00012-00000-001100	29,430	4397	Real Estate	ONEOK MONT BELVIEU STORAGE CO LLC	FITZGERALD	MONT BELVIEU TX
25170-00012-00000-000300	15,530	5168	Real Estate	ONEOK MONT BELVIEU STORAGE CO LLC		MONT BELVIEU TX
25170-00012-00000-000400	15,520	5171	Real Estate	ONEOK MONT BELVIEU STORAGE CO LLC		MONT BELVIEU TX
00012-17900-00100-090001	5,270	5172	Real Estate	ONEOK MONT BELVIEU STORAGE CO LLC	WINFREE RD	MONT BELVIEU TX 77523
25170-00012-00000-000500	15,530	10050	Real Estate	ONEOK MONT BELVIEU STORAGE CO LLC		MONT BELVIEU TX
25170-00012-00000-000200	15,530	12114	Real Estate	ONEOK MONT BELVIEU STORAGE CO LLC		MONT BELVIEU TX

Chambers County Appraisal District

Chief Appraiser - Michael L. Fregia, RPA



Official Website

Hosted By Pritchard & Abbott, Inc.



Real Estate Roll Search Results: --- 26 matches found

Account Tax Number	Market Value	Parcels	Property Type	Owner Name	Property Location	City/State/Zip
25170-00012-00000-000100	85,500	14578	Real Estate	ONEOK MONT BELVIEU STORAGE CO LLC		MONT BELVIEU TX
00012-18200-00100-090001	10,140	14579	Real Estate	ONEOK MONT BELVIEU STORAGE CO LLC	WINFREE RD	MONT BELVIEU TX 77523
25170-00012-00000-001000	33,250	16186	Real Estate	ONEOK MONT BELVIEU STORAGE CO LLC		MONT BELVIEU TX
25170-00012-00000-000900	32,360	16187	Real Estate	ONEOK MONT BELVIEU STORAGE CO LLC		MONT BELVIEU TX
25170-00012-00000-000800	31,560	16189	Real Estate	ONEOK MONT BELVIEU STORAGE CO LLC		MONT BELVIEU TX
00012-16500-00000-090001	5,908,470	16190	Real Estate	ONEOK MONT BELVIEU STORAGE CO LLC	WINFREE RD	MONT BELVIEU TX 77523
31000-00012-00100-001300	1,550	16191	Real Estate	ONEOK MONT BELVIEU STORAGE CO LLC		MONT BELVIEU TX
31000-00012-00100-000100	1,860	16192	Real Estate	ONEOK MONT BELVIEU STORAGE CO LLC		MONT BELVIEU TX
31000-00012-00100-001400	14,900	16193	Real Estate	ONEOK MONT BELVIEU STORAGE CO LLC		MONT BELVIEU TX
00012-24102-00000-060001	156,600	16194	Real Estate	ONEOK MONT BELVIEU STORAGE CO LLC		MONT BELVIEU TX 77523

Chambers County Appraisal District

Chief Appraiser - Michael L. Fregia, RPA



Official Website

Hosted by Pritchard & Abbott, Inc.



Real Estate Roll Search Results: --- 26 matches found

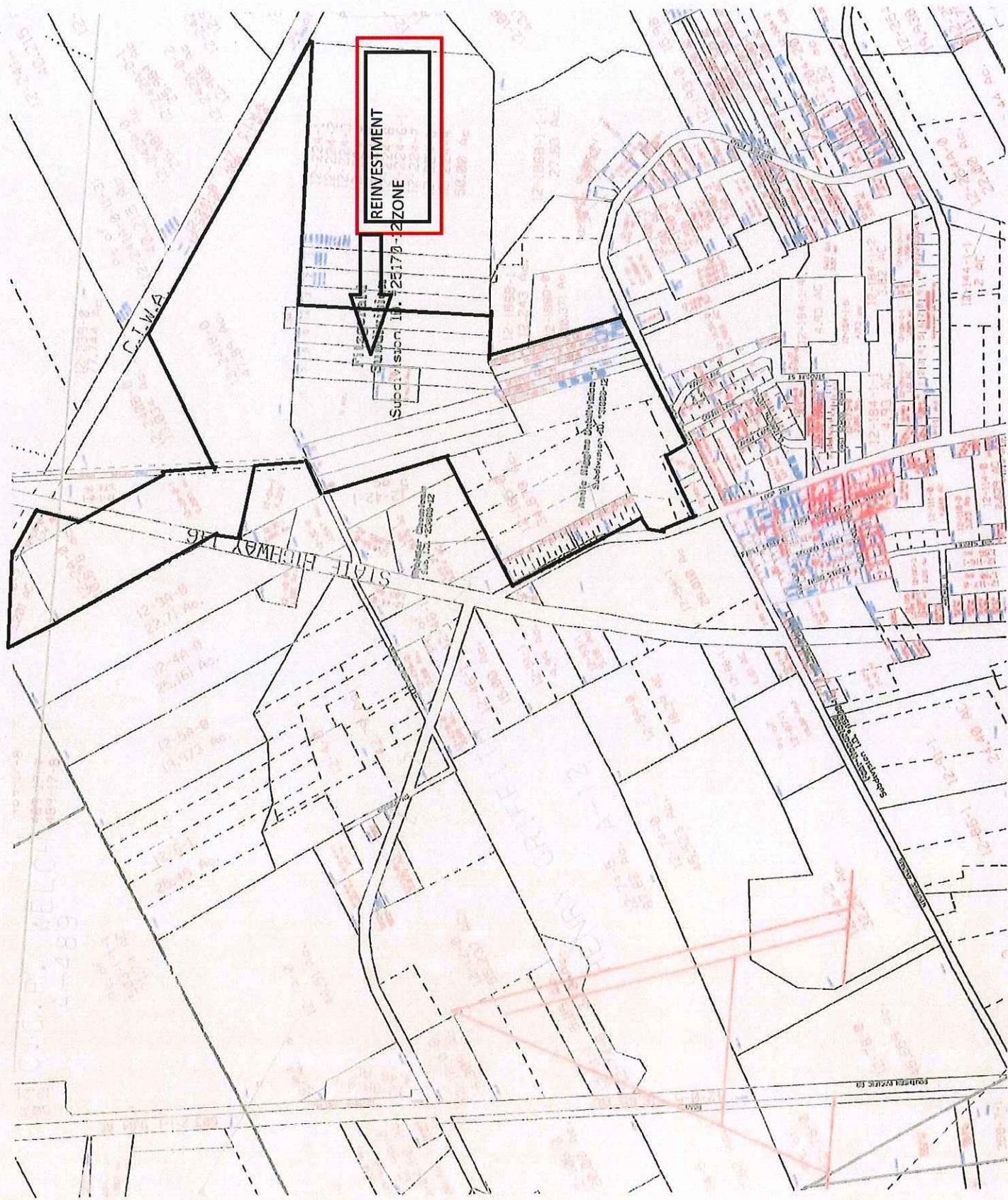
Account Number Example	Market Value	County Val	Property Type	Address/Owner	County Location	City/State/Zip
25170-00012-00000-000702	3,270	20340	Real Estate	ONEOK MONT BELVIEU STORAGE CO LLC	11360 FITZGERALD	MONT BELVIEU TX
25170-00012-00000-000802	940	33535	Real Estate	ONEOK MONT BELVIEU STORAGE CO LLC		MONT BELVIEU TX
25170-00012-00000-001120	3,270	45275	Real Estate	ONEOK MONT BELVIEU STORAGE CO LLC	11332 FITZGERALD RD	MONT BELVIEU TX 77523
00012-16500-00000-090100	11,350	46213	Real Estate	ONEOK MONT BELVIEU STORAGE CO LLC	WINFREE RD	MONT BELVIEU TX 77523
25170-00012-00000-000801	60	46270	Real Estate	ONEOK MONT BELVIEU STORAGE CO LLC		MONT BELVIEU TX
00012-00101-00000-090100	137,110	47237	Real Estate	ONEOK NGL PIPELINE LP		MONT BELVIEU TX 77523

1 2 3

[New Property Search](#)

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REINVESTMENT
25170-2 ZONE

C.I.W.A.

STATE HIGHWAY 146

25170-2 ZONE

25170-2 ZONE

SOUTH WESTERN CO.

SOUTH WESTERN CO.

VALERO ACQUISITION 2006

{937521;}

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;

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 47.375 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
Maithor 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;

Dr. J. D. ... INCLUDING ANY ROLL-BACK TAXES NO

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 36261

EXECUTED as of the 15 th 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



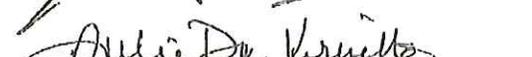
Bryant Dyer



Rhonda R. Dyer



Andy Viruetto, Jr.



Julie Dyer Viruetto fka Julie Dyer Eades

ACKNOWLEDGEMENT

STATE OF TEXAS)
) ss.
COUNTY OF Chambers)

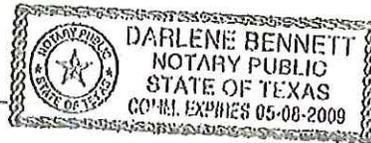
This instrument was acknowledged before me on the 15 th day of April, 2008, by **CHARLES D. DYER** and **MARY BETH DYER**, husband and wife, **BRYANT DYER** and **RHONDA R. DYER**, husband and wife, and **ANDY VIRUETTE, JR.** and **JULIE DYER VIRUETTE**, husband and wife, in their individual capacities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



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 vlr, 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 Lillich, 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 25, 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 58°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 1102.57 feet to a ½ inch iron rod set for the Southeast 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 Kinzey 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 586 of the Official Public Records of Chambers County, Texas. From this corner a capped iron rod found bears South 22°04'15" West a distance of 0.25 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 1099.50 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 25.39 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°36'15" 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 455, Page 156 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 109457
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
2904 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

Page 1 of 5

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. 167 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 metes and bounds as follows, to-wit:

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

THENCE North 18° 36' West along the line between Tracts 3 and 4, 396 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 18° 36' East 396 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, 527.6 varas to the South line of Prairie Tract No. 1;

THENCE West 61 varas;

THENCE South 00° 40' West 628.4 varas;

THENCE North 89° 05' East 61 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.

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 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.

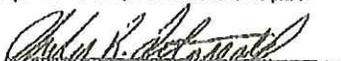
Exceptions to Conveyance and Warranty:

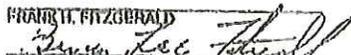
Validly existing easements, rights-of-way, and prescriptive rights, whether of record or not; all properly recorded and validly existing instruments, other than conveyances of the surface fee estate, that affect the Property; and taxes for 2000, which Grantee assumes and agrees to pay, and subsequent 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 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

FRANK H. FITZGERALD

FRANK H. FITZGERALD

BARBARA FITZGERALD O'TOOLE

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 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 either on or below 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

Philip R. Fitzgerald
PHILIP R. FITZGERALD

BRYAN LEE FITZGERALD

BARBARA FITZGERALD OYCOLE

STATE OF TEXAS)
COUNTY OF Chambers)

This instrument was acknowledged before me on April 29
2008, by PHILIP R. FITZGERALD.

Darlene Bennett
Notary Public, State of Texas
My commission expires _____
DARLENE BENNETT
NOTARY PUBLIC
STATE OF TEXAS
COM. EXPIRES 05-04-2009

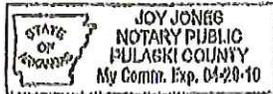
STATE OF TEXAS)
COUNTY OF _____)

This instrument was acknowledged before me on _____
2008, by FRANK H. FITZGERALD.

Notary Public, State of Texas
My commission expires _____

STATE OF ARKANSAS)
COUNTY OF Faulkner)

This instrument was acknowledged before me on April 28
2008, by BRYAN LEE FITZGERALD.


JOY JONES
NOTARY PUBLIC
PULASKI COUNTY
My Comm. Exp. 04-20-10

Joy Jones
Notary Public, State of ARKANSAS
My commission expires 4-20-10

STATE OF TEXAS)
COUNTY OF _____)

This instrument was acknowledged before me on _____
2000, by PHILIP R. FITZGERALD.

Notary Public, State of Texas
My commission expires: _____

STATE OF TEXAS)
COUNTY OF HARRIS)

This instrument was acknowledged before me on 18 Apr. 2000
2000, by FRANK H. FITZGERALD,



Margaret Gallagher
Notary Public, State of Texas
My commission expires: 8/22/2000

STATE OF ARKANSAS)
COUNTY OF _____)

This instrument was acknowledged before me on _____
2000, by BRYAN LEE FITZGERALD.

Notary Public, State of ARKANSAS
My commission expires: _____

TEXAS
STATE OF ARKANSAS)
COUNTY OF Harney)

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



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

PREPARED IN THE OFFICE OF:
JOE F. SANDLIN
P. O. BOX 658
707 WILCOX
ANAHUAC, TEXAS 77814
Tel: (409) 287-3793
Fax: (409) 287-3792

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

203 48L FG
3485 12 1037 69

FILED FOR RECORD IN

Cherokee County

ON APR 30, 2008 AT 03:49A

AS PER Public Records

Heather H. Hawthorne COUNTY CLERK

CLERK NUMBER 00034985

AMOUNT \$1.00

RECEIPT NUMBER 08230012

BY RECORDS STATE OF TEXAS Cherokee County
AS STOPPED HEREBY BY 12, APR 30, 2008

Heather H. Hawthorne COUNTY CLERK

Recorded:

Anna B. Hillary

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 Placid 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

STANGER SURVEYING CANTON LLC

581 S. TRADE DAYS BLVD.
CANTON, TEXAS 75103

PH: 903-567-5680

FAX: 903-567-6861

*Less & Except
this tract*

**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 Placid*

SSC

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 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 64 deg. 42 min. 54 sec. East, a distance of 21.94 feet to a point for corner;

THENCE: South 24 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

C. C. P. WELCH SURVEY

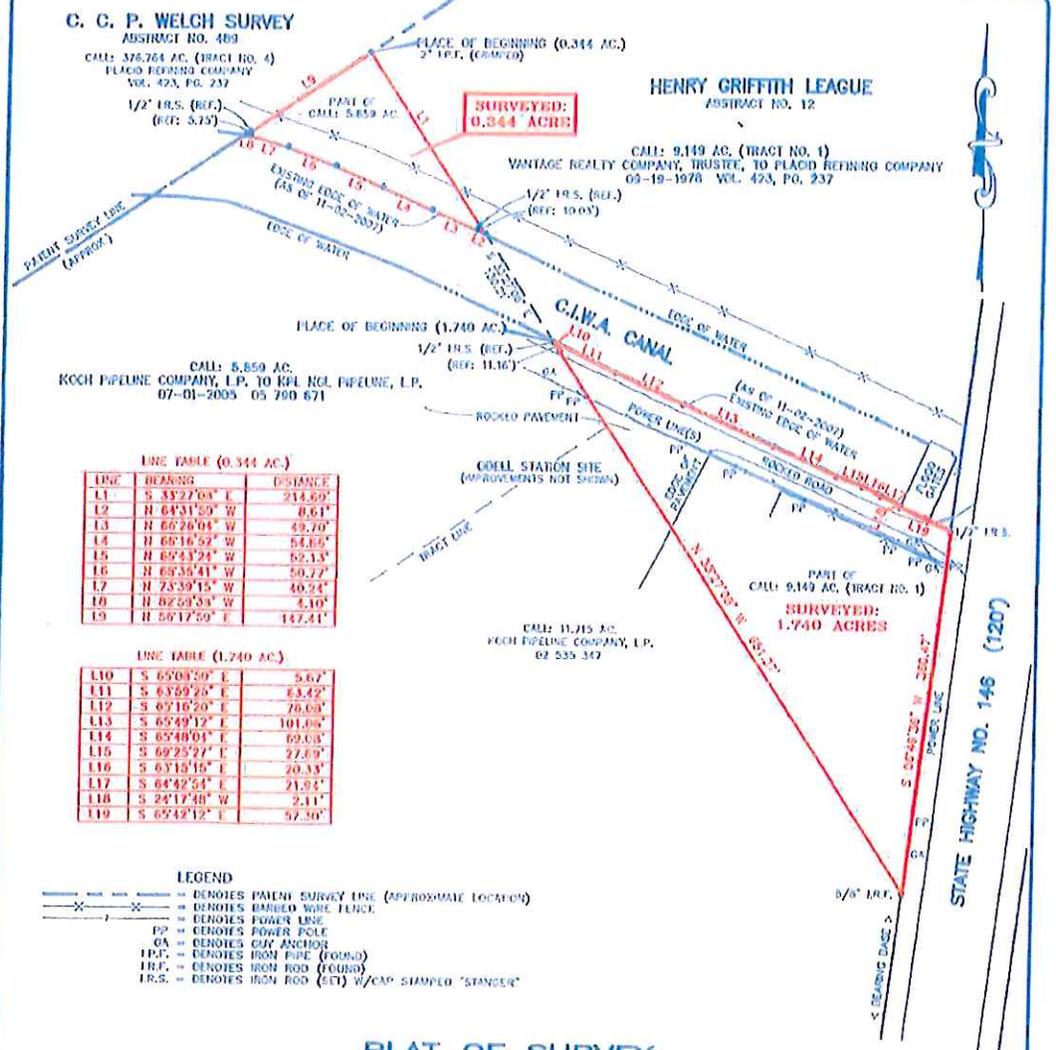
ABSTRACT NO. 489
 CALL: 376,764 AC. (TRACT NO. 4)
 PLACED REFINING COMPANY
 VOL. 423, PG. 237

1/2" I.R.S. (REF.)
 (REF: 8.75)

**SURVEYED:
 0.344 ACRES**

HENRY GRIFFITH LEAGUE

ABSTRACT NO. 12
 CALL: 9,119 AC. (TRACT NO. 1)
 WENTAGE REALTY COMPANY, TRUSTEE, TO PLACED REFINING COMPANY
 09-19-1978 VOL. 423, PG. 237



LINE TABLE (0.344 AC.)

LINE	BEARING	DISTANCE
L1	S 33°27'03" E	214.69'
L2	N 64°31'20" W	8.61'
L3	N 66°26'04" W	49.70'
L4	N 66°16'52" W	51.85'
L5	N 65°33'24" W	62.13'
L6	N 65°35'41" W	50.72'
L7	N 73°39'15" W	46.24'
L8	N 62°53'53" W	4.10'
L9	N 56°17'59" E	147.41'

LINE TABLE (1.740 AC.)

LINE	BEARING	DISTANCE
L10	S 65°08'50" E	5.62'
L11	S 63°59'26" E	63.42'
L12	S 67°16'20" E	76.00'
L13	S 65°49'12" E	101.06'
L14	S 65°48'04" E	69.03'
L15	S 69°25'27" E	27.69'
L16	S 63°15'15" E	20.33'
L17	S 64°42'54" E	21.94'
L18	S 24°17'48" W	2.11'
L19	S 65°42'12" E	57.36'

LEGEND

- - - - - DENOTES PATENT SURVEY LINE (APPROXIMATE LOCATION)
- x - x - DENOTES BARBED WIRE FENCE
- - - - - DENOTES POWER LINE
- PP - DENOTES POWER POLE
- CA - DENOTES CAY ANCHOR
- IRP - DENOTES IRON PIPE (FOUND)
- IRF - DENOTES IRON ROD (FOUND)
- IRS - DENOTES IRON ROD (SET) W/CAP STAMPED "STANGER"

**PLAT OF SURVEY
 SHOWING PART OF THE
 HENRY GRIFFITH LEAGUE, ABSTRACT NO. 12
 CHAMBERS COUNTY, TEXAS
 SCALE: 1" = 100 FEET**

THIS SURVEYOR HAS MADE NO INVESTIGATION OR INDEPENDENT SEARCH FOR EASEMENTS OF RECORD, ENCUMBRANCES, RESTRICTIVE COVENANTS, OWNERSHIP TITLE EVIDENCE, OR ANY OTHER FACTS THAT AN ACCURATE AND CURRENT TITLE SEARCH MAY DISCLOSE.

IN PROVIDING THIS BOUNDARY SURVEY, NO ATTEMPT HAS BEEN MADE TO OBTAIN OR SHOW DATA CONCERNING EXISTENCE, SIZE, DEPTH, CONDITION, CAPACITY OR LOCATION OF ANY UTILITY EXISTING ON THE SITE, WHETHER PRIVATE, MUNICIPAL OR PUBLIC OWNED. SUBSURFACE AND ENVIRONMENTAL CONDITIONS WERE NOT SURVEYED OR EXAMINED OR STATEMENT IS MADE CONCERNING THE EXISTENCE OF UNDERGROUND OR OVERHEAD CONDITIONS, CONDUITS OR FACILITIES THAT MAY AFFECT THE USE OR DEVELOPMENT OF THIS PROPERTY.

BEARINGS ARE BASED ON THE RECORD BEARING OF "S 06°49'36" W" ALONG THE MONUMENTED EAST LINE OF THE CALLED 11,715 ACRE TRACT SHOWN HEREON, PER 02 535 347, O.P.R.C.C.T.

SEE METES AND BOUNDS DESCRIPTIONS PREPARED EVEN DATE.

NOTE: SUBDIVISION OF REAL ESTATE IS REGULATED BY STATE LAW AND ADDITIONAL REGULATIONS MAY ALSO APPLY FROM LOCAL CITY AND COUNTY SUBDIVISION REGULATIONS. ANY INDIVIDUAL USING THIS SURVEY SHOULD CONSULT AN ATTORNEY TO DETERMINE TO WHAT EXTENT SUBDIVISION LAWS AND REGULATIONS APPLY TO HIS USE.

I, MARK D. BRYANI, SR., REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THIS PLAT TO REFLECT AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY SUPERVISION DURING THE MONTH OF NOVEMBER, 2007.

GIVEN UNDER MY HAND & SEAL, THIS THE 5TH DAY OF NOVEMBER, 2007.

Mark D. Bryani, Sr.
 MARK D. BRYANI, SR.
 REGISTERED PROFESSIONAL LAND SURVEYOR
 STATE OF TEXAS NO. 4360

PLAT VOID IF NOT SIGNED IN RED.
 PREPARED FOR: ONEOK NGL PIPELINE, L.P.



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 ALL RIGHTS RESERVED
 STANGER SURVEYING CANTON LLC
 CANTON, TEXAS
 (NON-TRANSFERABLE)

STANGER
 SURVEYING CANTON LLC
 581 S. Trade Days Blvd.
 Canton, Texas 75103
 (903) 567-5680

SURVEY COMPLETED: 11-02-2007
 FB/PS: VZ 177/46 JOB NO: C07214

Attachment

K

Detailed Map Showing Location of Land



Attachment

L

Description of Existing Improvements

No Existing Improvements

Attachment

M

Request for Waiver of Job Creation Requirement

N/A

Attachment

N

Calculation of Wage Requirements

Calculations of wages information---Based on Most Recent Data Available

110% of County Average Weekly Wage for all Jobs

Year	Period	Wages
2011	3Q	955
2011	4Q	1,023
2012	1Q	1,016
2012	2Q	992

Average= \$996.50 average weekly salary
 X 1.1 (110%)
\$1,096.15 110% of County Average Weekly Wage for all Jobs

110% of County Average Weekly Wage for manufacturing Jobs

Year	Period	Wages
2011	3Q	1,502
2011	4Q	1,737
2012	1Q	1,492
2012	2Q	1,633

Average = \$1591 average weekly salary
 X 1.1 (110%)
\$1,750.01 110% of County Average Weekly Wage for Manufacturing Jobs

110 % of County Average Weekly Wage for Manufacturing Jobs in Region (Houston-Galveston)

\$25.82 per hour
 X 40 hr per week
 \$ 1033 average weekly salary
 X 1.10 (110%)
\$1,136.08
 X 52 weeks
\$59,076.16 110% of County Average Weekly Wage for all Jobs in Region

**2011 Manufacturing Wages by Council of Government Region
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
Texas	\$22.89	\$47,610
1. Panhandle Regional Planning Commission	\$19.32	\$40,196
2. South Plains Association of Governments	\$16.45	\$34,210
3. NORTEX Regional Planning Commission	\$18.14	\$37,733
4. North Central Texas Council of Governments	\$24.03	\$49,986
5. Ark-Tex Council of Governments	\$16.52	\$34,366
6. East Texas Council of Governments	\$18.27	\$37,995
7. West Central Texas Council of Governments	\$17.76	\$36,949
8. Rio Grande Council of Governments	\$15.69	\$32,635
9. Permian Basin Regional Planning Commission	\$21.32	\$44,349
10. Concho Valley Council of Governments	\$15.92	\$33,123
11. Heart of Texas Council of Governments	\$18.82	\$39,150
12. Capital Area Council of Governments	\$26.46	\$55,047
13. Brazos Valley Council of Governments	\$15.71	\$33,718
14. Deep East Texas Council of Governments	\$15.48	\$32,207
15. South East Texas Regional Planning Commission	\$28.23	\$58,724
16. Houston-Galveston Area Council	\$25.82	\$53,711
17. Golden Crescent Regional Planning Commission	\$20.38	\$42,391
18. Alamo Area Council of Governments	\$18.00	\$37,439
19. South Texas Development Council	\$13.85	\$28,806
20. Coastal Bend Council of Governments	\$22.35	\$46,489
21. Lower Rio Grande Valley Development Council	\$15.08	\$31,365
22. Texoma Council of Governments	\$20.76	\$43,190
23. Central Texas Council of Governments	\$16.17	\$33,642
24. Middle Rio Grande Development Council	\$13.65	\$28,382

Source: Texas Occupational Employment and Wages

Data published: July 2012

Data published annually, next update will be summer 2013

Note: Data is not supported by the Bureau of Labor Statistics (BLS).

Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.

Data intended for TAC 313 purposes only.

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2011	1st Qtr	Chambers County	Private	00	0	10	Total, All Industries	\$953
2011	2nd Qtr	Chambers County	Private	00	0	10	Total, All Industries	\$921
2011	3rd Qtr	Chambers County	Private	00	0	10	Total, All Industries	\$955
2011	4th Qtr	Chambers County	Private	00	0	10	Total, All Industries	\$1,023
2012	1st Qtr	Chambers County	Private	00	0	10	Total, All Industries	\$1,016
2012	2nd Qtr	Chambers County	Private	00	0	10	Total, All Industries	\$980
2012	2nd Qtr	Chambers County	Private	31	2	31-33	Manufacturing	\$1,633
2012	1st Qtr	Chambers County	Private	31	2	31-33	Manufacturing	\$1,492
2011	4th Qtr	Chambers County	Private	31	2	31-33	Manufacturing	\$1,737
2011	3rd Qtr	Chambers County	Private	31	2	31-33	Manufacturing	\$1,502
2011	2nd Qtr	Chambers County	Private	31	2	31-33	Manufacturing	\$1,537
2011	1st Qtr	Chambers County	Private	31	2	31-33	Manufacturing	\$1,473

Attachment

0

Description of Benefits

Attachment #2

Description of Benefits

Oneok Hydrocarbon, LP offers the following benefits to its employees:

Medical Plan & Prescription Drug Coverage

Vision Coverage

Dental Coverage

Flexible Spending Accounts

Life Insurance Coverage

Disability Coverage

401(k) Profit Sharing Plan

Attachment

P

Economic Impact

N/A

Attachment

Q

Schedule A

Schedule A (Rev. May 2010): Investment

Applicant Name
 Oneok Hydrocarbon, LP
 Barbers Hill ISD

Form 50-236

PROPERTY INVESTMENT AMOUNTS									
(Estimated investment in each year. Do not put cumulative totals.)									
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: Tangible Personal Property The amount of new investment (original cost) placed in service during this year	Column B: Building or permanent nonremovable component of building (annual amount only)	Column C: Sum of A and B Qualifying investment (during the qualifying time period)	Column D: Other investment that is not qualified investment but investment affecting economic impact and total value	Column E: Total Investment (A+B+D)	
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals) Investment made before filing complete application with district (neither qualified property nor eligible to become qualified investment) Investment made after filing complete application with district, but before final board approval of application (eligible to become qualified property) Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period (qualified investment and eligible to become qualified property) Complete tax years of qualifying time period Value Limitation Period Continue to Maintain Viable Presence Post-Settle-Up Period Post-Settle-Up Period	1	2014-2015	2014	\$ 155,000,000	\$ -	\$ 155,000,000	\$ -	\$ 155,000,000	
	2	2015-2016	2015	\$ -	\$ -	\$ -	\$ -	\$ -	
	3	2016-2017	2016	\$ -	\$ -	\$ -	\$ -	\$ -	
	4	2017-2018	2017	\$ -	\$ -	\$ -	\$ -	\$ -	
	5	2018-2019	2018	\$ -	\$ -	\$ -	\$ -	\$ -	
	6	2019-2020	2019	\$ -	\$ -	\$ -	\$ -	\$ -	
	7	2020-2021	2020	\$ -	\$ -	\$ -	\$ -	\$ -	
	8	2021-2022	2021	\$ -	\$ -	\$ -	\$ -	\$ -	
	9	2022-2023	2022	\$ -	\$ -	\$ -	\$ -	\$ -	
	10	2023-2024	2023	\$ -	\$ -	\$ -	\$ -	\$ -	
	11	2024-2025	2024	\$ -	\$ -	\$ -	\$ -	\$ -	
	12	2025-2026	2025	\$ -	\$ -	\$ -	\$ -	\$ -	
	13	2026-2027	2026	\$ -	\$ -	\$ -	\$ -	\$ -	
	14	2027-2028	2027	\$ -	\$ -	\$ -	\$ -	\$ -	
	15	2028-2029	2028	\$ -	\$ -	\$ -	\$ -	\$ -	

Qualifying Time Period usually begins with the final board approval of the application and extends generally for the following two complete tax years.
 Column A: This represents the total dollar amount of planned investment in tangible personal property the applicant considers qualified investment - as defined in Tax Code §313.021(1)(A)-(D). For the purposes of investment, please list amount invested each year, not cumulative totals.
 Column B: Include estimates of investment for "replacement" property that is part of original agreement but scheduled for probable replacement during limitation period. The total dollar amount of planned investment each year in buildings or nonremovable component of buildings that the applicant considers qualified investment under Tax Code §313.021(1)(E).
 Column D: For the years outside the qualifying time period, this number should simply represent the planned investment in new buildings or nonremovable components of buildings. Dollar value of other investment that may not be qualified investment but that may affect economic impact and total value-for planning, construction and operation of the facility. Note: Land can be listed as part of investment during the "pre-year 1" time period. It cannot be part of qualifying investment.
 Notes: For advanced clean energy projects, nuclear projects, projects with deferred qualifying time periods, and projects with lengthy application review periods, insert additional rows as needed. This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE _____ DATE 10/22/12

Attachment

R

Schedule B

Schedule B (Rev. May 2010): Estimated Market And Taxable Value
Oneok Hydrocarbon, LP
Barbers Hill ISD

Form 50-296

Applicant Name
 ISD Name

Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Estimated Market Value of Land	Qualified Property		Reductions from Market Value	Estimated Taxable Value	Final taxable value for M&O-after all reductions
				Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new building or "in or on the new improvement"			
pre-year 1	2013-2014	2013	-	-	-	-	-	-
1	2014-2015	2014	-	-	-	-	160,000,000	160,000,000
2	2015-2016	2015	-	-	-	-	400,000,000	400,000,000
3	2016-2017	2016	-	-	-	-	380,000,000	380,000,000
4	2017-2018	2017	-	-	-	-	361,000,000	361,000,000
5	2018-2019	2018	-	-	-	-	342,950,000	342,950,000
6	2019-2020	2019	-	-	-	-	325,802,500	325,802,500
7	2020-2021	2020	-	-	-	-	309,512,375	309,512,375
8	2021-2022	2021	-	-	-	-	294,036,756	294,036,756
9	2022-2023	2022	-	-	-	-	279,334,918	279,334,918
10	2023-2024	2023	-	-	-	-	265,368,173	265,368,173
11	2024-2025	2024	-	-	-	-	252,099,764	252,099,764
12	2025-2026	2025	-	-	-	-	239,494,776	239,494,776
13	2026-2027	2026	-	-	-	-	227,520,037	227,520,037
14	2027-2028	2027	-	-	-	-	216,144,035	216,144,035
15	2028-2029	2028	-	-	-	-	205,336,833	205,336,833

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

This schedule must be submitted with the original application and any application for tax credit. When using this schedule for any purpose other than the original application, replace original estimates with actual appraisal district data for past years and update estimates for current and future years. If original estimates have not changed, enter those amounts for future years.

[Handwritten Signature]

10/22/12

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

DATE

Attachment

S

Schedule C

Attachment

T

Schedule D

Schedule D: (Rev. May 2010): Other Tax Information

Applicant Name

Oneok Hydrocarbon, LP

ISD Name

Barbers Hill ISD

Form 50-296

Other Property Tax Abatements Sought

	Sales Tax Information			Franchise Tax					Other	
	Year	School Year (YYYY-YYYY)	Tax/Calendar Year YYYY	Column F: Estimate of total annual expenditures* subject to state sales tax	Column G: Estimate of total annual expenditures* made in Texas NOT subject to sales tax	Column H: Estimate of Franchise tax due from (or attributable to) the applicant	County	City		Hospital
The year preceding the first complete tax year of the qualifying time period (assuming no deferrals)		2013-2014	2013							
Tax Credit Period (with 50% cap on credit)	1	2014-2015	2014	\$ 400,000	\$ 600,000	\$ 275,856	100	100		Fill in percentage exemption requested or granted in each year of the Agreement
	2	2015-2016	2015	\$ 400,000	\$ 600,000	\$ 319,113	100	100		Fill in percentage exemption requested or granted in each year of the Agreement
	3	2016-2017	2016	\$ 400,000	\$ 600,000	\$ 362,370	75	100		Fill in percentage exemption requested or granted in each year of the Agreement
	4	2017-2018	2017	\$ 400,000	\$ 600,000	\$ 405,627	60	100		Fill in percentage exemption requested or granted in each year of the Agreement
	5	2018-2019	2018	\$ 400,000	\$ 600,000	\$ 448,884	50	75		Fill in percentage exemption requested or granted in each year of the Agreement
	6	2019-2020	2019	\$ 400,000	\$ 600,000	\$ 492,141		60		Fill in percentage exemption requested or granted in each year of the Agreement
	7	2020-2021	2020	\$ 400,000	\$ 600,000	\$ 535,398		50		Fill in percentage exemption requested or granted in each year of the Agreement
	8	2021-2022	2021	\$ 400,000	\$ 600,000	\$ 578,655		50		Fill in percentage exemption requested or granted in each year of the Agreement
	9	2022-2023	2022	\$ 400,000	\$ 600,000	\$ 621,912		50		Fill in percentage exemption requested or granted in each year of the Agreement
	10	2023-2024	2023	\$ 400,000	\$ 600,000	\$ 665,169		25		Fill in percentage exemption requested or granted in each year of the Agreement
	11	2024-2025	2024	\$ 400,000	\$ 600,000	\$ 708,426				Fill in percentage exemption requested or granted in each year of the Agreement
	12	2025-2026	2025	\$ 400,000	\$ 600,000	\$ 751,683				Fill in percentage exemption requested or granted in each year of the Agreement
	13	2026-2027	2026	\$ 400,000	\$ 600,000	\$ 794,940				Fill in percentage exemption requested or granted in each year of the Agreement
	14	2027-2028	2027	\$ 400,000	\$ 600,000	\$ 838,197				Fill in percentage exemption requested or granted in each year of the Agreement
	15	2028-2029	2028	\$ 400,000	\$ 600,000	\$ 881,454				Fill in percentage exemption requested or granted in each year of the Agreement

*For planning, construction and operation of the facility.

SIGNATURE OF AUTHORIZED COMPANY REPRESENTATIVE

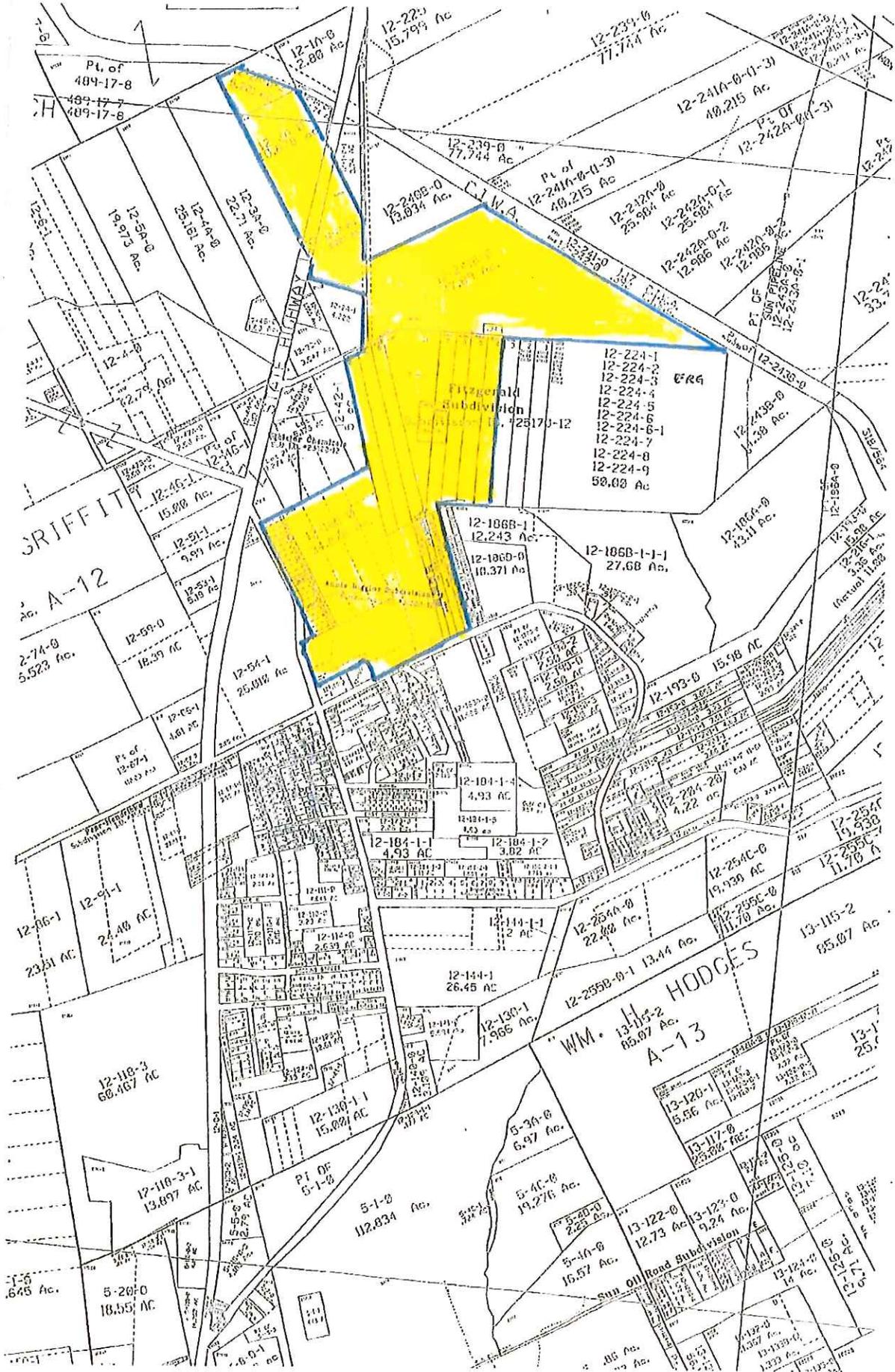
12/23/12

DATE

Attachment

U

Map of Reinvestment Zone



Pt. of
489-17-8
489-17-7
489-17-8

12-223-0
15.799 Ac

12-239-0
77.744 Ac

12-241A-0-1-3
48.215 Ac

12-240B-0
13.834 Ac

Pt. of
12-241A-0-1-3
48.215 Ac

Pt. of
12-242A-0-1-3

12-34A-0
22.71 Ac

12-44B
25.161 Ac

12-240B-0
13.834 Ac

12-242A-0-1
25.984 Ac

12-242A-0-2
12.986 Ac

12-242A-0-3
12.986 Ac

12-44B
25.161 Ac

12-44B
25.161 Ac

12-240B-0
13.834 Ac

12-242A-0-1
25.984 Ac

12-242A-0-2
12.986 Ac

12-242A-0-3
12.986 Ac

12-44B
25.161 Ac

12-44B
25.161 Ac

12-240B-0
13.834 Ac

12-242A-0-1
25.984 Ac

12-242A-0-2
12.986 Ac

12-242A-0-3
12.986 Ac

12-44B
25.161 Ac

12-44B
25.161 Ac

12-240B-0
13.834 Ac

12-242A-0-1
25.984 Ac

12-242A-0-2
12.986 Ac

12-242A-0-3
12.986 Ac

12-44B
25.161 Ac

12-44B
25.161 Ac

12-240B-0
13.834 Ac

12-242A-0-1
25.984 Ac

12-242A-0-2
12.986 Ac

12-242A-0-3
12.986 Ac

12-44B
25.161 Ac

12-44B
25.161 Ac

12-240B-0
13.834 Ac

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12-240B-0
13.834 Ac

12-242A-0-1
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12-242A-0-2
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12-44B
25.161 Ac

12-44B
25.161 Ac

12-240B-0
13.834 Ac

12-242A-0-1
25.984 Ac

12-242A-0-2
12.986 Ac

12-242A-0-3
12.986 Ac

12-44B
25.161 Ac

12-44B
25.161 Ac

12-240B-0
13.834 Ac

12-242A-0-1
25.984 Ac

12-242A-0-2
12.986 Ac

12-242A-0-3
12.986 Ac

12-44B
25.161 Ac

12-44B
25.161 Ac

12-240B-0
13.834 Ac

12-242A-0-1
25.984 Ac

12-242A-0-2
12.986 Ac

12-242A-0-3
12.986 Ac

12-44B
25.161 Ac

12-44B
25.161 Ac

12-240B-0
13.834 Ac

12-242A-0-1
25.984 Ac

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25.161 Ac

12-44B
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12-240B-0
13.834 Ac

12-242A-0-1
25.984 Ac

12-242A-0-2
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12-242A-0-3
12.986 Ac

12-44B
25.161 Ac

12-44B
25.161 Ac

12-240B-0
13.834 Ac

12-242A-0-1
25.984 Ac

12-242A-0-2
12.986 Ac

12-242A-0-3
12.986 Ac

12-44B
25.161 Ac

12-44B
25.161 Ac

12-240B-0
13.834 Ac

12-242A-0-1
25.984 Ac

12-242A-0-2
12.986 Ac

12-242A-0-3
12.986 Ac

12-44B
25.161 Ac

12-44B
25.161 Ac

12-240B-0
13.834 Ac

12-242A-0-1
25.984 Ac

12-242A-0-2
12.986 Ac

12-242A-0-3
12.986 Ac

Fitzgerald
Subdivision
28170-12

12-224-1
12-224-2
12-224-3
12-224-4
12-224-5
12-224-6
12-224-6-1
12-224-7
12-224-8
12-224-9
58.08 Ac

12-106B-1
12.243 Ac

12-106B-0
10.371 Ac

12-106B-1-1-1
27.68 Ac

12-106A-0
43.11 Ac

SRIFIT

A-12

W.M. HODGES
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Attachment

V

Order, Resolution or Ordinance Establishing Zone

ORDINANCE NO. 2011-009

AN ORDINANCE OF THE CITY OF MONT BELVIEU, TEXAS DESIGNATING A REINVESTMENT ZONE FOR PURPOSES OF TAX ABATEMENT FOR THE TAX ABATEMENT APPLICATION SUBMITTED BY ONEOK HYDROCARBON, L.P., A DELAWARE LIMITED PARTNERSHIP ITS ASSIGNS, AFFILIATES OR RELATED ENTITIES, WHICH INCLUDES BUT IS NOT LIMITED TO ONEOK NGL PIPELINE COMPANY, L.L.C., A DELAWARE LIMITED LIABILITY COMPANY AND ONEOK MONT BELVIEU STORAGE COMPANY, L.L.C., A DELAWARE LIMITED LIABILITY COMPANY ("ONEOK") ON JUNE 8, 2011

WHEREAS, the City Council of the City of Mont Belvieu (the "City") desires to make available tax abatement relief in the area which is the subject of this Ordinance in order to encourage the development of primary employment and to attract major investment;

WHEREAS, the City has elected to become eligible to participate in tax abatement under the provisions of the property Development and Tax Abatement Act, Tex. Tax. Code Chapter 312, Subchapter B;

WHEREAS, the City adopted guidelines and criteria governing tax abatement agreements in Ordinance 2011-006 dated May 16, 2011;

WHEREAS, the City properly complied with the notice requirements pursuant to Section 312.201(d) of the Tex. Tax Code and conducted a public hearing held on Monday, June 20, 2011, regarding the designation of the area identified in the attached Exhibit "A" as a reinvestment zone for tax abatement purposes, the deeds and legal descriptions of which are a matter of public record in Chambers County and in the office of the City Secretary of the City of Mont Belvieu, Texas;

WHEREAS, the City Council finds that the improvements sought within the designated reinvestment zone are feasible and practical and would be a benefit to the land to be included in the zone and to the City after the expiration of a tax abatement agreement entered into under Section 312.204 of the Tex. Tax. Code; and

NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY COUNCIL
OF THE CITY OF MONT BELVIEU, TEXAS:**

1. A reinvestment zone for the purposes of Chapter 312 of the Texas Tax Code is hereby established for the property identified in the attached Exhibit "A".

PASSED and **APPROVED** on this, the 20th day June, 2011.

Nick Dixon, Mayor

ATTEST:

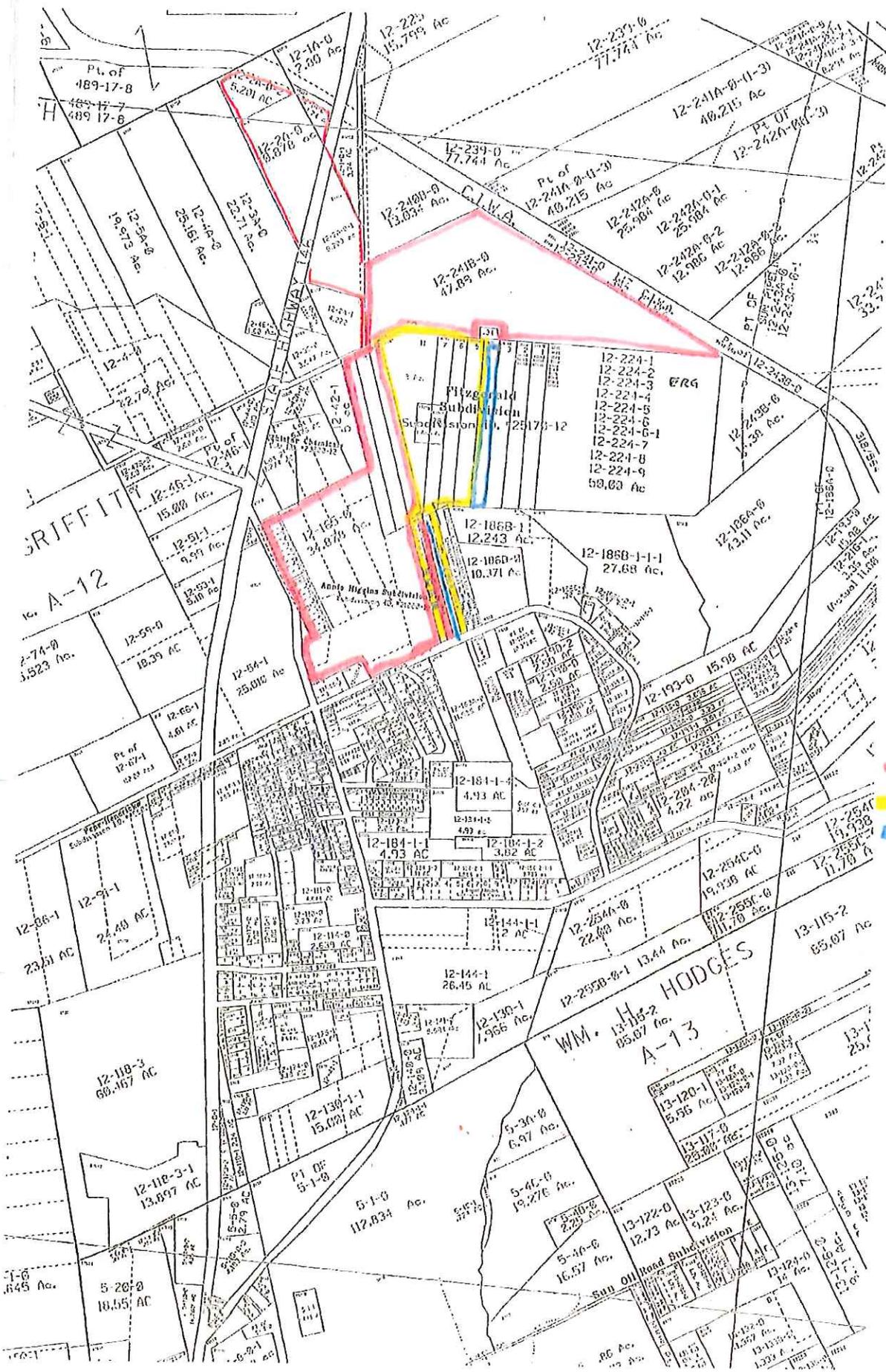
City Secretary

Attachment

W

Legal Description of Reinvestment Zone

Oneil
Mont Belvieu



- Vales
- Dye
- Fitzgerald
- Back

VALERO ACQUISITION 2006

{937521;}

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;

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;}

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


Andy Viruette, Jr.


Julie Dyer Viruette fka 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 **B-J DYER FAMILY LIMITED PARTNERSHIP**, a Texas limited partnership.

Darlene Bennett

Notary Public

Notary Commission No. _____

My Commission Expires:

[SEAL]

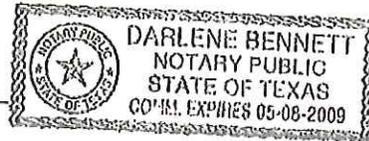


EXHIBIT "A"

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 Lillich, 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 25, 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 65.99 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 1102.57 feet to a ½ inch iron rod set for the Southeast 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 Kinzey 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 586 of the Official Public Records of Chambers County, Texas. From this corner a capped iron rod found bears South 22°04'15" West a distance of 0.25 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 1099.50 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 25.39 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 vlr, 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°36'15" 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 455, Page 156 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 109457
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
2904 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

Page 1 of 3

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. 167 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 18° 36' West along the line between Tracts 3 and 4, 396 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 18° 36' East 396 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, 527.6 varas to the South line of Prairie Tract No. 1;

THENCE West 61 varas;

THENCE South 00° 40' West 528.4 varas;

THENCE North 89° 05' East 61 varas to the PLACE OF BEGINNING, containing 4.78 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.

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 mines that open on land other than the Property but enter or bottom under the Property, provided that those operations in no manner interfere with the surface or substantial support of any improvements constructed or to be constructed on the Property.

Exceptions to Conveyance and Warranty:

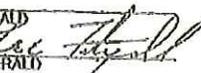
Validly existing easements, rights-of-way, and prescriptive rights, whether of record or not; all presently recorded and validly existing instruments, other than conveyances of the surface fee estate, that affect the Property; and taxes for 2000, which Grantee assumes and agrees to pay, and subsequent 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 FITZGERALD

FRANK H. FITZGERALD

FRANK H. FITZGERALD

BARBARA FITZGERALD O'TOOLE

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 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 2000, 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

MARGARET FITZGERALD OTOOLE

STATE OF TEXAS)
COUNTY OF Chambers)

This instrument was acknowledged before me on April 29
2008, by PHILIP R. FITZGERALD.

Darlene Bennett
Notary Public, State of Texas
My commission expires: _____
DARLENE BENNETT
NOTARY PUBLIC
STATE OF TEXAS
COM. EXPIRES 05-09-2009

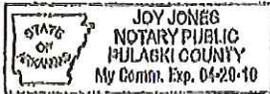
STATE OF TEXAS)
COUNTY OF _____)

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


STATE OF ARKANSAS)
COUNTY OF PULASKI)
JOY JONES
NOTARY PUBLIC
PULASKI COUNTY
My Comm. Exp. 04-20-10

Joy Jones
Notary Public, State of ARKANSAS
My commission expires: 04-20-2010

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 HARRIS)

This instrument was acknowledged before me on 18 Apr. 2
2008, by FRANK H. FITZGERALD



Margaret Gallagher
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: _____

TEXAS
STATE OF ARKANSAS)
COUNTY OF Sevier)

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. SANDLIN
P. O. BOX 658
707 WILCOX
ANAHUAC, TEXAS 77814
Tel: (409) 267-3793
Fax: (409) 287-3792

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

Special Warranty Deed
Philip R. Fitzgerald et al to
ONEOK Mont Belvieu Storage Company L.L.C

205 VOL FG
34985 1/2 1037 469

FILED FOR RECORD IN

Cherokee County

ON APR 30, 2003 AT 03:19PM

AS PER Public Records

Heather H. Hetherington COUNTY CLERK

CLERK NUMBER 00034985

AMOUNT \$1.00

RECEIPT NUMBER 00730017

BY RECORDS STATE OF TEXAS Cherokee County
AS STAMPED HERETOBY OF APR 30, 2003

Heather H. Hetherington COUNTY CLERK

Recorded

Anna B. Hetherington

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 Placid 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

*Less & 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 Placid*

SSC

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 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 64 deg. 42 min. 54 sec. East, a distance of 21.94 feet to a point for corner;

THENCE: South 24 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



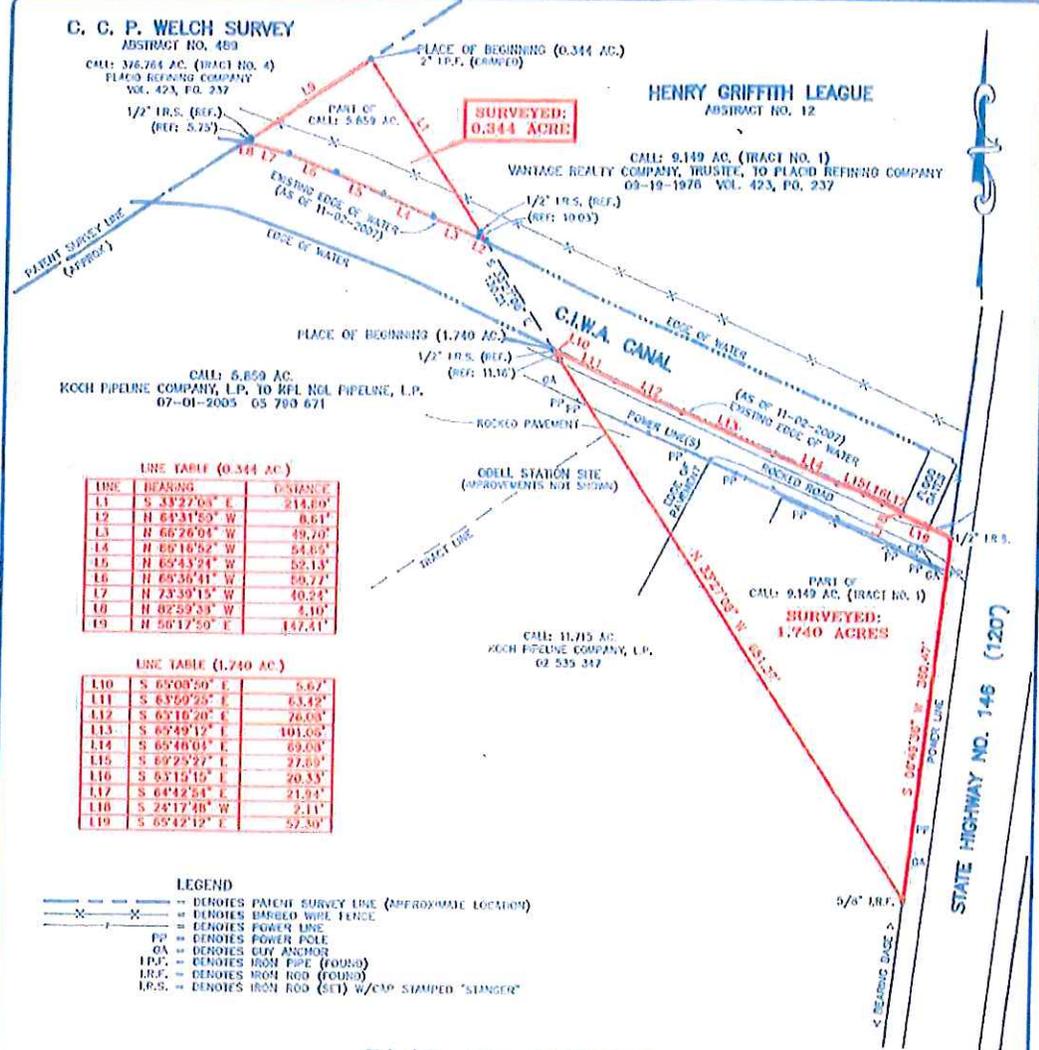
C. C. P. WELCH SURVEY

ABSTRACT NO. 489
 CALL: 36,264 AC. (TRACT NO. 4)
 PLACE REFINING COMPANY
 VOL. 423, PG. 237

HENRY GRIFFITH LEAGUE

ABSTRACT NO. 12

CALL: 9,149 AC. (TRACT NO. 1)
 VANTAGE REALTY COMPANY, TRUSTEE, TO PLACO REFINING COMPANY
 09-19-1976 VOL. 423, PG. 237



LINE TABLE (0.344 AC.)

LINE	BEARING	DISTANCE
L1	S 33°27'03" E	214.60'
L2	N 69°31'59" W	8.64'
L3	N 66°26'09" W	49.70'
L4	N 69°16'52" W	54.85'
L5	N 69°43'24" W	52.13'
L6	N 69°36'41" W	50.72'
L7	N 73°39'15" W	40.24'
L8	N 82°59'33" W	4.10'
L9	N 56°17'59" E	147.41'

LINE TABLE (1.740 AC.)

LINE	BEARING	DISTANCE
L10	S 65°08'56" E	5.67'
L11	S 63°59'25" E	63.42'
L12	S 63°16'20" E	76.00'
L13	S 63°49'19" E	101.66'
L14	S 65°48'03" E	69.00'
L15	S 69°25'27" E	27.60'
L16	S 63°15'15" E	20.33'
L17	S 64°42'51" E	21.94'
L18	S 24°17'48" W	2.11'
L19	S 65°42'12" E	57.30'

- LEGEND**
- - - DENOTES PATCH SURVEY LINE (APPROXIMATE LOCATION)
 - x x DENOTES BARBED WIRE FENCE
 - POWER LINE
 - POWER POLE
 - GA DENOTES CITY ANCHOR
 - IP.F. DENOTES IRON PIPE (FOUND)
 - IR.F. DENOTES IRON ROD (FOUND)
 - IR.F.S. DENOTES IRON ROD (SET) W/COMP STAMPED "STANGER"

**PLAT OF SURVEY
 SHOWING PART OF THE
 HENRY GRIFFITH LEAGUE, ABSTRACT NO. 12
 CHAMBERS COUNTY, TEXAS
 SCALE: 1" = 100 FEET**

THIS SURVEYOR HAS MADE NO INVESTIGATION OR INDEPENDENT SEARCH FOR EASEMENTS OF RECORD, ENCUMBRANCES, RESTRICTIVE COVENANTS, OWNERSHIP TITLE EVIDENCE, OR ANY OTHER FACTS THAT AN ACCURATE AND CURRENT TITLE SEARCH MAY DISCLOSE.

IN PROVIDING THIS BOUNDARY SURVEY, NO ATTEMPT HAS BEEN MADE TO OBTAIN OR SHOW DATA CONCERNING EXISTENCE, SIZE, DEPTH, CONDITION, CAPACITY OR LOCATION OF ANY UTILITY EXISTING ON THE SITE, WHETHER PRIVATE, MUNICIPAL OR PUBLIC OWNED, SUBSURFACE AND ENVIRONMENTAL CONDITIONS WERE NOT SURVEYED OR EXAMINED OR STATEMENT IS MADE CONCERNING THE EXISTENCE OF UNDERGROUND OR OVERHEAD CONDITIONS, CONTAINERS OR FACILITIES THAT MAY AFFECT THE USE OR DEVELOPMENT OF THIS PROPERTY.

BEARINGS ARE BASED ON THE RECORD BEARING OF "S 65°49'36" W" ALONG THE MONUMENTED EAST LINE OF THE CALLED 11.715 ACRE TRACT SHOWN HEREON, PER 02 535 347, O.P.R.C.C.T.

SEE METES AND BOUNDS DESCRIPTIONS PREPARED EVEN DATE.

NOTE: SUBDIVISION OF REAL ESTATE IS REGULATED BY STATE LAW AND ADDITIONAL REGULATIONS MAY ALSO APPLY FROM LOCAL CITY AND COUNTY SUBDIVISION REGULATIONS. ANY INDIVIDUAL USING THIS SURVEY SHOULD CONSULT AN ATTORNEY TO DETERMINE TO WHAT EXTENT SUBDIVISION LAWS AND REGULATIONS APPLY TO HIS USE.

I, MARK D. BYRANT, SR., REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THIS PLAT TO REFLECT AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY SUPERVISION DURING THE MONTH OF NOVEMBER, 2007.

GIVEN UNDER MY HAND & SEAL, THIS 5TH DAY OF NOVEMBER, 2007.

Mark D. Byrant, Sr.
 MARK D. BYRANT, SR.
 REGISTERED PROFESSIONAL LAND SURVEYOR
 STATE OF TEXAS NO. 4360

PLAT VOID IF NOT SIGNED IN RED.
 PREPARED FOR: ONOR NGL PIPELINE, L.P.



COPYRIGHT 2007
 ALL RIGHTS RESERVED
 STANGER SURVEYING CANTON LLC
 CANTON, TEXAS
 (NON-TRANSFERABLE)

STANGER
 SURVEYING CANTON LLC
 581 S. Trade Days Blvd.
 Canton, Texas 75103
 (903) 567-5680

SURVEY COMPLETED: 11-02-2007
 FB/PG: V2 177/46 JOB NO: C07214

Attachment

X

Guidelines and Criteria for Reinvestment Zone

ORDINANCE NO. 2011-006

AN ORDINANCE PROVIDING FOR ELIGIBILITY TO PARTICIPATE IN TAX ABATEMENT, MAKING CERTAIN FINDINGS OF FACT, AND ADOPTING GUIDELINES AND CRITERIA FOR TAX ABATEMENT AGREEMENTS FOR THE CITY OF MONT BELVIEU IN ACCORDANCE WITH CHAPTER 312 OF THE TEXAS TAX CODE.

WHEREAS, pursuant to Chapter 312 of the Texas Tax Code, the City must elect to become eligible to participate in tax abatement;

WHEREAS, pursuant to Chapter 312 of the Texas Tax Code, certain tax abatement guidelines and criteria are necessary prior to the creation of a reinvestment zone or prior to entering into a tax abatement agreement;

WHEREAS, the prior tax abatement guidelines and criteria established by the City of Mont Belvieu expired on February 23, 2011;

WHEREAS, the City Council of the City of Mont Belvieu finds and determines that the guidelines and criteria as hereinafter set out are in the best interest of the City of Mont Belvieu to encourage certain types of development to the exclusion of others;

WHEREAS, the City Council of the City of Mont Belvieu reaffirms its absolute discretion to approve and/or reject any applicant for tax abatement, whether or not an application meets the criteria and/or guidelines as herein stated; and

WHEREAS, the City Council of the City of Mont Belvieu finds and determines that it should consider application for tax abatement and enter into tax abatement agreements which provide for tax abatements under criteria established by other taxing entities without city participation;

**NOW, THEREFORE,
BE IT ORDAINED BY THE CITY COUNCIL
OF THE CITY OF MONT BELVIEU, TEXAS:**

That pursuant to the provisions of Section 312.002(a) of the Texas Tax Code, the City of Mont Belvieu does hereby elect to become eligible to participate in tax abatement and hereby adopts the following tax abatement guidelines and criteria pursuant to 312.002(d):

Section 1.

The property subject to the abatement must be located within the city limits of the City of Mont Belvieu, Texas. Eligible business shall include any business duly authorized to operate in the State of Texas.

Section 2.

Eligible activities for which a tax abatement may be granted shall include the lesser of either the additional assessed value over the base year value or actual investment resulting from construction of acquisition of fixed assets.

Section 3.

The standard abatement formula that may be permitted in any abatement agreement shall be:

- 1.) Abatement shall not exceed five (5) years, beginning on January 1st after the signing of the tax abatement agreement.
- 2.) Years one (1), two (2), and three (3) will be one hundred percent (100%) abatement.
- 3.) Year four (4) will be at seventy five percent (75%) abatement.
- 4.) Year five (5) will be at fifty percent (50%) abatement.
- 5.) Year six (6) the abatement expires and all taxes are paid.

Section 4.

The City Council reserves the right to offer different terms in furtherance of the public interest. Conditions which justify non-standard terms and percentages of abatement include projects over \$10,000,000 million dollars of value, over twenty (20) new proposed jobs created or public infrastructure contributions.

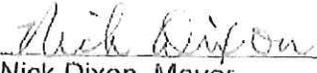
Section 5.

The City may consider an application for abatement when entering into a tax abatement agreement which provides for no abatement to be granted by the City, but which provides for an abatement to be granted by other taxing entities to the extent of the limitations provided under their guidelines and criteria.

Section 6.

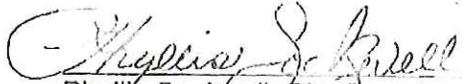
In the event that one or more of the provisions contained in this Ordinance shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability of this Ordinance shall be construed as if such invalid, illegal or unenforceable provision has never been contained herein, but shall not affect the remaining provisions of this Ordinance, which shall remain in full force and effect.

PASS AND APPROVED on this the 16th day of May, 2011.



Nick Dixon, Mayor

ATTEST:



Phyllis Sockwell, City Secretary

Attachment

Y

Certificate of Account Status



TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

SUSAN COMBS • COMPTROLLER • AUSTIN, TEXAS 78774

October 12, 2012

CERTIFICATE OF ACCOUNT STATUS

THE STATE OF TEXAS
COUNTY OF TRAVIS

I, Susan Combs, Comptroller of Public Accounts of the State of Texas, DO
HEREBY CERTIFY that according to the records of this office

ONEOK HYDROCARBON, L.P.

is, as of this date, in good standing with this office having no franchise tax reports or payments due at this time. This certificate is valid through the date that the next franchise tax report will be due November 15, 2012.

This certificate does not make a representation as to the status of the entity's registration, if any, with the Texas Secretary of State.

This certificate is valid for the purpose of conversion when the converted entity is subject to franchise tax as required by law. This certificate is not valid for any other filing with the Texas Secretary of State.

GIVEN UNDER MY HAND AND
SEAL OF OFFICE in the City of
Austin, this 12th day of
October 2012 A.D.

Susan Combs
Texas Comptroller

Taxpayer number: 14812520568
File number: 0800042388

Attachment B

Certificate of Account Status



Franchise Tax Account Status

As of: 08/15/2013 10:00:24 AM

This Page is Not Sufficient for Filings with the Secretary of State

ONEOK HYDROCARBON, L.P.	
Texas Taxpayer Number	14812520568
Mailing Address	100 W 5TH ST # MD14-5 TULSA, OK 74103-4279
Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	01/02/2002
Texas SOS File Number	0800042388
Registered Agent Name	NATIONAL REGISTERED AGENTS, INC.
Registered Office Street Address	350 N. ST. PAUL STREET, SUITE 2900 DALLAS, TX 75201

Attachment C

State Comptroller's Recommendation

S U S A N
C O M B S

TEXAS COMPTROLLER *of* PUBLIC ACCOUNTS

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



April 5, 2013

Becky McManus
Assistant Superintendent
Barbers Hill Independent School District
P.O. Box 1108
Mont Belvieu, Texas 77580-1108

Dear Superintendent McManus:

On January 8, 2013, the Comptroller received the completed application (Application # 252) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted in October 2012 to the Barbers Hill Independent School District (the school district) by Oneok Hydrocarbon, L.P. (the applicant). This letter presents the results of the Comptroller's review of the application:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to make a recommendation to the governing body of the school district as to whether the application should be approved or disapproved using the criteria set out by Section 313.026.

The school district is currently classified as a rural school district in Category 1 according to the provisions of Chapter 313. Therefore, the applicant properly applied under the provisions of Subchapter C, applicable to rural school districts. The amount of proposed qualified investment (\$155 million) is consistent with the proposed appraised value limitation sought (\$30 million). The property value limitation amount noted in this recommendation is based on property values available at the time of application and may change prior to the execution of any final agreement.

The applicant is an active franchise taxpayer in good standing, as required by Section 313.024(a), and is proposing the construction of a manufacturing facility in Chambers County, an eligible property use under Section 313.024(b). The Comptroller has determined that the property, as described in the application, meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

After reviewing the application using the criteria listed in Section 313.026, and the information provided by the applicant, the Comptroller's recommendation is that this application under Tax Code Chapter 313 be approved.

Our review of the application assumes the truth and accuracy of the statements in the application and that, if the application is approved, the applicant would perform according to the provisions of the agreement reached with the school district. Our recommendation does not address whether the applicant has complied with all Chapter 313 requirements; the school district is responsible for verifying that all requirements of the statute have been fulfilled. Additionally, Section 313.025 requires the school district to only approve an application if the school district finds that the information in the application is true and

¹ All statutory references are to the Texas Tax Code, unless otherwise noted.

correct, finds that the applicant is eligible for a limitation and determines that granting the application is in the best interest of the school district and this state. As stated above, the Comptroller's recommendation is prepared by generally reviewing the application and supporting documentation in light of the Section 313.026 criteria.

Note that any new building or other improvement existing as of the application review start date of January 8, 2013, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2).

The Comptroller's recommendation is based on the application submitted by the school district and reviewed by the Comptroller. The recommendation may not be used by the school district to support its approval of the property value limitation agreement if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this recommendation is contingent on future compliance with the Chapter 313 and the Texas Administrative Code, with particular reference to the following requirements related to the execution of the agreement:

- 1) The applicant must provide the Comptroller a copy of the proposed limitation on appraised value agreement no later than ten (10) days prior to the meeting scheduled by the school district to consider approving the agreement, so that the Comptroller may review it for compliance with the statutes and the Comptroller's rules as well as consistency with the application;
- 2) The Comptroller must confirm that it received and reviewed the draft agreement and affirm the recommendation made in this letter;
- 3) The school district must approve and execute a limitation agreement that has been reviewed by the Comptroller within a year from the date of this letter; and
- 4) The school district must provide a copy of the signed limitation agreement to the Comptroller within seven (7) days after execution, as required by Section 313.025.

Should you have any questions, please contact Robert Wood, director of Economic Development & Analysis Division, by email at robert.wood@cpa.state.tx.us or by phone at 1-800-531-5441, ext. 3-3973, or direct in Austin at 512-463-3973.

Sincerely,



Martin A. Hubert
Deputy Comptroller

Enclosure

cc: Robert Wood

Attachment D

Economic Analysis

Economic Impact for Chapter 313 Project

Applicant	Oneok Hydrocarbon, L.P.
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Barbers Hill ISD
2011-12 Enrollment in School District	4,398
County	Chambers
Total Investment in District	\$480,000,000
Qualified Investment	\$155,000,000
Limitation Amount	\$30,000,000
Number of total jobs committed to by applicant	10
Number of qualifying jobs committed to by applicant	10
Average Weekly Wage of Qualifying Jobs committed to by applicant	\$1,136
Minimum Weekly Wage Required Tax Code, 313.051(b)	\$1,136
Minimum Annual Wage committed to by applicant for qualified jobs	\$59,076
Investment per Qualifying Job	\$48,000,000
Estimated 15 year M&O levy without any limit or credit:	\$45,141,162
Estimated gross 15 year M&O tax benefit	\$29,870,850
Estimated 15 year M&O tax benefit (<i>after</i> deductions for estimated school district revenue protection--but not including any deduction for supplemental payments or extraordinary educational expenses):	\$24,097,123
Tax Credits (estimated - part of total tax benefit in the two lines above - appropriated through Foundation School Program)	\$5,300,000
Net M&O Tax (15 years) After Limitation, Credits and Revenue Protection:	\$21,044,039
Tax benefit as a percentage of what applicant would have paid without value limitation agreement (percentage exempted)	53.4%
Percentage of tax benefit due to the limitation	82.3%
Percentage of tax benefit due to the credit.	17.7%

This presents the Comptroller's economic impact evaluation of Oneok (the project) applying to Barbers Hill Independent School District (the district), as required by Tax Code, 313.026. This evaluation is based on information provided by the applicant and examines the following criteria:

- (1) the recommendations of the comptroller;
- (2) the name of the school district;
- (3) the name of the applicant;
- (4) the general nature of the applicant's investment;
- (5) the relationship between the applicant's industry and the types of qualifying jobs to be created by the applicant to the long-term economic growth plans of this state as described in the strategic plan for economic development submitted by the Texas Strategic Economic Development Planning Commission under Section 481.033, Government Code, as that section existed before February 1, 1999;
- (6) the relative level of the applicant's investment per qualifying job to be created by the applicant;
- (7) the number of qualifying jobs to be created by the applicant;
- (8) the wages, salaries, and benefits to be offered by the applicant to qualifying job holders;
- (9) the ability of the applicant to locate or relocate in another state or another region of this state;
- (10) the impact the project will have on this state and individual local units of government, including:
 - (A) tax and other revenue gains, direct or indirect, that would be realized during the qualifying time period, the limitation period, and a period of time after the limitation period considered appropriate by the comptroller; and
 - (B) economic effects of the project, including the impact on jobs and income, during the qualifying time period, the limitation period, and a period of time after the limitation period considered appropriate by the comptroller;
- (11) the economic condition of the region of the state at the time the person's application is being considered;
- (12) the number of new facilities built or expanded in the region during the two years preceding the date of the application that were eligible to apply for a limitation on appraised value under this subchapter;
- (13) the effect of the applicant's proposal, if approved, on the number or size of the school district's instructional facilities, as defined by Section 46.001, Education Code;
- (14) the projected market value of the qualified property of the applicant as determined by the comptroller;
- (15) the proposed limitation on appraised value for the qualified property of the applicant;
- (16) the projected dollar amount of the taxes that would be imposed on the qualified property, for each year of the agreement, if the property does not receive a limitation on appraised value with assumptions of the projected appreciation or depreciation of the investment and projected tax rates clearly stated;
- (17) the projected dollar amount of the taxes that would be imposed on the qualified property, for each tax year of the agreement, if the property receives a limitation on appraised value with assumptions of the projected appreciation or depreciation of the investment clearly stated;
- (18) the projected effect on the Foundation School Program of payments to the district for each year of the agreement;
- (19) the projected future tax credits if the applicant also applies for school tax credits under Section 313.103; and
- (20) the total amount of taxes projected to be lost or gained by the district over the life of the agreement computed by subtracting the projected taxes stated in Subdivision (17) from the projected taxes stated in Subdivision (16).

Wages, salaries and benefits [313.026(6-8)]

After construction, the project will create ten new jobs when fully operational. All ten jobs will meet the criteria for qualifying jobs as specified in Tax Code Section 313.021(3). According to the Texas Workforce Commission (TWC), the regional manufacturing wage for the Houston-Galveston Area State Planning Region, where Chambers County is located was \$53,711 in 2011. The annual average manufacturing wage for 2011 for Chambers County is \$82,732. That same year, the county annual average wage for all industries was \$51,662. In addition to a salary of \$59,076, each qualifying position will receive benefits such as medical plan & prescription drug coverage, vision coverage, dental coverage, flexible spending accounts, life insurance coverage, disability coverage, and 401(k) profit sharing plan. The project's total investment is \$480 million, resulting in a relative level of investment per qualifying job of \$48 million.

Ability of applicant to locate to another state and [313.026(9)]

According to Oneok's application, "Oneok Hydrocarbon LP currently operates in three states. They allocate capital investment to projects and locations that create the best economic return. The existence of a limitation on tax value is a significant factor in calculating the economic return and allocation of reserves to the project. However, Oneok Hydrocarbon LP could redirect its expenditures to its plants in:

Medford - Oklahoma

Bushton - Kansas"

Number of new facilities in region [313.026(12)]

During the past two years, 20 projects in the Houston-Galveston Area State Planning Region applied for value limitation agreements under Tax Code, Chapter 313.

Relationship of applicant's industry and jobs and Texas's economic growth plans [313.026(5)]

The Texas Economic Development Plan focuses on attracting and developing industries using technology. It also identifies opportunities for existing Texas industries. The plan centers on promoting economic prosperity throughout Texas and the skilled workers that the Oneok project requires appear to be in line with the focus and themes of the plan. Texas identified manufacturing as one of six target clusters in the Texas Cluster Initiative. The plan stresses the importance of technology in all sectors of the manufacturing industry.

Economic Impact [313.026(10)(A), (10)(B), (11), (13-20)]

Table 1 depicts Oneok's estimated economic impact to Texas. It depicts the direct, indirect and induced effects to employment and personal income within the state. The Comptroller's office calculated the economic impact based on 16 years of annual investment and employment levels using software from Regional Economic Models, Inc. (REMI). The impact includes the construction period and the operating period of the project.

Table 1: Estimated Statewide Economic Impact of Investment and Employment in Oneok

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2013	50	57	107	\$2,750,000	\$3,250,000	\$6,000,000
2014	400	445	845	\$22,000,000	\$30,000,000	\$52,000,000
2015	410	494	904	\$22,590,760	\$38,409,240	\$61,000,000
2016	10	88	98	\$590,760	\$12,409,240	\$13,000,000
2017	10	59	69	\$590,760	\$9,409,240	\$10,000,000
2018	10	45	55	\$590,760	\$8,409,240	\$9,000,000
2019	10	35	45	\$590,760	\$6,409,240	\$7,000,000
2020	10	31	41	\$590,760	\$5,409,240	\$6,000,000
2021	10	33	43	\$590,760	\$5,409,240	\$6,000,000
2022	10	39	49	\$590,760	\$5,409,240	\$6,000,000
2023	10	49	59	\$590,760	\$7,409,240	\$8,000,000
2024	10	45	55	\$590,760	\$6,409,240	\$7,000,000
2025	10	43	53	\$590,760	\$6,409,240	\$7,000,000
2026	10	43	53	\$590,760	\$6,409,240	\$7,000,000
2027	10	45	55	\$590,760	\$7,409,240	\$8,000,000
2028	10	51	61	\$590,760	\$7,409,240	\$8,000,000

Source: CPA, REMI, Oneok

The statewide average ad valorem tax base for school districts in Texas was \$1.74 billion in 2011. Barbers Hill ISD's ad valorem tax base in 2011 was \$3.4 billion. The statewide average wealth per WADA was estimated at \$347,943 for fiscal 2011-2012. During that same year, Barbers Hill ISD's estimated wealth per WADA was \$669,576. The impact on the facilities and finances of the district are presented in Attachment 2.

Table 2 examines the estimated direct impact on ad valorem taxes to the school district, Chambers County, and the City of Mont Belvieu, with all property tax incentives sought being granted using estimated market value from Oneok's application. Oneok has applied for both a value limitation under Chapter 313, Tax Code and tax abatements with the county and city. Table 3 illustrates the estimated tax impact of the Oneok project on the region if all taxes are assessed.

Attachment 1 includes schedules A, B, C, and D provided by the applicant in the application. Schedule A shows proposed investment. Schedule B is the projected market value of the qualified property. Schedule C contains employment information, and Schedule D contains tax expenditures and other tax abatement information.

Attachment 2, provided by the district and reviewed by the Texas Education Agency, contains information relating to the financial impact of the proposed project on the finances of the district as well as the tax benefit of the value limitation. "Table 5" in this attachment shows the estimated 15 year M&O tax levy without the value limitation agreement would be \$45,141,162. The estimated gross 15 year M&O tax benefit, or levy loss, is \$29,870,850.

Attachment 3 is an economic overview of Chambers County.

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.



TEXAS EDUCATION AGENCY

1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • www.tea.state.tx.us

Michael L. Williams
Commissioner

April 1, 2013

Mr. Robert Wood
Director, Economic Development and Analysis
Texas Comptroller of Public Accounts
Lyndon B. Johnson State Office Building
111 East 17th Street
Austin, Texas 78774

Dear Mr. Wood:

The Texas Education Agency (TEA) has analyzed the revenue gains that would be realized by the proposed Oneok Hydrocarbons project for the Barbers Hill Independent School District (BHISD). Projections prepared by the TEA State Funding Division confirm the analysis that was prepared by Moak, Casey and Associates and provided to us by your division. We believe the firm's assumptions regarding the potential revenue gain are valid, and its estimates of the impact of the Oneok Hydrocarbons project on BHISD are correct.

Please feel free to contact me by phone at (512) 463-9186 or by email at al.mckenzie@tea.state.tx.us if you need further information about this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Al McKenzie".

Al McKenzie, Manager
Foundation School Program Support

AM/bd



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Michael J. Williams
Commissioner

April 1, 2013

Mr. Robert Wood
Director, Economic Development and Analysis
Texas Comptroller of Public Accounts
Lyndon B. Johnson State Office Building
111 East 17th Street
Austin, Texas 78774

Dear Mr. Wood:

As required by the Tax Code, §313.025 (b-1), the Texas Education Agency (TEA) has evaluated the impact of the proposed Oneok Hydrocarbons project on the number and size of school facilities in Barbers Hill Independent School District (BHISD). Based on the analysis prepared by Moak, Casey and Associates for the school district and a conversation with the BHISD assistant superintendent of finance, Rebecca McManus, the TEA has found that the Oneok Hydrocarbons project would not have a significant impact on the number or size of school facilities in BHISD.

Please feel free to contact me by phone at (512) 463-9186 or by email at al.mckenzie@tea.state.tx.us if you need further information about this issue.

Sincerely,

Al McKenzie, Manager
Foundation School Program Support

AM/bd

Chambers County

Population

- Total county population in 2010 for Chambers County: 32,332 , up 2.5 percent from 2009. State population increased 1.8 percent in the same time period.
- Chambers County was the state's 91th largest county in population in 2010 and the 25 th fastest growing county from 2009 to 2010.
- Chambers County's population in 2009 was 68.9 percent Anglo (above the state average of 46.7 percent), 10.5 percent African-American (below the state average of 11.3 percent) and 18.4 percent Hispanic (below the state average of 36.9 percent).
- 2009 population of the largest cities and places in Chambers County:

Mont Belvieu:	2,913	Anahuac:	2,081
Beach City:	2,058	Old River-Winfree:	1,812
Cove:	307		

Economy and Income

Employment

- September 2011 total employment in Chambers County: 14,359 , up 1.8 percent from September 2010. State total employment increased 0.9 percent during the same period.
(October 2011 employment data will be available November 18, 2011).
- September 2011 Chambers County unemployment rate: 10.5 percent, up from 9.4 percent in September 2010. The statewide unemployment rate for September 2011 was 8.5 percent, up from 8.2 percent in September 2010.
- September 2011 unemployment rate in the city of:

(Note: County and state unemployment rates are adjusted for seasonal fluctuations, but the Texas Workforce Commission city unemployment rates are not. Seasonally-adjusted unemployment rates are not comparable with unadjusted rates).

Income

- Chambers County's ranking in per capita personal income in 2009: 13th with an average per capita income of \$45,257, down 1.5 percent from 2008. Statewide average per capita personal income was \$38,609 in 2009, down 3.1 percent from 2008.

Industry

- Agricultural cash values in Chambers County averaged \$22.26 million annually from 2007 to 2010. County total agricultural values in 2010 were up 44.2 percent from 2009. Major agriculture related commodities in Chambers County during 2010 included:
 - Aquaculture - Rice - Hunting - Hay - Other Beef
- 2011 oil and gas production in Chambers County: 758,413.0 barrels of oil and 3.6 million Mcf of gas. In September 2011, there were 182 producing oil wells and 62 producing gas wells.

Taxes

Sales Tax - Taxable Sales

(County and city taxable sales data for 1st quarter 2011 is currently targeted for release in mid-September 2011).

Quarterly (September 2010 through December 2010)

- Taxable sales in Chambers County during the fourth quarter 2010: \$53.17 million, up 18.5 percent from the same quarter in 2009.
- Taxable sales during the fourth quarter 2010 in the city of:

Mont Belvieu:	\$21.65 million, up 88.2 percent from the same quarter in 2009.
Anahuac:	\$2.21 million, up 1.5 percent from the same quarter in 2009.
Old River-Winfree:	\$0.00
Cove:	\$1.05 million, up 24.0 percent from the same quarter in 2009.

Taxable Sales through the end of 4th quarter 2010 (January 2010 through December 30, 2010)

- Taxable sales in Chambers County through the fourth quarter of 2010: \$192.70 million, down 1.9 percent from the same period in 2009.
- Taxable sales through the fourth quarter of 2010 in the city of:

Mont Belvieu:	\$64.92 million, up 14.8 percent from the same period in 2009.
Anahuac:	\$8.73 million, down 5.0 percent from the same period in 2009.
Old River-Winfree:	\$0.00
Cove:	\$3.77 million, up 5.7 percent from the same period in 2009.

Annual (2010)

- Taxable sales in Chambers County during 2010: \$192.70 million, down 1.9 percent from 2009.
- Chambers County sent an estimated \$12.04 million (or 0.07 percent of Texas' taxable sales) in state sales taxes to the state treasury in 2010.

■ Taxable sales during 2010 in the city of:

Mont Belvieu:	\$64.92 million, up 14.8 percent from 2009.
Anahuac:	\$8.73 million, down 5.0 percent from 2009.
Old River-Winfree:	\$0.00
Cove:	\$3.77 million, up 5.7 percent from 2009.

Sales Tax – Local Sales Tax Allocations

(The release date for sales tax allocations to cities for the sales activity month of September 2011 is currently scheduled for November 9, 2011.)

Monthly

- Statewide payments based on the sales activity month of August 2011: \$505.22 million, up 13.9 percent from August 2010.
- Payments to all cities in Chambers County based on the sales activity month of August 2011: \$251,094.84, down 9.6 percent from August 2010.
- Payment based on the sales activity month of August 2011 to the city of:

Mont Belvieu:	\$237,085.85, down 10.2 percent from August 2010.
Anahuac:	\$5,641.51, down 26.2 percent from August 2010.
Old River-Winfree*:	\$4,805.15, up 184.3 percent from August 2010.
Cove:	\$3,562.33, down 17.8 percent from August 2010.

Fiscal Year

- Statewide payments based on sales activity months from September 2010 through August 2011: \$6.08 billion, up 8.0 percent from the same period in 2010.
- Payments to all cities in Chambers County based on sales activity months from September 2010 through August 2011: \$3.65 million, up 68.9 percent from fiscal 2010.
- Payments based on sales activity months from September 2010 through August 2011 to the city of:

Mont Belvieu:	\$3.47 million, up 73.2 percent from fiscal 2010.
Anahuac:	\$87,555.03, down 15.7 percent from fiscal 2010.
Old River-Winfree*:	\$49,878.98, up 149.7 percent from fiscal 2010.
Cove:	\$46,617.53, up 27.9 percent from fiscal 2010.

January 2011 through August 2011 (Sales Activity Year-To-Date)

- Statewide payments based on sales activity months through August 2011: \$3.99 billion, up 8.3 percent from the same period in 2010.
- Payments to all cities in Chambers County based on sales activity months through August 2011: \$2.81 million, up 89.1 percent from the same period in 2010.
- Payments based on sales activity months through August 2011 to the city of:

Mont Belvieu:	\$2.69 million, up 93.5 percent from the same period in 2010.
Anahuac:	\$53,193.97, down 8.5 percent from the same period in 2010.
Old River-Winfree*:	\$37,220.66, up 185.7 percent from the same period in 2010.
Cove:	\$28,490.84, up 19.7 percent from the same period in 2010.

12 months ending in August 2011

- Statewide payments based on sales activity in the 12 months ending in August 2011: \$6.08 billion, up 8.0 percent from the previous 12-month period.
- Payments to all cities in Chambers County based on sales activity in the 12 months ending in August 2011: \$3.65 million, up 68.9 percent from the previous 12-month period.
- Payments based on sales activity in the 12 months ending in August 2011 to the city of:

Mont Belvieu:	\$3.47 million, up 73.2 percent from the previous 12-month period.
Anahuac:	\$87,555.03, down 15.7 percent from the previous 12-month period.
Old River-Winfree*:	\$49,878.98, up 149.7 percent from the previous 12-month period.
Cove:	\$46,617.53, up 27.9 percent from the previous 12-month period.

■ *City Calendar Year-To-Date (RJ 2011)*

- Payment to the cities from January 2011 through October 2011:

Mont Belvieu:	\$3.08 million, up 82.7 percent from the same period in 2010.
Anahuac:	\$67,392.60, down 15.2 percent from the same period in 2010.
Old River-Winfree*:	\$44,170.61, up 170.2 percent from the same period in 2010.
Cove:	\$34,087.81, up 16.4 percent from the same period in 2010.

Annual (2010)

- Statewide payments based on sales activity months in 2010: \$5.77 billion, up 3.3 percent from 2009.
- Payments to all cities in Chambers County based on sales activity months in 2010: \$2.33 million, up 8.0 percent from 2009.
- Payment based on sales activity months in 2010 to the city of:

Mont Belvieu:	\$2.17 million, up 11.7 percent from 2009.
Anahuac:	\$92,526.01, down 38.1 percent from 2009.
Old River-Winfree*:	\$25,685.64, up 20.4 percent from 2009.
Cove:	\$41,933.79, down 3.1 percent from 2009.

*On 10/1/2010, the city of Old River-Winfree's local sales tax rate increased by 0.00 from 1.500 percent to 1.500 percent.

Property Tax

- As of January 2009, property values in Chambers County: \$6.94 billion, down 6.3 percent from January 2008 values. The property tax base per person in Chambers County is \$220,680, above the statewide average of \$85,809. About 2.0 percent of the property tax base is derived from oil, gas and minerals.

State Expenditures

- Chambers County's ranking in state expenditures by county in fiscal year 2010: 87th. State expenditures in the county for FY2010: \$129.70 million, up 0.2 percent from FY2009.
- In Chambers County, 8 state agencies provide a total of 47 jobs and \$470,459.00 in annualized wages (as of 1st quarter 2011).
- Major state agencies in the county (as of first quarter 2011):
 - Department of Public Safety
 - Parks & Wildlife Department
 - Health & Human Services Commission
 - Department of Transportation
 - AgriLife Extension Service

Higher Education

- Community colleges in Chambers County fall 2010 enrollment:
 - None.
- Chambers County is in the service area of the following:
 - Galveston College with a fall 2010 enrollment of 2,318 . Counties in the service area include:
 - Chambers County
 - Galveston County
 - Jefferson County
 - Lee College with a fall 2010 enrollment of 6,719 . Counties in the service area include:
 - Chambers County
 - Hardin County
 - Harris County
 - Liberty County
 - San Jacinto Community College with a fall 2010 enrollment of 32,105 . Counties in the service area include:
 - Chambers County
 - Harris County
- Institutions of higher education in Chambers County fall 2010 enrollment:
 - None.

School Districts

- Chambers County had 3 school districts with 17 schools and 6,678 students in the 2009-10 school year. (Statewide, the average teacher salary in school year 2009-10 was \$48,263. The percentage of students, statewide, meeting the 2010 TAKS passing standard for all 2009-10 TAKS tests was 77 percent.)
 - Anahuac ISD had 1,286 students in the 2009-10 school year. The average teacher salary was \$44,844. The percentage of students meeting the 2010 TAKS passing standard for all tests was 82 percent.
 - Barbers Hill ISD had 4,096 students in the 2009-10 school year. The average teacher salary was \$55,305. The percentage of students meeting the 2010 TAKS passing standard for all tests was 90 percent.
 - East Chambers ISD had 1,296 students in the 2009-10 school year. The average teacher salary was \$45,678. The percentage of students meeting the 2010 TAKS passing standard for all tests was 80 percent.

Attachment E

Summary of Financial Impact

**SUMMARY OF FINANCIAL IMPACT OF THE PROPOSED ONEOK
HYDROCARBONS, LP PROJECT ON THE FINANCES OF THE
BARBERS HILL INDEPENDENT SCHOOL DISTRICT UNDER A
REQUESTED CHAPTER 313 PROPERTY VALUE LIMITATION**

January 14, 2013

Final Report

PREPARED BY



Estimated Impact of the Proposed Oneok Hydrocarbons, LP Project on the Finances of the Barbers Hill Independent School District under a Requested Chapter 313 Property Value Limitation

Introduction

Oneok Hydrocarbons, LP (Oneok) has requested that the Barbers Hill Independent School District (BHISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to BHISD on October 22, 2012, Oneok proposes to invest \$480 million to construct a new fractionator and related facilities in BHISD.

The Oneok project is consistent with the state's goal to "encourage large scale capital investments in this state." When enacted as House Bill 1200 in 2001, Chapter 313 of the Tax Code granted eligibility to companies engaged in manufacturing, research and development, and renewable electric energy production to apply to school districts for property value limitations. Subsequent legislative changes expanded eligibility to clean coal projects, nuclear power generation and data centers, among others.

Under the provisions of Chapter 313, BHISD may offer a minimum value limitation of \$30 million. The provisions of Chapter 313 call for the project to be fully taxable in the 2014-15 and 2015-16 school years, unless the District and the Company agree to an extension of the start of the two-year qualifying time period. For the purpose of this analysis, it is assumed that the qualifying time period will be the 2014-15 and 2015-16 school years. Beginning in 2016-17, the project would go on the local tax roll at \$30 million and remain at that level of taxable value for eight years for maintenance and operations taxes.

The full taxable value of the project could be assessed for debt service taxes on voter-approved bond issues throughout the limitation period, with BHISD currently levying a \$0.2698 per \$100 I&S tax rate. The full taxable value of the investment is expected to reach \$400 million in the 2015-16 school year, with depreciation expected to reduce the taxable value of the project over the course of the value limitation agreement.

In the case of the Oneok project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. BHISD would experience a revenue loss as a result of the implementation of the value limitation in estimated to be \$5.8 million over the course of the agreement.

Under the assumptions outlined below, the potential tax benefits under a Chapter 313 agreement could reach an estimated \$24.1 million. This amount is net of any anticipated revenue losses for the District.

School Finance Mechanics

Under the current school finance system, the property values established by the Comptroller's Office that are used to calculate state aid and recapture lag by one year, a practical consequence of the fact that the Comptroller's Office needs this time to conduct its property value study and now the planned audits of appraisal district operations in alternating years. A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 3-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation period (and thereafter). The school funding formulas use the Comptroller's property values that reflect a reduction due to the property value limitation in years 4-11 as a result of the one-year lag in property values.

The third year is often problematical financially for a school district that approves a Chapter 313 value limitation. The implementation of the value limitation often results in a revenue loss to the school district in the third year of the agreement that would not be reimbursed by the state, but require some type of compensation from the applicant under the revenue protection provisions of the agreement. In years 4-10, smaller revenue losses would be anticipated when the state property values are aligned at the minimum value established by the Board on both the local tax roll and the corresponding state property value study, although other factors may come into play such as the impact of the value limitation on the enrichment tax effort for a relatively property-wealthy school district like BHISD, or changes in recapture costs.

Under the HB 1 system adopted in 2006, most school districts received additional state aid for tax reduction (ASATR) that was used to maintain their target revenue amounts established at the revenue levels under old law for the 2005-06 or 2006-07 school years, whichever was highest. In terms of new Chapter 313 property value limitation agreements, adjustments to ASATR funding often moderated the impact of the reduced M&O collections as a result of the limitation, in contrast with the earlier formula-driven finance system.

House Bill 3646 as enacted in 2009 created more "formula" school districts that were less dependent on ASATR state aid than had been the case previously. The formula reductions enacted under Senate Bill 1 (SB 1) as approved in the First Called Session in 2011 are designed to make \$4 billion in reductions to the existing school funding formulas for the 2011-12 and 2012-13 school years. For the 2011-12 school year, across-the-board reductions were made that reduced each district's WADA count and resulted in an estimated 815 school districts still receiving ASATR to maintain their target revenue funding levels, while an estimated 209 districts operating directly on the state formulas.

For the 2012-13 school year, the SB 1 changes called for smaller across-the-board reductions and funding ASATR-receiving target revenue districts at 92.35 percent of the level provided for under the existing funding formula. As a result of these changes, the number of ASATR districts fell to 421, with 603 formula districts in operation.

For the 2013-14 school year and beyond, the ASATR reduction percentage will be set in the General Appropriations Act. Legislative action in 2011 also saw the adoption of a statement of legislative intent to no longer fund target revenue (through ASATR) by the 2017-18 school year. It is likely that ASATR state funding will be reduced in future years and eliminated by the 2017-18 school year, based on current state policy.

One key element in any analysis of the school finance implications is the provision for revenue protection in the agreement between the school district and the applicant. In the case of the Oneok

project, the agreement calls for a calculation of the revenue impact of the value limitation in years 3-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. This meets the statutory requirement under Section 313.027(f)(1) of the Tax Code to provide school district revenue protection language in the agreement.

Underlying Assumptions

There are several approaches that can be used to analyze the future revenue stream of a school district under a value limitation. Whatever method is used, a reasonable analysis requires the use of a multi-year forecasting model that covers the years in which the agreement is in effect. The Chapter 313 application now requires 15 years of data and analysis on the project being considered for a property value limitation.

The general approach used here is to provide for modest enrollment increases and relatively static base property values in order to isolate the effects of the value limitation under the school finance system. The current SB 1 reductions are reflected in the underlying models. With regard to ASATR funding, the 92.35 percent reduction enacted for the 2012-13 school year is used until the 2017-18 school year. A statement of legislative intent was adopted in 2011 to no longer fund target revenue by the 2017-18 school year. The projected taxable values of the Oneok project are factored into the base model used here, which also incorporates estimates for previously-approved Chapter 313 agreements. The impact of the limitation value for the proposed Lone Star II project is isolated separately and the focus of this analysis.

Student enrollment counts begin with an estimated 4,537 in ADA for the 2013-14 school year. The District's local tax base reached \$3.01 billion for the 2012 tax year and is maintained for the forecast period in order to isolate the effects of the property value limitation. An M&O tax rate of \$1.06 is used throughout this analysis. BHISD has estimated state property wealth per weighted ADA or WADA of approximately \$624,105 for the 2011-12 school year. The enrollment and property value assumptions for the 15 years that are the subject of this analysis are summarized in Table 1.

School Finance Impact

School finance models were prepared for BHISD under the assumptions outlined above through the 2028-29 school year. Beyond the 2012-13 school year, no attempt was made to forecast the 88th percentile or Austin yield that influence future state funding beyond the projected level for that school year. In the analyses for other districts and applicants on earlier projects, these changes appeared to have little impact on the revenue associated with the implementation of the property value limitation, since the baseline and other models incorporate the same underlying assumptions.

Under the proposed agreement, a model is established to make a calculation of the "Baseline Revenue" by adding the value of the proposed Oneok facility to the model, but without assuming that a value limitation is approved. The results of the model are shown in Table 2.

A second model is developed which adds the Oneok value but imposes the proposed property value limitation effective in the third year, which in this case is the 2016-17 school year. The results of this model are identified as "Value Limitation Revenue Model" under the revenue protection provisions of the proposed agreement (see Table 3). A summary of the differences between these models is shown in Table 4.

Under these assumptions, BHISD would experience a revenue loss as a result of the implementation of the value limitation in the 2016-17 school year (-\$209,825). The maximum annual revenue loss is \$1.8 million in the 2021-22 school year, with the current cumulative loss estimate being \$5.8 million. The revenue reduction results chiefly from the mechanics of the up to six cents beyond the compressed M&O tax rate equalized to the Austin yield or not subject to recapture, which reflect the one-year lag in value associated with the property value study. In addition, the one-year lag appears to affect recapture costs associated with the project in the out-years under the limitation revenue-loss calculations.

As noted previously, no attempt was made to forecast further reductions in ASATR funding beyond the 92.35 percent adjustment adopted for the 2012-13 school year. It is assumed that ASATR will be eliminated beginning in the 2017-18 school year, based on the 2011 statement of legislative intent.

One risk factor under the estimates presented here relates to the implementation of the value limitation in the 2016-17 school year. The formula loss of \$209,825 cited above between the base and the limitation models is based on an assumption of \$3.7 million in M&O tax savings for Oneok when the \$30 million limitation is implemented. Under the estimates presented here and as highlighted in Table 4, a \$2.7 million increase in ASATR funding and an \$806,000 reduction in recapture costs offset nearly all of the reduction in M&O taxes in the first year the value limitation is in effect.

In general, the ASATR offset poses little if any financial risk to the school district as a result of the adoption of the value limitation agreement. But a significant reduction of ASATR funding prior to the assumed 2017-18 school year elimination of these funds could reduce the residual tax savings in the first year that the \$30 million value limitation takes effect, resulting in a larger revenue loss amount.

The Comptroller's state property value study influences these calculations, as noted previously. At the school-district level, a taxpayer benefiting from a property value limitation has two property values assigned by the local appraisal district for their property covered by the limitation: (1) a reduced value for M&O taxes, and (2) the full taxable value for I&S taxes. This situation exists for the eight years that the value limitation is in effect. The Comptroller's Property Tax Assistance Division now makes two value determinations will be made for school districts granting Chapter 313 agreements, consistent with local practice. A consolidated single state property value had been provided previously.

Impact on the Taxpayer

Table 5 summarizes the impact of the proposed property value limitation in terms of the potential tax savings under the property value limitation agreement. The focus of this table is on the M&O tax rate only. As noted previously, the property is fully taxable in the first two years under the agreement. A \$1.06 per \$100 of taxable value M&O rate is assumed in 2012-13 and thereafter.

Under the assumptions used here, the potential tax savings from the value limitation total \$24.6 million over the life of the agreement. In addition, Oneok would be eligible for a tax credit for M&O taxes paid on value in excess of the value limitation in each of the first two qualifying years. The credit amount is paid out slowly through years 4-10 due to statutory limits on the scale of these payments over these seven years, with catch-up payments permitted in years 11-13. The tax credits are expected to total approximately \$5.3 million over the life of the agreement, with no

unpaid tax credits anticipated. The school district is to be reimbursed by the Texas Education Agency for the cost of these credits.

The key BHISD revenue losses are expected to total approximately \$5.8 million over the course of the agreement. In total, the potential net tax benefits (inclusive of tax credits but after hold-harmless payments are made) are estimated to total \$24.1 million. While legislative changes to ASATR funding could increase the hold-harmless amount owed in the initial year of the agreement, there would still be a substantial tax benefit to Oneok under the value limitation agreement for the remaining years that the limitation is in effect.

Facilities Funding Impact

The Oneok project remains fully taxable for debt services taxes, with BHISD currently levying a \$0.2698 per \$100 I&S tax rate. The value of the Oneok project is expected to depreciate over the life of the agreement and beyond, but full access to the additional value is expected to assist the District in meeting its debt service requirements. The full taxable value of the investment is expected to reach \$400 million in the 2015-16 school year.

The Oneok project is not expected to affect BHISD in terms of enrollment. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis. The number of permanent positions as a result of the Oneok project is expected to meet the statutory minimum, which would not be expected to add many households to BHISD.

Conclusion

The proposed Oneok fractionator and related facilities enhance the tax base of BHISD. It reflects continued capital investment in keeping with the goals of Chapter 313 of the Tax Code.

Under the assumptions outlined above, the potential tax savings for the applicant under a Chapter 313 agreement could reach an estimated \$24.1 million. (This amount is net of any anticipated revenue losses for the District.) The additional taxable value also enhances the tax base of BHISD in meeting its future debt service obligations.

Table 1 – Base District Information with Oneok Hydrocarbons, LP Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
Pre-Year 1	2013-14	4,537.08	5,271.82	\$1.0600	\$0.2698	\$3,537,659,969	\$3,537,659,969	\$3,427,725,436	\$3,427,725,436	\$650,198	\$650,198
1	2014-15	4,718.56	5,450.71	\$1.0600	\$0.2698	\$4,401,524,969	\$4,401,524,969	\$3,671,670,207	\$3,671,670,207	\$673,614	\$673,614
2	2015-16	4,907.30	5,741.43	\$1.0600	\$0.2698	\$3,991,064,969	\$3,991,064,969	\$4,535,535,207	\$4,535,535,207	\$789,967	\$789,967
3	2016-17	5,103.60	5,943.62	\$1.0600	\$0.2698	\$3,693,064,969	\$3,343,064,969	\$4,125,075,207	\$4,125,075,207	\$694,034	\$694,034
4	2017-18	5,307.74	6,153.99	\$1.0600	\$0.2698	\$3,674,064,969	\$3,343,064,969	\$3,827,075,207	\$3,477,075,207	\$621,885	\$565,011
5	2018-19	5,520.05	6,400.15	\$1.0600	\$0.2698	\$3,656,014,969	\$3,343,064,969	\$3,808,075,207	\$3,477,075,207	\$594,998	\$543,280
6	2019-20	5,740.85	6,656.16	\$1.0600	\$0.2698	\$3,638,867,469	\$3,343,064,969	\$3,790,025,207	\$3,477,075,207	\$569,401	\$522,385
7	2020-21	5,970.49	6,922.40	\$1.0600	\$0.2698	\$3,778,027,040	\$3,498,514,665	\$3,772,877,707	\$3,477,075,207	\$545,024	\$502,293
8	2021-22	6,209.31	7,199.30	\$1.0600	\$0.2698	\$3,908,485,863	\$3,644,449,107	\$3,912,037,278	\$3,632,524,903	\$543,391	\$504,566
9	2022-23	6,457.68	7,487.27	\$1.0600	\$0.2698	\$4,446,473,781	\$4,197,138,863	\$4,042,496,101	\$3,778,459,345	\$539,916	\$504,651
10	2023-24	6,715.99	7,786.76	\$1.0600	\$0.2698	\$5,666,402,782	\$5,431,034,609	\$4,580,484,019	\$4,331,149,101	\$588,240	\$556,219
11	2024-25	6,984.63	8,098.23	\$1.0600	\$0.2698	\$5,763,873,813	\$5,763,873,813	\$5,800,413,020	\$5,565,044,847	\$716,256	\$687,192
12	2025-26	7,264.01	8,422.16	\$1.0600	\$0.2698	\$5,651,455,689	\$5,651,455,689	\$5,897,884,051	\$5,897,884,051	\$700,281	\$700,281
13	2026-27	7,554.57	8,759.05	\$1.0600	\$0.2698	\$5,597,032,418	\$5,597,032,418	\$5,785,465,927	\$5,785,465,927	\$660,513	\$660,513
14	2027-28	7,856.75	9,109.41	\$1.0600	\$0.2698	\$5,442,021,933	\$5,442,021,933	\$5,731,042,656	\$5,731,042,656	\$629,134	\$629,134
15	2028-29	8,171.02	9,473.79	\$1.0600	\$0.2698	\$5,299,855,549	\$5,299,855,549	\$5,576,032,171	\$5,576,032,171	\$588,575	\$588,575

*Tier II Yield: \$47.65; AISD Yield: \$59.97; Equalized Wealth: \$476,500 per WADA

Table 2– “Baseline Revenue Model”--Project Value Added with No Value Limitation

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2013-14	\$35,771,350	\$1,441,371	\$3,841,191	\$0	-\$6,021,126	\$2,144,385	\$0	\$0	\$37,177,171
1	2014-15	\$44,237,650	\$1,484,557	\$0	\$0	-\$8,656,384	\$2,651,915	\$0	\$0	\$39,717,737
2	2015-16	\$40,214,941	\$1,697,410	\$8,782,567	\$0	-\$12,546,318	\$2,410,765	\$0	\$0	\$40,559,365
3	2016-17	\$37,364,398	\$2,108,818	\$8,620,450	\$0	-\$8,603,537	\$2,239,884	\$0	\$0	\$41,730,013
4	2017-18	\$37,174,389	\$1,835,919	\$0	\$0	-\$5,104,094	\$2,228,493	\$0	\$0	\$36,134,707
5	2018-19	\$36,993,880	\$2,280,897	\$0	\$0	-\$4,094,643	\$2,217,672	\$17,527	\$0	\$37,415,332
6	2019-20	\$36,822,397	\$1,985,730	\$0	\$0	-\$2,297,432	\$2,207,392	\$117,458	\$0	\$38,835,546
7	2020-21	\$38,182,970	\$2,467,019	\$0	\$0	-\$1,287,806	\$2,288,955	\$229,624	\$0	\$41,880,762
8	2021-22	\$39,458,435	\$2,147,765	\$0	\$0	-\$785,452	\$2,365,415	\$245,115	\$0	\$43,431,279
9	2022-23	\$44,728,040	\$2,668,327	\$0	\$0	-\$1,120,786	\$2,681,312	\$296,899	\$0	\$49,253,792
10	2023-24	\$56,681,148	\$2,323,023	\$0	\$0	-\$5,147,662	\$3,397,865	\$66,198	\$0	\$57,320,573
11	2024-25	\$57,589,336	\$2,886,063	\$0	\$0	-\$14,557,234	\$3,452,308	\$0	\$0	\$49,370,473
12	2025-26	\$56,487,584	\$3,001,506	\$0	\$0	-\$13,380,278	\$3,386,261	\$0	\$0	\$49,495,072
13	2026-27	\$55,954,209	\$3,121,566	\$0	\$0	-\$10,851,469	\$3,354,287	\$0	\$0	\$51,578,593
14	2027-28	\$54,435,030	\$3,246,429	\$0	\$0	-\$8,504,124	\$3,263,217	\$0	\$0	\$52,440,552
15	2028-29	\$53,041,730	\$3,376,286	\$0	\$0	-\$5,385,066	\$3,179,693	\$60,103	\$0	\$54,272,746

Table 3--“Value Limitation Revenue Model”--Project Value Added with Value Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate		Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2013-14	\$35,771,350	\$1,441,371	\$3,841,191	\$0	-\$6,021,126	\$2,144,385	\$0	\$0	\$37,177,171
1	2014-15	\$44,237,650	\$1,484,557	\$0	\$0	-\$8,656,384	\$2,651,915	\$0	\$0	\$39,717,737
2	2015-16	\$40,214,941	\$1,697,410	\$8,782,567	\$0	-\$12,546,318	\$2,410,765	\$0	\$0	\$40,559,365
3	2016-17	\$33,864,223	\$2,108,818	\$11,314,674	\$0	-\$7,797,586	\$2,030,059	\$0	\$0	\$41,520,188
4	2017-18	\$33,864,223	\$1,835,919	\$0	\$0	-\$1,879,318	\$2,030,059	\$124,635	\$0	\$35,975,518
5	2018-19	\$33,864,223	\$2,280,897	\$0	\$0	-\$1,042,535	\$2,030,059	\$210,823	\$0	\$37,343,467
6	2019-20	\$33,864,223	\$1,985,730	\$0	\$0	\$0	\$2,030,059	\$300,458	\$0	\$38,180,470
7	2020-21	\$35,387,707	\$2,467,019	\$0	\$0	\$0	\$2,121,387	\$411,389	\$0	\$40,387,502
8	2021-22	\$36,817,936	\$2,147,765	\$0	\$0	\$0	\$2,207,125	\$416,143	\$0	\$41,588,969
9	2022-23	\$42,234,566	\$2,668,327	\$0	\$0	\$0	\$2,531,836	\$476,861	\$0	\$47,911,591
10	2023-24	\$54,327,349	\$2,323,023	\$0	\$0	-\$2,246,795	\$3,256,762	\$254,587	\$0	\$57,914,925
11	2024-25	\$57,589,336	\$2,886,063	\$0	\$0	-\$12,859,018	\$3,452,308	\$0	\$0	\$51,068,690
12	2025-26	\$56,487,584	\$3,001,506	\$0	\$0	-\$13,380,278	\$3,386,261	\$0	\$0	\$49,495,072
13	2026-27	\$55,954,209	\$3,121,566	\$0	\$0	-\$10,851,469	\$3,354,287	\$0	\$0	\$51,578,593
14	2027-28	\$54,435,030	\$3,246,429	\$0	\$0	-\$8,504,124	\$3,263,217	\$0	\$0	\$52,440,552
15	2028-29	\$53,041,730	\$3,376,286	\$0	\$0	-\$5,385,066	\$3,179,693	\$60,103	\$0	\$54,272,746

Table 4 – Value Limit less Project Value with No Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate		Additional State Aid-Hold Harmless	Excess Formula Reduction	Recapture Costs	Additional Local M&O Collections	State Aid From Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Total General Fund
Pre-Year 1	2013-14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	2014-15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	2015-16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	2016-17	-\$3,500,175	\$0	\$2,694,224	\$0	\$805,951	-\$209,825	\$0	\$0	-\$209,825
4	2017-18	-\$3,310,166	\$0	\$0	\$0	\$3,224,776	-\$198,435	\$124,635	\$0	-\$159,189
5	2018-19	-\$3,129,656	\$0	\$0	\$0	\$3,052,108	-\$187,614	\$193,296	\$0	-\$71,865
6	2019-20	-\$2,958,174	\$0	\$0	\$0	\$2,297,432	-\$177,334	\$182,999	\$0	-\$655,076
7	2020-21	-\$2,795,264	\$0	\$0	\$0	\$1,287,806	-\$167,568	\$181,766	\$0	-\$1,493,260
8	2021-22	-\$2,640,500	\$0	\$0	\$0	\$785,452	-\$158,290	\$171,028	\$0	-\$1,842,310
9	2022-23	-\$2,493,474	\$0	\$0	\$0	\$1,120,786	-\$149,476	\$179,963	\$0	-\$1,342,202
10	2023-24	-\$2,353,799	\$0	\$0	\$0	\$2,900,866	-\$141,103	\$188,388	\$0	\$594,352
11	2024-25	\$0	\$0	\$0	\$0	\$1,698,217	\$0	\$0	\$0	\$1,698,217
12	2025-26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	2026-27	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	2027-28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	2028-29	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Table 5 - Estimated Financial Impact of the Oneok Hydrocarbons, LP Project Property Value Limitation Request Submitted to BHISD at \$1.06 M&O Tax Rate

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	Tax Credits for First Two Years Above Limit	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits
Pre-Year 1	2013-14	\$0	\$0	\$0	\$1.060	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	2014-15	\$160,000,000	\$160,000,000	\$0	\$1.060	\$1,696,000	\$1,696,000	\$0	\$0	\$0	\$0	\$0
2	2015-16	\$400,000,000	\$400,000,000	\$0	\$1.060	\$4,240,000	\$4,240,000	\$0	\$0	\$0	\$0	\$0
3	2016-17	\$380,000,000	\$30,000,000	\$350,000,000	\$1.060	\$4,028,000	\$318,000	\$3,710,000	\$0	\$3,710,000	-\$209,825	\$3,500,175
4	2017-18	\$361,000,000	\$30,000,000	\$331,000,000	\$1.060	\$3,826,600	\$318,000	\$3,508,600	\$645,989	\$4,154,589	-\$159,189	\$3,995,400
5	2018-19	\$342,950,000	\$30,000,000	\$312,950,000	\$1.060	\$3,635,270	\$318,000	\$3,317,270	\$621,640	\$3,938,910	-\$71,865	\$3,867,044
6	2019-20	\$325,802,500	\$30,000,000	\$295,802,500	\$1.060	\$3,453,507	\$318,000	\$3,135,507	\$598,508	\$3,734,014	-\$655,076	\$3,078,938
7	2020-21	\$309,512,375	\$30,000,000	\$279,512,375	\$1.060	\$3,280,831	\$318,000	\$2,962,831	\$576,532	\$3,539,363	-\$1,493,260	\$2,046,104
8	2021-22	\$294,036,756	\$30,000,000	\$264,036,756	\$1.060	\$3,116,790	\$318,000	\$2,798,790	\$555,656	\$3,354,445	-\$1,842,310	\$1,512,136
9	2022-23	\$279,334,918	\$30,000,000	\$249,334,918	\$1.060	\$2,960,950	\$318,000	\$2,642,950	\$535,823	\$3,178,773	-\$1,342,202	\$1,836,571
10	2023-24	\$265,368,173	\$30,000,000	\$235,368,173	\$1.060	\$2,812,903	\$318,000	\$2,494,903	\$516,982	\$3,011,884	\$0	\$3,011,884
11	2024-25	\$252,099,764	\$252,099,764	\$0	\$1.060	\$2,672,257	\$2,672,257	\$0	\$1,248,872	\$1,248,872	\$0	\$1,248,872
12	2025-26	\$239,494,776	\$239,494,776	\$0	\$1.060	\$2,538,645	\$2,538,645	\$0	\$0	\$0	\$0	\$0
13	2026-27	\$227,520,037	\$227,520,037	\$0	\$1.060	\$2,411,712	\$2,411,712	\$0	\$0	\$0	\$0	\$0
14	2027-28	\$216,144,035	\$216,144,035	\$0	\$1.060	\$2,291,127	\$2,291,127	\$0	\$0	\$0	\$0	\$0
15	2028-29	\$205,336,833	\$205,336,833	\$0	\$1.060	\$2,176,570	\$2,176,570	\$0	\$0	\$0	\$0	\$0
Totals						\$45,141,162	\$20,570,312	\$24,570,850	\$5,300,000	\$29,870,850	-\$5,773,727	\$24,097,123
Tax Credit for Value Over Limit in First 2 Years								Year 1	Year 2	Max Credits		
								\$1,378,000	\$3,922,000	\$5,300,000		
								Credits Earned		\$5,300,000		
								Credits Paid		<u>\$5,300,000</u>		
								Excess Credits Unpaid		\$0		

***Note:** School District Revenue-Loss estimates are subject to change based on numerous factors, including legislative and Texas Education Agency administrative changes to school finance formulas, year-to-year appraisals of project values, and changes in school district tax rates. One of the most substantial changes to the school finance formulas related to Chapter 313 revenue-loss projections could be the treatment of Additional State Aid for Tax Reduction (ASATR). Legislative intent is to end ASATR in 2017-18 school year. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.

Attachment F

Taxable Value of Property



Window on State Government

Susan Combs Texas Comptroller of Public Accounts

2012 ISD Summary Worksheet

036/Chambers

036-902/Barbers Hill ISD

Category	Local Tax Roll Value	2012 WTD Mean Ratio	2012 PTAD Value Estimate	2012 Value Assigned
A. Single-Family Residences	915,774,230	.9715	942,639,454	915,774,230
B. Multi-Family Residences	8,516,580	N/A	8,516,580	8,516,580
C. Vacant Lots	29,086,360	N/A	29,086,360	29,086,360
D. Rural Real(Taxable)	61,021,430	.9949	61,334,724	61,021,430
F1. Commercial Real	56,214,690	N/A	56,214,690	56,214,690
F2. Industrial Real	1,674,020,421	N/A	1,674,020,421	1,674,020,421
G. Oil, Gas, Minerals	52,827,260	N/A	52,827,260	52,827,260
J. Utilities	74,729,120	.9552	78,234,003	74,729,120
L1. Commercial Personal	13,886,840	N/A	13,886,840	13,886,840
L2. Industrial Personal	2,006,325,144	N/A	2,006,325,144	2,006,325,144
M. Other Personal	3,324,140	N/A	3,324,140	3,324,140
N. Intangible Pers/Uncert	0	N/A	0	0
O. Residential Inventory	2,381,960	N/A	2,381,960	2,381,960

S. Special Inventory	1,952,640	N/A	1,952,640	1,952,640
Subtotal	4,900,060,815		4,930,744,216	4,900,060,815
Less Total Deductions	867,956,221		872,443,195	867,956,221
Total Taxable Value	4,032,104,594		4,058,301,021	4,032,104,594 T2

Category D Detail	Local Tax Roll	Ratio	PTAD Value
Market Value Non-Qualified Acres And Farm/Ranch Imp	59,269,000	N/A	59,269,000
Prod Value Qualified Acres	1,752,430	.8483	2,065,724
Taxable Value	61,021,430		61,334,724

The taxable values shown here will not match the values reported by your appraisal district

See the ISD DEDUCTION Report for a breakdown of deduction values

Government code subsections 403.302 (J) AND (K) require the Comptroller to certify alternative measures of school district wealth. These measures are reported for taxable values for maintenance and operation (M&O) tax purposes and for interest and sinking fund (I&S) tax purposes. For districts that have not entered into value limitation agreements, T1 through T6 will be the same as T7 through T12.

Value Taxable For M&O Purposes

T1	T2	T3	T4	T5	T6
4,076,519,204	4,032,104,594	3,997,585,299	3,953,170,689	4,032,104,594	3,953,170,689

Loss To the Additional \$10,000 Homestead Exemption	50% of the loss to the Local Optional Percentage Homestead Exemption
44,414,610	78,933,905

T1 = School district taxable value for M&O purposes before the loss to the additional \$10,000 homestead

exemption

T2 = School district taxable value for M&O purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T3 = T1 minus 50% of the loss to the local optional percentage homestead exemption

T4 = T2 minus 50% of the loss to the local optional percentage homestead exemption

T5 = T2 before the loss to the tax ceiling reduction

T6 = T5 minus 50% of the loss to the local optional percentage homestead exemption

Value Taxable For I&S Purposes

T7	T8	T9	T10	T11	T12
4,265,903,731	4,221,489,121	4,186,969,826	4,142,555,216	4,221,489,121	4,142,555,216

T7 = School district taxable value for I&S purposes before the loss to the additional \$10,000 homestead exemption

T8 = School district taxable value for I&S purposes after the loss to the additional \$10,000 homestead exemption and the tax ceiling reduction

T9 = T7 minus 50% of the loss to the local optional percentage homestead exemption

T10 = T8 minus 50% of the loss to the local optional percentage homestead exemption

T11 = T8 before the loss to the tax ceiling reduction

T12 = T11 minus 50% of the loss to the local optional percentage homestead exemption

The PVS found your local value to be valid, and local value was certified

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)

TEXAS COMPTROLLER APPLICATION NUMBER 252

Dated

September 23, 2013

**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 October 22, 2012, 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 October 22, 2012, the Board of Trustees authorized the Superintendent to accept, on behalf of the District, the Application from Oneok Hydrocarbon, LP, and on or about October 22, 2012, Becky McManus, the District's Assistant Superintendent of Finance, acting on behalf of the Superintendent, 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 January 8, 2013 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 September 23, 2013, 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 September 23, 2013 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 September 23, 2013, 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 September 23, 2013, 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 September 23, 2013, 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, 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 April 5, 2013 that the Application be approved, and,

WHEREAS, on September 23, 2013, 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: 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023. 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, 2016, the appraisal date for the third full Tax Year following the Commencement Date.

The period beginning with the Commencement Date of September 23, 2013 and ending on December 31, 2015 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, 2023. 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 September 23, 2013)	January 1, 2013	2013-14	2013	Start of Qualifying Time Period beginning with September 23, 2013 Commencement Date. No limitation on value. First year for computation of Annual Limit.
1	January 1, 2014	2014-15	2014	Qualifying Time Period. No limitation on value. Possible Tax Credit in future years.
2	January 1, 2015	2015-16	2015	Qualifying Time Period. No limitation on value. Possible Tax Credit in future years.
3	January 1, 2016	2016-17	2016	\$ 30 million property value limitation.
4	January 1, 2017	2017-18	2017	\$ 30 million property value limitation. Possible Tax Credit due to Applicant.
5	January 1, 2018	2018-19	2018	\$ 30 million property value limitation. Possible Tax Credit due to Applicant.
6	January 1, 2019	2019-20	2019	\$ 30 million property value limitation. Possible Tax Credit due to Applicant.
7	January 1, 2020	2020-21	2020	\$ 30 million property value limitation. Possible Tax Credit due to Applicant.
8	January 1, 2021	2021-22	2021	\$ 30 million property value limitation. Possible Tax Credit due to Applicant.
9	January 1, 2022	2022-23	2022	\$ 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, 2023	2023-24	2023	\$ 30 million property value limitation. Possible Tax Credit due to Applicant.
11	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.
12	January 1, 2025	2025-26	2025	No tax limitation. Possible Tax Credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
13	January 1, 2026	2026-27	2026	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 2013, 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 October 22, 2012 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 October 22, 2012, which has been certified by the Comptroller to collectively constitute a complete final Application as of the date of January 8, 2013. 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 September 23, 2013, 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, 2026. 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 September 23, 2013 and ends on December 31, 2015.

“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 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023, 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 January 8, 2013, 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 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023, 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 at the tax rate actually adopted by the District for the applicable year.
- 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 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 Applicant's Qualified Property. 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 2016), 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 2016) and continuing thereafter through year thirteen (Tax Year 2026), 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 2026), 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, 2017 (the payment due date for Tax Year 2016), and continuing thereafter on or before the January 31 of each of the ten (10) years thereafter (i.e. through January 31, 2027, the payment due date for Tax Year 2026).

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 end of the 2016 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 2016 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, 2015.

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.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 23 day of September, 2013.

ONEOK HYDROCARBON, LP

By: _____

Authorized Representative

Name: _____

Title: _____

**BARBERS HILL INDEPENDENT
SCHOOL DISTRICT**

By: _____

BECKY TICE
President
Board of Trustees

Attest: _____

By: _____

CYNTHIA ERWIN
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*, as thereafter corrected by that certain Ordinance No. 2013-005 Nunc Pro Tunc for Ordinance No. 2011-009 dated February 11, 2013 (hereinafter collectively the "Reinvestment Zone Ordinance"). A map of the Reinvestment Zone created by the Reinvestment Zone Ordinance 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 47.375 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 $07^{\circ}30'31''$ 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 $57^{\circ}05'33''$ 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 $07^{\circ}16'35''$ 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 $57^{\circ}20'13''$ 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 $07^{\circ}30'31''$ 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;

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.

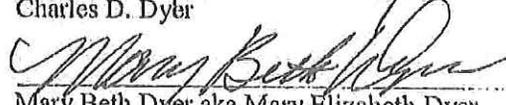
2008 36261

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)

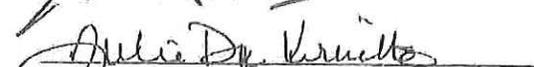

Charles D. Dyer


Mary Beth Dyer aka Mary Elizabeth Dyer


Bryant Dyer


Rhonda R. Dyer


Andy Viruette, Jr.


Julie Dyer Viruette fka 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 **B-J DYER FAMILY LIMITED PARTNERSHIP**, a Texas limited partnership.

Darlene Bennett

Notary Public

Notary Commission No. _____

My Commission Expires:

_____ [SEAL]

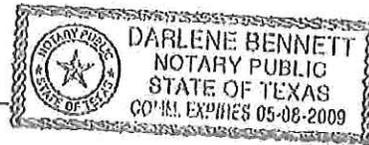


EXHIBIT "A"

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 Lilloch, 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 25, 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 58°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 1102.57 feet to a ½ inch iron rod set for the Southeast 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 Kinzey 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 586 of the Official Public Records of Chambers County, Texas. From this corner a capped iron rod found bears South 22°04'15" West a distance of 0.25 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 25.39 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°00'25" 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 388.82 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°36'15" 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 455, Page 156 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 109467
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
2904 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

Page 1 of 3

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. 167 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 metes and bounds as follows, to-wit:

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

THENCE North 18° 36' West along the line between Tracts 3 and 4, 396 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 18° 36' East 396 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, 627.6 varas to the South line of Prairie Tract No. 1;

THENCE West 61 varas;

THENCE South 00° 40' West 628.4 varas;

THENCE North 89° 05' East 61 varas to the PLACE OF BEGINNING, containing 4.76 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.

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 mines that open on land other than the Property but enter or bottom under the Property, provided that those 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 2000, which Grantee assumes and agrees to pay, and subsequent payments 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 H. Fitzgerald
PHILIP H. FITZGERALD

FRANK H. FITZGERALD
Frank H. Fitzgerald
FRANK H. FITZGERALD

BARBARA FITZGERALD O'TOOLE

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 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 2000, which Grantor 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 Grantor 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

Frankie Fitzgerald
FRANKIE FITZGERALD

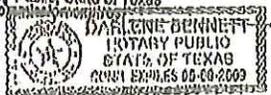
BRYANLEE FITZGERALD

BARBARA FITZGERALD O'CONNOR

Special Warranty Deed
Philip R. Fitzgerald et al
ONEOK Perm Easement Except Company LLC

STATE OF TEXAS)
COUNTY OF Chambers)

This instrument was acknowledged before me on April 29
2008, by PHILIP R. FITZGERALD.

Darlene Bennett
Notary Public, State of Texas
My commission expires _____


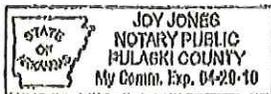
STATE OF TEXAS)
COUNTY OF _____)

This instrument was acknowledged before me on _____
2008, by FRANK H. FITZGERALD.

Notary Public, State of Texas
My commission expires _____

STATE OF ARKANSAS)
COUNTY OF Fulton)

This instrument was acknowledged before me on April 28
2008, by BRYAN LEE FITZGERALD.


JOY JONES
NOTARY PUBLIC
FULTON COUNTY
My Comm. Exp. 04-20-10

Joy Jones
Notary Public, State of ARKANSAS
My commission expires 4-20-2010

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 HARRIS)

This instrument was acknowledged before me on 18 Apr. 2008
2008, by FRANKIE FITZGERALD.



Margaret Callagher
Notary Public, State of Texas
My commission expires: 8/12/2008

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 ~~ARKANSAS~~ ^{TEXAS})
COUNTY OF Harri)

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. SANDLIN
P. O. BOX 688
707 WILL COX
ANAHUAC, TEXAS 77814
Tel: (409) 267-3793
Fax: (409) 267-3792

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

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

203 VOL PG
34985 02 1037 489

FILED FOR RECORD 110
Chambers County
ON APR 20, 2008 AT 03145A
AS 1111 Public Records
Heather H. Hetherington COUNTY CLERK
CLERK NUMBER 00034965
AMOUNT \$6.00
RECEIPT NUMBER 08730017

BY RECORDS
STATE OF TEXAS Chambers County
AS STAMPED HEREBY BY ME, APR 20, 2008

Heather H. Hetherington COUNTY CLERK
Recorded: *Anne B. Heston*

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 Placid 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 Placid*

SSC

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 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 64 deg. 42 min. 54 sec. East, a distance of 21.94 feet to a point for corner;

THENCE: South 24 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 1.710 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.

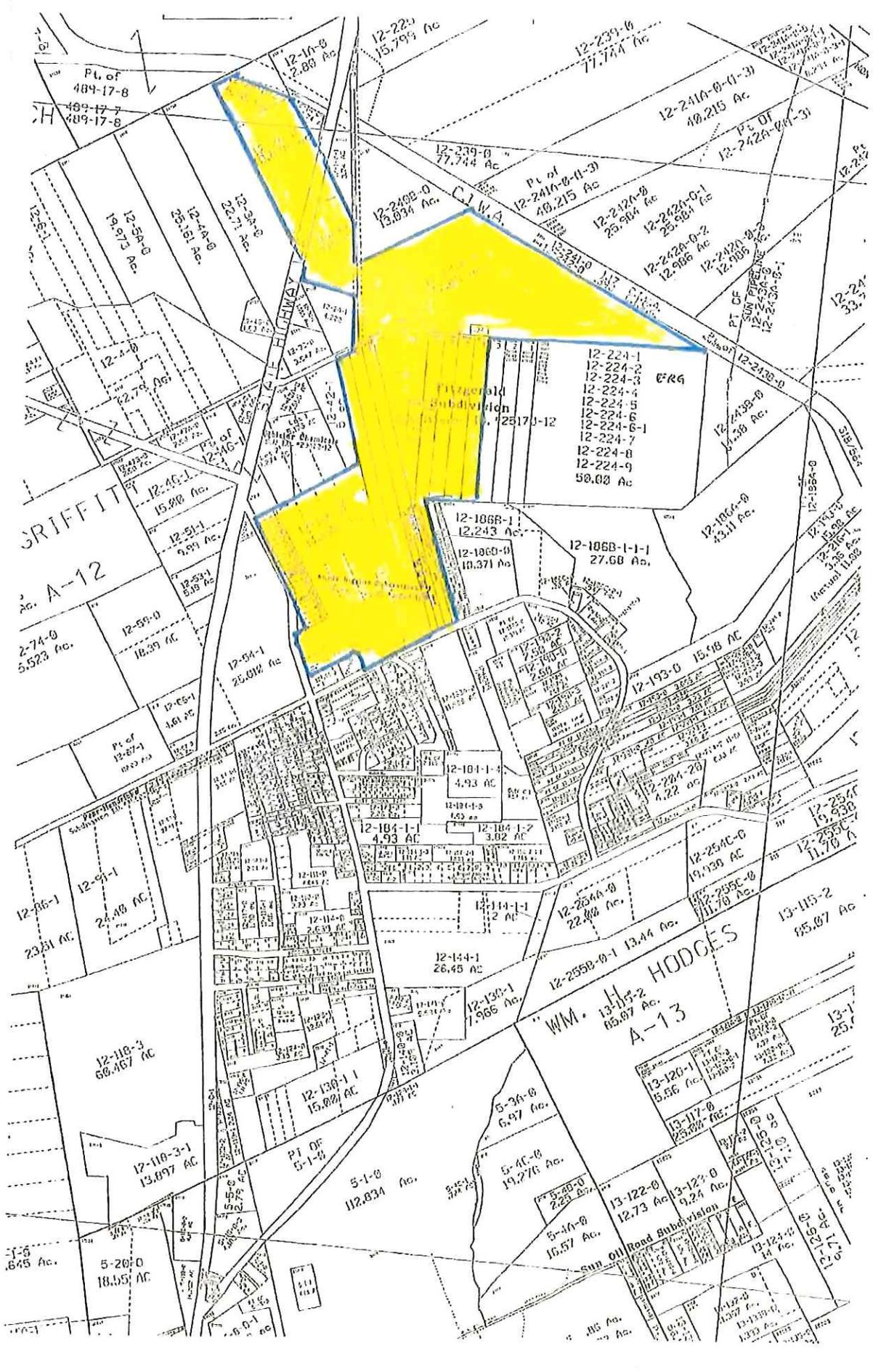
Mark D. Bryant, Sr.

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

Job No.: C07214

Survey Completed: 11-02-2007





Pl. of
489-17-8
489-17-7
489-17-8

12-220
15.79 Ac

12-233-0
77.744 Ac

12-2410-0-1-3
40.215 Ac

12-2400-0
13.834 Ac

Pl. of
12-2410-0-1-3
40.215 Ac

12-2420-0-1
25.987 Ac

12-54-0
19.973 Ac

12-34-0
25.71 Ac

12-2420-0
25.904 Ac

12-2420-0-2
12.906 Ac

12-2420-0-3
12.105 Ac

12-4-0
12.76 Ac

12-24-1
12.24 Ac

12-224-1
12-224-2
12-224-3
12-224-4
12-224-5
12-224-6
12-224-6-1
12-224-7
12-224-8
12-224-9
50.00 Ac

ER6

GRIFFITH
A-12

12-40-1
15.300 Ac

12-51-1
9.99 Ac

12-53-1
5.18 Ac

12-59-0
18.39 Ac

12-55-1
4.61 Ac

Pt. of
12-67-1
10.2 Ac

12-66-1
24.49 Ac

12-91-1
23.81 Ac

12-104-1
4.93 Ac

12-104-1-2
3.02 Ac

12-104-1-3
1.59 Ac

12-104-1-4
2.63 Ac

12-104-1-5
2.28 Ac

12-104-1-6
2.28 Ac

12-104-1-7
2.28 Ac

12-106B-1
12.243 Ac

12-1060-0
10.371 Ac

12-106B-1-1-1
27.60 Ac

12-106A-0
43.11 Ac

12-106A-0
43.11 Ac

12-193-0
15.98 Ac

12-284-20
4.22 Ac

12-254C-0
19.130 Ac

12-255C-0
11.70 Ac

12-254A-0
22.86 Ac

12-2550-0-1
13.44 Ac

13-115-2
85.67 Ac

13-120-1
5.56 Ac

13-117-0
25.897 Ac

13-122-0
12.73 Ac

13-123-0
9.24 Ac

13-123-0
14 Ac

WM. H. HODGES
A-13

12-144-1
26.45 Ac

12-130-1
7.965 Ac

5-30-0
6.97 Ac

5-40-0
19.276 Ac

5-10-0
16.57 Ac

5-40-0
2.23 Ac

5-10-0
16.57 Ac

2-74-0
5.523 Ac

12-59-0
18.39 Ac

12-55-1
4.61 Ac

Pt. of
12-67-1
10.2 Ac

12-66-1
24.49 Ac

12-91-1
23.81 Ac

12-104-1
4.93 Ac

12-104-1-2
3.02 Ac

12-104-1-3
1.59 Ac

12-104-1-4
2.63 Ac

12-104-1-5
2.28 Ac

12-104-1-6
2.28 Ac

12-104-1-7
2.28 Ac

12-110-3
68.467 Ac

12-110-3-1
13.897 Ac

Pt. of
5-1-0

5-1-0
112.834 Ac

5-20-0
18.55 Ac

Sun Oil Road Subdivision

TABLE 7
13-120-1
5.56 Ac
13-117-0
25.897 Ac
13-122-0
12.73 Ac
13-123-0
9.24 Ac
13-123-0
14 Ac

13-117-0
25.897 Ac

13-122-0
12.73 Ac

13-123-0
9.24 Ac

13-123-0
14 Ac

EXHIBIT 2

LOCATION OF QUALIFIED INVESTMENT/QUALIFIED PROPERTY

All Qualified Property and Qualified Investment 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*, as thereafter corrected by that certain Ordinance No. 2013-005 Nunc Pro Tunc for Ordinance No. 2011-009 dated February 11, 2013 (hereinafter collectively the "Reinvestment Zone Ordinance"), is intended to be included in this Agreement. The "Qualified Property" and "Qualified Investment" as described and included in the description of the Qualified Investment/Qualified Property contained in **EXHIBIT 3** of that certain *Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes* entered into between BARBERS HILL INDEPENDENT SCHOOL DISTRICT and ONEOK HYDROCARBON, LP, dated December 12, 2011, is not intended to be included as Qualified Property or Qualified Investment for purposes of this Agreement.

A map and the metes and bounds description chart of the Reinvestment Zone created by the Reinvestment Zone Ordinance are attached as **EXHIBIT 1**.

EXHIBIT 3

DESCRIPTION OF THE APPLICANT'S QUALIFIED INVESTMENT/QUALIFIED PROPERTY

The Qualified Investment and Qualified Property shall include the following proposed project consisting of a new Unit 2 NGL fractionator. The plant components consist of:

- DeEthanizer
- DePropanizer
- DeButanizer
- DeIsobutanizer (DIB)
- Towers
- Heat Medium
- Gasoline Treater
- Compression Equipment
- Ethane-Propane Splitter
- International Grade Propane

All property that qualifies as Qualified Investment and Qualified Property owned by Applicant, and located within the area described by **EXHIBIT 2**, is intended to be included as Qualified Investment and Qualified Property for purposes of this Agreement. The "Qualified Property" and "Qualified Investment" as described and included in the description of the Qualified Investment/Qualified Property contained in **EXHIBIT 3** of that certain *Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes* entered into between BARBERS HILL INDEPENDENT SCHOOL DISTRICT and ONEOK HYDROCARBON, LP, dated December 12, 2011, is not intended to be included as Qualified Investment or Qualified Property for purposes of this Agreement.

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.