

JUL 08 2020



Office: 830-563-2401

Tully Shahan
KINNEY COUNTY JUDGE
Post Office Box 348
Brackettville, Texas 78832-0348
county.judge@co.kinney.tx.us

COUNTY & DISTRICT CLERK, KINNEY



Fax: 830-563-9163

30 Day Notice of Tax Abatement Agreement

Consideration and approval of Tax Abatement Agreement between Kinney County, Texas and Zier Solar, LLC. The Kinney County Commissioners Court intends to enter into a Tax Abatement Agreement with Zier Solar, LLC at its regularly scheduled meeting on August 10, 2020.

The proposed form of Tax Abatement Agreement is as previously approved by Kinney County Commissioners Court order dated June 22, 2020 with the adjusted Project Completion date to be "by December 31, 2022".

Owners of the real properties: Pinto Creek Energy, LLC, R Schott Ranch, Ltd., and Pinto Ranch LP, Ralton Baker

Applicant for tax abatement agreement: Zier Solar, LLC

Description of Project: Zier Solar, LLC proposes to invest \$145,000,000 on a photovoltaic power generation facility with an estimated capacity of 160 MW. The Project seeks to develop and interconnect 160MW of power into the ERCOT market. It is located on approximately 1,800 acres of contiguous land located entirely within Kinney County and entirely within County Reinvestment Zone NO. 002, which was created by Order of the Kinney County Commissioners Court on June 22, 2020 and being made up 17 contiguous tracts southwest of Brackettville, between U.S 90 and Standard Lane and more fully described on Exhibit A to this Agenda.

TAX ABATEMENT AGREEMENT

This Tax Abatement Agreement (hereinafter "Agreement") is entered into by and between Kinney County, Texas (hereinafter "County") and Zier Solar, LLC (hereinafter "Owner") on the 10th day of August, 2020 ("Effective Date").

WHEREAS, the County is authorized to enter into Tax Abatement Agreements pursuant to Chapter 312 of the *Texas Property Tax Code* (the "Tax Code"), and

WHEREAS, the County has adopted Tax Abatement Guidelines as required by Chapter 312 of the Texas Tax Code;

WHEREAS, the County has adopted a resolution stating that it elects to be eligible to participate in tax abatement in accordance with the Texas Property Tax Code; and

WHEREAS, by Order passed on June 22, 2020, the County Commissioners Court has established County Reinvestment Zone No. 002 ("Reinvestment Zone") in accordance with Section 312.401 of the Texas Property Tax Code; and

WHEREAS, the Premises is located within the Reinvestment Zone; and

WHEREAS, the County Commissioners Court finds that the improvements and additions proposed by the Owner will benefit the economy of the County and the State of Texas, provide Texas industry with clean power, and increase the local tax base; and

WHEREAS, a copy of this Agreement has been furnished, in the manner prescribed by the Texas Property Tax Code, to the presiding officers of the governing bodies of each of the taxing units in which the Owner's the Premises is located; and

WHEREAS, the Commissioners Court finds that the Owner's project is feasible and practicable and would be of benefit to the Land included in the Zone, and the taxing units with jurisdiction over the land after expiration of this Agreement.

NOW, THEREFORE, in consideration of the recitals set forth above and the mutual obligations and promises set forth below, and for other good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, the County and Owner agree as follows:

1. Premises. As used herein "Premises" refers to the real property shown and described in "Exhibit A" which is attached hereto and incorporated herein. Owner will not own the real property, but rather will be leasing the real property as a lessee or acquiring easements. However, Owner will be the owner of all personal property, fixtures, equipment and related improvements that it installs on the Premises pursuant to this Agreement.

2. General Project Description. Development and construction/installation of facilities and equipment for, and the operation of a minimum 160-megawatt solar electric

generating system/facility, photovoltaic panels, and central inverters and other equipment. A more specific identification of the additions to the Premises to be made by Owner is attached as "Exhibit B" hereto and incorporated by reference herein (hereafter "Project").

3. Definitions. As used in this Agreement, the following terms shall have the meanings set forth below:

a. "Additions and Improvements" means the personal property, fixtures and equipment installed or constructed on the Premises by the Owner for the Project.

b. "Premises" means the tract(s) of land described in Exhibit "A" attached hereto and incorporated herein for all purposes.

c. "Taxable Value" means the appraised value, for property tax purposes, as certified by the Kinney County Appraisal District.

d. "Start Date" means January 1 of the calendar year immediately following the Completion Date, unless otherwise specified herein.

e. "Completion Date" means the date that the construction and installation of the Project is substantially complete as certified by Owner to the County.

f. "Projected Capital Investment" means the level of capital investment proposed in the Owner's Application for Tax Abatement. Owner has projected a Capital Investment of \$145,000,000.

g. "Minimum Capital Investment" is the minimum Capital Investment Owner promises to invest in the Premises under any circumstances. Owner has promised a Minimum Capital Investment of \$50,000,000.

h. "Actual Capital Investment" for purposes of this Agreement shall be the actual cost of the Project on the Completion Date as certified by the Owner to the County. Owner shall provide the County and the Appraisal District with all reasonably requested information as to the actual cost of the Project. Actual cost as used herein relates to the design, acquisition, construction and installation of components of the Project that will add taxable value to the tax rolls of Kinney County and does not include permit fees, main office overhead, or capitalized interest. The Actual Capital Investment must be reported by Owner with the Certificate of Completion to the County. Any item that is separately excluded from property taxation by state law does not count towards the Capital Investment of the Owner.

i. "Force Majeure" means any contingency or cause beyond the reasonable control of a party including, without limitation, acts of God and the public enemy, strikes, lockouts or other industrial disturbances, inability to obtain material or equipment or labor, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, high water washouts, inclement weather, arrests and

restraint of rulers and people, interruptions by government or court orders, present or future orders of any regulatory body, civil disturbances, explosions, breakage or accident to equipment that makes the Project inoperable.

j. "Reinvestment Zone" means County Reinvestment Zone No. 002 created by the Order of the Kinney County Commissioners court dated June 22, 2020.

k. "Base Year" means the 2020 tax year.

l. "Term of Abatement" or "Abatement Period", unless terminated sooner as provided elsewhere herein, means the period from and after the Start Date during which partial tax abatement for County ad valorem taxes is granted, which cannot exceed 10 years.

m. "Abatement Year" means a tax year included in the Abatement Period.

n. "Secured Party Lender" means any entity providing financing for the Project and/or who have liens or security interests on the Additions and Improvements, and any assignees thereof.

4. Term of Agreement. This Agreement becomes effective upon the Effective Date and unless terminated sooner as provided elsewhere herein, shall terminate at the expiration of the Abatement Period.

5. Abatement. The Abatement schedule is attached hereto as "Exhibit C". The Abatement granted is an abatement of taxable value, not of actual taxes generated from the applicable value.

6. Zero Base Year Value. Because the premises are leased by the Owner, this is a zero (\$0) Base Year Value abatement where the only matter of importance is the Taxable Value from one Tax Year to the next of the Additions and Improvements installed or constructed by the Owner. Furthermore, while the abatement schedule applicable is based on Actual Capital Investment, the tax abatement each year is based on the Taxable Value of the Additions and Improvements.

7. Applicable Abatement Schedule. The Abatement Schedule that a Project falls under is based on Actual Capital Investment. If the owner fails to make at least an Actual Capital Investment of \$50,000,000 in the Project by the applicable Completion Date, the County may terminate this Agreement if the County gives the Owner written notice of termination within fifteen (15) days after the date that the County receives Owner's certification to the County of the Actual Capital Investment as required by Section 3.h. of this Agreement.

If the project has not been completed by the applicable Completion Date but is completed within 365 days of the applicable Completion Date, the abatement percentage for the First Year of Abatement shall be reduced as follows:

Time of Delay	Reduction in First Year Abatement
1 st 30 days	2.5%
2 nd 30 days	2.5%
3 rd 30 days	2.5%
4 th 30 days	2.5%
5 th 30 days	2.5%
6 th 30 days	2.5%
7 th 30 days	5.0%
8 th 30 days	5.0%
9 th 30 days	5.0%
10 th 30 days	5.0%
11 th 30 days	5.0%
12 th 30 days	5.0%

8. Projected Completion Date. Owner shall complete the Project by December 31, 2022, delays for force majeure excepted. If by December 31, 2022 Owner certifies in writing to the County that Owner has completed all Project environmental reports, geotechnical report surveys, and has entered into an interconnection agreement and has posted the required interconnection security, Owner shall have the right to extend the Project Completion Date to December 31, 2023, by giving to the County on or before December 31, 2022 the above written certification and its notice of extending the Project Completion Date to December 31, 2023. The Commissioners Court, by majority vote, can extend the Completion Date. If the Project is not completed within 365 days of the Completion Date, the County may terminate this Agreement.

9. Grant of Partial Abatement. Subject to the terms and conditions of this Agreement, County hereby grants Owner a partial abatement of County property taxes during the Abatement Period and at the Abatement Percentages shown as set forth in Exhibit C. The Abatement applies to the Taxable Value of the Additions and Improvements in each Abatement Year. **This does not include abatement of Farm- to- Market Road or Groundwater Conversation District Taxes.** Upon expiration of the Abatement Period the Additions and Improvements become fully taxable. This partial abatement does not apply to any additions or improvements existing on the Premises at the Effective Date; and does not include inventory.

10. No Sale or Assignment to Tax Exempt Entity.

a) If a sale, lease, or allocation of the Project or its output is made to an entity exempt from property taxation, and such results in a portion of the Project becoming exempt from property taxation, the County may terminate this Tax Abatement Agreement and the Abatement granted hereunder. If this occurs, the Owner must repay the County any taxes abated related to the portion of the Project that has become exempt from year 1 to when the portion of the Project became tax exempt. Payment will be made no less than 30 days after the sale, lease or allocation occurs.

b) Alternatively, to keep the tax abatement agreement in place for the rest of the property, the Owner shall pay in a lump sum the present value of taxes that will be lost to the County with

regard to the exempt portion of the property over the 20 year period after the portion of the Project becomes exempt using a calculation agreed to by the parties in writing, but if unable to be agreed to, resolved by mediation to take place in Kinney County, Texas before a mediator selected by the County from the approved list of mediators maintained by the Federal District Court in Del Rio.

c) If title to, use of, or an interest in the lease of the premises or the Additions and Improvements, or any part thereof, shall be taken under the exercise of the power of eminent domain by any governmental unit or agency, or by any person, firm or corporation acting under governmental authority or statutory authority, other than a taxing unit that assesses or could assess ad valorem taxes against the Property, a local or county governmental entity having taxing jurisdiction over the subject Property or another party acting under such governmental entity's authority, Owner will not allow the valuation of such condemnation to be set by mutual agreement between the condemning entity and the Owner, but instead will fully engage the process of the Special Commissioners Court to establish valuation. In the event Owner agrees to terms of condemnation directly with the condemning entity instead of engaging the Special Commissioners Court, then Owner shall pay as a first and priority obligation to the County out of the condemnation proceeds the same payment as would have been paid to the County under 10(a) above if the transfer was an agreed sale to a tax exempt entity.

11. Unabated Taxes. Owner shall pay all unabated taxes when due. Failure to do so may result in termination of this Agreement if any such failure is not timely cured after notice is received pursuant to Section 14.1 of this Agreement. If Owner protests the Taxable Value of the Property, the Owner shall pay the taxes due to the County on the portion of the Taxable Value not protested after application of the Abatement Percentage. Once the value is determined the abatement percentage is applied and the Owner shall pay the taxes due on the taxable value not abated within 30 days.

Taxes assessed prior to the beginning of the Abatement Period are not abated and shall be paid by Owner prior to such taxes becoming delinquent, subject to the right of Owner to timely and properly protest such taxes in accordance with Tax Code, Chapter 42 or its successor. Owner shall notify County in writing of any such protest, and keep the County informed of the results thereof. If the protest is denied, Owner shall have the right to appeal the matter to state district court but shall pay the portion of the tax required by Tax Code, Section 42.08 or its successor.

Nothing herein shall prevent the County from enforcing the collection of taxes owed to the County in any manner provided under the Texas Property Tax Code, including placing a lien on the Additions and Improvements. The County shall be entitled to recover any penalties, interest, court costs and attorney's fees allowed under the Texas Property Tax Code, and this includes for the collection of previously abated taxes that must be repaid under any provision of this Agreement.

12. Insurance. Owner shall keep the Additions and Improvements insured. If any of the Additions and Improvements are substantially destroyed, the Owner may replace them and the tax abatement on same shall be stayed until same are replaced. The tax abatement period for

said replacements shall be extended for the length of the stay period. As to said substantially destroyed Additions and Improvements the Owner shall have the option to not replace them and remove them from the list of Additions and Improvements covered by this Agreement and in this event the Owner shall pay to the County the amount of the taxes that were abated on said non-replaced Additions and Improvements for the immediately preceding two years. In the event the entire Project is substantially destroyed, the Owner shall have the option to replace the Project and the tax abatement period shall be stayed until the Project is once again built and is certified to the County as being complete; and, in this event the tax abatement period shall be extended for the same length of time as the period of stay. In the event of the substantial destruction of the entire Project, the Owner shall have the option to terminate this Agreement rather than rebuild the Project, and if the Owner selects this option the Owner shall pay the County an amount equal to the total sum of all the taxes abated by the County under this Agreement for the immediately preceding three years.

13. Owner's Obligations. As a condition precedent to the granting of the partial tax abatement as set forth in this Agreement, Owner shall, subject to events of Force Majeure and casualty where applicable:

- a. Acquire enforceable leases for the portion of the Premises to be utilized by the Project as described in Section 15 below;
- b. Install and construct the Additions and Improvements requiring at least the Minimum Capital Investment to be completed by December 31, 2022 or December 31, 2023, if the Project Completion Date is extended to December 31, 2023, pursuant to paragraph 8 of this Agreement;
- c. Provide the Appraisal District with documentation and information reasonably requested for each Tax Year that will assist in determining the Taxable Value. This information shall be provided no later than April 15, subject to extension as allowed by law;
- d. Comply with all certification and reporting requirements set forth in this Agreement and the County's Tax Abatement Guidelines which are incorporated by reference herein;
- e. In good faith consider, to the extent reasonable and logistically practical, contracting with companies and businesses located within the County that are economically competitive and qualified to provide goods and services for the Project;
- f. Comply with reasonable drug screening procedures for workers more fully described in "Exhibit D".
- g. Comply with applicable federal, state and local laws in its operations;

h. Indemnify and hold harmless the County and all County officials and employees from any liability arising from the Owner's negligence in developing, constructing or installing the Additions and Improvements or operation thereof.

14. Default, Remedies and Recapture.

14.1 Upon breach by Owner of any material obligation under this Agreement, the County shall notify Owner in writing, and Owner shall have sixty (60) days from receipt of the notice in which to cure any such breach. If the breach cannot reasonably be cured within a sixty (60) day period, and Owner has diligently pursued such remedies as shall be reasonably necessary to cure such default, then the County shall extend the period in which the breach must be cured for an additional sixty (60) days. If Owner fails to cure the breach within the time provided as specified above or, as such time period may be extended by agreement, then the County, at its sole option, shall have the right to terminate this Agreement by written notice to Owner.

However, if the breach of this Agreement is caused by an event of Force Majeure, the cure period shall be extended as reasonably appropriate to cure the breach, subject to the Owner providing to the County a plan of action to cure the breach that is of a reasonable duration. The time to cure shall not extend the Abatement Period. A breach of this Agreement caused by an event of Force Majeure that is incapable of being cured shall not give rise to the recovery of previously abated taxes, however, the County may terminate this Agreement as to any future abatement.

14.2 In the event of a breach by Owner, the County, in addition to any notice to Owner, shall promptly provide written notice of such breach to any Secured Party Lender to the extent known to the County. For a Secured Party Lender to be entitled to this notice, the Owner or the Secured Party Lender must have notified the County in writing of the Secured Party Lender's interest in the Project. Any Secured Party Lender shall have the right to cure such breach in accordance with the provisions of this Agreement, provided that no cure period shall commence until receipt of written notice of breach from County by such Secured Party Lender. Owner and its Secured Party Lender shall provide written notice of any assignment of a financing obligation or security interest or lien. Absent such notice of assignment, notice to the last known Secured Party Lender shall be effective.

14.3 Termination by the County because of an uncured breach automatically terminates the tax abatement granted herein, and the Owner will not be entitled to any abatement from that date forward. If the nature of the breach resulted in the Owner receiving tax abatement in one or more previous years to which the Owner was not entitled, the County may recover from the Owner the taxes that should have been paid in those years but for the abatement.

14.4 Notwithstanding any other provision of this Agreement, in no event will Company be required to pay more in cumulative taxes than it would have paid for taxable investment in the unincorporated area of Kinney County if this Agreement had never been entered into by the parties.

15. Leases. The Premises have initially been designated utilizing the same property description as the Reinvestment Zone, such that the boundary of the Reinvestment Zone and the Premises is delineated by the outside boundary lines of the outermost parcels forming the approximately 1,800 acre unit intended for production and transmission of solar energy. All of such land is designated as the Reinvestment Zone and the Premises, however, not all of the land will necessarily be part of the Project. After the portion of the Premises is identified and surveyed for use in the Project, such Lease will remain in effect for the duration of this Agreement. If ANY leases applicable to the Project are lost due to foreclosure of underlying mortgages or for any other reason, the County must be notified immediately. This may result in an adjustment of Abatement Percentages if it involves alone or collectively a significant portion of the Project. Owner covenants that each lease will specifically authorize the use of the land for the purposes stated in this Agreement. Owner covenants that it is not in current litigation with any of the lessors.

16. Miscellaneous Terms and Conditions.

16.1 Attorney's Fees. If on account of any breach or default by either party of its obligations under the terms, conditions, or covenants of this Agreement, it shall be necessary for the other party to employ an attorney or attorneys to enforce or defend any of the rights or remedies hereunder, and should the party prevail, the party shall be entitled to any reasonable attorney's fees, costs, or expenses it incurs in connection herewith.

16.2 Severability. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under the present or future laws effective while this Agreement is in effect, such provision shall be automatically deleted from this Agreement and the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby, unless such would destroy a material benefit of the bargain to either party.

16.3 Texas Law to Apply. This Agreement shall be construed under and in accordance the laws of the State of Texas without regard to conflicts of law principles, and all obligations of the parties created hereunder are performable in Kinney County, Texas, and venue of all disputes shall lie in a court of competent jurisdiction in Kinney County, Texas.

16.4 Prior Agreements Superseded. This Agreement constitutes the sole and only agreement of the parties hereto and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter hereof.

16.5 Amendments. No amendment, modification or alteration of the terms hereof shall be binding unless the same shall be in writing, dated subsequent to the date hereof and duly executed by the parties hereto.

16.6 Rights and Remedies Cumulative. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by either party shall not preclude or waive its rights to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

16.7 No Waiver. No waiver by a party in any event of default, or breach of any covenant, condition or stipulation herein contained shall be treated as a waiver of any subsequent default or breach of the same or any other covenant, condition or stipulation hereof.

16.8 Assignment. This Agreement shall be binding on and inures to the benefit of the parties to it and their respective heirs, executors, administrators, legal representatives, successors, and assigns. This Agreement may be assigned by Owner upon written notice to the County and written assumption of the obligations hereunder by such assignee. Such assignment is subject to approval of the County, which shall not be unreasonably withheld or delayed. The approval of the County shall be deemed to have occurred if the County fails to take action with respect to any such assignment within thirty (30) days after receipt of notice of such assignment. In addition, the Owner, without approval of the County, may assign, transfer, mortgage or pledge this Agreement in whole or in part to create a security interest for the benefit of a "Secured Party Lender" provided however, that any rights of the Secured Party Lender or third-party assignee or purchaser are subject to the same provisions as set forth in this Agreement. The County will provide a Secured Party Lender who is known of a copy of any Owner Default Notice. The County does not subordinate its right to collect property taxes to any security interest or assignment. Further, an assignment does not re-start the time to cure under a notice of default.

16.9 No Conflicts. Owner represents and warrants that no member of the Commissioners Court has an interest in the Property subject to this Agreement and such Property is not owned or leased by any member of the Commissioners Court.

16.10 No Joint Venture. The County, by approving the application and this Agreement, assumes no liability or responsibility therefore or for any defect in any additions made to the Land. The relationship between County and Owner at all times shall not be deemed a partnership or joint venture for purposes of this Agreement.

16.11 Other Abatements. It is further understood that this is not a joint agreement between taxing units and, Owner shall not be entitled to any additional abatement from County above what is granted herein under any other law by virtue of entry into this Agreement. Should Owner receive or be adjudged entitled to any additional abatement from the County of any form of tax under the law by virtue of entry into this Agreement, the amount of the abatement under this Agreement shall, to the extent allowed by law, be reduced by the amount of such additional abatement.

16.12 Approvals. Assuming Owner is not in breach of this Agreement, any approvals required to be obtained from the County under this Agreement shall not be unreasonably withheld, denied or delayed by the County.

16.13 Notices. All notices required by this Agreement shall be addressed to the following, or other such other party or address as either party designates in writing, by certified mail, postage prepaid, or by hand or overnight delivery:

If intended for Owner, to:

Zier Solar, LLC
3402 Pico Boulevard, Suite 300
Santa Monica, CA 90405
Attention: Noah Hyte, Executive Vice President of Development
hyte@ccrenew.com
314-651-0044

and

Zier Solar, LLC
3402 Pico Boulevard, Suite 300
Santa Monica, CA 90405
Attention: Senior Developer
keene@ccrenew.com
323-348-3901

If intended for County, to:

Kinney County, Texas
Attention: County Judge
501 S. Ann Street
Brackettville, Texas 78832

With copy to:

County Attorney
Kinney County, Texas
501 S. Ann Street
Brackettville, Texas 78832

16.14 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

16.15 Recitals. The determinations recited and declared in the preambles to this Agreement are hereby incorporated herein as part of this Agreement

16.16 Exhibits. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

16.17 Authorizations.

a. This Agreement was entered into by Owner pursuant to authority granted by one or more of its officers to execute this Agreement on behalf of Owner.

b. This Agreement was authorized by the minutes of the Commissioners Court of Kinney County, Texas authorizing the County Judge, or designee, to execute the Agreement on behalf of Kinney County, Texas.

17. Negotiation Costs. To show its commitment to the community and that it intends to be a good corporate neighbor, and in recognition of the expense incurred by the County in coming to a mutually acceptable agreement, Owner agrees to reimburse the County for its reasonable, necessary and documented attorney's fees incurred in negotiation of this Agreement, not to exceed \$25,000.

EXECUTED in duplicate originals this 10th day of August, 2020.

KINNEY COUNTY, TEXAS

By: _____
Tully Shahan
Kinney County Judge

ATTEST:

By: _____
County Clerk

EXECUTED in duplicate originals this the ____ day of August, 2020.

By: ZIER SOLAR, LLC

By: _____
Geoff Fallon, Senior Director of Development

EXHIBIT A

The Legal Description for the "Premises" is as follows:

PINTO CREEK ENERGY, LLC

TRACT ONE

That certain tract of land containing 1,250.00 acres, more or less, situated, in Kinney County, Texas, about seven miles west of the City of Brackettville, the County Seat, and containing 1,138.686 acres lying within the Dolores Soto de Beales Grant, Abstract No. 1 and 111.324 acres lying within the Meliton Valdez Grant, Abstract No. 3. Said 1,250.00-acre tract being a middle east portion of a 4,192.120-acre tract as conveyed to R. Schott Ranch Ltd., by Montgomery Land Co., Inc., by Warranty Deed dated November 9, 2016, and recorded in Vol. 221, Pages 856-869, of the Official Public Records of said County. Said 1,250.000 acre tract also being Tract I of the lands conveyed to Pinto Creek Energy, LLC by R. Schott Ranch Ltd. in Warranty Deed dated May 3, 2018, recorded in Vol A-230, Pages 705 721, of the Official Public Records of said County, and being more fully described by metes and bounds on the survey dated March 13 and April 20, 2018, prepared by Hilmar A. Koch, Land Surveyor, and attached to said Warranty Deed.

TRACT TWO

That certain 12.503-acre, 130.00 ft. wide tract of land, lying and situated on and south of U. S. Hwy. No. 90, in Kinney County Texas, about seven miles west of the City of Brackettville, the County Seat, all within the Meliton Valdez Grant, Abstract No. 3. Said 12.503 acre tract being the upper east portion of a 4,192.00 acre tract as conveyed to R. Schott Ranch Ltd., by Montgomery Land Co., Inc., by Warranty Deed dated November 9, 2016, and recorded in Vol. 221, Pages 856- 869, also being Tract 2 of the lands conveyed to *Pinto* Creek Energy, LLC by R. Schott Ranch Ltd. in Warranty Deed dated May 3, 2018, recorded in Vol A-230, Pages 705 - 721, both of the Official Public Records of said County, Said 12.503 acre tract being bounded on the north and northeast, from west to east, by the south R.O.W. line of said U. S. Hwy. No. 90, and a 1.462 acre triangular tract (under R. Schott Ranch, Ltd, fence but having no record title found); on the southeast, from northeast to southeast, by the Candace R. Bader, et vir. 2,626.95 acres, as recorded in Vol 170, Pages 201-210, of the Official Public Records of said County, and the remainder of said Schott 4,192.120 acre tract; on the lower southwest by the 1,250.00 acre tract described hereinabove, and on the northwest, upper southwest, and west by the remainder of said Schott 4,192.120 acre tract, and being more fully described by metes and bounds on the survey dated March 13 and April 20, 2018, prepared by Hilmar A. Koch, Land Surveyor, and attached to Warranty Deed dated May 3, 2018, recorded in Vol A-230, Pages 705 -721, of the Official Public Records of Kinney County, Texas.

R SCHOTT RANCH, LTD

TRACT THREE

Being 600 acres out for the 4,192.120-acre tract of land described in Volume A-0221, Page 0856 of the Deed Records of Kinney County, TX.

PINTO RANCH LP

TRACT D-1 (1,585 ACRES):

The SURFACE ESTATE ONLY in and to that certain TRACT D-1 containing approximately 1,585 acres of land out of that certain 5,332.311 acres of land situated in Kinney County, Texas, located generally on the South side of U.S. Highway 90, East of the Carta Valley Road, all within the Meliton Valdez Grant, Original Grantee, Abstract No. 3; such TRACT D-1 as shown on the Plat Drawing attached as "D-1 1,585 ac" to that certain Special Warranty Deed dated December 20, 2004, from Diane Marcum Brenan to Pinto Ranch, LP, recorded in Volume A-150, Page 307, Official Public Records, Kinney County, Texas, with the perimeter lines being the location of a livestock fence. The larger 5,332.311 acre tract is separately and more particularly described in a Special Warranty Deed dated December 31, 1992, filed February 5, 1993, under Clerk's File No. 47,938 and recorded in Volume A-101, Page 26, Official Public Records, Kinney, County, Texas.

TRACT D-2 (1,097 ACRES):

The SURFACE ESTATE ONLY in and to that certain TRACT D-2 containing approximately 1,097 acres of land out of that certain 5,332.311 acres of land situated in Kinney County, Texas, located generally on the South side of U.S. Highway 90, East of the Carta Valley Road, all within the Meliton Valdez Grant, Original Grantee, Abstract No. 3; such TRACT D-2 as shown on the Plat Drawing attached as "D-2 1,297 ac" to that certain Special Warranty Deed dated December 20, 2004, from Diane Marcum Brenan to Pinto Ranch, LP, recorded in Volume A-150, Page 307, Official Public Records, Kinney County, Texas, with the perimeter lines being the location of a livestock fence; SAVE & EXCEPT FROM TRACT D-2 that certain 200 acres ("200 Acres Out of Tract D-2") described in Special Warranty Deed fled June 25, 2002, under Clerk #57,349 and recorded in Volume A-137, Page 763, Official Public Records of Kinney County, Texas. The larger 5,332.311 acre tract is separately and more particularly described in a Special Warranty Deed dated December 31, 1992, filed February 5, 1993, under Clerk #47,938 and recorded in Volume A-101, Page 26, Official Public Records, Kinney, County, Texas.

TRACT D-3 (187 ACRES):

The SURFACE ESTATE ONLY in and to that certain TRACT D-3 containing approximately 187 acres of land out of that certain 5,332.311 acres of land situated in Kinney County, Texas, located generally on the South side of U.S. Highway 90, East of the Carta Valley Road, all within the Meliton Valdez Grant, Original Grantee, Abstract No. 3; such TRACT D-3 as shown on the Plat Drawing attached as "D-3 187 ac" to that certain Special Warranty Deed dated December 20, 2004, from Diane Marcum Brenan to Pinto Ranch, LP, recorded in Volume A-150, Page 307, Official Public Records, Kinney County, Texas, with the perimeter lines being the location of a livestock fence. The larger 5,332.311 acre tract is separately and more particularly described in a Special Warranty Deed dated December 31, 1992, filed

February 5, 1993, under Clerk #47,938 and recorded in Volume A-101, Page 26, Official Public Records, Kinney County, Texas.

TRACT D-4 (444 ACRES):

The SURFACE ESTATE ONLY in and to that certain TRACT D-4 containing approximately 444 acres of land out of that certain 5,332.311 acres of land situated in Kinney County, Texas, located generally on the South side of U.S. Highway 90, East of the Carta Valley Road, all within the Meliton Valdez Grant, Original Grantee, Abstract No. 3; such TRACT D-4 as shown on the Plat Drawing attached as "D-4 1,154 ac" to that certain Special Warranty Deed dated December 20, 2004, from Diane Marcum Brenan to Pinto Ranch, LP, recorded in Volume A-150, Page 307, Official Public Records, Kinney County, Texas, with the perimeter lines being the location of a livestock fence; SAVE & EXCEPT FROM TRACT D-4 that certain 710 acres ("710 Acres Out of Tract D-4") described in Special Warranty Deed filed February 12, 2004, under Clerk #58,976 and recorded in Volume A-146, Page 41, Official Public Records of Kinney County, Texas. The larger 5,332.311 acre tract is separately and more particularly described in a Special Warranty Deed dated December 31, 1992, filed February 5, 1993, under Clerk #47,938 and recorded in Volume A-101, Page 26, Official Public Records, Kinney County, Texas.

TRACT J-1 (774 ACRES):

The SURFACE ESTATE ONLY in and to that certain TRACT J-1 which survey shows to be approximately 774.2864 acres of land out of that certain 5,547.812 acres of land situated in Kinney County, Texas, located generally about ten miles N 68' W of the City of Brackettville, the County Seat, all within the Meliton Valdez Grant, Original Grantee, Abstract No. 3; such TRACT J-1 as shown on the Plat Drawing attached as "J-1 768 ac" to that certain Special Warranty Deed dated December 20, 2004, from Diane Marcum Brenan to Pinto Ranch, LP, recorded in Volume A-150, Page 307, Official Public Records, Kinney County, Texas, with the perimeter lines being the location of a livestock fence, through which runs the Pinto Creek, and adjacent to which tract is the Macie Standart Road; furthermore, such Tract J-2 is more particularly described in Special Warranty Deed dated April 1, 1993, filed April 26, 1993, under Clerk #48,153, and recorded in Volume A-101, Page 525, Official Public Records, Kinney County, Texas. The larger 5,547.812 acre tract is separately and more particularly described in Special Warranty Deed dated December 31, 1992, filed February 5, 1993, under Clerk #47,937 and recorded in Volume A-101, Page 17, Official Public Records, Kinney County, Texas.

TRACT J-2 (723 ACRES):

The SURFACE ESTATE ONLY in and to that certain TRACT J-2 containing approximately 723 acres of land out of that certain 5,547.812 acres of land situated in Kinney County, Texas, located generally about ten miles N 68' W of the City of Brackettville, the County Seat, all within the Meliton Valdez Grant, Original Grantee, Abstract No. 3; such TRACT J-2 as shown on the Plat Drawing attached as "J-2 723 ac" to that certain Special Warranty Deed dated December 20, 2004, from Diane Marcum Brenan to Pinto Ranch, LP, recorded in Volume A-150, Page 307, Official Public Records, Kinney County, Texas, with the perimeter lines being the location of a livestock fence, and adjacent to which tract is the Macie Standart Road. The

larger 5,547.812 acre tract is separately and more particularly described in Special Warranty Deed dated December 31, 1992, filed February 5, 1993, under Clerk #47,937 and recorded in Volume A-101, Page 17, Official Public Records, Kinney County, Texas.

TRACT J-3 (332 ACRES):

The SURFACE ESTATE ONLY in and to that certain TRACT J-3 containing approximately 332 acres of land out of that certain 5,547.812 acres of land situated in Kinney County, Texas, located generally about ten miles N 68' W of the City of Brackettville, the County Seat, all within the Meliton Valdez Grant, Original Grantee, Abstract No. 3; such TRACT J-3 as shown on the Plat Drawing attached as "J-3 332 ac" to that certain Special Warranty Deed dated December 20, 2004, from Diane Marcum Brenan to Pinto Ranch, LP, recorded in Volume A-150, Page 307, Official Public Records, Kinney County, Texas, with the perimeter lines being the location of a livestock fence. The larger 5,547.812 acre tract is separately and more particularly described in Special Warranty Deed dated December 31, 1992, filed February 5, 1993, under Clerk #47,937 and recorded in Volume A-101, Page 17, Official Public Records, Kinney County, Texas.

RALTON BAKER

TRACT 1:

Field Notes of a survey of 509.5724 acres of land, made for Pinto Creek Ranch Joint Venture.

Said 509.5724 acres of land lying and being situated in Kinney County, Texas; about ten miles N 68° W of the City of Brackettville, the County Seat, lying totally within the Meliton Valdez Grant, Abst. No. 3. Said 509.5724 acres of land being a portion of the Elaine Lord Conoly Estate Lands, known as No. 3, Tract 2, of the J. F. Beidler Estate Lands; and being a middle portion of a 7400.2481 acre tract, conveyed from the Estate of Elaine Lord Beidler Conoly to Pinto Creek Ranch Joint Venture, by General Warranty Deed dated April 16, 1987, and recorded in Vol. A-82, Page 788, of the Deed Records of said Kinney County, Texas; with said 509.5724 acres of land being more fully described by metes and bounds, as follows;

BEGINNING at a 5/8" Steel Pin set in fence, in the northeast R.O.W. line of U.S. Hwy. No. 90, the southwest line of said 7400.2481 acre tract, for the south corner of this tract; said 5/8" Steel Pin being distant 14,603.60 ft. N 62° 08' 08" W of the North corner of the Dolores Soto de Beales Grant, Abst. No. 1, the West corner of Sur. No. 417, Karnes County School Land, in the southeast line of said Meliton Valdez Grant (1-1/4" Capped Steel Pipe marked "N. COR. SOTO DE BEALES GRANT", set a 3-way fence corner post); and being distant 429.18 ft. N 70° 17' 21" W of a concrete Hwy. R.O.W. marker found in fence, at the P.T. of a circular curve in said R.O.W. line; and also being distant 88.75 ft. N 70° 17' 21" W of the center of a private road and entrance gate;

THENCE with fence, and the northeast R.O.W. line of said Hwy., along the southwest line of said 7400.2481 acre tract, and the southwest aide of this tract, N 70° 17' 21" W 1114.64 ft. to a 5/8" Steel Pin set at a 3-way fence corner post, for the west corner of this tract;

THENCE leaving said Hwy., and the southwest line of said 7400.2481 acre tract, and with fence, along the northwest said of this tract, N 14° 32' 47" E, passing under electric transmission lines, 9343.78 ft. to a 5/8" Steel Pin set in fence, in the southwest line of a 1530.8882 acre tract (West Pinto Ranch Company property), for the north corner of this tract;

THENCE with new fence, and the southwest line of said 1530.8882 acre tract, along the northeast side of this tract, S 72° 57' 01" E 3406.95 ft. to a 5/8" Steel Pin set at a fence post in fence, on the west side of said private gravelled road, in the southwest line of said 1530.8882 acre tract, for the east corner of this tract; said 5/8" Steel Pin being distant 46.45 ft. N 72° 57' 01" W of the south corner of said 1530.8882 acre tract;

THENCE leaving fence and the southwest line of said 1530.8882 acre tract, along the northwest aide of said private graveled road, and with the southeast aide of this tract, with 5/8" Steel Pin set at corners, as follows:

S 26° 15' 11" W, passing under said electric transmission lines, 7143.49 ft.;
S 42° 10' 23" W 1658.57 ft.; and

THENCE S 19° 42' 25" W 834.31 ft. to the PLACE OF BEGINNING.

SAVE AND EXCEPT 30.86 acres of land, more or less, being more particularly described in that certain Special Warranty Deed dated April 7, 2017, from Ralton Baker to DCP Sand Hills Pipeline, LLC, recorded in Volume 224, Page 127, Official Public Records of Kinney County, Texas.

TRACT 2:

Field Notes of a survey of 100.000 acres of land, made for Richard Holcomb and Richard Mendoza, et. al.

Said 100.000 acres of land lying and being situated in Kinney County, Texas; about thirteen miles N 62° W of the City of Brackettville, the County Seat, all lying within the Meliton Valdez Grant, Original Grantee, Abst. No. 3. Said 100.000 acres of land being a portion of a 5265.19 acre tract of the Elaine Lord Beidler Conoly Estate, known as Share No. 3, Tract 3, of the J. F. Beidler Estate Lands, as per survey made April - May 1956; and also being a south middle portion of an approximate 2453.590 acre tract, conveyed to Richard Holcomb, by James Mathews Conoly, by Special Warranty Deed dated July 2, 1994, and recorded in Vol. A-104, Page 261, of the Deed Records of said Kinney County, Texas. Said 100.000 acres of land being bounded on the west by the John Mendoza 300.000 acre tract, as recorded in Vol. A-104, Page 658, of the Deed Records of said Kinney County, Texas; on the north by the Edward Mendoza 110.723 acre tract, as recorded in Vol. A-106, Page 579, of the Deed Records of said Kinney County, Texas; on the east by a second 100.000 acre tract (for deed to Larry Perez - - same being the middle portion of said 2453.590 acre tract); and on the south by a third 100.000 acre tract (for deed to John Mendoza, Jr. - - same being a south middle portion of said 2453.590 acre tract), and a fourth 100.000 acre tract (previously surveyed by me, but not yet of record - - same being a south middle portion of said 2453.590 acre tract); with said 100.000 acres of land being more fully described by metes and bounds, as follows:

BEGINNING at a 5/8" Steel Pin set in the east line of said 300.000 acre tract, at the S.W. corner of said 110.723 acre tract, for the N.W. corner of this tract; said 5/8" Steel Pin being distant 3358.49 ft. S 88° 48' 10" E of another 5/8" Steel Pin set at a 3-way fence corner post, in the northwest line of said Meliton Valdez Grant, at the N.W. corner of said 2453.590 acre tract, the S.W. corner of an approximate 1825.18 acre tract, as conveyed to Richard Holcomb, by James Mathews Conoly and Diane Conoly Marcum, by Special Warranty Deed dated July 2, 1994, and recorded in Vol. A-104, Page 250, of the Deed Records of said Kinney County; and also being distant 15,614.79 ft. S 23° 59' 04" W of a 5/8" Steel Pin set at a fence corner post at the north corner of said Meliton Valdez Grant;

THENCE leaving the east line of said 300.000 acre tract, and with the south line of said 110.723 acre tract, along the north side of this tract, S 84° 23' 45" E, at 3116.61 ft. cross the west R.O.W. line of a 50.00 ft. wide road easement (for access to U.S. Hwy. No. 90), crossing an existing road; total 3166.61 ft to a 5/8" Steel Pin set in the east R.O.W. line of said road easement, the west line of said second 100.000 acre tract, at the S.E. corner of said 110.723 acre tract, for the N.E. corner of this tract;

THENCE with the east R.O.W. line of said road easement, along the west line of said second 100.000 acre tract, and the east side of this tract, S 05° 36' 15" W 1375.60 ft. to a 5/8" Steel Pin set at the N.E. corner of said third 100.000 acre tract, for the S.E. corner of this tract;

THENCE leaving the east R.O.W. line of said 50.00 ft. wide road easement, and the west line of said second 100.000 acre tract, and with the north lines of said third 100.000 acre tract, and said fourth 100.000 acre tract, respectively, along the south side of this tract, N 84° 23' 45" W re-crossing said existing road, at 50.00 ft. cross the west R.O.W. line of said 50.00 ft. wide road easement; at 1498.74 ft. pass a 5/8" Steel Pin set at the N.W. corner of said third 100.000 acre tract, the N.E. corner of said fourth 100.000 acre tract; total 3166.61 ft. to a 5/8" Steel Pin set in the east line of said 300.000 acre tract, at the N.W. corner of said fourth 100.000 acre tract, for the S.W. corner of this tract;

THENCE with the east line of said 300.000 acre tract, along the west side of this tract, N 05° 36' 15" E 1375.60 ft to the place of BEGINNING.

TRACT 3:

Field Notes of a survey of 100.000 acres of land, made for Richard Holcomb.

Said 100.000 acres of land lying and being situated in Kinney County, Texas; about thirteen miles N 62° W of the City of Brackettville, the County Seat, all lying within the Meliton Valdez Grant, Original Grantee, Abst. No. 3. Said 100.000 acres of land being a portion of a 5265.18 acre tract of the Elaine Lord Beidler Conoly Estate, known as Share No. 3, Tract 3, of the J. F. Beidler Estate Lands, as per survey made April - May 1956; and also being a south middle portion of an approximate 2453.590 acre tract, as conveyed to Richard Holcomb, by James Mathews Conoly, by Special Warranty Deed dated July 2, 1994, and recorded in Vol. A-104, Page 261, of the Deed Records of said Kinney County, Texas. Said 100.000 acres of land being bounded on the west by the John Mendoza 300.000 acre tract, as recorded in Vol. A-104, Page 658, of the Deed Records of said Kinney County; on the north by a second 100.000 acre tract (for deed to Edward Mendoza, et. al. - - same being a middle portion of said 2453.590 acre tract); on the east by a third 100.000 acre tract (for deed to John Mendoza - -

same being the south middle portion of said 2453.590 acre tract); and on the south by the north R.O.W. line of U.S. Hwy. No. 90; with said 100.000 acres of land being more fully described by metes and bounds, as follows:

BEGINNING at a 5/8" Steel Pin set in fence, in the north R.O.W. line of said U.S. Hwy. No. 90, the south line of said 2453.590 acre tract, at the S.E. corner of said 300.000 acre tract, for the S.W. corner of this tract; said 5/8" Steel Pin being distant 4185.39 ft. S 66° 53' 25" E (with fence, property line, and said R.O.W. line] of another 5/8" Steel Pin set at a 3-way fence corner post, at the S.S.W. corner of said 2453.590 acre tract; and also being distant 19,238.91 ft. S 20° 25' 57" W of a 5/8" Steel Pin set at a fence corner post at the north corner of said Meliton Valdez Grant;

THENCE leaving fence, the north R.O.W. line of said U.S. Hwy. No. 90, and the south line of said 2453.590 acre tract, and with the east line of said 300.000 acre tract, along the west side of this tract, N 05° 36' 15" E 2404.40 ft. to a 5/8" Steel Pin set at the S.W. corner of said second 100.000 acre tract, for the N.W. corner of this tract;

THENCE leaving the east line of said 300.000 acre with the south line of said second 100.000 acre tract, north side of this tract, S 84° 23' 45" E 1667.87 ft. to a 5/8" Steel Pin set at the N.W. corner of said third 100.000 for the N.E. corner of this tract;

THENCE leaving the south line of said second 100.000 acre tract, and with the west line of said third 100.000 acre tract, along the east side of this tract, S 05° 36' 15" W 2772.96 ft. to a 5/8" Steel Pin set in fence, in the north R.O.W. line of said U.S. Hwy. No. 90, in the south line of said 2153.590 acre tract, at the S.W. corner of said third 100.000 acre tract, for the S.E. corner of this tract;

THENCE along fence, and with the north R.O.W. line of said U.S. Hwy. No. 90, along the south line of said 2453.590 acre tract, and the south side of this tract, as follows:

N 74° 18' 30" W 754.67 ft. to a concrete Hwy. R.O.W. marker found for corner, at the beginning of a circular curve to the right;

THENCE with the arc of said curve to the right, whose central angle is 07° 24' 13"; whose radius is 5618.21 ft.; whose chord bears N 71° 03' 40" W 725.47 ft., a curve length of 725.97 ft. to a concrete Hwy. R.O.W. marker found for corner, at the end of said curve; and

THENCE N 66° 53' 25" W 229.60 ft. to the place of BEGINNING.

TRACT 4:

Field Notes of a survey of 100.000 acres of land, made for Richard Holcomb.

Said 100.000 acres of land lying and being situated in Kinney County, Texas; about thirteen miles N 62° W of the City of Brackettville, the County Seat, lying all within the Meliton Valdez Grant, Original Grantee, Abst. No. 3. Said 100.000 acres of land being a portion of a 5265.18 acre tract of the Elaine Lord Beidler Conolly Estate, known as Share No. 3, Tract 3, of the J. F. Beidler Estate Lands, as per survey made April - May 1956; and also being a south middle portion of an approximate 2453.590 acre tract, as conveyed to Richard Holcomb, by

James Mathews Conoly, by Special Warranty Deed dated July 2, 1994, and recorded in Vol. A-104, Page 261, of the Deed Records of said Kinney County, Texas. Said 100.000 acres of land being bounded on the west by a 100.000 acre tract (a south middle portion of said 2453.590 acre tract); on the north by another 100.000 acre tract (a middle portion of said 2453.590 acre tract); on the east by a 100.000 acre tract (for deed to Kim Howell -- a middle portion of said 2453.590 acre tract) and the Don Davis 300.000 acre tract, as recorded in Vol. A-104, Page 702, of the Deed Records of said Kinney County; and on the south by the north R.O.W. line of U.S. Hwy. No. 90; with said 100.000 acres of land being more fully described by metes and bounds, as follows:

BEGINNING at a 5/8" Steel Pin set in fence, in the north R.O.W. line of said U.S. Hwy. No. 90, the south line of said 2453.590 acre tract, at the S.E. corner of 50.00 ft. wide road easement, at its south terminal, for the S.W. corner of said 300.000 acre tract, and the S.E. corner of this tract; said 5/8" Steel Pin being distant 6407.71 ft. N 74° 17' 32" W (with fence and property line) of another 5/8" Steel Pin set at a fence corner post, at the S.S.E. corner of said 2453.590 acre tract; and also being distant 19,313.86 ft. S 10° 49' 26" W of a 5/8" Steel Pin set at a fence corner post at the north corner of said Meliton Valdez Grant,

THENCE with fence and the north R.O.W. line. of said U.S. Hwy. No. 90, along the south line of said 2453.590 acre tract, and the south side of this tract, N 74° 17' 32" W at 50.79 ft. pass the S.W. corner of said 50.00 ft. wide road easement; total 1352.44 ft. to a 4" square concrete Hwy. R.O.W. marker, for corner; and N 74° 18' 30" W 169.90 ft. to a 5/8" Steel Pin set in fence, at the S.E. corner of said west 100.000 acre tract, for the S.W. corner of this tract;

THENCE leaving fence, the north R.O.W. line of said U.S. Hwy. No. 90, and the south line of said 2453.590 acre tract, and with the east line of said west 100.000 acre tract, along the west side of this tract, N 05° 36' 15" E 2772.96 ft. to a 5/8" Steel Pin set in the south line of said north 100.000 acre tract, at the N.E. corner of said west 100.000 acre tract, for the N.W. corner of this tract;

THENCE with the south line of said north 100.000 acre tract, along the north side of this tract, S 84° 23' 45" E, at 1448.74 ft. cross the west R.O.W. line of said 50.00 ft. wide road easement; total 1498.74 ft to a 5/8" Steel Pin set in the east R.O.W. line of said road easement, the west line of said Howell 100.000 acre tract, at the S.E. corner of said north 100.000 acre tract, for the N.E. corner of this tract;

THENCE with the east R.O.W. line of said road. easement, the west lines of said Howell 100.000 acre tract and said 300.000 acre tract, respectively, along the east side of this tract, S 05° 36' 15" W at 257.95 ft. pass a 5/8" Steel Pin set at the S.W. corner of said Howell 100.000 acre tract, the N.W. corner of said 300.000 acre tract; total 3039.97 ft. to the place of BEGINNING.

TRACT 5:

Field Notes of a survey of 110.723 acres of land, made for Richard Holcomb.

Said 110.723 acres of land lying and being situated in Kinney County, Texas; about thirteen miles N 62° W of the City of Brackettville, the County Seat, all lying within the Meliton Valdez Grant, Original Grantee, Abst. No. 3. Said 110.723 acres of land being a portion of a 5265.18 acre tract of the Elaine Lord Beidler Conoly Estate, known as Share No. 3. Tract 3 of

the J. F. Beidler Estate Lands, as per survey made April - May 1956; and also being a north middle portion of an approximate 2453.590 acre tract, as conveyed to Richard Holcomb, by James Mathews Conoly, by Special Warranty Deed dated July 2, 1994, and recorded in Vol. A-104, Page 261, of the Deed Records of said Kinney County, Texas. Said 110.723 acres of land being bounded on the north by an approximate 1825.18 acre tract, as conveyed to Richard Holcomb, by James Mathews Conoly and Diane Conoly Marcum, by Special Warranty Deed dated July 2, 1994, and recorded in Vol. A-104, Page 250, of the Deed Records of said Kinney County; on the east by a 162.725 acre tract (a north middle portion of said 2453.590 acre tract) and a 100.000 acre tract (for deed to Kim Howell); on the south by a Richard Holcomb 100.000 acre tract (a middle portion of said 2453.590 acre tract); and on the west by the John Mendoza 300.000 acre tract, as recorded in Vol. A-104, Page 658, of the Deed Records of said Kinney County; with said 110.723 acres of land being more fully described by metes and bounds, as follows:

BEGINNING at a 5/8" Steel Pin set in fence, in the south line of said 1825.18 acre tract, the north line of said 2453.590 acre tract, at the N.E. corner of said 300.000 acre tract, for the N.W. corner of this tract; said 5/8" Steel Pin being distant S 63° 39' 07" E of said 3413.31 ft., N 74° 26' 44" E (both with fence and property line) of another 5/8" Steel Pin set at a 3-way fence corner post, in the northwest line of said Meliton Valdez Grant, at the S.W. corner of said 1825.18 acre tract, the N.W. corner of said 2453.590 acre tract; and also being distant 14,752.74 ft. S 25° 06' 02" W of a 5/8" Steel Pin set at a fence corner post at the north corner of said Meliton Valdez Grant;

THENCE with fence, the south line of said 1825.18 acre tract, and the north line of said 2453.590 acre tract, along the north side of this tract, N 74° 26' 44" E 1236.07 ft. to a 5/8" Steel Pin set at a fence post, for corner, and N 74° 31' 37" E, at 2104.68 ft. cross the west R.O.W. line of a 50.00 ft. wide road easement (to U.S. Hwy. No. 90); total 2158.27 ft to a 5/8" Steel Pin set in fence, in the east R.O.W. line of said 50.00 ft. wide road easement, at the N.W. corner of said 162.725 acre tract, for the N.E. corner of this tract:

THENCE leaving the south line of said 1825.18 acre tract, the north line of said 2453.590 acre tract, and with the east R.O.W. line of said road easement, the west line of said 162.725 acre tract and said Howell 100.000 acre tract, respectively, along the east side of this tract, S 05° 36' 15" W, at 1483.43 ft. pass a 5/8" Steel Pin set at the S.W. corner of said 162.725 acre tract, the N.W. corner of said Howell 100.000 acre tract; total 2133.67 ft. to a 5/8" Steel Pin set in the east R.O.W. line of said road easement, the west line said Howell 100.000 acre tract, at the N.E. corner of said Holcomb 100.000 acre tract, for the S.E. corner of this tract; said 5/8" Steel Pin being distant 4415.57 ft. N 05° 36' 15" E (With said east R.O.W. line) of the north R.O.W. line of said U.S. Hwy. No. 90;

THENCE leaving the east R.O.W. line of said road easement, and the west line of said Howell 100.000 acre tract, and with the north line of said Holcomb 100.000 acre tract, along the south side of this tract, N 84° 23' 45" W, at 50.00 ft. cross the west R.O.W. line of said road easement; total 3166.61 ft. to a 5/8" Steel Pin set in the east line of said 300.000 acre tract, at the N.W. corner of said Holcomb 100.000 acre tract, for the S.W. corner of this tract;

THENCE with the east line of said 300.000 acre tract, along the west side of this tract, N 05° 36' 15" E 911.35 ft. to the place of BEGINNING; containing a gross acreage of 110.723

acres, with 2.438 acres lying within the R.O.W. of said 50.00 ft. wide road easement, leaving a net acreage of 108.285 acres.

TRACT 6:

Field Notes of a survey of the east R.O.W. line of a 50.00 ft. wide road easement, made for Richard Holcomb.

Said 50.00 ft. wide road easement lying and being situated in Kinney County, Texas; about thirteen miles N 62° W of the City of Brackettville, the County Seat, all lying within the Meliton Valdez Grant, Original Grantee, Abst. No. 3. Said 50.00 ft. wide road easement being a middle portion of a 5265.18 acre tract of the Elaine Lord Beidler Conoly Estate, known as Share No. 3, Tract 3, of the J. F. Beidler Estate Lands, as per survey made April - May 1956; and also being a middle portion of an approximate 2453.590 acre tract, as conveyed to Richard Holcomb, by James Mathews Conoly, by Special warranty Deed dated July 2, 1994, and recorded in Vol. A-104, Page 261, of the Deed Records of said Kinney County, Texas. Said 50.00 ft. wide road easement extending from the north R.O.W. line of U.S. Hwy. No. 90, in the south line of said 2453.590 acre tract, in a northerly direction, to the north line of said 2453.590 acre tract, the south line of an approximate 1825.18 acre tract, as conveyed to Richard Holcomb, by James Mathews Conoly and Diane Conoly Marcum, by Special Warranty Deed dated July 2, 1994, and recorded in Vol. A-104, Page 250, of the Deed Records of said Kinney County, at the N.E. corner of said Edward Mendoza 110.723 acre tract, the N.W. corner of a 162.725 acre tract (a north middle portion of said 2453.590 acre tract), the S.W. corner of a 204.600 acre tract (for deed to Greg Saman - - the S.E. portion of said 1825.18 acre tract), and the S.E. corner of a 300.534 acre tract (S.W. portion of said 1825.18 acre tract); with the east R.O.W. line of said 50.00 ft. wide road easement being more fully described by metes and bounds, as follows:

BEGINNING at a 5/8" Steel Pin set in fence, in the north R.O.W. line of said U.S. Hwy. No. 90, the south line of said 2453.590 acre tract, at the S.W. corner of the Don Davis 300.000 acre tract, as recorded in Vol. A-104, Page 702, of the Deed Records of said Kinney County, the S.E. corner of a 100.000 acre tract (for deed to John Mendoza, Jr. - - a south middle portion of said 2453.590 acre tract), for the S.E. corner of this 50.00 ft. wide road easement, at its south terminal; said 5/8" Steel Pin being distant 6407.71 ft. N 74° 17' 32" W (with fence, property line, and the north R.O.W. line of said U.S. Hwy. No. 90) of another 5/8" Steel Pin set at a fence corner post, at the S.S.E. corner of said 2453.590 acre tract; and also being distant 19,313.86 ft. S 10° 49' 26" W of a 5/8" Steel Pin set at a fence corner post at the north corner of said Meliton Valdez Grant;

THENCE leaving fence, the north R.O.W. line of said U.S. Hwy. No. 90, and the south line of said 2453.590 acre tract, and with the east R.O.W. line of this 50.00 ft. wide road easement, as follows:

N 05° 36' 15" E, at 2102.02 ft. pass a 5/8" steel Pin set at the N.W. corner of said 300.000 acre tract, the S.W. corner of the Kim Howell 100.000 acre tract (a middle portion of said 2453.590 acre tract); at 3039.97 ft. pass a 5/8" Steel Pin set at the N.E. corner of said Mendoza 100.000 acre tract, the S.E. corner of a second 100.000 acre tract (a middle portion of said 2453.590 acre tract); at 4415.57 ft. pass a 5/8" Steel Pin set at the N.E. corner of said second 100.000 acre tract, the S.E. corner of said 110.723 acre tract (for deed to Edward

Mendoza); at 5065.01 ft., pass a 5/8" Steel Pin set at the N.W. corner of said Howell 100.000 acre tract, the S.W. corner of a 162.725 acre tract (a north middle portion of said 2453.590 acre tract); total 6549.24 ft to a 5/8" Steel Pin set in fence, in the north line of said 2453.590 acre tract, the south line of said 1825.18 acre tract, at the N.E. corner of said 110.723 acre tract, the N.W. corner of said 162.725 acre tract, the S.W. corner of said 204.600 acre tract, and the S.E. corner of said 300.534 acre tract, for the N.E. corner and end of this easement.

TRACT 7:

Field Notes of a perimeter survey of 150.000 acres of land, made for Richard Holcomb.

Said 150.000 acres of land lying and being situated in Kinney County, Texas; about thirteen miles N 62° W of the City of Brackettville, the County Seat, all lying within the Meliton Valdez Grant, Original Grantee, Abst. No. 3. Said 150.00 acres of land being a portion of a 5265.18 acre tract of the Elaine Lord Beidler Conoly Estate, known as Share No. 3, Tract 3, of the J. F. Beidler Estate Lands, as per survey made April - May 1956; and also being the west middle portion of an approximate 2453.590 acre tract, as conveyed to Richard Holcomb, by James Mathews Conoly, by Special Warranty Deed dated July 2, 1994, and recorded in Vol. A-104, Page 261, of the Deed Records of said Kinney County, Texas. Said 150.00 acres of land being bounded on the north by the Daniel J. Saenz 100.000 acre tract, as recorded in Volume A-106, Page 396, of the Deed Records of said County, and the Edward A. Zadik, Jr. 100.000 acre tract, as recorded in Volume A-110, Page 49, of the Official Public Records of said County; on the upper east by the Edward Mendoza 110.723 acre tract, as recorded in Volume A-106, Page 579, of the Deed Records of said County; on the middle east by a third 100.000 acre tract (for deed to Edward Mendoza, et al. – a middle portion of said 2453.590 acre tract); on the south by the north R.O.W. line of U.S. Hwy. No. 90; and on the west by a second 150.000 acre tract (for deed to Calvin J. Phelps – the west portion of said 2453.590 acre tract). Said 150.000 acres of land being more fully described by metes and bounds, as follows:

BEGINNING at a 5/8" Steel Pit set in fence, in the north R.O.W. line of said U.S. Hwy. No. 90, in the south line of said 2453.590 acre tract, at the S.E. corner of said Phelps 150.000 acre tract, for the S.W. corner of this tract; said 5/8" Steel Pin being distant 2077.73 ft. S 66° 53' 25" E (with fence and said R.O.W. line) of another 5/8" Steel Pin set at a 3-way fence corner post, at the S.S.W. corner of said 2453.590 acre tract;

THENCE leaving fence, the north R.O.W. line of said U.S. Hwy. No. 90, and the south line of said 2453.590 acre tract, and with the east side of said Phelps 150.000 acre tract, along the west side of this tract, with dozed and staked line, N 21° 52' 53" E 2262.45 ft. to a 5/8" Steel Pin set for corner, and N 05° 36' 15" E, passing 150 ft. east of the east edge of an existing earthen tank, 1355.20 ft. to a 5/8" Steel Pin set near fence, in the north line of said 2453.590 acre tract, the south line of said Saenz 100.000 acre tract, same being the south line of an approximate 1825.18 acre tract (conveyed to Richard Holcomb, by James Mathews Conoly and Diane Conoly Marcum, by Special Warranty Deed dated July 2, 1994, and recorded in Vol. A-104, Page 250, of the Deed Records of said Kinney County), at the N.E. corner of said Phelps 150.000 acre tract, for the N.W. corner of this tract;

THENCE with fence, and the south line of said 1825.18 acre tract, same being the south line of said Saenz 100.000 acre tract and said Zadik 100.000 acre tract, respectively, along the north line of said 2453.590 acre tract, and the north side of this tract, N 74° 26' 44" E, at 650.52 ft. pass a 5/8" Steel Pin set near fence, at the S.E. corner of said Saenz 100.000 acre tract, the S.W. corner of said Zadik 100.000 acre tract; total 1472.00 ft. to 5/8" Steel Pin set near fence, in the south line of said Zadik 100.000 acre tract, at the N.W. corner of said Mendoza 100.723 acre tract, for the N.E. corner of this tract;

THENCE leaving fence, the south line of said Zadik 100.000 acre tract, same being the south line of said 1825.18 acre tract, and the north line of said 2453.590 acre tract, and with the west lines of said Mendoza 110.723 acre tract, said third 100.000 acre tract, and said fourth 100.000 acre tract, respectively, along the east side of this tract, crossing said 2453.590 acre tract, S 05° 36' 15" W, at 911.35 ft. pass a 5/8" Steel Pin set at the S.W. corner of said 110.723 acre tract, the N.W. corner of said third 100.000 acre tract, at 2286.95 ft. pass a 5/8" Steel Pin set at the S.W. corner of said third 100.000 acre tract, the N.W. corner of said fourth 100.000 acre tract; total 4691.35 ft. to a 5/8" Steel Pin set in fence, in the north R.O.W. line of said U.S. Hwy. No. 90, in the south line of said 2453.590 acre tract, at the S.W. corner of said fourth 100.000 acre tract, for the S.E. corner of this tract;

THENCE with fence and the north R.O.W. line of said U.S. Hwy. No. 90, along the south line of said 2453.590 acre tract, and the south side of this tract, N 66° 53' 25" W 2107.66 ft. to the place of BEGINNING.

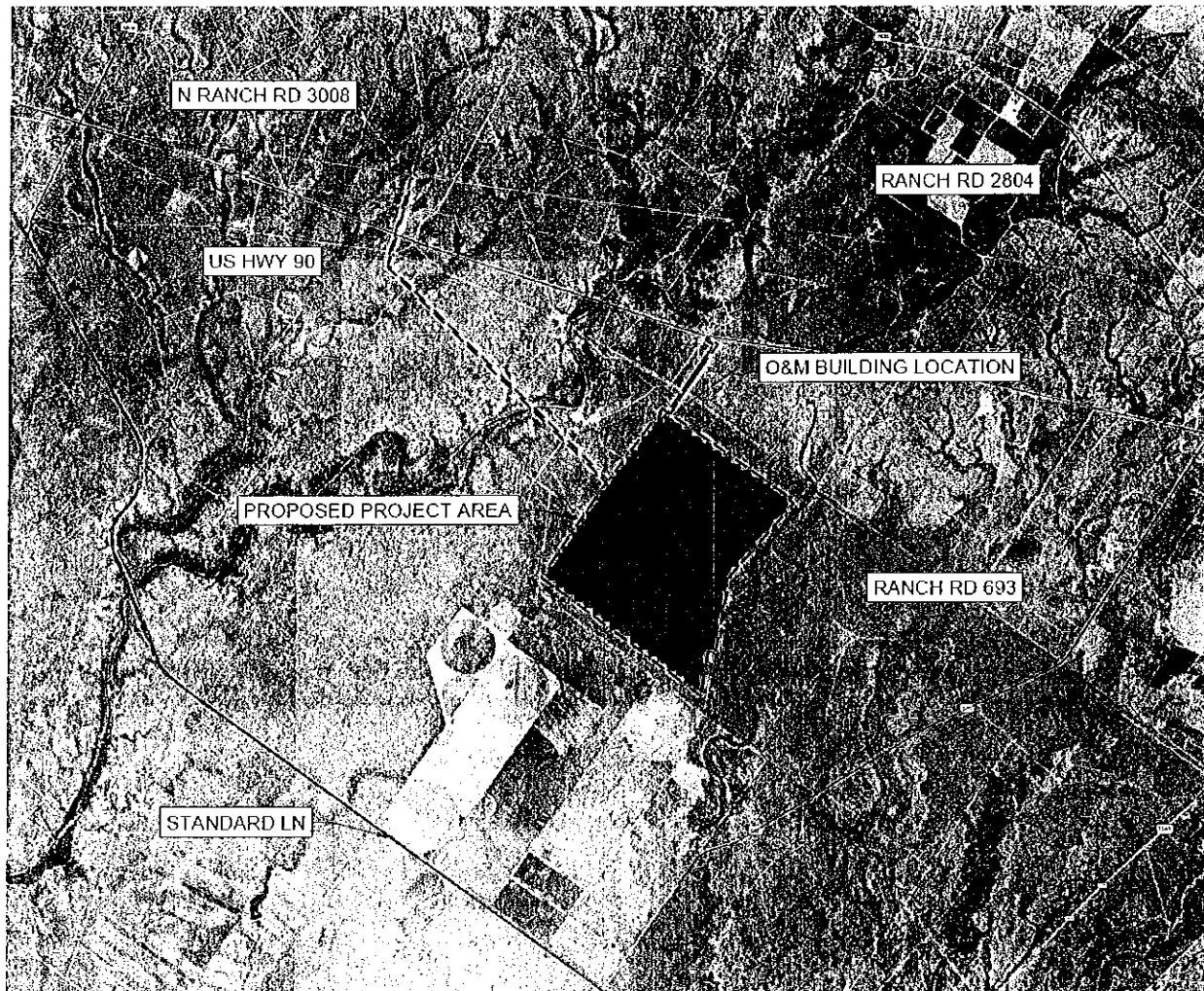


EXHIBIT B

The Project is a photovoltaic power generation facility with an estimated capacity of 160 MW and an estimated capital investment cost of \$145,000,000. The Project seeks to develop and interconnect 160 MW of power into the ERCOT market. It is located on approximately 1,800 acres of contiguous land located entirely within Kinney County.

The Project also includes a 138 kV transmission line to connect the 160 MW solar project to the LCRA Pinto Creek Substation.

The Project will consist of approximately 1.9 million solar PV modules, connected to form strings, which are subsequently connected in parallel and mounted on rows of horizontal, single axis trackers. The Project will also feature central power inverters and transformers to convert DC power to AC electricity. Owner intends to connect 138 kV LCRA TX Line known as “Hamilton Road” to Brackettville 138 kV. All improvements will remain within the Project boundary and within the Kinney County Enterprise Zone.

Additional improvements on the Project include:

- Solar PV modules;
- DC-to-AC inverters;
- Tracker racking system (mounting structures);
- Medium- and high-voltage electric cabling;
- Project substation, consisting of a high voltage transformer, switchgear, transmission equipment, telecommunications and SCADA equipment;
- Operations and maintenance building including telecommunications and computing equipment and spare parts;
- Meteorological equipment to measure solar irradiance and other weather conditions;
- Associated equipment to safely operate, maintain, and deliver electricity to the grid.

EXHIBIT C

ABATEMENT SCHEDULE

Abatement Year	Abatement Percentage
1	40%
2	40%

3	40%
4	40%
5	40%
6	40%
7	40%
8	40%
9	40%
10	40%

EXHIBIT D

Drug Testing Policy

All personnel working on the Project will be subject to drug testing policy listed below or a similar policy.

1. Owner and contractors shall implement a zero-tolerance policy to prohibit and prevent the use or consumption of alcoholic beverages, drugs or other mind-altering substances at the Site.
2. Owner and contractors shall (a) adopt appropriate work rules that prohibit the use of illegal drugs or alcohol on the Site, (b) prohibit persons from entering the Site while under the influence of illegal drugs or alcohol and (c) have the right to perform appropriate drug testing on all persons having access to the Site with mandatory drug testing on all persons post-accident.
3. Owner shall promptly notify contractor if Owner has reasonable grounds for suspecting that any persons is under the influence of alcohol or illegal drugs at the Site or while performing the Work.
4. All personnel working on the project shall submit to a site-specific pre-employment drug screen no more than 48 hrs. prior to beginning work on the site.
5. Random drug tests shall be conducted monthly at a rate of 5% of employees, including management, or more frequently as deemed needed. All contractors as well as their sub-tiers of contractors will also be required to meet this requirement.
6. If concerns are raised by the County of reliable sources of specific individuals under the influence of illegal drugs, drug testing of suspected individuals shall occur.

