

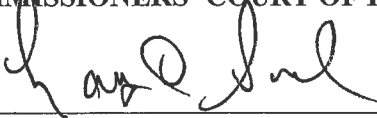
**NOTICE OF MEETING OF THE COMMISSIONERS' COURT OF  
HOCKLEY COUNTY, TEXAS**

Notice is hereby given that a Special meeting of the above named Commissioners' Court will be held on the 30<sup>TH</sup> day of September, 2013, at 10:00 A.M. in the Commissioners' Courtroom, Hockley County Courthouse, Levelland, Texas, at which time the following subjects will be discussed to-wit:

1. Read for approval the minutes of a Special Meeting of the Commissioners' Court held Monday, September 23, 2013.
2. Read for approval all monthly bills and claims submitted to the court and dated through September 30, 2013.
3. Consider and take necessary action to award bid for pickups for use in Precincts 2, 3 and 4.
4. Consider and take necessary action to approve the purchase by the Juvenile Board of the building at 613 Ave. G.
5. Consider and take necessary action to advertise for bids for demolition at 624 Ave. H.
6. Consider and take necessary action to approve the Oil and Gas Lease between City of Levelland , Lessor and Cimarex Energy Co., Lessee.
7. Consider and take necessary action to approve the road bore on Hartford Road for Socorro Exploration.
8. Consider and take necessary action to engage Efficiency Energy Services for the retrofit of lighting for Hockley County owned buildings.
9. Consider and take necessary action to revise the advisory committee concerning the use of property at 624 Ave. H, Levelland, Texas.

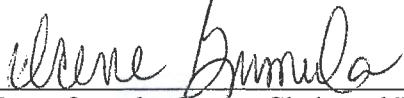
**COMMISSIONERS' COURT OF HOCKLEY COUNTY, TEXAS**

BY:

  
Hockley County Judge

I, the undersigned County Clerk, do hereby certify that the above Notice of Meeting of the above named Commissioners' Court, is a true and correct copy of said Notice on the bulletin board at the Courthouse, and at the east door of the Courthouse of Hockley County, Texas, as place readily accessible to the general public at all times on the 27<sup>TH</sup> day of September, 2013, and said Notice remained so posted continuously for at least 72 hours preceding the scheduled time of said meeting.

Dated this 27<sup>TH</sup> day of September, 2013.

  
Irene Gumula, County Clerk, and Ex-Officio  
Clerk of Commissioners' Court, Hockley County, Texas

FILED FOR RECORD  
AT \_\_\_\_\_ O'CLOCK \_\_\_\_\_ M.

**SEP 27 2013**

  
County Clerk, Hockley County, Texas

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SPECIAL MEETING  
SEPTEMBER 30, 2013

Be it remembered that on this the 30<sup>th</sup> day of September A.D. 2013, there came on to be held a Special meeting of the Commissioners' Court, and the Court having convened in Special session at the usual meeting place thereof at the Courthouse in Levelland, Texas, with the following members present to-wit:

Larry Sprowls	County Judge
Curtis D. Thrash	Commissioner Precinct No. 1
Larry Carter	Commissioner Precinct No. 2
J. L. "Whitey" Barnett	Commissioner Precinct No. 3
Thomas R "Tommy" Clevenger	Commissioner Precinct No. 4

Irene Gumula, County Clerk, and Ex-Officio Clerk of Commissioners' Court when the following proceedings were had, to-wit:

Motion by Commissioner Barnett, seconded by Commissioner Thrash, 4 Votes Yes, 0 Votes No, that the Minutes of a Special meeting of the Commissioners' Court, held on the 23<sup>rd</sup> day of September A.D. 2013, be approved and stand as read.

Motion by Commissioner Carter, seconded by Commissioner Thrash, 4 Votes Yes, 0 Votes No, that all monthly claims and bills, submitted to the Court, and dated through September 30<sup>th</sup>, A.D. 2013, be approved and paid as read.

Motion by Commissioner Barnett, seconded by Commissioner Carter, 4 Votes Yes, 0 Votes No, that Commissioners' Court grant permission and authority to Socorro Exploration to lay, construct, operate and maintain 2" poly pipelines transporting salt water under and across certain county roads, situated in Commissioners' Precinct No. 3, Hockley County, Texas as set forth in the below recorded Petition, Exhibit and Order of the Court.

RECORD, PETITION, EXHIBIT AND ORDER OF THE COURT

BEFORE THE HONORABLE BOARD OF COUNTY COMMISSIONERS  
HOCKLEY COUNTY, TEXAS

IN THE MATTER OF THE APPLICATION OF SOCORRO Expl., FOR  
AUTHORITY TO USE A PART OF THE PUBLIC ROADS OF HOCKLEY COUNTY, TEXAS

PETITION

Comes now, the Petitioner, SOCORRO, and petitions this Honorable Board for the right and authority to lay, construct, operate and maintain 2" poly pipelines under and across certain county roads situated in Hockley County, Texas, which said pipelines are to be used for the purpose of transporting SALT WATER from the Petitioner's sources of supply to Petitioner's markets.

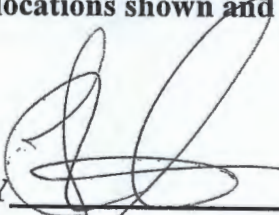
The location of the points at which Petitioner wishes to undercross said county roads with said pipelines and the general specifications are more particularly described on a map marked Exhibit "A" and general specifications marked Exhibit "B", all of which are attached hereto and made a part of this application. Petitioner represents and states that if granted the authority herein requested, it will conform with and abide by the rules of all persons and bodies having jurisdiction and by the following conditions:

1. The Petitioner shall, in constructing said pipelines undercrossings cause the very minimum of inconvenience and obstruction of public travel along said roads, and, further, shall operate and maintain said pipelines undercrossings in a manner so as not to inconvenience, endanger or obstruct public travel along said roads.
2. Upon the completion of each pipelines undercrossing constructed hereunder Petitioner shall immediately backfill, re-construct and replace the portions of the roads across which said pipelines are laid and constructed so that such roads shall be in equally as good a condition as prior to such construction.
3. So long as said pipelines are maintained and operated under said roads Petitioner shall be responsible for doing any work which, due to the existence of said pipelines undercrossings, needs to be done on said roads at the location thereof, all in order to maintain said roads, at such points, in a condition equal to other portions of said county roads.
4. Should Petitioner remove said pipelines from any of said roads, it will replace and recondition the road concerned, at the location of said removal, in substantially the same condition as it was prior to such removal, all liability of Petitioner for the maintenance and reconditioning of such roads shall cease as soon after such removal as the COUNTY OF HOCKLEY has approved the maintenance and reconditioning work done by Petitioner.
5. Petitioner agrees that if at any time the County of Hockley shall deem it necessary to make any improvements or changes on all of or any part of the right of way of the county roads which affect the Utility as located under this order, then and in such event, the Petitioner or his Assignee shall make such reasonable changes of its facilities located within such right of way as may be deemed necessary, such work to be done without cost to Hockley County, Texas.
6. The construction or laying of said pipelines by Petitioner hereunder shall be considered and shall constitute and acceptance of this order and of all of the terms and conditions herein set forth.
7. Petitioner agrees that if at any time the County of Hockley deems it necessary that these crossings be encased in accordance with the then existing State Highway specifications, Petitioner agrees to do so at its own expense.

Wherefore, your Petitioner respectfully prays that your Honorable Board enter and order herein authorizing Petitioner to use and occupy the portions of the roads in Hockley County, Texas, more particularly herein above set out and described and at the locations shown and set out in said Exhibits "A" and "B" attached to this application.

DATED this 14 day of Sept, 2013

BY

  
FRANK SWAIN

SOCORRO HAS A 2" POLY WATER LINE IN SERVICE ROAD ON THE WEST SIDE OF BLACKTOP COUNTY "HARTFORD" GOING NORTH + SOUTH. SOCORRO DRILLED A NEW OIL WELL + BUILT TANK BATTERY TO HOLD OIL + SALT WATER. THE WELL + TANK BATTERY ARE ON EAST OF "HARTFORD". THEY NEED TO DO A ROAD BORE UNDER "HARTFORD" TO GET PRODUCED WATER FROM EAST SIDE OVER + WEST SIDE. THEY WILL PUT STEEL CONDUIT UNDER HIGHWAY AND PUT 2" POLY LINE THROUGH IT TO TANK SET THEIR



BEFORE THE HONORABLE BOARD OF COUNTY COMMISSIONERS  
HOCKLEY COUNTY, TEXAS

IN THE MATTER OF THE APPLICATION OF Socorro Expl. FOR  
AUTHORITY TO USE A PART OF THE PUBLIC ROADS OF HOCKLEY COUNTY, TEXAS

ORDER

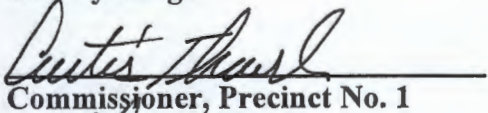
This cause coming on to be upon the petition of Socorro Expl., hereinafter referred to as "Petitioner". The Board finds that in order that Petitioner may carry out its corporate objects and powers, it is necessary for it to lay, construct, operate and maintain buried gas line across certain county roads situated in Hockley County, Texas, as set forth in the Petitioner's application filed herein.

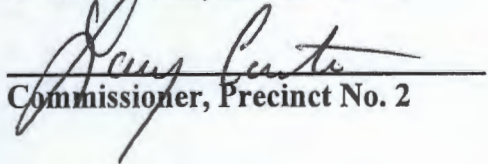
THEREFORE, IT IS HEREBY ORDERED that, subject to the conditions herein after set forth, said Petitioner, Socorro Expl. is hereby granted permission and authority to lay, construct, operate and maintain buried gas line across certain county roads at the locations set forth in Exhibits "A" and "B" attached to the application of Petitioner herein, which Exhibits "A" and "B" and application are hereby made a part of this order as fully as if set out in length herein provided.

1. The Petitioner shall, in constructing said buried gas line undercrossings cause the very minimum of inconvenience and obstruction of public travel along said roads, and, further, shall operate and maintain said buried gas line undercrossings in a manner so as not to inconvenience, endanger or obstruct public travel along said roads.
2. Upon the completion of each buried gas line undercrossing constructed hereunder Petitioner shall immediately backfill, re-construct and replace the portions of the roads across which said buried gas line are laid and constructed so that such roads shall be in equally as good a condition as prior to such construction.
3. So long as said buried gas line are maintained and operated under said roads Petitioner shall be responsible for doing any work which, due to the existence of said buried gas line undercrossings, needs to be done on said roads at the location thereof, all in order to maintain said roads, at such points, in a condition equal to other portions of said county roads.
4. Should Petitioner remove said buried gas line from any of said roads, it will replace and recondition the road concerned, at the location of said removal, in substantially the same condition as it was prior to such removal, all liability of Petitioner for the maintenance and reconditioning of such roads shall cease as soon after such removal as the COUNTY OF HOCKLEY has approved the maintenance and reconditioning work done by Petitioner.
5. Petitioner agrees that if at any time the County of Hockley shall deem it necessary to make any improvements or changes on all of or any part of the right of way of the county roads which affect the Utility as located under this order, then and in such event, the Petitioner or his Assignee shall make such reasonable changes of its facilities located within such right of way as may be deemed necessary, such work to be done without cost to Hockley County, Texas.
6. The construction or laying of said buried gas line by Petitioner hereunder shall be considered and shall constitute and acceptance of this order and of all of the terms and conditions herein set forth.
7. Petitioner agrees that if at any time the County of Hockley deems it necessary that these crossings be encased in accordance with the then existing State Highway specifications, Petitioner agrees to do so at its own expense.

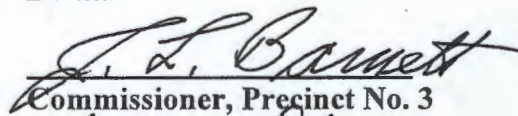


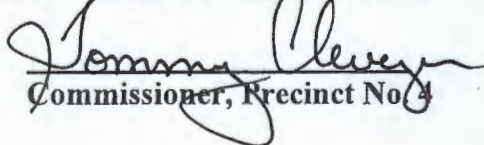
County Judge

  
Commissioner, Precinct No. 1

  
Commissioner, Precinct No. 2

9/30/13  
DATE

  
Commissioner, Precinct No. 3

  
Commissioner, Precinct No. 4

Motion by Commissioner Carter, seconded by Commissioner Clevenger,  
4 Votes Yes, 0 Votes No, that Commissioners' Court tabled the acceptance of bids for  
pickups that will be used in Commissioners' Precincts 2, 3 & 4.

Motion by Commissioner Carter, seconded by Commissioner Clevenger,  
4 Votes Yes, 0 Votes No, that Commissioners' Court approved the purchase by the  
Juvenile Board of the building located at 613 Ave. G., as per Commercial Contract and  
Seller's Temporary Lease recorded below.

COMMERCIAL CONTRACT

1. PARTIES: Seller agrees to sell and convey to Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the sales price stated in Paragraph 3. The parties to this contract are:

Seller: Capital Farm Credit, FLCA
Address: P.O. Box 232, Bryan, Texas 77806
Phone: (979) 822-3018
E-mail: Mark.Hiler@capitalfarmcredit.com

Buyer: Hockley County
Address: 802 Houston Street, Levelland, Texas 79336
Phone: (806) 894-6856
E-mail: ahord@hockleycounty.org

2. PROPERTY:

A. "Property" means that real property situated in Hockley County, Texas at 613 Avenue G, Levelland, Texas 79336 (address) and that is legally described as follows:

Lot 7, Block 26, Original Town of Levelland, Hockley County, Texas.

B. Seller will sell and convey the Property together with:

- (1) all buildings, improvements, and fixtures; and
(2) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way.

3. SALES PRICE: At or before closing, Buyer will pay the following sales price for the Property:

Table with 2 columns: Description and Amount. Row A: Cash portion payable by Buyer at closing \$ 65,000.00. Row B: Sum of all financing described in Paragraph 4 \$ 0.00. Row C: Sales price (sum of 3A and 3B) \$ 65,000.00.

4. FINANCING: This contract is not contingent upon Buyer obtaining financing.

5. EARNEST MONEY:

- A. Not later than 3 days after the effective date, Buyer must deposit \$5,000.00 as earnest money with Hockley County Abstract (title company and escrow agent) at 609 Austin Street, Levelland, Texas 79336 (address). If Buyer fails to timely deposit the earnest money, Seller may terminate this contract by providing written notice to Buyer before Buyer deposits the earnest money and may exercise Seller's remedies under Paragraph 15.
B. Buyer may instruct the escrow agent to deposit the earnest money in an interest-bearing account at a federally insured financial institution and to credit any interest to Buyer.

6. TITLE POLICY AND SURVEY:

A. Title Policy:

- (1) Seller, at Seller's expense, will furnish Buyer an Owner's Policy of Title Insurance (the title policy) issued by the title company in the amount of the sales price, dated at or after closing, insuring Buyer against loss under the title policy, subject only to:

Initialed for Identification by Buyer [Signature] Seller [Signature]

Commercial Contract concerning 613 Avenue G, Levelland, Texas 79336

- (a) those title exceptions permitted by this contract or as may be approved by Buyer in writing; and
  - (b) the standard printed exceptions contained in the promulgated form of title policy unless this contract provides otherwise.
- (2) The standard printed exception as to discrepancies, conflicts, or shortages in area and boundary lines, or any encroachments or protrusions, or any overlapping improvements:  
 (a) will not be amended or deleted from the title policy.  
 (b) will be amended to read "*shortages in areas*" at the expense of  Buyer  Seller.
- (3) Buyer may object to any restrictive covenants on the Property within the time required under Paragraph 6D.
- (4) Within 20 days after the effective date, Seller will cause the title company to furnish Buyer a commitment for title insurance (the commitment) including legible copies of recorded documents evidencing title exceptions. Seller authorizes the title company to deliver the commitment and related documents to Buyer at Buyer's address.

B. Survey:

- (1) Within \_\_\_ days after the effective date:
- (a) Buyer will obtain a survey of the Property at Buyer's expense and deliver a copy of the survey to Seller.
  - (b) Seller, at Seller's expense, will furnish Buyer a survey of the Property dated after the effective date.
  - (c) Seller will deliver a true and correct copy of Seller's existing survey of the Property dated most recent, along with an affidavit required by the title company for approval of the survey. If the survey is not acceptable to the title company, Seller, at Seller's expense, will obtain a survey acceptable to the title company and deliver the acceptable survey to the buyer and the title company within 15 days after Seller receives notice that the existing survey is not acceptable to the title company. The closing date will be extended daily up to 15 days if necessary for Seller to deliver an acceptable survey within the time required.
- (2) No survey will be obtained by either party.

C. UCC Search:

- (1) Within 30 days after the effective date, Seller, at Seller's expense, will furnish Buyer a Uniform Commercial Code (UCC) search prepared by a reporting service and dated after the effective date. The search must identify documents that are on file with the Texas Secretary of State and the county where the Property is located that relate to all personal property on the Property and show, as debtor, Seller and all other owners of the personal property in the last 5 years.
- (2) Buyer does not require Seller to furnish a UCC search.

D. Buyer's Objections to the Commitment, Survey, and UCC Search:

- (1) Within 10 days after Buyer receives the commitment, copies of the documents evidencing the title exceptions, any required survey, and any required UCC search, Buyer may object to matters disclosed in the items if:
- (a) the matters disclosed constitute a defect or encumbrance to title other than those permitted by this contract or liens that Seller will satisfy at closing or Buyer will assume at closing; or
  - (b) the items show that any part of the Property lies in a special flood hazard area (an "A" or "V" zone as defined by FEMA);

Initialed for Identification by Buyer    Seller   

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- (2) Seller may, but is not obligated to, cure Buyer's timely objections within 15 days after Seller receives the objections. The closing date will be extended as necessary to cure the objections. If Seller fails to cure the objections by the time required, Buyer may terminate this contract by providing written notice to Seller within 5 days after the time by which Seller must cure the objections. If Buyer terminates, the earnest money, less any independent consideration under Paragraph 7B, will be refunded to Buyer.
- (3) Buyer's failure to timely object or terminate under this Paragraph 6D is a waiver of Buyer's right to object except that Buyer will not waive the requirements in Schedule C of the commitment.

**7. PROPERTY CONDITION:**

- A. Present Condition: Unless Buyer terminates this contract in accordance with Paragraph 7B, Buyer accepts the Property in its present "as-is" condition.
- B. Feasibility: Buyer may terminate this contract for any reason within 15 days after the effective date by providing Seller with written notice of termination. (Check only one box.)
  - (1) If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer less \$100.00 that Seller will retain as independent consideration for Buyer's right to terminate. Buyer has tendered the independent consideration to Seller upon payment of the full amount specified in Paragraph 5A to the escrow agent. The independent consideration is to be credited to the sales price only upon closing of the sale.
  - (2) Buyer has paid Seller \$       as independent consideration for Buyer's right to terminate by tendering such amount directly to Seller or Seller's agent. If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer and Seller will retain the independent consideration. The independent consideration  will  will not be credited to the sales price upon closing of the sale.
- C. Inspections, Studies or Assessments
  - (1) During the feasibility period, if applicable, Buyer, at Buyer's expense, may complete or cause to be completed any and all inspections, studies, or assessments of the Property (including all improvements and fixtures) desired by Buyer.
  - (2) Seller, at Seller's expense, will turn on all utilities necessary for Buyer to make inspections, studies or assessments.
  - (3) Buyer must:
    - (a) employ only trained and qualified inspectors and assessors;
    - (b) notify Seller, in advance, of when the inspectors or assessors will be on the Property;
    - (c) abide by any reasonable entry rules or requirements of Seller;
    - (d) not interfere with existing operations or occupants of the Property; and
    - (e) restore the Property to its original condition if altered due to inspections, studies, or assessments that Buyer completes or causes to be completed.
  - (4) Except for those matters that arise from the negligence of Seller or Seller's agents, Buyer is responsible for any claim, liability, encumbrance, cause of action, and expense resulting from Buyer's inspections, studies, or assessments, including any property damage or personal injury. Buyer will indemnify, hold harmless, and defend Seller and Seller's agents against any claim involving a matter for which Buyer is responsible under this paragraph. This paragraph survives termination of this contract.

**8. BROKERS:** It is understood and agreed that no broker was involved in the negotiation and consummation of this Contract.

**9. CLOSING:**

- A. The closing of the sale will be on or before 30 days from effective date of contract or within 7 days after objections to title have been cured, whichever date is later (the closing date).
- B. If either party fails to close by the closing date, the non-defaulting party may exercise the remedies in Paragraph 15.

Initialed for Identification by Buyer   *LD*   Seller   *W*  

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Commercial Contract concerning 613 Avenue G, Levelland, Texas 79336

- C. At closing, Seller will execute and deliver, at Seller's expense, a  general  special warranty deed. The deed must include a vendor's lien if any part of the sales price is financed. The deed must convey good and indefeasible title to the Property and show no exceptions other than those permitted under Paragraph 6 or other provisions of this contract. Seller must convey the Property at closing:
- (1) with no liens, assessments, or Uniform Commercial Code or other security interests against the Property which will not be satisfied out of the sales price unless securing loans Buyer assumes;
  - (2) without any assumed loans in default; and
  - (3) with no persons in possession of any part of the Property as lessees, tenants at sufferance, or trespassers except tenants under the written leases assigned to Buyer under this contract.
- D. At closing, Seller, at Seller's expense, will also deliver:
- (1) tax statements showing no delinquent taxes on the Property;
  - (2) evidence that the person executing this contract is legally capable and authorized to bind Seller; and
  - (3) any notices, statements, certificates, affidavits, releases, and other documents required by this contract, the commitment, or law necessary for the closing of the sale and the issuance of the title policy, all of which must be completed and executed by Seller as necessary.
- E. At closing, Buyer will:
- (1) pay the sales price in good funds acceptable to the escrow agent;
  - (2) deliver evidence that the person executing this contract is legally capable and authorized to bind Buyer;
  - (3) execute and deliver any notices, statements, certificates, or other documents required by this contract or law necessary to close the sale.
10. **POSSESSION:** Seller will deliver possession of the Property to Buyer upon the termination of the Seller's Temporary Lease (attached and incorporated by this reference) in its present condition, except for ordinary wear and tear and any casualty loss.
11. **SPECIAL PROVISIONS:** (Identify exhibit if special provisions are contained in an attachment.)

**12. SALES EXPENSES:**

- A. Seller's Expenses: Seller will pay for the following at or before closing:
- (1) tax statements or certificates;
  - (2) preparation of the deed;
  - (3) one-half of any escrow fee;
  - (4) costs to record any documents to cure title objections that Seller must cure; and
  - (5) other expenses that Seller will pay under other provisions of this contract.
- B. Buyer's Expenses: Buyer will pay for the following at or before closing:
- (1) recording fees for the deed;
  - (2) one-half of any escrow fee; and
  - (3) other expenses that Buyer will pay under other provisions of this contract.

**13. PRORATIONS, ROLLBACK TAXES, ESTOPPEL CERTIFICATES, RENT, AND DEPOSITS:**

- A. Prorations:
- (1) Ad valorem taxes will be prorated through the closing date.

Initialed for Identification by Buyer les Seller W

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- (2) If the amount of ad valorem taxes for the year in which the sale closes is not available on the closing date, taxes will be prorated on the basis of taxes assessed in the previous year. If the taxes for the year in which the sale closes vary from the amount prorated at closing, the parties will adjust the prorations when the tax statements for the year in which the sale closes become available. This Paragraph 13A(2) survives closing.

- B. Rollback Taxes: If Seller changes the use of the Property before closing or if a denial of a special valuation on the Property claimed by Seller results in the assessment of additional taxes, penalties, or interest (assessments) for periods before closing, the assessments will be the obligation of Seller. If this sale or Buyer's use of the Property after closing results in additional assessments for periods before closing, the assessments will be the obligation of Buyer. This Paragraph 13B survives closing.

**14. CASUALTY LOSS AND CONDEMNATION:**

- A. If any part of the Property is damaged or destroyed by fire or other casualty after the effective date, Seller must restore the Property to its previous condition as soon as reasonably possible and not later than the closing date. If, without fault, Seller is unable to do so, Buyer may:
  - (1) terminate this contract and the earnest money, less any independent consideration under Paragraph 7B, will be refunded to Buyer;
  - (2) extend the time for performance up to 15 days and the closing date will be extended as necessary; or
  - (3) accept at closing:
    - (i) the Property in its damaged condition;
    - (ii) an assignment of any insurance proceeds Seller is entitled to receive along with the insurer's consent to the assignment; and
    - (iii) a credit to the sales price in the amount of any unpaid deductible under the policy for the loss.
- B. If before closing, condemnation proceedings are commenced against any part of the Property, Buyer may:
  - (1) terminate this contract by providing written notice to Seller within 15 days after Buyer is advised of the condemnation proceedings and the earnest money, less any independent consideration under Paragraph 7B, will be refunded to Buyer; or
  - (2) appear and defend the condemnation proceedings and any award will, at Buyer's election, belong to:
    - (a) Seller and the sales price will be reduced by the same amount; or
    - (b) Buyer and the sales price will not be reduced.

**15. DEFAULT:**

- A. If Buyer fails to comply with this contract, Buyer is in default and Seller may:
  - (1) terminate this contract and receive the earnest money as liquidated damages, thereby releasing the parties from this contract; or
  - (2) enforce specific performance, or seek other relief as may be provided by law, or both.
- B. If, without fault, Seller is unable within the time allowed to deliver the commitment, Buyer may:
  - (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B, as the sole remedy; or
  - (2) extend the time for performance up to 15 days and the closing will be extended as necessary.
- C. Except as provided in Paragraph 15B, if Seller fails to comply with this contract, Seller is in default and Buyer may:
  - (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B, as liquidated damages, thereby releasing the parties from this contract; or
  - (2) enforce specific performance, or seek such other relief as may be provided by law, or both.

- 16. **ATTORNEY'S FEES:** If Buyer, Seller, any broker, or any escrow agent is a prevailing party in any legal proceeding brought under or with relation to this contract or this transaction, such party is entitled to recover from the non-prevailing parties all costs of such proceeding and reasonable attorney's fees. This Paragraph 16 survives termination of this contract.

Initialed for Identification by Buyer   *RS*   Seller   *[Signature]*

**17. ESCROW:**

- A. At closing, the earnest money will be applied first to any cash down payment, then to Buyer's closing costs, and any excess will be refunded to Buyer.
- B. If both parties make written demand for the earnest money, escrow agent may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of escrow agent from all parties.
- C. If one party makes written demand for the earnest money, escrow agent will give notice of the demand by providing to the other party a copy of the demand. If escrow agent does not receive written objection to the demand from the other party within 15 days after the date escrow agent sent the demand to the other party, escrow agent may disburse the earnest money to the party making demand, reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and escrow agent may pay the same to the creditors.
- D. Escrow agent will deduct any independent consideration under Paragraph 7B before disbursing any earnest money to Buyer and will pay the independent consideration to Seller.
- E. If escrow agent complies with this Paragraph 17, each party hereby releases escrow agent from all claims related to the disbursement of the earnest money.
- F. Notices under this Paragraph 17 must be sent by certified mail, return receipt requested. Notices to escrow agent are effective upon receipt by escrow agent.

**18. MATERIAL FACTS:**

- A. To the best of Seller's knowledge and belief: (Check (1) or (2) only.)
- (1) Seller is not aware of any material defects to the Property.
- (2) Seller is not aware of any of the following, except as described otherwise in this contract:
  - (a) any subsurface: structures, pits, waste, springs, or improvements;
  - (b) any pending or threatened litigation, condemnation, or assessment affecting the Property;
  - (c) any environmental hazards or conditions that affect the Property;
  - (d) whether the Property is or has been used for the storage or disposal of hazardous materials or toxic waste, a dump site or landfill, or any underground tanks or containers;
  - (e) whether radon, asbestos insulation or fireproofing, urea-formaldehyde foam insulation, lead-based paint, toxic mold (to the extent that it adversely affects the health of ordinary occupants), or other pollutants or contaminants of any nature now exist or ever existed on the Property;
  - (f) whether wetlands, as defined by federal or state law or regulation, are on the Property;
  - (g) whether threatened or endangered species or their habitat are on the Property; and
  - (h) any material physical defects in the improvements on the Property.
 (Describe any exceptions to (a)-(h) in Paragraph 11 or an addendum.)

**19. NOTICES:** All notices between the parties under this contract must be in writing and are effective when hand-delivered, mailed by certified mail return receipt requested, or sent by facsimile transmission to the parties addresses or facsimile numbers stated in Paragraph 1. The parties will send copies of any notices to the broker representing the party to whom the notices are sent.

**20. DISPUTE RESOLUTION:** The parties agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation before resorting to arbitration or litigation and will equally share the costs of a

Initialed for Identification by Buyer   *lrs*   Seller   *W*

mutually acceptable mediator. This paragraph survives termination of this contract. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

**21. AGREEMENT OF THE PARTIES:**

- A. This contract is binding on the parties, their heirs, executors, representatives, successors, and permitted assigns.
- B. This contract is to be construed in accordance with the laws of the State of Texas.
- C. This contract contains the entire agreement of the parties and may not be changed except in writing.
- D. If this contract is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.
- E. Buyer  may  may not assign this contract without the prior, written consent of Seller. If Buyer assigns this contract, Buyer will be relieved of any future liability under this contract only if the assignee assumes, in writing, all of Buyer's obligations under this contract.
- F. Addenda which are part of this contract are: (Check all that apply.)
  - (1) Property Description Exhibit identified in Paragraph 2;
  - (2) Condominium Addendum;
  - (3) Financing Addendum;
  - (4) Commercial Property Condition Statement;
  - (5) Addendum for Seller's Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards;
  - (6) Notice to Purchaser of Real Property in a Water District (MUD);
  - (7) Addendum for Coastal Area Property;
  - (8) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway; and
  - (9) Seller's Temporary Lease

**22. TIME:** Time is of the essence in this contract. The parties require strict compliance with the times for performance. If the last day to perform under a provision of this contract falls on a Saturday, Sunday, or legal holiday, the time for performance is extended until the end of the next day which is not a Saturday, Sunday, or legal holiday.

**23. EFFECTIVE DATE:** The effective date of this contract for the purpose of performance of all obligations is the date the escrow agent receipts this contract after all parties execute this contract.

**24. ADDITIONAL NOTICES:**

- A. Buyer should have an abstract covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a title policy.
- B. If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fees of the district before final execution of this contract.
- C. Notice Required by § 13.257, Water Code: "The real property, described below, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area, there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine if the cost that you

Initialed for Identification by Buyer 182 Seller YAL

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Commercial Contract concerning 613 Avenue G, Levelland, Texas 79336

will required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in the notice or at closing of purchase of the real property." The real property is described in Paragraph 2 of this contract.

- D. If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the state, § 33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included as part of this contract.
- E. If the Property is located seaward of the Gulf Intracoastal Waterway, § 61.025, Texas Natural Resources Code, requires a notice regarding the seaward location of the Property to be included as part of this contract.
- F. If the Property is located outside the limits of a municipality, the Property may now or later be included in the extra-territorial jurisdiction (ETJ) of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and ETJ. To determine if the Property is located within a municipality's ETJ, Buyer should contact all municipalities located in the general proximity of the Property for further information.
- G. If apartments or other residential units are on the Property and the units were built before 1978, federal law requires a lead-based paint and hazard disclosure statement to be made part of this contract.
- H. Section 1958.154, Occupations code requires Seller to provide Buyer a copy of any mold remediation certificate issued for the Property during the 5 years preceding the date the Seller sells the Property.
- I. Brokers are not qualified to perform property inspections, surveys, engineering studies, environmental assessments, or inspections to determine compliance with zoning, governmental regulations, or laws. Buyer should seek experts to perform such services. Selection of experts, inspectors, and repairmen is the responsibility of Buyer and not the brokers.

25. **CONTRACT AS OFFER:** This contract shall constitute an offer by Seller until 4 p.m. on the 10<sup>th</sup> day following the delivery of the contract by Seller to Buyer. Notice of acceptance from Buyer to Seller must be accompanied by delivering a fully executed copy of this contract and the earnest money to the Seller by such time. In the event this offer is not accepted prior to the time stated above, this offer shall be deemed revoked.

READ THIS CONTRACT CAREFULLY. CONSULT your attorney BEFORE signing.

Buyer  
Hockley County  
By: [Signature]  
Larry Sprowls, County Judge

Seller:  
Capital Farm Credit, FLCA  
By: [Signature]  
Printed Name: Mark L. Hilder  
Title: Service President

Initialed for Identification by Buyer [Initials] Seller [Initials]

Commercial Contract concerning 613 Avenue G, Levelland, Texas 79336

**ESCROW RECEIPT**

Escrow agent acknowledges receipt of:

A. the contract on this day \_\_\_\_\_ (effective date);

B. earnest money in the amount of \$ \_\_\_\_\_ in the form of \_\_\_\_\_ on \_\_\_\_\_.

Escrow Agent: \_\_\_\_\_ Address: \_\_\_\_\_

By: \_\_\_\_\_

Phone: \_\_\_\_\_ E-mail: \_\_\_\_\_

FILED AND RECORDED  
OFFICIAL PUBLIC RECORDS  
On: Sep 30, 2013 at 11:45A

Document Number: 00004316

Amount .00

Irene Gumula  
Hockley County Clerk  
By  
Janie Salazar, Deputy  
Hockley County



ANY PROVISION HEREIN WHICH RESTRICTS  
THE SALE, RENTAL OR USE OF THE  
DESCRIBED REAL PROPERTY BECAUSE OF  
COLOR OR RACE IS INVALID AND UNENFORCEABLE  
UNDER FEDERAL LAW.

Initialed for Identification by Buyer      Seller     

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**SELLER'S TEMPORARY LEASE**

**1. PARTIES:** The parties to this Lease are Hockley County (Landlord) and Capital Farm Credit, FLCA (Tenant).

**2. LEASE:** Landlord leases to Tenant the Property described in the Commercial Contract (Contract) between Landlord as Buyer and Tenant as Seller known as 609 Avenue G, Levelland, Texas 79336 (Property).

**3. TERM:** The term (Term) of this Lease commences on the date the sale covered by the Contract is closed and funded and terminates on January 15, 2014, unless terminated earlier under this paragraph or by reason of other provisions in this Lease. Tenant may terminate this Lease any time before the end of the Term by providing at least 15 days' prior, written notice to Landlord.

**4. RENTAL:** In consideration of Landlord agreeing to let the Tenant occupy the Property, Tenant agrees to monitor and maintain the Property during the term of the Lease.

**5. DEPOSIT:** No deposit shall be required.

**6. UTILITIES:** Tenant shall pay all utility charges for the Property until Tenant vacates the Property.

**7. USE OF PROPERTY:** Tenant may use the Property only for general office use. Tenant may not assign this Lease or sublet any part of the Property.

**8. CONDITION OF PROPERTY:** Tenant accepts the Property in its present condition and state of repair at the commencement of the Lease. Upon termination, Tenant shall surrender the Property to Landlord in the condition required under the Contract, except normal wear and tear and any casualty loss.

**9. ALTERATIONS:** Tenant may not alter the Property or install improvements or fixtures without the prior written consent of the Landlord. Any improvements or fixtures placed on the Property during the Lease become the Property of Landlord.

**10. SPECIAL PROVISIONS:**

N/A

**11. INSPECTIONS:** At reasonable times and with reasonable notice to Tenant, Landlord may enter to inspect the Property.

**12. LAWS:** Tenant shall comply with all applicable laws, restrictions, ordinances, rules and regulations with respect to the Property.

**13. REPAIRS AND MAINTENANCE:** Tenant shall promptly repair at Tenant's expense any damage to the Property caused during the term of this Lease directly or indirectly by any act or omission of the Tenant or any person other than the Landlord, Landlord's agents or invitees.

**14. INDEMNITY:** Tenant indemnifies Landlord from the claims of all third parties for injury or damage to the person or property of such third party arising from the use or occupancy



of the Property by Tenant. This indemnification includes attorney's fees, costs and expenses incurred by Landlord.

**15. INSURANCE:** Landlord shall maintain fire and casualty insurance on the Property. Tenant shall maintain such insurance on the contents as Tenant deems appropriate during the term of this Lease.

**16. DEFAULT:** If Tenant fails to perform or observe any provision of this Lease and fails, within 24 hours after notice by Landlord, to commence and diligently pursue to remedy such failure, Tenant will be in default.

**17. TERMINATION:** This Lease terminates upon expiration of the Term specified in Paragraph 3 or upon Tenant's default under this Lease.

**18. ATTORNEY'S FEES:** The prevailing party in any legal proceeding brought under or with respect to this Lease is entitled to recover from the non-prevailing party all costs of such proceeding and reasonable attorney's fees.

**19. EXTENSION PERIOD:** Upon the expiration of the Term, Tenant shall have the right to extend the Term of the Lease on a month-to-month basis, which shall in no case extend beyond April 1st, 2014 (Extension Period). During the Extension Period, Tenant shall pay to Landlord a rental amount of \$ 375<sup>00</sup> per month, payable in advance on the first day of each month. If the first day of the Extension Period is not the first day of a calendar month, Tenant shall pay on the first day of the term a prorated amount for the period until the end of that month. If the last day of the Extension Period is not on the last day of a calendar month, Tenant shall pay a prorated amount for the last month of the Extension Period.

**20. CONSULT YOUR ATTORNEY:** This Lease is intended to be legally binding. READ IT CAREFULLY. If you do not understand the effect of this Lease, consult your attorney BEFORE signing.

**21. NOTICES:** All notices from one party to the other must be in writing and are effective when mailed to or hand-delivered at:

**To Landlord:** Hockley County  
802 Houston Street, Levelland, Texas 79336

**To Tenant:** Capital Farm Credit, FLCA  
P.O. Box 232, Bryan, Texas 77806-0232

**LANDLORD:**

Hockley County  
By: [Signature]  
Name: Larry D. Sprouls  
Title: Hockley County Judge

**TENANT:**

Capital Farm Credit, FLCA  
By: [Signature]  
Name: Mark L. Hiler  
Title: Sr. Vice President

Commissioners' Court tabled the advertising for bids for demolition at 624 Ave. H.  
Motion by Commissioner Clevenger, seconded by Commissioner Barnett,  
4 Votes Yes, 0 Votes No, that Commissioners' Court approve the Oil and Gas Lease  
between City of Levelland and Cimarex Energy Co., Lessee, as per Oil and Gas Lease  
recorded below.

# OIL, GAS & MINERAL LEASE

THIS AGREEMENT made this 1st day of August 2013, between The City of Levelland, Texas, a municipal corporation and the County of Hockley, whose address is 1709 Avenue H, Levelland, TX 79336, hereinafter called Lessor (whether one or more), and Cimarex Energy Co., a Delaware corporation, hereinafter called Lessee, whose address is 600 N. Marienfeld St., Suite 600, Midland, TX 79701.

1. Lessor, in consideration of TEN AND OTHER DOLLARS (\$10.00) in hand paid, receipt of which is here acknowledged, and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and operating for and producing oil and gas, injecting gas, waters, other fluids and air into subsurface strata, laying pipelines, storing oil, building tanks, roadways, telephone lines and other structures and things thereon to produce, save, take care of, treat, process, store and transport said minerals, the following described land in Hockley County, Texas, to-wit:

**62.5 acres, more or less, being the W2 of Labor 3, League 29, Rusk County School Lands Survey**

Said land is estimated to comprise 62.50 acres, whether it actually comprises more or less.

2. Subject to the other provisions herein contained, this Lease shall remain in force for a term of Three (3) years from this date (called "primary term") and as long thereafter as oil or gas is produced from said land or from land with which said land is pooled.
3. The royalties to be paid by Lessee are: (a) on oil, and other liquid hydrocarbons saved at the well, 1/4 of that produced and saved from said land, same to be delivered at the wells or to the credit of Lessor in the pipeline to which the wells may be connected; (b) on gas, including casinghead gas or other gaseous substance produced from said land and used off the premises or used in the manufacture of gasoline or other products, the market value at the well of 1/4 of the gas used, provided that on gas sold on or off the premises, the royalties shall be 1/4 of the amount realized from such sale; (c) at any time when this Lease is not validated by other provisions hereof and there is a well capable of producing gas and/or condensate on said land, or land pooled therewith, but gas or condensate is not being so sold or used and such well is shut in, either before or after production therefrom, this Lease shall nevertheless not terminate, and it shall be considered under all clauses hereof that gas is being produced from the leased premises in paying quantities so long as such well remains capable of so producing. If such well remains shut in for more than 90 consecutive days, and if this Lease is then or at any time thereafter not being maintained in force and effect by some other provision hereof, Lessee shall pay or tender to Lessor thereupon, and annually thereafter on or before the anniversary of the date Lessee became obligated for the first such payment until actual production of oil, gas or condensate has commenced from such well or some other well on the leased premises or lands pooled therewith, a shut-in royalty equal to \$1.00 per net acre of Lessor's oil and gas acreage then held under this Lease by the party making such payment or tender. So long as said shut-in royalty is paid or tendered, this Lease shall not terminate, and it shall be considered under all clauses hereof that gas is being produced from the leased premises in paying quantities. Each such payment shall be paid or tendered to the party or parties who at the time of such payment would be entitled to receive the royalties which would be paid under this Lease if the well were in fact producing. The payment or tender of royalties and shut-in royalties may be made by check or draft. Any timely payment or tender of shut-in royalty which is made in a bona fide attempt to make proper payment, but which is erroneous in whole or in part as to parties or amounts, shall nevertheless be sufficient to prevent termination of this Lease in the same manner as though a proper payment had been made if Lessee shall correct such error within 30 days after Lessee has received written notice thereof by certified mail from the party or parties entitled to receive payment together with such written instruments (or certified copies thereof) as are necessary to enable Lessee to make proper payment. The amount realized from the sale of gas on or off the premises shall be the price established by the gas sales contract entered into in good faith by Lessee and gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount received by Lessee after giving effect to applicable regulatory orders and after application of any applicable price adjustments specified in such contract or regulatory orders. In the event Lessee compresses, treats, purifies or dehydrates such gas (whether on or off the leased premises) or transports gas off the leased premises, Lessee in computing royalty hereunder may deduct from such price a reasonable charge for each of such functions performed.
4. This is a paid-up lease, and Lessee shall not be obligated during the primary term hereof to commence or continue any operations of whatsoever character or to make any payments hereunder in order to maintain this Lease in force during the primary term; however, this provision is not intended to relieve Lessee of the obligation to pay royalties on actual production pursuant of paragraph 3 hereof.
5. Lessee is hereby granted the right and power, from time to time, to pool or combine this Lease, the land covered by it or any part or horizon thereof with any other land, leases, mineral estates or parts thereof for the production of oil or gas. Units pooled hereunder shall not exceed the standard proration unit fixed by law or by the governmental regulatory authority having jurisdiction of well spacing and density for the pool or area in which said land is situated, plus a tolerance of 10%; provided that if no such standard proration unit is so fixed or prescribed, such pooled units shall not exceed 40 acres for oil wells, plus a tolerance of 10%, or 640 acres for gas wells, plus a tolerance of 10%, or such larger area as may be prescribed or permitted by such governmental authority to be assigned to each well for purposes of a well spacing or density pattern or in the allocation of producing allowable. Lessee shall file written unit designations for record in the office of the county clerk of the county in which the premises are located, and such units may be designated from time to time and either before or after the completion of wells. Drilling Operations on or production from any part of any such unit shall be considered for all purposes, except the payment of royalty, as operations conducted upon or production from the land described in this Lease. There shall be allocated to the land covered by this Lease included in any such unit that portion of the total production of pooled minerals from wells in the unit, after deducting any used in lease or unit operations, which the net oil or gas acreage in the land covered by this Lease included in the unit bears to the total number of surface acres in the unit. The production so allocated shall be considered for all purposes, including the payment or delivery of royalty, to be the entire production of pooled minerals from the portion of said land covered hereby and included in said unit in the same manner as though produced from said land under the terms of this Lease. Any pooled unit designated by Lessee, as provided herein, may be amended or dissolved by Lessee by filing an appropriate instrument for record in the office of the county clerk of the county where the land is situated at any time after the original designation of such unit.
6. If at the expiration of the primary term there is no well upon said land capable of producing oil or gas, but Lessee has commenced operations for drilling or reworking thereon, this Lease shall remain in force so long as operations are prosecuted with no cessation of more than 60 consecutive days, whether such operations be on the same well or on a different or additional well or wells, and if they result in the production of oil or gas, so long thereafter as oil or gas is produced from said land. If, after the expiration of the primary term, all wells upon said land should become incapable of producing for any cause, this Lease shall not terminate if Lessee commences operations for additional drilling or for reworking within 60 days thereafter, and shall remain in force so long as operations are prosecuted with no cessation of more than 60 consecutive days, whether such operations be on the same well or on a different or additional well or wells. If any drilling, additional drilling, or reworking operations hereunder result in production, then this Lease shall remain in full force so long thereafter as oil or gas is produced hereunder.

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

7. Lessee shall have free use of oil and gas from said land for all operations hereunder, and the royalty shall be computed after deducting any so used.
8. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, executors, administrators, successors and assigns; but no change in the ownership of the land or in the ownership of, or rights to receive, royalties or shut-in royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee; and no such change or division shall be binding upon Lessee for any purpose until 30 days after Lessee has been furnished by certified mail at Lessee's principal place of business with acceptable instruments or certified copies thereof constituting the chain of title from the original Lessor. If any such change in ownership occurs through the death of the owner, Lessee may, at its option, pay or tender any royalties or shut-in royalties in the name of the deceased or to his estate or to his heirs, executor or administrator until such time as Lessee has been furnished with evidence satisfactory to Lessee as to the persons entitled to such sums. An assignment of this Lease in whole or in part shall, to the extent of such assignment, relieve and discharge Lessee of any obligations hereunder, and if Lessee or assignee of part or parts hereof shall fail or make default in the payment of the proportionate part of royalty or shut-in royalty due from such Lessee or assignee or fail to comply with any of the provisions of this Lease, such default shall not affect this Lease insofar as it covers a part of said lands upon which Lessee or any assignee thereof shall properly comply or make such payments.
9. Should Lessee be prevented from complying with any express or implied covenant of this Lease, or from conducting drilling or reworking operations hereunder, or from producing oil or gas hereunder by reason of scarcity or inability to obtain or use equipment or material, or by operation of force majeure, or by any Federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's duty shall be suspended, and Lessee shall not be liable for failure to comply therewith; and this Lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations or from producing oil or gas hereunder; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this Lease to the contrary notwithstanding.
10. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, and in the event Lessee does so it shall be subrogated to such lien with the right to enforce same and to apply royalties and shut-in royalties payable hereunder toward satisfying same. Without impairment of Lessee's rights under the warranty, if this Lease covers a less interest in the oil or gas in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not) then the royalties, shut-in royalty and other payments, if any, accruing from any part as to which this Lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this Lease, bears to the whole and undivided fee simple estate therein. Should any one or more of the parties named above as Lessors fail to execute this Lease, it shall nevertheless be binding upon the party or parties executing the same.
11. Lessee, its or his successors, heirs and assigns shall have the right at any time to surrender this Lease, in whole or in part, to Lessor or his heirs, successors and assigns by delivering or mailing a release thereof to the Lessor, or by placing a release thereof of record in the county in which said land is situated; thereupon Lessee shall be relieved from all obligations, expressed or implied, of this agreement as to acreage so surrendered, and thereafter the shut-in royalty payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced by said release or releases.
12. Lessee shall, at Lessee's expense, comply with all applicable Federal Aviation Administration, Texas Department of Transportation - Aviation Division, and City of Levelland rules, regulations, and ordinances relating to the Levelland Municipal Airport.
13. Lessor shall have the right to approve the specific locations and heights of all drilling sites, pumpjacks, tank batteries, and other installations, which approval shall not be unreasonably withheld, but which approval will be granted in a manner consistent with the safe and efficient operation of the Levelland Municipal Airport.
14. See Exhibit "A" attached hereto and made a part hereof for additional terms and conditions. The additional terms and conditions found in Exhibit "A" shall supersede any conflicts that may be found in the paragraphs found above.

Executed the day and year first above written.

City of Levelland, TX, a municipal corporation

BY: \_\_\_\_\_  
Waymon Jackson, Mayor  
Tax ID# 75-6000582

Cimarex Energy Co., a Delaware corporation

BY: \_\_\_\_\_ *RA*  
Rog r Alexander, Attorney in Fact

County of Hockley

BY: \_\_\_\_\_  
Larry Sprowls, County Judge  
Tax ID# 75-6001001

BY: \_\_\_\_\_  
Curtis Thrash, Commissioner Pct. 1

BY: \_\_\_\_\_  
Larry Carter, Commissioner Pct. 2

BY: \_\_\_\_\_  
J.L. Barnett, Commissioner Pct. 3

BY: \_\_\_\_\_  
Tommy Clevenger, Commissioner Pct. 4

ACKNOWLEDGMENTS

STATE OF TEXAS §  
COUNTY OF HOCKLEY §

Before me, the undersigned, a Notary Public on this day personally appeared Waymon Jackson known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said City of Levelland, Texas, a municipal corporation, and that he had executed the same as the act of such corporation for the purpose and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office, this \_\_\_\_\_ day of \_\_\_\_\_, A.D., 20 \_\_\_\_\_.

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_

(Personalized Seal)

\_\_\_\_\_  
(Print name of Notary Public here)

My commission expires the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

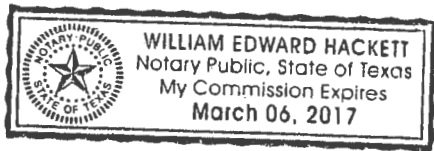
STATE OF TEXAS §  
COUNTY OF MIDLAND §

Before me, the undersigned, a Notary Public on this day personally appeared Roger Alexander known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Cimarex Energy Co., a Delaware corporation, and that he had executed the same as the act of such corporation for the purpose and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office, this 24<sup>th</sup> day of SEPTEMBER, A.D., 20 13

[Signature]  
Notary Public, State of TEXAS

(Personalized Seal)



William Edward Hackett  
(Print name of Notary Public here)

My commission expires the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

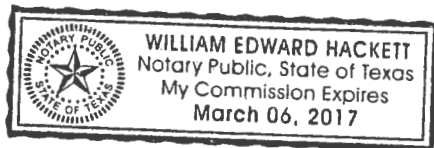
STATE OF TEXAS §  
COUNTY OF HOCKLEY §

Before me, the undersigned, a Notary Public on this day personally appeared Larry Sprowls known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Hockley County, Texas, and that he had executed the same as the act of such entity for the purpose and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office, this 30<sup>th</sup> day of SEPTEMBER, A.D., 20 13

[Signature]  
Notary Public, State of TEXAS

(Personalized Seal)



William Edward Hackett  
(Print name of Notary Public here)

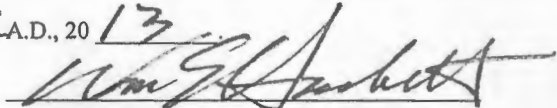
My commission expires the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

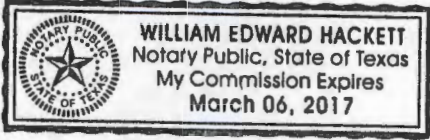
STATE OF TEXAS §

COUNTY OF HOCKLEY §

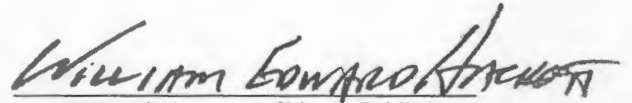
Before me, the undersigned, a Notary Public on this day personally appeared Curtis Thrash known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Hockley County, Texas, and that he had executed the same as the act of such entity for the purpose and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office, this 30<sup>TH</sup> day of SEPTEMBER, A.D., 20 13

  
Notary Public, State of TEXAS



(Personalized Seal)

  
(Print name of Notary Public here)

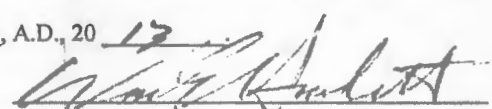
My commission expires the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

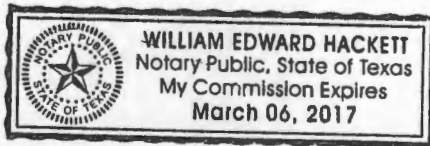
STATE OF TEXAS §

COUNTY OF HOCKLEY §

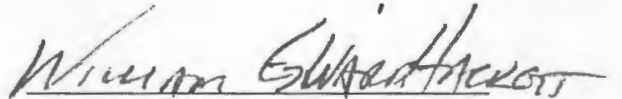
Before me, the undersigned, a Notary Public on this day personally appeared Larry Carter known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Hockley County, Texas, and that he had executed the same as the act of such entity for the purpose and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office, this 30<sup>TH</sup> day of SEPTEMBER, A.D., 20 13

  
Notary Public, State of TEXAS



(Personalized Seal)

  
(Print name of Notary Public here)

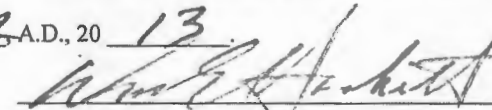
My commission expires the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

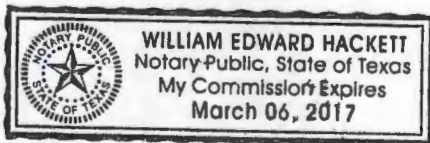
STATE OF TEXAS §

COUNTY OF HOCKLEY §

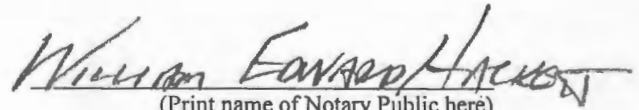
Before me, the undersigned, a Notary Public on this day personally appeared J. L. Barnett known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Hockley County, Texas, and that he had executed the same as the act of such entity for the purpose and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office, this 30<sup>TH</sup> day of SEPTEMBER, A.D., 20 13

  
Notary Public, State of TEXAS



(Personalized Seal)

  
(Print name of Notary Public here)

My commission expires the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

STATE OF TEXAS

§

• COUNTY OF HOCKLEY

§

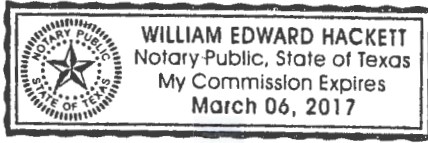
Before me, the undersigned, a Notary Public on this day personally appeared Tommy Clevenger known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Hockley County, Texas, and that he had executed the same as the act of such entity for the purpose and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office, this 30<sup>TH</sup> day of SEPTEMBER, A.D., 20 13

*William Edward Hackett*

Notary Public, State of TEXAS

(Personalized Seal)



*William Edward Hackett*  
(Print name of Notary Public here)

My commission expires the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

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EXHIBIT "A"

ADDENDUM ADDED TO AND MADE A PART OF OIL, GAS AND MINERAL LEASE BY AND BETWEEN CITY OF LEVELLAND, TX, AS LESSOR, AND CIMAREX ENERGY CO., AS LESSEE DATED AUGUST 1, 2013.

1. Notwithstanding anything to the contrary herein contained, this is a no surface-occupancy lease and Lessee shall not use any part of the surface of the land covered by this Lease, or other lands of the Levelland Municipal Airport, to conduct drilling, completion or production operations, including, but not limited to, the construction and operation of well sites, drill sites and related infrastructure such as access roads, utilities, pipelines, ponds, storage, disposal and production facilities.
2. Lessee will take all necessary action to protect surface water and all fresh water bearing zones from contamination.
3. No fresh water produced from this land will be used for drilling, secondary recovery or re-pressuring or waterflood operations.
4. Lessee's right under the provisions of this oil and gas lease for the payment of royalty for shut-in gas royalty payments shall not extend the lease beyond two (2) years from the dated of expiration of the primary term of this oil, gas and mineral lease or a maximum of two (2) years from the date of shut-in of any given well as contemplated in the shut-in gas royalty provisions hereof, whichever is later.
5. Notwithstanding anything to the contrary herein contained, drilling operations on or production from a pooled unit or units established under the provisions of this oil and gas lease concerning pooling, embracing land covered hereby, together with other land; shall maintain this lease in force only as to the land included in such pooled unit or units. This lease may be maintained in force as to the remainder of the land in any manner provided for, provided that if it be by rental payments, rentals shall be reduced in the proration that the total number of acres from the leased premises which are included in such unit or units bears to the total number of acres covered by this lease agreement.
6. Notwithstanding anything to the contrary herein contained, it is agreed that this lease covers and affects only oil and gas and associated substances produced therewith, and any reference to minerals other than oil and gas and such associated substances shall be deemed deleted from this lease.
7. The royalties as specified herein to be paid to the Lessor(s) shall be wholly free of all transportation and/or marketing expenses, and shall be determined as the value of said oil, gas or other related hydrocarbon at the wellhead but the Lessor shall bear his proportion of any expense for treating the oil to make it marketable as crude.

CONTINUOUS DEVELOPMENT CLAUSE

8. After the end of the primary term has expired, and unless this agreement is maintained in force or perpetuated by the provisions of this agreement concerning drilling or reworking in progress at the date of expiration of the primary term, Lessee will, if there is not production of oil, gas or liquid hydrocarbons in paying quantities on any of the land herein described, release this agreement in full.

If, however, at the expiration of the primary term there is located on any part of the land covered hereby a well or wells producing oil, gas or liquid hydrocarbons in paying quantities (hereinafter referred to as production) or if at the expiration of the primary term there is a well or wells in progress of drilling, and the same results in production (as herein defined) the Lessee will release this lease as to all undrilled and non-producing spacing or proration units (as hereinafter defined), save and except, that if the lessee shall, within 18 months after the expiration of primary term, the Lessee shall begin and complete with reasonable diligence to completion as production (as herein defined) or as a dry hole, a well or wells in search of oil, gas and other liquid hydrocarbons; in similar fashion and manner, the Lessee shall continue drilling each 18 months until all undrilled spacing units, or proration units, are all drilled on with no lapse of more than 18 months between the completion of one such well and the beginning of a subsequent well or wells.

Time may not be saved between wells by beginning one earlier and adding such "saved" time to the next 18 month interval for beginning such additional well or wells, but a subsequent well must be begun within 18 months after the completion of each well drilled or completed after the end of the primary term or in event of production prior to the expiration of the primary term, within 18 months after the end of the primary term.

A spacing unit or proration unit shall be deemed to be the smallest number of surface acres actually permitted by the railroad commission or other governmental authority having jurisdiction over the size of such spacing unit or production unit. Lessee will where practical, select such acreage in the form of a square or in the form of a rectangle, never to the detriment of the Lessor.

Where Lessee shall have drilled all available spacing units or proration units, or when Lessee shall have failed to continue the continuous drilling program as defined herein, whichever occurs first, the Lessee will release all undrilled spacing units or proration units from this lease and will also release all depths and horizons 100 feet below the stratigraphic equivalent of the base of the deepest producing formation during the primary term or during the term of the continuous development program, on any spacing unit or proration unit, that are then currently in production. This could result in different depths being released as to each spacing unit or proration unit.

The only penalty of the Lessee in failing to begin and continue the continuous drilling program will be the loss of non-producing spacing units or proration units, and as well loss of depths and horizons 100 feet below the stratigraphic equivalent of the base of the deepest producing formation penetrated by the Lessee as herein defined on each such spacing unit or proration unit. To hold any spacing unit or proration unit after the expiration of the continuous drilling program, there must be production in paying quantities.

9. Railroad Commission Matters and Copies: Inasmuch as the terms of this lease depend on the rules and regulations of the Railroad Commission of Texas, it is agreed that Lessor shall be notified prior to any hearings before the Railroad Commission involving this lease. This provision shall also apply to other governmental entities having authority for matters covered by this lease. In addition Lessee agrees to furnish Lessor's designated agent copies of all regulatory forms, drilling reports, logs, test reports, location surveys for any wells drilled on the lands upon completion of the well and title opinions, prepared by/for Lessee, covering part or all of the leased premises, upon written request therefor.
10. Any release of all or a part of this agreement by the Lessee or Lessee's successors and/or assigns, shall not serve to release such Lessee and/or successor and assign from its obligation to remove equipment, restore the land, nor from any other environmental



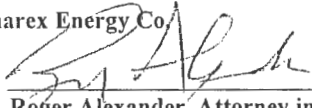
obligations and/or indemnity hereunder.

SIGNED FOR IDENTIFICATION PURPOSES ONLY


City of Levelland, TX

BY: \_\_\_\_\_  
Waymon Jackson, Mayor

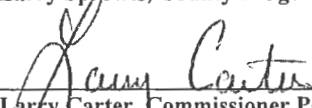
Cimarex Energy Co

BY:  \_\_\_\_\_  
Roger Alexander, Attorney in Fact

County of Hockley

BY:  \_\_\_\_\_  
Larry Sprows, County Judge

BY:  \_\_\_\_\_  
Curtis Thrash, Commissioner Pct. 1

BY:  \_\_\_\_\_  
Larry Carter, Commissioner Pct. 2

BY:  \_\_\_\_\_  
J. L. Barnett, Commissioner Pct. 3

BY:  \_\_\_\_\_  
Tommy Clevenger, Commissioner Pct. 4

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Mail Processing Center  
Federal Aviation Administration  
Southwest Regional Office  
Obstruction Evaluation Group  
2601 Meacham Boulevard  
Fort Worth, TX 76137

Aeronautical Study No.  
2013-ASW-5209-OE

Issued Date: 09/23/2013

Terri Stathem  
Cimarex Energy Co.  
202 S. Cheyenne Ave., Suite 1000  
Tulsa, OK 74102-3001

**\*\*DETERMINATION OF NO HAZARD TO AIR NAVIGATION FOR TEMPORARY STRUCTURE\*\***

The Federal Aviation Administration has conducted an aeronautical study under the provisions of 49 U.S.C., Section 44718 and if applicable Title 14 of the Code of Federal Regulations, part 77, concerning:

Structure:	Drilling Rig Airfield #1H
Location:	Levelland, TX
Latitude:	33-33-05.14N NAD 83
Longitude:	102-22-16.60W
Heights:	3503 feet site elevation (SE) 174 feet above ground level (AGL) 3677 feet above mean sea level (AMSL)

This aeronautical study revealed that the temporary structure does exceed obstruction standards but would not be a hazard to air navigation provided the following condition(s), if any, is (are) met:  
As a condition to this Determination, the structure is marked/lighted in accordance with FAA Advisory circular 70/7460-1 K Change 2, Obstruction Marking and Lighting, flags/red lights - Chapters 3(Marked),4,5(Red),&12.

See attachment for additional condition(s) or information.

It is required that the FAA be notified at least 5 business days prior to the temporary structure being erected and again when the structure is removed from the site. Notification should be made to this office during our core business hours (Monday through Friday, 9:00 a.m. to 3:00 p.m.) via telephone at (SEE PAGE 3). Notification is necessary so that aeronautical procedures can be temporarily modified to accommodate the structure. Voicemail messages are not acceptable notice.

**NOTIFICATION IS REQUIRED AGAIN VIA TELEPHONE AT (SEE PAGE 3) WHEN THE TEMPORARY STRUCTURE IS REMOVED FROM THE SITE FOR NOTICE TO AIRMAN (NOTAM) CANCELLATION.**

It is required that the manager of (SEE PAGE 3) be notified at least 5 business days prior to the temporary structure being erected and again when the structure is removed from the site.

Any height exceeding 174 feet above ground level (3677 feet above mean sea level), will result in a substantial adverse effect and would warrant a Determination of Hazard to Air Navigation.

This determination expires on 09/23/2014 unless extended, revised, or terminated by the issuing office.

It is required that FAA Form 7460-2, Notice of Actual Construction or Alteration, be e-filed within 5 days after the temporary structure is dismantled.

NOTE: REQUEST FOR EXTENSION OF THE EFFECTIVE PERIOD OF THIS DETERMINATION MUST BE E-FILED AT LEAST 15 DAYS PRIOR TO THE EXPIRATION DATE. AFTER RE-EVALUATION OF CURRENT OPERATIONS IN THE AREA OF THE STRUCTURE TO DETERMINE THAT NO SIGNIFICANT AERONAUTICAL CHANGES HAVE OCCURRED, YOUR DETERMINATION MAY BE ELIGIBLE FOR ONE EXTENSION OF THE EFFECTIVE PERIOD.

This determination is based, in part, on the foregoing description which includes specific coordinates and heights. Any changes in coordinates and/or heights will void this determination. Any future construction or alteration, including increase to heights, requires separate notice to the FAA.

This determination does include temporary construction equipment such as cranes, derricks, etc., which may be used during actual construction of a structure. However, this equipment shall not exceed the overall heights as indicated above. Equipment which has a height greater than the studied structure requires separate notice to the FAA.

This determination concerns the effect of this temporary structure on the safe and efficient use of navigable airspace by aircraft and does not relieve the sponsor of compliance responsibilities relating to any law, ordinance, or regulation of any Federal, State, or local government body.

Any failure or malfunction that lasts more than thirty (30) minutes and affects a top light or flashing obstruction light, regardless of its position, should be reported immediately to (877) 487-6867 so a Notice to Airmen (NOTAM) can be issued. As soon as the normal operation is restored, notify the same number.

A copy of this determination will be forwarded to the Federal Aviation Administration Flight Procedures Office if the structure is subject to the issuance of a Notice To Airman (NOTAM).

If you have any questions, please contact our office at (817) 321-7751. On any future correspondence concerning this matter, please refer to Aeronautical Study Number 2013-ASW-5209-OE

**Signature Control No: 195208723-198647135**

( TMP )

Chris Shoulders  
Specialist

Attachment(s)  
Additional Information  
Map(s)

**Additional information for ASN 2013-ASW-5209-OE**

The site will be located approximately 350 feet east of Rwy 17/35 at Levelland Municipal (LNN) Airport.

IAP = Standard Instrument Approach Procedure  
AGL = Above Ground Level AMSL= Above Mean Sea Level  
MDA = Minimum Descent Altitude DA = Descent Altitude  
LNAV = Lateral Navigation VNAV= Vertical Navigation  
RWY = Runway CAT = Category  
ICA = Initial Climb Gradient

Conditions for Operating Temporary Equipment

1. ABSOLUTELY REQUIRED

- > Notify the FAA at least 5 days prior to the erection of the drilling rig/crane so modifications to the SIAP can be made to accommodate the drilling rig/crane.
- > Notify the FAA when the project is complete and the drilling rig/crane has been removed from the site, allowing the modified SIAP to return to normal operations.

2. METHODS OF NOTIFICATION - Monday thru Friday, 7:30 a.m. to 3 p.m. CST

> Preferred Method - Email Notification to ALL of the following:

> Texas E-mail Addresses

- (1) alice.yett@faa.gov
- (2) debbie.cardenas@faa.gov
- (3) chris.shoulders@faa.gov

> Texas Telephone - VOICEMAIL IS NOT ACCEPTABLE

- (1) Alice Yett (817) 321-7752
- (2) Debbie Cardenas (817) 321-7755
- (3) Chris Shoulders (817) 321-7751

\*\*\*\*\*  
For well sites, please provide the FAA, the airport manager, and the air traffic control tower manager with the aeronautical study number and not with the name of the well site.  
\*\*\*\*\*

3. AIR TRAFFIC FIELD FACILITY NOTIFICATION

- > Notify the Levelland Municipal (LNN) Airport Manager, or the airport manager's representative, at 806-470-8768, at least 5 business days prior to raising the temporary drilling rig and when the project is complete and the temporary drilling rig is removed from the site.

4. EXPIRATION DATE

> This determination will be valid until 09-23-2014. During the effective dates of the determination, it is acceptable to return to the site without submitting a new FAA Form 7460-1, Notice of Proposed Construction or Alteration, provided:

> The temporary equipment does not exceed a maximum height of 174 feet AGL. If temporary equipment returning to the site exceeds the above maximum height AGL, you are required to file a new FAA Form 7460-1, Notice of Proposed Construction or Alteration.

> Conditions #1 through # 3 above are met.

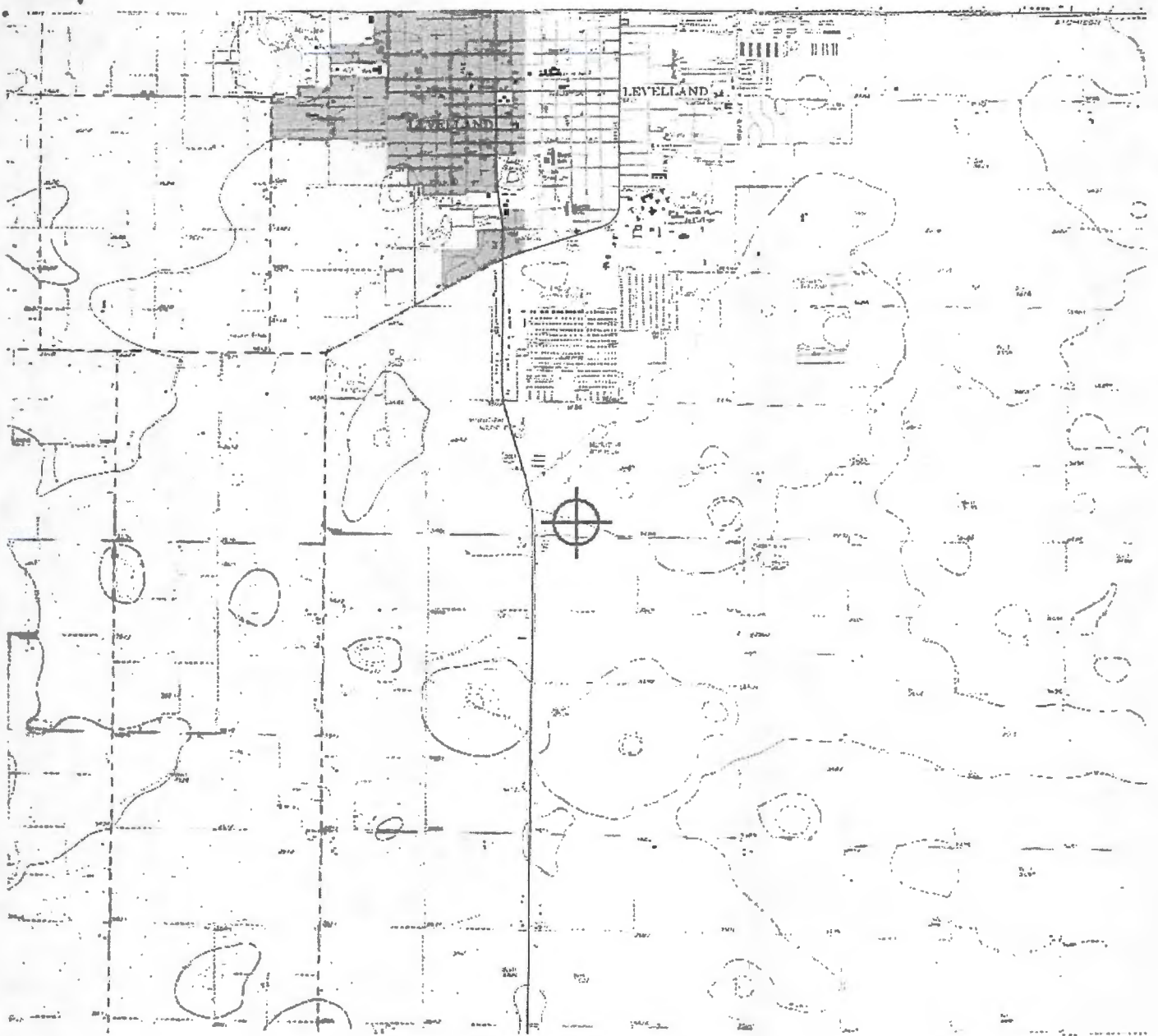
#### 5. MARKING/LIGHTING REQUIREMENTS

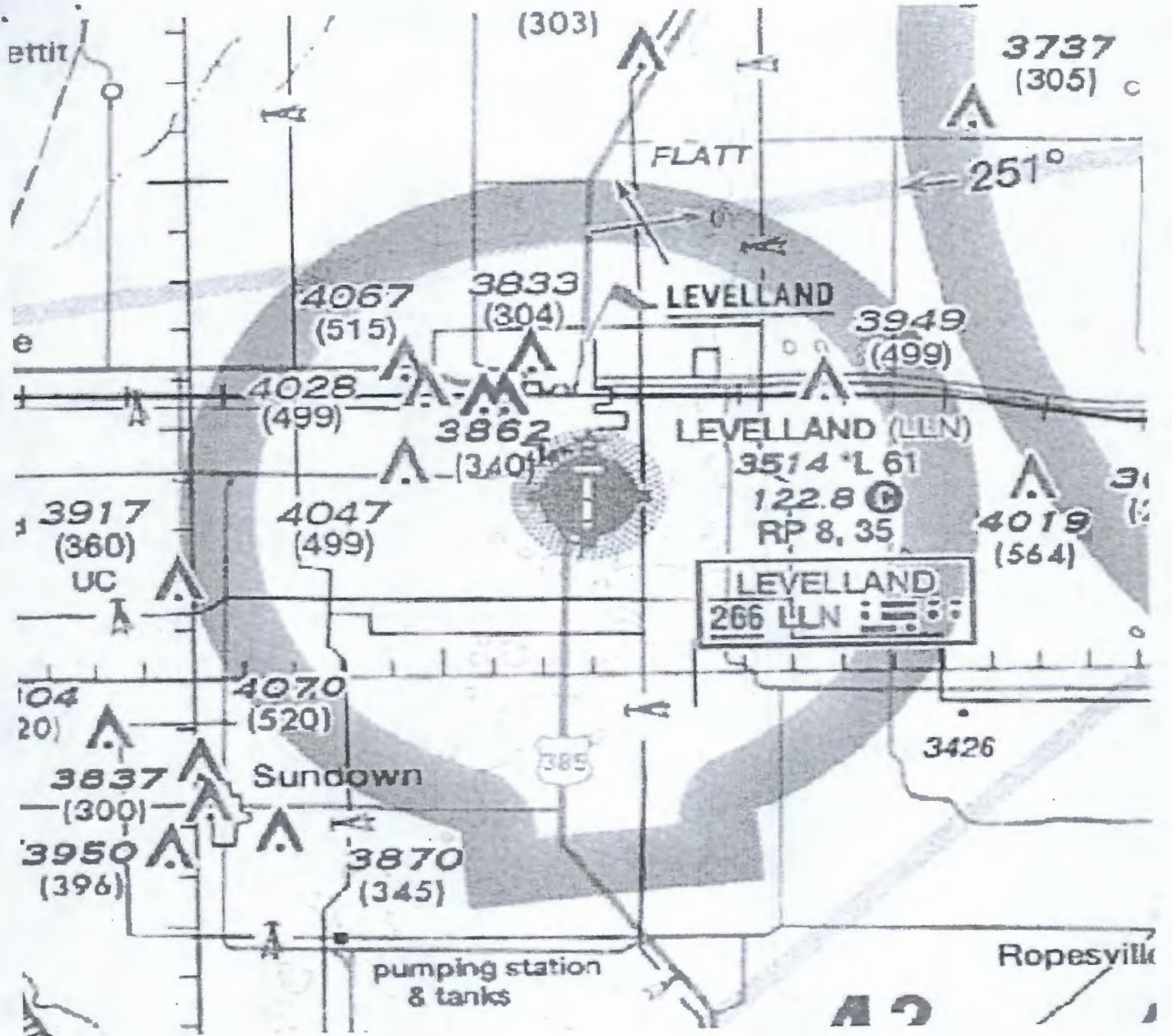
> The temporary equipment shall be obstruction flagged AND lighted in accordance with FAA Advisory Circular 70/7460-1, "Obstruction Marking and Lighting". This document is available on the Internet at: <http://oeaaa.faa.gov>

#### 6. IMPACT ON FOLLOWING IAP(s) @ Levelland Municipal (LNN)

> RNAV (GPS) RWY 35, increase CAT A circling MDA from 4100 to 4140 AMSL.

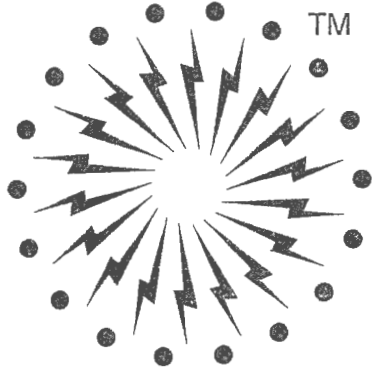
TOPO Map for ASN 2013-ASW-5209-OE





Motion by Commissioner Thrash, seconded by Commissioner Carter, 3 Votes Yes, Commissioner Barnett opposed, that Commissioners' Court engage Efficiency Energy Services for the retrofit of lighting for Hockley County owned buildings, as per Contract recorded below.





# EFFICIENCY ENERGY SERVICES

## ENERGY EFFICIENCY & SAVINGS PROGRAM

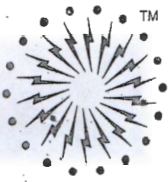
*for*

**Hockley County Senior Citizen Association  
1202 Houston St.  
Levelland, TX 79336**

**3801 W. Sundown Ln.  
Amarillo, TX 79118-5022**

**(806)467-1567**

VOL. 60 PAGE 292



September 25, 2013

Hockley County Senior Citizen Association  
Attention: Judge Larry Sprowls  
1202 Houston St.  
Levelland, TX 79336

Re: Lighting Retrofit Proposal for 1202 Houston St. in Levelland, TX.

Dear Judge Sprowls,

Efficiency Energy Services has conducted a detailed lighting survey of the Hockley County Senior Citizen Association facility located at 1202 Houston St. in Levelland, TX. As a result of our analysis we are pleased to present the following energy conservation program for Hockley County Senior Citizen Association at 1202 Houston St.. The program includes a comprehensive lighting retrofit to energy efficient equipment.

The lighting systems will be installed by one of several established electrical contractors in the Levelland area and will be managed to completion by Efficiency Energy Services. Our quoted price includes the cost of labor and materials for the proposed retrofit but does not include costs for disposal of removed existing equipment or for repairs to, or replacement of, existing equipment, therefore this cost will be the responsibility of Hockley County Senior Citizen Association.

We have an office and sales person in Amarillo to give you the personal attention that we trust will make the relationship between Hockley County Senior Citizen Association and Efficiency Energy Services a successful one.

Please review the document and feel free to call me with any questions you may have. My phone number in Amarillo is 806.467.1567.

Thank you for your consideration and this opportunity.

Respectfully,

Daniel S. Purcell  
Owner/Manager

VOL. 60 PAGE 293

**AN ENERGY CONSERVATION RECOMMENDATION**

**for**

**Hockley County Senior Citizen Association  
1202 Houston St.  
Levelland, TX 79336**

Presented by:

**Efficiency Energy Services**

3801 W. Sundown Ln.  
Amarillo, TX 79118-5022

Tel: (806) 467-1567  
Fax: (806) 467-1567

September 25, 2013

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## 1.0 PROGRAM BACKGROUND

### 1.1 Efficiency Energy Services

*Efficiency Energy Services* is an independent energy services company providing comprehensive energy efficiency solutions and conservation services to the commercial and industrial business sectors. *Efficiency Energy Services* was born out of a desire to provide the most comprehensive, collaborative, customized and cost-effective energy efficiency solutions to our customers possible. Our growth and success is dependent upon and adheres to four basic, but vital, business principles – *integrity, innovative solutions, technical reliability, and most importantly, customer service.*

Shrinking budgets, aging buildings, increased competition, and ever-changing utility rates make it extremely important to identify and implement ways to reduce operating costs. *Efficiency Energy Service's* approach is to undertake efficiency evaluation tasks simultaneously to expedite efforts and reach substantial energy cost reductions for the customer as soon as possible. We provide a single source of responsibility including the evaluation, design, financing, equipment installation and total project management. Our "turnkey project" approach is a proven and very popular implementation procedure with our customers. It eliminates the customer having to spend valuable time dealing with project implementation issues and it ensures that the project will be completed as designed and proposed to the satisfaction of our customer.

Our belief at *Efficiency Energy Services* is that efficient utilization of our nation's energy resources is vital to the health and stability of the American economy. We feel that our company provides a very positive, "win-win" service to the business community by reducing their cost of doing business while improving the quality of their workplace, and to the community at large by contributing to more efficient use and thereby preservation of our nation's resources and the environment. In addition, we feel that our demand side energy management and conservation efforts are of benefit to the electric utility and its customers by enabling the utility to defer new power plant construction and thereby a large capital expenditure which is ultimately afforded by the utility customer...you and me.

*Efficiency Energy Services* has developed and maintains a very healthy and personal relationship with your local electric utility. This relationship is interdependent and vital to the demand side energy management and conservation goals of both companies. The support and incentives provided to *Efficiency Energy Services* by utility rate payers through your local utility enables us to pursue and provide cost-effective energy efficiency for commercial and industrial customers. It is our sincere intent at *Efficiency Energy Services* to continue to build upon and strengthen our relationship with your local electric utility so that our companies can continue to jointly provide this vital service far into the future for the benefit of all.

## 1.2 Texas Electric Utility Restructuring

In March, 2000, the Public Utility Commission of Texas (PUCT) adopted the Energy Efficiency Rule 25.181. This Energy Efficiency Rule implements Senate Bill 7, which was passed in May, 1999. Under both SB7 and the new Energy Efficiency Rule, the manner in which investor owned electric utilities will be promoting energy efficiency in their service territories, will be dramatically different from previous years.

## 1.3 Energy Efficiency Programs for Texas

Subsequent to the adoption of Rule 25.181, Texas investor owned utilities began to roll out comprehensive energy efficiency programs for their Texas rate payers. These programs offer incentives for the installation of a wide range of energy efficiency measures. The primary objective of these programs is to achieve cost-effective reduction in peak summer demand. These performance-based programs offer incentive payments for "deemed" or "measured" energy savings generated by installing energy efficient measures. The long term PUCT energy efficiency goal for Texas is to reduce the electric utilities growth in peak demand. These standard offer program incentives have been designed to achieve this energy efficiency goal.

## 1.4 New Approach to Energy-Efficiency Programs

Here are some of the highlights of the new rules:

*Each investor-owned electric utility is required to achieve an energy efficiency program goal. The goals will vary throughout the state from utility to utility.*

On a statewide basis, this represents a significant increase in the amount of resources allocated to energy efficiency programs. Collectively, electric utilities in Texas will be spending approximately \$70 million per year on energy efficiency programs in order to achieve that goal.

*As of September 1, 2000, utilities can no longer provide "competitive energy services" directly to customers.*

Investor owned electric utilities can no longer provide any of the traditional energy efficiency programs, such as air conditioner or heat pump rebate programs, energy audits, weatherization programs, or energy information programs.

*In order to achieve their energy savings goals, investor owned electric utilities will be implementing "Standard Offer Programs," and "Market Transformation Programs."*

In a Standard Offer Program (SOP), project sponsors will propose to deliver certain levels of peak demand savings (measured in kilowatts, or kW) and annual energy savings (measured in

kilowatt-hours or kWh). Investor owned electric utilities will pay a fixed price for each kW and kWh of savings. There will be standard offer programs for all customer classes.

## 1.5 Program Description

The Commercial and Industrial Standard Offer Program provides incentives for the retrofit installation of a wide range of measures that reduce customer energy costs, and reduce peak demand and/or save energy in non-residential facilities. Incentives are paid to energy efficiency service providers (EESPs) on the basis of deemed savings, which are standardized savings values or formulas for a wide range of measures in representative building types. If deemed savings have not been established for a particular qualifying energy efficiency measure, then incentives may be paid on the basis of verified peak demand and/or energy savings using the International Performance Measurement and Verification Protocol.

### Objectives

The primary objective of this program is to achieve cost-effective reduction in peak summer demand. Additional objectives of the program are to:

- Encourage private sector delivery of energy efficiency products and services
- Achieve customer energy and cost savings
- Significantly reduce barriers to participation by streamlining program procedures and measurement and verification (M&V) requirements

For more information on the Xcel Energy Commercial and Industrial Standard Offer Program (C&I SOP) go to [www.xcelenergyefficiency.com](http://www.xcelenergyefficiency.com) or contact Bryan Whitson by email [Bryan.J.Whitson@xcelenergy.com](mailto:Bryan.J.Whitson@xcelenergy.com) or by phone at 806-378-2887.

## 2.0 ENERGY CONSERVATION PLAN

### 2.1 Facts – Strategy - Commitment

One of the many responsibilities for you in the operation and profitability of your business is a continual search for ways to decrease operating costs and improve efficiency without compromising comfort or quality of the work environment. It is well known that lighting makes up a sizable portion of your electric bill; usually around 40% in most commercial facilities but can be as much as 60%.

What you may not know is that today's lighting products are much more efficient than products installed only a few years ago and used in many facilities today. As a result, you could be spending much more of your limited resources on maintaining your existing lighting system than what it would cost to either install or retrofit to a more modern, energy-efficient lighting system.

Efficiency Energy Services will listen to and discuss your requirements and provide a turnkey lighting system solution that will meet your specific needs while reducing your energy costs. Efficiency Energy Services has the technical and operational capability to audit, design, install, and maintain a variety of lighting applications from large concentrated facilities, including industrial plants, to smaller, decentralized facilities, such as convenience stores. We will custom-design a plan to lower your energy costs.

One of the key elements to Efficiency Energy Service's energy efficiency approach is to undertake tasks simultaneously to expedite efforts and reach substantial energy cost reductions as soon as possible. The conservation program could commence within days after contract approval and would be complete within a few weeks, depending upon the measures to be implemented, and the availability of the facility for retrofit work. Efficiency Energy Services will provide a single source of responsibility including the evaluation, design, financing, and installation of all equipment.

### 2.2 Identified Opportunities at Hockley County Senior Citizen Association

The following retrofits are structured to fit within your local electric utility's energy efficiency program contract. An operating lease/purchase financing option can be discussed and made available upon customer request.

#### INDOOR LIGHTING SYSTEMS

- T12 lamps/magnetic ballasts to T8 lamps/electronic ballasts
- Incandescent lamps to compact fluorescent lamps
- Incandescent exit signs to LED exit signs



### 3.0 IMPROVEMENTS THAT PAY FOR THEMSELVES - COST/ BENEFIT SUMMARY

The savings from lighting retrofits in commercial facilities, when accompanied by an efficiency incentive, can pay for themselves in as little as 12-48 months. In fact, retrofits can reduce lighting costs by 35-40% or more, while significantly improving light output and workplace quality. Additionally, improved lighting has a positive impact on both the working conditions and employee productivity.

A preliminary lighting audit of **Hockley County Senior Citizen Association** by Efficiency Energy Services indicates that an **estimated annual savings of \$4,678** could result from retrofitting the existing lighting measures to the lighting measures proposed above. The **estimated implementation cost of the retrofit is expected to be \$12,823 net** (after \$4,355 rebate) which will yield a **simple payback of 2.7 years** with a **simple ROI of 36% for the lighting measures.**

Efficiency Energy Services will be installing the warranted General Electric high efficiency lighting system consisting of General Electric high efficiency, low mercury "Eco" fluorescent lamps and General Electric premium, UltraMax "smart ballasts" and Lights of America, TCP, or Sunpark compact fluorescent lamps. At the time of this writing, Efficiency Energy Services is not aware of any harmonic problems caused by any of the above electronic ballasts, which are all of high quality (<20% total harmonic distortion). In any case, the harmonic level should be the same as or lower than the existing level.

Sample calculations showing specific details of the above-proposed retrofits are given in the Appendix.

### 4.0 PROJECT MANAGEMENT

Efficiency Energy Services will assume all aspects of project management and supervision and will manage the project to completion.

APPENDIX

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*Efficiency Energy Services 2013*

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*Page 6 Hockley County Senior Citizen Association*

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**SUMMARY OF ENERGY AND DEMAND SAVINGS FOR HIGH EFFICIENCY LIGHTING**

**HOST FACILITY**

Levelland Senior Citizens Ctr.  
1202 Houston Levelland, TX

**ASSUMED UTILITY RATE (per kWh)**

\$ 0.089

**PROPOSED RETROFITS**

- 1) All new T8 lamps and electronic ballast
- 2) Incandescent to compact fluorescent lamps
- 3) Incandescent Exit signs to LED Exit signs

**ENERGY SAVINGS ANALYSIS \***

Energy savings with new lamps (current load - new load) x operating hours	38,633 kWh
Demand savings with new lamps	15.1 kW

**SAVINGS & COSTS ANALYSIS \***

**SAVINGS ANALYSIS \***

Energy/Demand cost savings	\$3,464
Yearly Maintenance Savings (10 Yr. Avg. )	\$813
HVAC Operating Savings	\$264
Franchise Fee Savings	\$136
Total annual cost savings	<u>\$4,678</u>

**COST ANALYSIS**

Total gross installation cost	\$17,179
Estimated SOP Incentive	<u>\$4,355</u>
Net total installation cost	<u>\$12,823</u>
Simple payback	<u>2.7</u> years
1st Year Simple ROI	<u>36%</u>

Cost of waiting (per month) \$390

**\* Estimated Annual Savings**

Potential estimated cost of hazardous lamp & ballast disposal \$ 1,250.00

QUOTED PRICES VALID 60 DAYS AND/OR AS LONG AS UTILITY CISOP  
INCENTIVE FUNDS ARE AVAILABLE, WHICHEVER COMES FIRST.

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**Lighting and Cool Roof incentive together**

**SUMMARY OF ENERGY AND DEMAND SAVINGS FOR HIGH EFFICIENCY LIGHTING**

**HOST FACILITY**

Levelland Senior Citizens Ctr.  
1202 Houston Levelland, TX

**ASSUMED UTILITY RATE (per kWh)**

\$ 0.089

**PROPOSED RETROFITS**

- 1) All new T8 lamps and electronic ballast
- 2) Incandescent to compact fluorescent lamps
- 3) Incandescent Exit signs to LED Exit signs

**ENERGY SAVINGS ANALYSIS \***

Energy savings with new lamps (current load - new load) x operating hours	38,633 kWh
Demand savings with new lamps	15.1 kW

**SAVINGS & COSTS ANALYSIS \***

**SAVINGS ANALYSIS \***

Energy/Demand cost savings	\$3,464
Yearly Maintenance Savings (10 Yr. Avg. )	\$813
HVAC Operating Savings	\$264
Franchise Fee Savings	\$136
Total annual cost savings	<u>\$4,678</u>

**COST ANALYSIS**

Total gross installation cost	\$17,179
Est. SOP Incentive (lighting & Cool Roof)	<u>\$17,478</u>
Net total installation cost	<u>-\$299</u>
Simple payback	<u>n/a</u> years
1st Year Simple ROI	<u>n/a</u>

Cost of waiting (per month) \$390

**\* Estimated Annual Savings**

Potential estimated cost of hazardous lamp & ballast disposal \$ 1,250.00

QUOTED PRICES VALID 60 DAYS AND/OR AS LONG AS UTILITY CISOP  
INCENTIVE FUNDS ARE AVAILABLE, WHICHEVER COMES FIRST.

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**New fixtures (16 ea.1X4- 2 lamp surface mount wraps)**

**SUMMARY OF ENERGY AND DEMAND SAVINGS FOR HIGH EFFICIENCY LIGHTING**

**HOST FACILITY**

Levelland Senior Citizens Ctr.  
1202 Houston Levelland, TX

**ASSUMED UTILITY RATE (per kWh)**

\$ 0.089

**PROPOSED RETROFITS**

- 1) All new T8 lamps and electronic ballast
- 2) Incandescent to compact fluorescent lamps
- 3) Incandescent Exit signs to LED Exit signs

**ENERGY SAVINGS ANALYSIS \***

Energy savings with new lamps (current load - new load) x operating hours	38,629 kWh
Demand savings with new lamps	15.1 kW

**SAVINGS & COSTS ANALYSIS \***

**SAVINGS ANALYSIS \***

Energy/Demand cost savings	\$3,464
Yearly Maintenance Savings (10 Yr. Avg. )	\$826
HVAC Operating Savings	\$264
Franchise Fee Savings	\$137
Total annual cost savings	<u>\$4,690</u>

**COST ANALYSIS**

Total gross installation cost	<b>\$18,857</b>
Estimated SOP Incentive	<u>\$4,354</u>
Net total installation cost	<u>\$14,503</u>
Simple payback	<u>3.1</u> years
1st Year Simple ROI	<u>32%</u>

Cost of waiting (per month) \$391

**\* Estimated Annual Savings**

Potential estimated cost of hazardous lamp & ballast disposal \$ 1,250.00

**QUOTED PRICES VALID 60 DAYS AND/OR AS LONG AS UTILITY CISOP  
INCENTIVE FUNDS ARE AVAILABLE, WHICHEVER COMES FIRST.**

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**New fixtures (16 ea. 1X4- 2 lamp surface mount wraps)  
Lighting and Cool Roof incentive together**

**SUMMARY OF ENERGY AND DEMAND SAVINGS FOR HIGH EFFICIENCY LIGHTING**

**HOST FACILITY**

Levelland Senior Citizens Ctr.  
1202 Houston Levelland, TX

**ASSUMED UTILITY RATE (per kWh)**

\$ 0.089

**PROPOSED RETROFITS**

- 1) All new T8 lamps and electronic ballast
- 2) Incandescent to compact fluorescent lamps
- 3) Incandescent Exit signs to LED Exit signs

**ENERGY SAVINGS ANALYSIS \***

Energy savings with new lamps (current load - new load) x operating hours	38,629 kWh
Demand savings with new lamps	15.4 kW

**SAVINGS & COSTS ANALYSIS \***

**SAVINGS ANALYSIS \***

Energy/Demand cost savings	\$3,464
Yearly Maintenance Savings (10 Yr. Avg. )	\$826
HVAC Operating Savings	\$264
Franchise Fee Savings	\$137
Total annual cost savings	<u>\$4,690</u>

**COST ANALYSIS**

Total gross installation cost	<u>\$18,857</u>
Est. SOP Incentive (lighting & Cool Roof)	<u>\$17,473</u>
Net total installation cost	<u>\$1,379</u>
Simple payback	<u>0.3</u> years
1st Year Simple ROI	<u>340%</u>

Cost of waiting (per month) \$391

**\* Estimated Annual Savings**

Potential estimated cost of hazardous lamp & ballast disposal \$ 1,250.00

QUOTED PRICES VALID 60 DAYS AND/OR AS LONG AS UTILITY CISOP  
INCENTIVE FUNDS ARE AVAILABLE, WHICHEVER COMES FIRST.

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***Texas Large Commercial and Industrial  
Standard Offer Program***

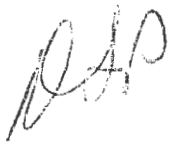
**ENERGY SERVICE AGREEMENT**

This Agreement is entered into by and between DANIEL SHANNON PURCELL, LLC d/b/a Efficiency Energy Services, an energy services company having an address at 3801 W. Sundown Ln., Amarillo, Texas 79118-5022 and Hockley County Senior Citizen Association ("Host Customer"), with an address of 1202 Houston St., Levelland, Texas 79336. Under the Texas Large Commercial and Industrial Standard Offer Program ("Program"), Efficiency Energy Services wishes to encourage Xcel Energy's commercial/industrial Host Customers to upgrade the efficiency of their lighting, HVAC, motor, water heating, and other systems.

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**RESPONSIBILITIES**

- (A) Host Customer shall ensure that installation of the energy efficiency project (the "Project") is completed. Host Customer acknowledges that Contractors utilized by Efficiency Energy Services under the Program are independent contractors, and that nothing in this Agreement shall be construed or implied to create an agency, partnership, or employer/employee relationship between any such Contractor and Efficiency Energy Services. At no time will any Contractor be authorized to make commitments or incur any charges or expenses for or in the name of Efficiency Energy Services.
- (B) Efficiency Energy Services shall not be responsible for any damage or injury caused by its Contractors in connection with work done under this agreement. Efficiency Energy Services shall require each Contractor, to the extent of the work to be performed by the Contractor, to be bound by the terms of this agreement, and to assume toward Efficiency Energy Services all the obligations and responsibilities, which Efficiency Energy Services assumes toward the Host Customer. Each Contractor shall maintain insurance coverage with reasonable limits to insure against such losses.
- (C) Under this agreement, Host Customer will ensure installation of: the Demand Side Management (DSM) Measures (efficient lighting equipment) as proposed and listed in the Project Report schedule (attached). As an incentive to purchase the energy efficient equipment as described above, Efficiency Energy Services will apply the sum of \$17,478 rebate to the total project cost. The incentive allowance will be contingent upon your local electric utility provider's approval of this energy efficiency project. The total project cost is \$18,857 pre-rebate (see attached proposal- Hockley County Senior Citizen Association Efficiency Improvement Program). Efficiency Energy Services will issue an invoice for \$1,379 (the total project cost minus the rebate) plus applicable taxes which will be due and payable 15 days from the EES invoice date and subject to a finance charge of 1.5% per month (18% APR) on past due invoices.
- (D) Host Customer agrees that by using the installed DSM Measures it waives any entitlement and/or right to receive incentive payment, refunds, or rebates that may be applicable to Host Customer for these DSM Measures pursuant to other Standard Offer DSM programs.



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- (E) Host Customer agrees, upon three (3) days' prior oral notice, to provide your local electric utility and the independent measurement and verification expert selected by the Public Utility Commission of Texas (PUCT) with full and complete access to the Project Site for any purpose related to the SOP. The right of access will be subject to Host Customer's reasonable access requirements and, unless otherwise agreed, must occur within the normal business hours of the Host Customer.
- (F) Any review or inspection of the installed DSM Measures, equipment, or its operation or maintenance of its equipment shall be solely for the information of your local utility and shall not constitute any representation as to the technical or economic qualities of the installed DSM Measures or the effectiveness or appropriateness of the installed equipment or its operation or maintenance. Your local utility's review, comment, failure to comment, or approval of any plans for design, construction, operation, modification, or maintenance of the installed DSM Measures and equipment or any other aspect of Host Customer facilities shall not render it responsible for the design, construction, operation, modification, maintenance, adequacy, or compatibility of the DSM Measures and equipment or any of the Efficiency Energy Services or the Host Customer facilities. Your local utility's review, comment, failure to comment, or approval is not an endorsement or warranty of the installed DSM Measures and equipment or any of Efficiency Energy Services's or Host Customer's facilities.
- (G) Host Customer shall maintain the DSM Measures in a safe condition and shall indemnify and hold Efficiency Energy Services harmless from and against any and all claims, liabilities, damages, fines, penalties, and expenses of every kind (including, but not limited to, injury to or death of any person, damage to or destruction of property, and reasonable attorney's fees and costs) arising out of or attributed, directly or indirectly, to the failure of Host Customer to maintain the DSM Measures in a safe condition, regardless of the legal theory on which any such claim or liability may be founded.
- (H) Host Customer acknowledges that Project Sponsor is an independent contractor with respect to your local electric utility and the SOP and that Project Sponsor is not authorized to make representations or incur obligations on behalf of your local electric utility. Host Customer further acknowledges that your local electric utility is not a party to the Host Customer Agreement and that Project Sponsor is solely responsible for performance thereunder.
- (I) Host Customer agrees to provide Efficiency Energy Services and your local electric utility with access to Host Customer's utility bills, project documentation, contractor invoices, and technical and cost information directly related to the Project.
- (J) If necessary, at the request of your local electric utility, Efficiency Energy Services may install at Host Customer's premises, at Efficiency Energy Services' own expense, equipment for monitoring and measuring energy savings resulting from the Project. Efficiency Energy Services and Host Customer agree that the DSM Measures will be measured and verified in compliance with the protocols established by the New Jersey Board of Public Utilities.



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(K) This Agreement shall be construed under and governed by the laws of the State of Texas. This Agreement and all exhibits attached hereto (which are hereby incorporated in and made a part of this Agreement) contain the entire understanding between Efficiency Energy Services and Host Customer and are intended as a final expression of their agreement and a complete statement of the terms of their agreement. No representations, understandings or contracts have been made or relied upon in the making of this Agreement other than those specifically set forth herein. This Agreement can only be modified or amended in writing signed by both Host Customer and Efficiency Energy Services. Neither party may assign this Agreement, in whole or part, except upon the written consent of the other party.

**WARRANTY**

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Any and all applicable installed equipment manufacturer's warranties will apply and be passed on to the Host Customer. In the case of the linear fluorescent lamps installed by Efficiency Energy Services, there is a 30-36 month manufacturer's bulb replacement warranty and for lighting ballast there is a 60 month manufacturer's replacement warranty for all ballast installed by Efficiency Energy Services. In addition, Efficiency Energy Services guarantees the equipment supplied and work performed against any defects in workmanship for a period of one year following installation completion. It is agreed that in the event of the breach of this warranty, the liability of Efficiency Energy Services shall be limited to repairing or replacing the non-conforming equipment. UNDER NO CIRCUMSTANCES SHALL EFFICIENCY ENERGY SERVICES BE LIABLE FOR ANY OTHER DAMAGES, SPECIAL, INDIRECT OR CONSEQUENTIAL. Efficiency Energy Services will have no further warranty obligation under this Agreement if the Equipment is subjected to abuse, misuse, negligence or accident or if Host Customer fails to perform any of its duties as set forth herein. EXCEPT AS STATED ABOVE, EFFICIENCY ENERGY SERVICES MAKES NO WARRANTIES, EITHER EXPRESSED OR IMPLIED. EFFICIENCY ENERGY SERVICES DOES NOT IN ANY WAY WARRANT THE MERCHANTABILITY OF THE EQUIPMENT DELIVERED TO HOST CUSTOMER UNDER THIS AGREEMENT NOR ITS FITNESS FOR PARTICULAR PURPOSE.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed:

**DANIEL SHANNON PURCELL, LLC dba**

**HOCKLEY COUNTY SENIOR  
CITIZENS ASSOCIATION**

**EFFICIENCY ENERGY SERVICES**

By: 

By: \_\_\_\_\_

Name: Daniel S. Purcell

Name: \_\_\_\_\_

Title: Owner/Manager

Title: \_\_\_\_\_

Date: September 25, 2013

Date: \_\_\_\_\_



# T8 Fluorescent System Warranty

**GE Lighting**

**GE Lighting is pleased to provide the following warranty covering  
GE T8 fluorescent lamps and GE linear fluorescent electronic ballasts.**

GE Lighting warrants that lamps and ballasts comply with their respective published specifications and are free from defects in material, workmanship and title.

This warranty only applies when GE lamps are operated on GE linear electronic ballasts that have been properly wired and installed; are operated within the electrical values shown on the ballast label; used in lighting equipment designed and approved for the application and in environmental conditions (temperature, humidity and air movement) within the normal specified operating range of the system.

If lamps in systems meeting the above requirements fail due to factors within the lamp during the initial three (3) years or 10,500 hours of operation, whichever comes first, after the date of purchase, GE Lighting agrees to furnish replacement lamps at no charge. This warranty applies to lamps which are operated on a burning cycle of 10 hours/start or more. The only exceptions to this warranty are GE F96 lamps which are warranted for two (2) years or 7,000 hours of operation, whichever comes first, after purchase, when operated on a burning cycle of 10 hours/start or more.

If a GE linear fluorescent electronic ballast fails due to factors within the ballast during the initial five (5) years after the date of manufacture, GE Lighting, at its option, will at no charge either replace the defective ballast, including paying a labor allowance, or refund the purchase price of the ballast.

GE Lighting reserves the right to examine failed lamps and/or ballasts to determine the cause of failure and patterns of lamp usage. These lamp and ballast warranties do not apply to any abnormal use or use in violation of any applicable standard, code or instructions for use in installations including those contained in the National Electrical Code (NEC), the Standards for Safety of Underwriters Laboratory, Inc. (UL), Standards for the American National Standards Institute (ANSI) or, in Canada, the Canadian Standards Association (CSA).

The foregoing shall constitute the exclusive remedy of the purchaser and the sole liability of GE Lighting for lamp and ballast Warranties. **NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IS MADE OR IS TO BE IMPLIED.** In no event shall GE Lighting be liable for any other cost of damages including lost profits, incidental, special or consequential damages.

**XCEL ENERGY - SOUTHWESTERN PUBLIC SERVICE COMPANY**  
**LARGE COMMERCIAL AND INDUSTRIAL STANDARD OFFER PROGRAM**  
**PROJECT SPONSOR AND CUSTOMER AGREEMENT**

I hereby declare that all of the following information is true to the best of my knowledge:

**I. CUSTOMER INFORMATION**

Customer Name Hockley County Senior Citizen Association  
Project Site Name Hockley County Senior Citizen Association  
Site Address 1202 Houston St.  
(attach sheet for multiple addresses)  
City & Zip Code Levelland, TX 79336

**II. CUSTOMER ACKNOWLEDGEMENTS**

I hereby acknowledge the following (check appropriate box and complete):

I have entered or intend to enter into a contract with Efficiency Energy Services (the "Project Sponsor") for the installation of Energy Efficiency Measures (the "Project") at the Project Site. The Project Sponsor intends to enter into a Standard Contract with Xcel Energy under its Large Commercial and Industrial Standard Offer Program (hereinafter "C&I Standard Offer Program") for delivery of energy and demand savings resulting from the Project.

I am acting as my own Project Sponsor ("Self-Sponsor") and intend to enter into a Standard Contract with Xcel Energy under its C&I Standard Offer Program for delivery of energy and demand savings resulting from the Project. I assume the responsibilities and the risks of Project Sponsor.

**III. CUSTOMER AGREEMENTS**

Customer agrees to provide Xcel Energy or their representative, upon three (3) days' prior oral notice by Project Sponsor (or Xcel Energy if Customer is Self-Sponsor), full and complete access to the Project Site for any purpose related to the C&I Standard Offer Program. Customer agrees that said access shall be provided during the Customer's normal business hours and in compliance with the Customer's reasonable access requirements.

Customer acknowledges that any view, inspection, or acceptance by Xcel Energy of the Project Site or of the design, construction, installation, operation or maintenance of the measures is solely for the information of Xcel Energy and that, in performing any such inspection or review or in accepting the measures, Xcel Energy makes no representations or warranty whatsoever as to the economic or

technical feasibility, capability, safety or reliability of the measures, their installation by the Project Sponsor, including Self-Sponsor, or their compatibility with the Customer's facilities.

Customer acknowledges that the Project Sponsor, including Self-Sponsor, is an independent contractor with respect to Xcel Energy and the C&I Standard Offer Program, and that the Project Sponsor, including Self-Sponsor, is not authorized to make representations or incur obligations on behalf of Xcel Energy.

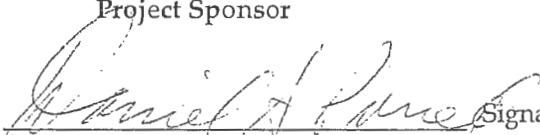
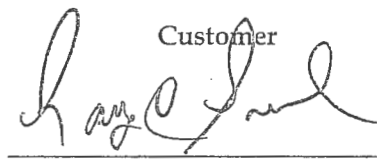
Customer acknowledges that Xcel Energy is not a party to this Project Sponsor and Customer Agreement and that the Project Sponsor, including Self-Sponsor, is solely responsible for performance thereunder.

Customer acknowledges that Xcel Energy makes no warranty or representation regarding the qualifications of the Project Sponsor, including Self-Sponsor, and that the Customer is solely responsible for the selection of the Project Sponsor.

Customer acknowledges that the Customer may file a complaint with the Public Utility Commission of Texas concerning the Project Sponsor, but that Xcel Energy will play no role in resolving any disputes that arise between the Customer and the Project Sponsor.

Customer agrees to release Xcel Energy from any and all claims, demands, losses, damages, costs, and legal liability including, but not limited to 1) injury or death of persons, 2) damage to natural resources, 3) violation of any local, state, or federal law or regulation including, but not limited to, environmental and health and safety laws or regulations, 4) strict liability imposed by any law or regulation, 5) equipment malfunctions, or 6) energy savings shortfalls arising out of, related to, or in any way connected with the Project, regardless of any strict liability or negligence of Xcel Energy, whether active or passive, excepting only such claims, demands, losses, damages, costs, expenses, liability, or violation of law or regulation as may be caused by the gross negligence or willful misconduct of Xcel Energy, and resulting from its acceptance of the Project for participation in the Standard Offer Program.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives.

	Project Sponsor		Customer
Signature:		Signature:	
Name:	<u>Daniel S. Purcell</u>	Name:	_____
Title:	<u>Owner/Manager</u>	Title:	_____
Company:	<u>Efficiency Energy Services</u>	Company:	<u>Hockley County Sr. Citizens Assoc.</u>
Date:	<u>September 25, 2013</u>	Date:	_____

**XCEL ENERGY - SOUTHWESTERN PUBLIC SERVICE COMPANY**  
**LARGE COMMERCIAL AND INDUSTRIAL STANDARD OFFER PROGRAM**  
**PROJECT SPONSOR AND CUSTOMER AGREEMENT**

I hereby declare that all of the following information is true to the best of my knowledge:

**I. CUSTOMER INFORMATION**

Customer Name	<u>Hockley County <del>Senior Citizen Association</del></u>
Project Site Name	<u>Hockley County Senior Citizen Association</u>
Site Address (attach sheet for multiple addresses)	<u>1202 Houston St.</u>
City & Zip Code	<u>Levelland, TX 79336</u>

**II. CUSTOMER ACKNOWLEDGEMENTS**

I hereby acknowledge the following (check appropriate box and complete):

I have entered or intend to enter into a contract with Efficiency Energy Services (the "Project Sponsor") for the installation of Energy Efficiency Measures (the "Project") at the Project Site. The Project Sponsor intends to enter into a Standard Contract with Xcel Energy under its Large Commercial and Industrial Standard Offer Program (hereinafter "C&I Standard Offer Program") for delivery of energy and demand savings resulting from the Project.

I am acting as my own Project Sponsor ("Self-Sponsor") and intend to enter into a Standard Contract with Xcel Energy under its C&I Standard Offer Program for delivery of energy and demand savings resulting from the Project. I assume the responsibilities and the risks of Project Sponsor.

**III. CUSTOMER AGREEMENTS**

Customer agrees to provide Xcel Energy or their representative, upon three (3) days' prior oral notice by Project Sponsor (or Xcel Energy if Customer is Self-Sponsor), full and complete access to the Project Site for any purpose related to the C&I Standard Offer Program. Customer agrees that said access shall be provided during the Customer's normal business hours and in compliance with the Customer's reasonable access requirements.

Customer acknowledges that any view, inspection, or acceptance by Xcel Energy of the Project Site or of the design, construction, installation, operation or maintenance of the measures is solely for the information of Xcel Energy and that, in performing any such inspection or review or in accepting the measures, Xcel Energy makes no representations or warranty whatsoever as to the economic or

technical feasibility, capability, safety or reliability of the measures, their installation by the Project Sponsor, including Self-Sponsor, or their compatibility with the Customer's facilities.

Customer acknowledges that the Project Sponsor, including Self-Sponsor, is an independent contractor with respect to Xcel Energy and the C&I Standard Offer Program, and that the Project Sponsor, including Self-Sponsor, is not authorized to make representations or incur obligations on behalf of Xcel Energy.

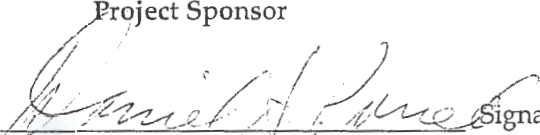
Customer acknowledges that Xcel Energy is not a party to this Project Sponsor and Customer Agreement and that the Project Sponsor, including Self-Sponsor, is solely responsible for performance thereunder.

Customer acknowledges that Xcel Energy makes no warranty or representation regarding the qualifications of the Project Sponsor, including Self-Sponsor, and that the Customer is solely responsible for the selection of the Project Sponsor.

Customer acknowledges that the Customer may file a complaint with the Public Utility Commission of Texas concerning the Project Sponsor, but that Xcel Energy will play no role in resolving any disputes that arise between the Customer and the Project Sponsor.

Customer agrees to release Xcel Energy from any and all claims, demands, losses, damages, costs, and legal liability including, but not limited to 1) injury or death of persons, 2) damage to natural resources, 3) violation of any local, state, or federal law or regulation including, but not limited to, environmental and health and safety laws or regulations, 4) strict liability imposed by any law or regulation, 5) equipment malfunctions, or 6) energy savings shortfalls arising out of, related to, or in any way connected with the Project, regardless of any strict liability or negligence of Xcel Energy, whether active or passive, excepting only such claims, demands, losses, damages, costs, expenses, liability, or violation of law or regulation as may be caused by the gross negligence or willful misconduct of Xcel Energy, and resulting from its acceptance of the Project for participation in the Standard Offer Program.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives.

Project Sponsor		Customer	
Signature:		Signature:	
Name:	<u>Daniel S. Purcell</u>	Name:	_____
Title:	<u>Owner/Manager</u>	Title:	_____
Company:	<u>Efficiency Energy Services</u>	Company:	<u>Hockley County Sr. Citizens Assoc.</u>
Date:	<u>September 25, 2013</u>	Date:	_____

September 28, 2013

***Hockley County Roof Upgrade Estimated Xcel Energy CISOP Incentives***

<b>County Building</b>	<b>Squares</b>	<b>Est. "Cool Roof" CISOP Incentive</b>
County Hospital	506	\$ 37,681
Law Enforcement Ctr.	160	\$ 11,337
DHS - Social Services	93	\$ 7,331
Courthouse & Annex	93	\$ 9,090
Old Jail	24	\$ 2,346
Senior Citizens Ctr.	142	\$ 10,778
Ext. Svc. - Adult Pob.	100	\$ 7,994
Fam. Med. - Dr's Off.	140	\$ 11,502
Billing Office	19	\$ 1,142
Library	40	\$ 3,036
<b>Total</b>		<b>\$ 102,237</b>

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Motion by Commissioner Carter, seconded by Commissioner Thrash, 4 Votes Yes, 0 Votes No, that Commissioners' Court will revise the Advisory Committee concerning the use of property at 624 Ave. H, as per Revised List recorded below.

**REVISED LIST OF  
APPOINTED ADVISORY COMMITTEE  
FOR PROPERTY AT 624 AVE. H**

**ON SEPTEMBER 30, 2013 THE FOLLOWING PERSONS WERE  
APPOINTED BY COMMISSIONERS' COURT AS THE ADVISORY  
COMMITTEE CONCERNING THE USE OF THE PROPERTY AT 624  
AVE. H, LEVELLAND, TEXAS:**

**LARRY SPROWLS  
PAT PHELAN  
TOMMY CLEVINGER  
DEBRA BRAMLETT  
RANDY FERGUSON  
IRENE GUMULA  
ANNA HORD  
LINDA BARNETTE  
CHRISTOPHER DENNIS**

There being no further business to come before the Court, the Judge declared  
Court adjourned, subject to call.

The foregoing Minutes of a Commissioners' Court meeting held on the 30th  
day of September, A. D. 2013, was examined by me and approved.

Curtis Shaw  
Commissioner, Precinct No. 1

Ray Carter  
Commissioner, Precinct No. 2

J. L. Barnett  
Commissioner, Precinct No. 3

Tommy Weaver  
Commissioner Precinct No. 4

Raymond  
County Judge

Irene Gumula  
IRENE GUMULA, County Clerk, and  
Ex-Officio Clerk of Commissioners' Court  
Hockley County, Texas