



JOHN P. THOMPSON
COUNTY JUDGE

October 13, 2009

Ryan Thomas, CFO East Texas
Electric Cooperative, Inc.
2905 Westward Dr.
Nacogdoches, TX 75961

Re: Prospective Sale of County Land

Dear Mr. Thomas:

This letter will serve to follow up on our recent discussion concerning East Texas Electric Cooperative, Inc.'s interest in acquiring the parcel of land owned by Polk County that formerly housed Southland Park below Lake Livingston Dam. You have indicated that ETEC may need the parcel in connection with its proposed hydroelectric project.

By this letter, Polk County confirms that it is willing to sell the above described parcel of approximately twenty acres (more or less) to ETEC for the hydropower project, and agrees to enter into good faith negotiations with ETEC toward reaching acceptable terms for such a sale. I understand that any agreement for the sale of the property would be contingent on ETEC's receiving an acceptable license from the Federal Energy Regulatory Commission.

Sincerely,

A handwritten signature in cursive script, appearing to read "John P. Thompson".

John Thompson
County Judge
Polk County, Texas