

TEXAS PACIFIC LAND TRUST
Form 10-Q
November 06, 2013

UNITED STATES

**SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934.

For the quarterly period ended September 30, 2013

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934.

For the transition period from _____ to _____

Commission File Number: 1-737

Texas Pacific Land Trust

(Exact Name of Registrant as Specified in Its Charter)

NOT APPLICABLE

75-0279735

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(State or Other Jurisdiction of Incorporation or Organization) (I.R.S. Employer Identification No.)

1700 Pacific Avenue, Suite 2770, Dallas, Texas 75201

(Address of Principal Executive Offices) (Zip Code)

(214) 969-5530

(Registrant's Telephone Number, Including Area Code)

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer Accelerated Filer
Non-Accelerated Filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes
No

Cautionary Statement Regarding Forward-Looking Statements

Statements in this Quarterly Report on Form 10-Q that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements regarding management's expectations, hopes, intentions or strategies regarding the future. Forward-looking statements include statements regarding the Trust's future operations and prospects, the markets for real estate in the areas in which the Trust owns real estate, applicable zoning regulations, the markets for oil and gas, production limits on prorated oil and gas wells authorized by the Railroad Commission of Texas, expected competition, management's intent, beliefs or current expectations with respect to the Trust's future financial performance and other matters. All forward-looking statements in this Report are based on information available to us as of the date this Report is filed with the Securities and Exchange Commission, and we assume no responsibility to update any such forward-looking statements, except as required by law. All forward-looking statements are subject to a number of risks, uncertainties and other factors that could cause our actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and other factors include, but are not limited to, the factors discussed in Item 1A "Risk Factors" of Part I of our Annual Report to the Securities and Exchange Commission on Form 10-K for the year ended December 31, 2012, and in Part I, Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Part II, Item 1A "Risk Factors" of this Quarterly Report on Form 10-Q.

PART I. FINANCIAL INFORMATION**Item 1. Financial Statements****TEXAS PACIFIC LAND TRUST****BALANCE SHEETS**

| | September 30, 2013 (Unaudited) | December 31, 2012 |
|--|---|------------------------------|
| Assets | | |
| Cash and cash equivalents | \$ 15,622,089 | \$ 8,424,907 |
| Accrued receivables | 3,403,084 | 2,700,855 |
| Other assets | 18,708 | 82,082 |
| Prepaid income taxes | — | 416,882 |
| Notes receivable for land sales | 4,232,313 | 8,370,984 |
| Water wells, vehicles, furniture, and equipment – at cost less accumulated depreciation | 63,720 | 66,103 |
| Real estate acquired: (10,125 acres at September 30, 2013 and December 31, 2012) | 1,125,059 | 1,125,059 |
| Real estate and royalty interests assigned through the 1888 Declaration of Trust, no value assigned: | | |
| Land (surface rights) situated in eighteen counties in Texas – 901,211 acres in 2013 and 911,491 acres in 2012 | — | — |
| Town lots – 310 lots in Morita in 2013 and 318 lots in Morita and Loraine in 2012 | — | — |
| 1/16 nonparticipating perpetual royalty interest in 373,777 acres in 2013 and 2012 | — | — |
| 1/128 nonparticipating perpetual royalty interest in 85,414 acres in 2013 and 2012 | — | — |
| | \$ 24,464,973 | \$ 21,186,872 |
| Liabilities and Capital | | |
| Accounts payable and accrued expenses | \$ 837,696 | \$ 1,075,256 |
| Income taxes payable | 3,246,933 | 240,887 |
| Other taxes payable | 236,097 | 108,816 |
| Unearned revenue | 1,286,742 | 1,017,693 |
| Deferred taxes | 975,476 | 2,274,496 |

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| | | |
|--|--------------|--------------|
| Pension plan liability | 588,627 | 873,579 |
| Total liabilities | 7,171,571 | 5,590,727 |
| Capital: | | |
| Certificates of Proprietary Interest, par value \$100 each; outstanding 0 certificates | – | – |
| Sub-share Certificates in Certificates of Proprietary Interest, par value \$.03 1/3 each; outstanding: | – | – |
| 8,550,788 Sub-shares in 2013 and 8,795,258 Sub-shares in 2012 | | |
| Other comprehensive loss | (899,514) | (953,965) |
| Net proceeds from all sources | 18,192,916 | 16,550,110 |
| Total capital | 17,293,402 | 15,596,145 |
| | \$24,464,973 | \$21,186,872 |

See accompanying notes to financial statements.

TEXAS PACIFIC LAND TRUST**STATEMENTS OF INCOME AND TOTAL COMPREHENSIVE INCOME****(Unaudited)**

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|-------------|--|--------------|
| | 2013 | 2012 | 2013 | 2012 |
| Income: | | | | |
| Rentals, royalties and sundry income | \$9,608,435 | \$6,857,629 | \$25,664,004 | \$18,961,648 |
| Land sales | 5,201,600 | – | 5,533,188 | 5,809,747 |
| Interest income from notes receivable | 123,831 | 180,852 | 411,281 | 543,702 |
| | 14,933,866 | 7,038,481 | 31,608,473 | 25,315,097 |
| Expenses: | | | | |
| Taxes, other than income taxes | 339,356 | 245,335 | 965,059 | 708,846 |
| General and administrative expenses | 493,338 | 427,963 | 1,655,034 | 1,516,874 |
| | 832,694 | 673,298 | 2,620,093 | 2,225,720 |
| Operating income | 14,101,172 | 6,365,183 | 28,988,380 | 23,089,377 |
| Interest income earned from investments | 2,743 | 4,800 | 8,923 | 15,001 |
| Income before income taxes | 14,103,915 | 6,369,983 | 28,997,303 | 23,104,378 |
| Income taxes | 4,672,797 | 2,058,891 | 9,297,901 | 7,570,357 |
| Net income | \$9,431,118 | \$4,311,092 | \$19,699,402 | \$15,534,021 |
| Other comprehensive income – periodic pension costs, net of income taxes of \$9,773, \$6,117, \$29,320, and \$18,350 respectively | 18,150 | 11,360 | 54,451 | 34,079 |
| Total comprehensive income | \$9,449,268 | \$4,322,452 | \$19,753,853 | \$15,568,100 |
| Average number of sub-share certificates and equivalent sub-share certificates outstanding | 8,602,550 | 8,940,175 | 8,657,125 | 8,998,515 |
| Basic and dilutive earnings per sub-share certificate on net income | \$1.10 | \$.48 | \$2.28 | \$1.73 |
| Cash dividends per sub-share certificate | \$– | \$– | \$– | \$.23 |

See accompanying notes to financial statements.

TEXAS PACIFIC LAND TRUST**STATEMENTS OF CASH FLOWS****(Unaudited)**

| | Nine Months Ended September 30, | |
|---|--|---------------|
| | 2013 | 2012 |
| Cash flows from operating activities: | | |
| Net income | \$ 19,699,402 | \$ 15,534,021 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Deferred taxes | (1,299,020) | (211,819) |
| Depreciation and amortization | 13,321 | 9,564 |
| Loss on disposal of fixed assets | 2,795 | 2,470 |
| Changes in operating assets and liabilities: | | |
| Accrued receivables and other assets | (638,855) | 320,348 |
| Prepaid income taxes | 416,882 | (484,507) |
| Notes receivable for land sales | 4,138,671 | 686,461 |
| Accounts payable, accrued expenses and other liabilities | (71,731) | 204,414 |
| Income taxes payable | 3,006,046 | (1,199,017) |
| Net cash provided by operating activities | 25,267,511 | 14,861,935 |
| Cash flows from investing activities: | | |
| Proceeds from sale of fixed assets | 20,500 | 13,500 |
| Purchase of fixed assets | (34,233) | (45,599) |
| Net cash used in investing activities | (13,733) | (32,099) |
| Cash flows from financing activities: | | |
| Purchase of Sub-share Certificates in Certificates of Proprietary Interest | (18,056,596) | (14,452,879) |
| Dividends paid | - | (2,091,907) |
| Net cash used in financing activities | (18,056,596) | (16,544,786) |
| Net increase (decrease) in cash and cash equivalents | 7,197,182 | (1,714,950) |
| Cash and cash equivalents, beginning of period | 8,424,907 | 13,029,578 |
| Cash and cash equivalents, end of period | \$ 15,622,089 | \$ 11,314,628 |

See accompanying notes to financial statements.

TEXAS PACIFIC LAND TRUST

NOTES TO UNAUDITED FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

In the opinion of management, the accompanying unaudited financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position of Texas Pacific Land Trust (the "Trust") as of September 30, 2013 and the results of its operations for the three month and nine month periods ended September 30, 2013 and 2012, respectively, and its cash flows for the nine month periods ended September 30, 2013 and 2012, respectively. The financial statements and footnotes included herein should be read in conjunction with the Trust's annual financial statements as of December 31, 2012 and 2011 and for each of the years in the three year period ended December 31, 2012 included in the Trust's Annual Report on Form 10-K for the year ended December 31, 2012.

We evaluate events that occur after the balance sheet date but before financial statements are, or are available to be, issued to determine if a material event requires our amending the financial statements or disclosing the event. We evaluated subsequent events through November 6, 2013, the date we issued these financial statements.

No value has been assigned to the land held by the Trust other than parcels which have been acquired through foreclosure and a limited number of parcels which have been acquired because they were offered for sale and were contiguous to parcels already owned by the Trust. Consequently, no allowance for depletion is computed, and no charge to income is made, with respect thereto, and no cost is deducted from the proceeds of the land sales in computing gain or loss thereon.

The Sub-shares and the Certificates of Proprietary Interest are freely interchangeable in the ratio of one Certificate of Proprietary Interest for 3,000 Sub-shares or 3,000 Sub-shares for one Certificate of Proprietary Interest.

The Trust's effective Federal income tax rate is less than the 34% statutory rate because taxable income is reduced by statutory percentage depletion allowed on mineral royalty income.

The results of operations for the three month and nine month periods ended September 30, 2013 are not necessarily indicative of the results to be expected for the full year.

The Trust invests cash in excess of daily requirements primarily in bank deposit and savings accounts and certificates of deposit with maturities of ninety days or less. Such investments are deemed to be highly liquid debt

instruments and classified as cash equivalents for purposes of the statements of cash flows.

Supplemental cash flow information for the nine month periods ended September 30, 2013 and 2012 is summarized as follows:

| | 2013 | 2012 |
|-------------------|-------------|-------------|
| Income taxes paid | \$7,203,312 | \$9,484,051 |

(8) ASC 280, “*Segment Reporting*,” establishes standards for the way public business enterprises are to report information about operating segments. In accordance with ASC 280, the Trust utilizes the management approach as a basis for identifying reportable segments. The management approach is based on the way that management organizes the segments within the enterprise for making operating decisions and assessing performance. The Trust’s management views its operations as one segment and believes the only significant activity is managing the land which was conveyed to the Trust in 1888. The Trust’s management makes decisions about resource allocation and performance assessment based on the same financial information presented in these financial statements. Managing the land includes sales and leases of such land, and the retention of oil and gas royalties.

In June 2011, the FASB issued Accounting Standards Update No. 2011-05, “*Comprehensive Income (Topic 220): Presentation of Comprehensive Income*” (“ASU 2011-05”). ASU 2011-05 amends existing guidance by allowing only two options for presenting the components of net income and other comprehensive income: (1) in a single continuous financial statement, statement of comprehensive income or (2) in two separate but consecutive financial statements, consisting of an income statement followed by a separate statement of other comprehensive income. ASU No. 2011-05 requires retrospective application, and it is effective for fiscal years beginning after December 15, 2011. We adopted the provisions of ASU 2011-05 as of January 1, 2012 using the single continuous statement presentation. The adoption of this guidance did not have a material effect on our financial statements.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read together with (i) the factors discussed in Item 1A “Risk Factors” of Part I of our Annual Report to the Securities and Exchange Commission on Form 10-K for the year ended December 31, 2012, (ii) the factors discussed in Part II, Item 1A “Risk Factors,” if any, of this Quarterly Report on Form 10-Q and (iii) the Financial Statements, including the Notes thereto, and the other financial information appearing elsewhere in this Report. Period-to-period comparisons of financial data are not necessarily indicative, and therefore should not be relied upon as indicators, of the Trust’s future performance. Words or phrases such as “does not believe” and “believes”, or similar expressions, when used in this Form 10-Q or other filings with the Securities and Exchange Commission, are intended to identify “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995.

Results of Operations for the Quarter Ended September 30, 2013 Compared to the Quarter Ended September 30, 2012

Earnings per Sub-share certificate were \$1.10 for the third quarter of 2013, compared to \$.48 for the third quarter of 2012. Total operating and investing revenues were \$14,936,609 for the third quarter of 2013 compared to \$7,043,281 for the third quarter of 2012, an increase of 112.1%. This increase in revenue and earnings was due primarily to increases in land sales, oil and gas royalty revenue and easement and sundry income. These increases were only slightly offset by a decrease in interest income from notes receivable.

In the third quarter of 2013 the Trust sold approximately 10,180 acres for a total of \$5,201,600, or approximately \$511 per acre. No land sales occurred in the third quarter of 2012.

Rentals, royalties and sundry income were \$9,608,435 during the third quarter of 2013, compared to \$6,857,629 for the third quarter of 2012, an increase of 40.1%. This increase resulted primarily from increases in oil and gas royalty revenue and, to a lesser extent, easement and sundry income.

Oil and gas royalty revenue was \$5,853,309 for the third quarter of 2013, compared to \$3,820,708 for the third quarter of 2012, an increase of 53.2%. Oil royalty revenue was \$4,884,118 for the third quarter of 2013, an increase of 63.2% from the third quarter of 2012 when oil royalty revenue was \$2,992,539. The average price per royalty barrel of crude oil during the third quarter of 2013 was 23.5% higher than the average price prevailing during the third quarter of 2012. In addition, crude oil production subject to the Trust's royalty interest increased 32.2% in the third quarter of 2013 compared to the third quarter of 2012. Gas royalty revenue was \$969,191 for the third quarter of 2013, an increase of 17.0% from the third quarter of 2012 when gas royalty revenue was \$828,169. This increase in gas royalty revenue resulted from both volume and price increases of 6.1% and 10.4% respectively, in the third quarter of 2013 compared to the third quarter of 2012.

Easement and sundry income was \$3,635,615 for the third quarter of 2013, an increase of 23.7% compared to the third quarter of 2012 when easement and sundry income was \$2,938,212. This increase resulted primarily from increases in sundry income and sundry lease rental income, which were partially offset by a decrease in seismic easement income. This category of income is unpredictable and may vary significantly from quarter to quarter.

Interest income, including interest on investments, was \$126,574 for the third quarter of 2013 compared to \$185,652 for the third quarter of 2012, a decrease of 31.8%. Interest on notes receivable for the third quarter of 2013 was \$123,831, a decrease of 31.5% compared to the third quarter of 2012 when interest on notes receivable was \$180,852. As of September 30, 2013, notes receivable for land sales were \$4,232,313 compared to \$9,667,642 at September 30, 2012, a decrease of 56.2%. Interest income earned from investments was \$2,743 for the third quarter of 2013, a decrease of 42.9% from the third quarter of 2012. Interest on investments is affected by such variables as cash on hand for investment and the rate of interest on short-term investments.

Taxes, other than income taxes, increased 38.3% for the third quarter of 2013 compared to the third quarter of 2012. This increase is attributable to an increase in oil and gas production taxes which resulted from the increase in oil and gas royalty revenue discussed above.

General and administrative expenses for the third quarter of 2013 were up 15.3%, compared to the third quarter of 2012. This was primarily due to increases in legal and dues and subscription expenses.

Results of Operations for the Nine Months Ended September 30, 2013 Compared to the Nine Months Ended September 30, 2012

Earnings per Sub-share certificate were \$2.28 for the first nine months of 2013, compared to \$1.73 for the first nine months of 2012. Total operating and investing revenues were \$31,617,396 for the first nine months of 2013 compared to \$25,330,098 for the first nine months of 2012, an increase of 24.8%. This increase in revenue and earnings was primarily due to increases in oil and gas royalty revenue and easement and sundry income, which were partially offset by decreases in land sales and interest income from notes receivable.

During the first nine months of 2013 the Trust sold approximately 10,280 acres for a total of \$5,533,188, or approximately \$538 per acre. In the first nine months of 2012 the Trust sold approximately 7,252 acres for a total of \$5,809,747, or approximately \$801 per acre.

Rentals, royalties, and sundry income were \$25,664,004 for the first nine months of 2013 compared to \$18,961,648 for the first nine months of 2012, an increase of 35.3%. This increase resulted primarily from increases in oil and gas royalty revenue and, to a lesser extent, easement and sundry income.

Oil and gas royalty revenue was \$16,205,783 for the first nine months of 2013, compared to \$10,582,788 for the first nine months of 2012, an increase of 53.1%. Oil royalty revenue was \$13,289,630 for the first nine months of 2013, an increase of 54.5% from the first nine months of 2012 when oil royalty revenue was \$8,601,160. The average price per royalty barrel of crude oil during the first nine months of 2013 was 1.7% lower than the average price prevailing during the first nine months of 2012. This price decrease, however, was more than offset by an increase of 57.2% in crude oil production subject to the Trust's royalty interest in the first nine months of 2013 compared to the first nine months of 2012. Gas royalty revenue was \$2,916,153 for the first nine months of 2013, an increase of 47.2% from the first nine months of 2012 when gas royalty revenue was \$1,981,628. This increase in gas royalty revenue resulted primarily from a volume increase of 41.4% in the first nine months of 2013 compared to the first nine months of 2012, which was augmented by a modest price increase of 3.9% over the same period.

Easement and sundry income was \$9,070,832 for the first nine months of 2013, an increase of 13.2% compared to the first nine months of 2012 when easement and sundry income was \$8,010,317. This increase resulted primarily from increases in sundry lease rentals, sundry income, and pole line easement income caused by an increase in drilling and exploration activity on land owned by the Trust. This category of income is unpredictable and may vary significantly from period to period.

Interest income, including interest on investments, was \$420,204 for the first nine months of 2013 compared to \$558,703 for the first nine months of 2012, a decrease of 24.8%. Interest on notes receivable for the first nine months of 2013 was \$411,281, a decrease of 24.4% compared to the first nine months of 2012 when interest on notes receivable was \$543,702. As of September 30, 2013, notes receivable for land sales were \$4,232,313 compared to \$9,667,642 at September 30, 2012, a decrease of 56.2%. Interest income earned from investments was \$8,923 for the first nine months of 2013, a decrease of 40.5% from the first nine months of 2012. Interest on investments is affected by such variables as cash on hand for investment and the rate of interest on short-term investments.

Taxes, other than income taxes, increased 36.1% for the first nine months of 2013 compared to the first nine months of 2012. This increase is attributable to an increase in oil and gas production taxes which resulted from the increase in oil and gas royalty revenue discussed above.

General and administrative expenses for the first nine months of 2013 increased 9.1% compared to the first nine months of 2012. This was primarily due to an increase in legal expenses.

Liquidity and Capital Resources

The Trust's principal sources of liquidity are revenues from oil and gas royalties, lease rentals and receipts of interest and principal payments on the notes receivable arising from land sales. In the past, those sources have generated more than adequate amounts of cash to meet the Trust's needs and, in the opinion of management, should continue to do so in the foreseeable future.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in the information related to market risk of the Trust since December 31, 2012.

Item 4. Controls and Procedures

Pursuant to Rule 13a-15, management of the Trust under the supervision and with the participation of Roy Thomas, the Trust's Chief Executive Officer, and David M. Peterson, the Trust's Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of the Trust's disclosure controls and procedures as of the end of the Trust's fiscal quarter covered by this Report on Form 10-Q. Based upon that evaluation, Mr. Thomas and Mr. Peterson concluded that the Trust's disclosure controls and procedures are effective in timely alerting them to material information relating to the Trust required to be included in the Trust's periodic SEC filings.

There have been no changes in the Trust's internal control over financial reporting during the Trust's most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II**OTHER INFORMATION****Item 1A. Risk Factors**

There have been no material changes in the risk factors previously disclosed in response to Item 1A “Risk Factors” of Part I of the Trust’s Annual Report to the Securities and Exchange Commission on Form 10-K for the year ended December 31, 2012.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(c) During the third quarter of 2013, the Trust repurchased Sub-share certificates as follows:

| Period | Total Number of Sub-shares Purchased | Average Price Paid per Sub-share | Total Number of Sub-shares as Part of Publicly Announced Plans or Programs | Maximum Number (or Approximate Dollar Value) of Sub-shares that May Yet Be Purchased Under the Plans or Programs |
|---|---|---|---|---|
| July 1, through July 31, 2013 | 35,074 | \$ 84.05 | – | – |
| August 1, through August 31, 2013 | 28,913 | \$ 86.10 | – | – |
| September 1, through September 30, 2013 | 31,460 | \$ 85.36 | – | – |
| Total | 95,447* | \$ 85.10 | – | – |

* The Trust purchased and retired 95,447 Sub-shares in the open market.

Item 6. Exhibits

- 31.1 Rule 13a-14(a) Certification of Chief Executive Officer.
- 31.2 Rule 13a-14(a) Certification of Chief Financial Officer.
- 32.1 Certification of Chief Executive Officer furnished pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2 Certification of Chief Financial Officer furnished pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

- 101.INS XBRL Instance
- 101.SCH XBRL Taxonomy Extension Schema
- 101.CAL XBRL Taxonomy Extension Calculation
- 101.DEF XBRL Taxonomy Extension Definition
- 101.LAB XBRL Taxonomy Extension Labels
- 101.PRE XBRL Taxonomy Extension Presentation

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TEXAS PACIFIC LAND TRUST

(Registrant)

Date: November 6, 2013 By: /s/ Roy Thomas
Roy Thomas, General Agent,
Authorized Signatory and Chief Executive
Officer

Date: November 6, 2013 By: /s/ David M. Peterson
David M. Peterson, Assistant General Agent,
and Chief Financial Officer

INDEX TO EXHIBITS

| <u>EXHIBIT</u> | <u>DESCRIPTION</u> |
|-----------------------|---|
| <u>NUMBER</u> | |
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| 101.PRE | XBRL Taxonomy Extension Presentation |