

**AMENDMENT TO
TAX EQUIVALENCY PAYMENT AGREEMENT**

THIS AMENDMENT TO TAX EQUIVALENCY PAYMENT AGREEMENT (“AMENDMENT”) is made and entered into by and between VALERO REFINING—TEXAS, L.P., (“VALERO REFINING”) a Texas limited partnership, VALERO MARKETING AND SUPPLY CO., (“VMSC”), a Delaware corporation, TEXAS CITY FOREIGN TRADE ZONE CORPORATION (“GRANTEE”), CITY OF TEXAS CITY, TEXAS (“CITY”), and TEXAS CITY INDEPENDENT SCHOOL DISTRICT, (“TCISD”) a duly authorized and operating independent school district in the State of Texas, (collectively the “Parties”).

RECITALS

WHEREAS, Grantee has been designated by the Foreign-Trade Zone Board as a General-Purpose Foreign Trade Zone No. 199 located at the Houston-Galveston Port of Entry, and,

WHEREAS, Grantee, the City, and PHIBRO ENERGY USA, INC., (“Phibro”) entered into a certain Subzone Approval and Tax Equivalency Payment Agreement dated December 13, 1995, a copy of which, along with an amendment dated September 5, 2000, is attached hereto as **EXHIBIT A** (the “Tax Equivalency Payment Agreement”); and,

WHEREAS, on February 13, 1996 Phibro changed its name to BASIS PETROLEUM, INC. (“Basis”); and,

WHEREAS, on December 30, 1996 the Foreign Trade Zones Board granted subzone status in Foreign Trade Zone No. 199C to Basis; and,

WHEREAS, portions of Foreign Trade Zone No. 199C are located within the territorial boundaries of the TCISD; and,

WHEREAS, on September 3, 1997 Basis changed its name to VALERO REFINING COMPANY-TEXAS (“VRC-Texas”); and,

WHEREAS, on or about May 4, 1999, Grantee and VRC-Texas entered into a Subzone Operating Agreement, supplanting a previous subzone operating agreement between Grantee and Phibro; and

WHEREAS, on November 1, 2001, VRC-Texas was converted to become Valero Refining, a Texas limited partnership; and

WHEREAS, Paragraph 5 of the Tax Equivalency Payment Agreement obligates Valero Refining to make a Tax Equivalency Payment (as defined therein) with respect to inventory located within the Subzone to all applicable taxing jurisdictions, including TCISD, as more specifically set forth therein; and

WHEREAS, Valero Refining affiliate VMSC owns inventory subject to the Tax Equivalency Payment Agreement, and pursuant to current practice, VMSC is invoiced and remits payment to the City on Valero Refining and VMSC's behalf; and,

WHEREAS, the TCISD, Valero Refining, and VMSC desire to enter into a separate tax equivalency agreement to govern the tax equivalency payment obligation required with respect to TCISD (the "Valero/TCISD Payment Agreement");

NOW, THEREFORE, in consideration of the foregoing and the covenants and agreements herein contained, the Parties hereto agree to amend the Tax Equivalency Payment Agreement as follows:

1. With effect beginning in tax year 2022, (1) Valero Refining's and/or VMSC's obligation to make the Tax Equivalency Payment pursuant to paragraph 5 of the Tax Equivalency Payment Agreement shall not apply with respect to "taxes that would have been assessed" by TCISD; (2) Grantee's and/or City's invoice to Valero Refining and/or VMSC shall not include any amount with respect to TCISD; and (3) neither Valero Refining or VMSC shall be in default of the Tax Equivalency Payment Agreement for failure to make any payment with respect to "taxes that would have been assessed" by TCISD. (For avoidance of doubt and for purposes of illustration: for tax year 2020, Grantee and/or City invoiced VMSC under the Tax Equivalency Payment Agreement in the amount of \$2,183,283.15 with respect to TCISD, and were this Amendment applicable to tax year 2020, such amount would not have been included in this invoice nor otherwise subject to payment under the Tax Equivalency Payment Agreement.)

2. In substitution of their respective rights and obligations under the Tax Equivalency Payment Agreement, Valero Refining, VMSC, and TCISD are entering into the Valero/TCISD Payment Agreement. In the event that that the Valero/TCISD Payment Agreement is terminated, then beginning with first tax year no longer subject to the Valero/TCISD Payment Agreement, the Tax Equivalency Payment Agreement shall resume and govern the Parties rights and obligations. In the event of such termination, Valero Refining and/or TCISD shall timely notify Grantee and City so as to enable resumption of billing and payment under the Tax Equivalency Payment Agreement.

3. Except as specifically amended herein, all other terms of the Tax Equivalency Payment Agreement shall remain in force and effect. The provisions of Paragraph 6 of the Tax Equivalency Payment Agreement shall apply *mutatis mutandis* to this Amendment. This Amendment may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties.

Texas City Foreign Trade Zone Corporation

By: _____

Name: _____

Title: _____

Date: _____

City of Texas City, Texas

By: _____

Name: _____

Title: _____

Date: _____

Valero Refining—Texas, LP

By: _____

Name: _____

Title: _____

Date: _____

Valero Marketing and Supply Company

By: _____

Name: _____

Title: _____

Date: _____

Texas City Independent School District

By: _____

Name: _____

Title: _____

Date: _____