

NOTICE: ANY SUBJECT APPEARING ON THIS AGENDA, REGARDLESS OF HOW THE MATTER IS STATED, MAY BE ACTED UPON BY THE BOARD OF DIRECTORS OF TEXAS CITY HARBOUR FOREIGN TRADE ZONE CORPORATION.

TEXAS CITY HARBOUR FOREIGN TRADE ZONE CORPORATION
BOARD OF DIRECTORS MEETING

AGENDA

JULY 21, 2021- 3:30 P.M.
CITY HALL CONFERENCE ROOM
1801 9th Ave. N.
Texas City, TX 77590

PLEASE NOTE:

Due to the COVID 19 Disaster and the CDC's recommendation regarding social distancing measures the City Commission will meet in person and electronically. Texas Governor Greg Abbott waived on a temporary basis certain sections of the Texas Open Meetings Act. The meeting will be audible to members of the public and allow for two-way communications for those desiring to participate.

Any person who calls in and is interested in speaking on any item on the Agenda must call the number below and sign in to the conference then wait for the Board President to request any public comments. Public comments may not apply to all items on the agenda.

Those who attend in person may sign a "Request to Address City Commission" form and give it to the City Secretary prior to the beginning of the meeting.

To join the telephone audio conference, please use the following instructions.

Dial: +1 346 248 7799 OR 877 853 5257 (Toll Free) OR 888 475 4499 (Toll Free)
Webinar ID: 835 7586 5378

You will automatically be muted when joining the conference. To raise your hand or notify the call manager for attention, please dial *9 on your phone during the call. When appropriate the call manger will unmute your line and the system will notify you that you can now participate in public comments.

To view the web presentation or listen to audio without participating, please visit <http://commission.texascitytx.gov>

You will then be redirected to the conference and given instructions to enable viewing. We ask that if you will be joining the telephone conference to speak, please mute your computer audio. When using telephone audio with computer audio on, a feedback loop can be created causing disruptive echoing or a loud static. Disruptive audio will cause your line to be muted by the call manager.

After the meeting, a recording of this meeting's audio will be made available to the public, upon request.

All in attendance are required to remove hats and/or sunglasses (dark glasses) during meetings and to also silence all cell phones and electronic devices.

1. ROLL CALL
2. PUBLIC COMMENTS
3. NEW BUSINESS
 - a. Consider and take action on the Texas City Harbour Foreign Trade Zone Corporation Minutes for April 1, 2021.

- b. Consider and take action on Resolution No. 21-03, approval of an amendment to the Tax Equivalency Payment Agreement between Valero Refining-Texas L.P., ("Valero Refining"), the Texas City Foreign Trade Zone Corporation ("Grantee"), the City of Texas City ('City"), and the Texas City Independent School District ('TCISD").

4. UPDATES

5. BOARD COMMENTS

6. ADJOURNMENT

I, THE UNDERSIGNED AUTHORITY, DO HEREBY CERTIFY THAT THIS NOTICE OF MEETING WAS POSTED ON THE BULLETIN BOARDS AT CITY HALL, 1801 9TH AVENUE NORTH, TEXAS CITY, TEXAS, AT A PLACE CONVENIENT AND READILY ACCESSIBLE TO THE GENERAL PUBLIC AND ON THE CITY'S WEBSITE ON JULY 16, 2021, PRIOR TO 3:30 P.M., AND REMAINED SO POSTED CONTINUOUSLY FOR AT LEAST 72 HOURS PRECEDING THE SCHEDULED TIME OF SAID MEETING.

Texas City Harbour Foreign Trade Zone Corporation

**Texas City Harbour Foreign Trade Zone
Corporation Agenda**

3. a.

Meeting Date: 07/21/2021

Submitted By: Rhomari Leigh, Management Services

Department: Management Services

Information

ACTION REQUEST (Brief Summary)

Consider and take action on the Texas City Harbour Foreign Trade Zone Corporation Minutes for April 1, 2021.

BACKGROUND

ANALYSIS

ALTERNATIVES CONSIDERED

Attachments

Minutes

TEXAS CITY HARBOUR FOREIGN TRADE ZONE CORPORATION
BOARD OF DIRECTORS MEETING

MINUTES

APRIL 1, 2021 - 10:00 A.M.

CITY HALL CONFERENCE ROOM

The Texas City Harbour Foreign Trade Zone Corporation Board of Directors met on April 1, 2021, at 10:00 a.m., in the City Hall Conference Room, 1801 9th Avenue North, in Texas City, Texas. A quorum having been met, the meeting was called to order at 10:38 a.m. by Randy Dietel with the following in attendance:

(1) ROLL CALL

Present: Randy Dietel, Vice-Chairperson
William Etheredge, Director
Rev. Jerry Lee, Director
Laura Boyd, Finance Director / Ex-Officio Member

Absent: John Hackbarth, Chairperson
Genie Jennings, Director

Staff Present: Jon Branson, Executive Director of Management Services
Rhomari Leigh, Board Secretary
George Fuller, City Staff
Garrett McLeod, City Staff
Ryan McClellan, City Staff

Attendees: Henry Gomez

(2) NEW BUSINESS

- (a) Consider and take action on the election of Officers and Oath of Officers.

The Board decided to keep continue with the same Chairperson and Vice-Chairperson.

John Hackbarth will continue as Chairperson. Randy Dietel will continue and Vice-Chairperson.

Motion by Director William Etheredge, Seconded by Director Rev. Jerry Lee

Vote: 3 - 0 CARRIED

- (b) Consider and take action on the Texas City Harbour Foreign Trade Zone Corporation Minutes for October 30, 2019.

Motion by Director Rev. Jerry Lee, Seconded by Director William Etheredge

Vote: 3 - 0 CARRIED

- (c) Consider and take action on Resolution No. 21-01, approving the actions of the Officers of the Texas City Harbour Foreign Trade Zone for the 2019-2020 fiscal year.

Motion by Director Rev. Jerry Lee, Seconded by Director William Etheredge

Vote: 3 - 0 CARRIED

- (d) Consider and take action on Resolution No. 19-02 adopting the 2020-2021 fiscal year budget of the Texas City Harbour Foreign Trade Zone Corporation.

Laura Boyd, Finance Director, gave a review of the 2020-2021 budget.

Motion by Director Rev. Jerry Lee, Seconded by Director William Etheredge

Vote: 3 - 0 CARRIED

- (3) UPDATES

- (4) BOARD COMMENTS

Jon Branson, Executive Director of Management Services, stated that on March 31, 2021, the Foreign Trade Zone 199 Annual report was filed based on granters' submissions (Marathon & Valero).

- (5) ADJOURNMENT

Having no further business, Jerry Lee made a motion to adjourn at 10:44 a.m.; the motion was SECONDED by William Etheredge. The meeting was adjourned.

Board Secretary
Texas City Harbour Foreign Trade Zone Corporation

Date Approved: _____

Texas City Harbour Foreign Trade Zone Corporation Agenda

3. b.

Meeting Date: 07/21/2021

Approval of Amendment to Tax Equivalency Payment Agreement

Submitted For: Jon Branson, Management Services

Submitted By: Jon Branson, Management Services

Department: Management Services

Information

ACTION REQUEST (Brief Summary)

Approval of an amendment to the Tax Equivalency Payment Agreement between Valero Refining-Texas L.P., ("Valero Refining"), the Texas City Foreign Trade Zone Corporation ("Grantee"), the City of Texas City ("City"), and the Texas City Independent School District ("TCISD").

BACKGROUND

The Texas City Foreign Trade Zone has had a long standing Tax Equivalency Payment Agreement with Valero Refining and its parent companies dating back to 1995. The current existing agreement obligates Valero Refining to make a Tax Equivalency Payment with respect to inventory located within the Subzone to all applicable taxing jurisdictions, including TCISD. With approval of the proposed amendment, Valero will no longer be required as of tax year 2022, to provide the Tax Equivalency Payment to TCISD.

In lieu of the Tax Equivalency Payment, Valero is entering into a separate agreement with TCISD that will provide TCISD a supplemental payment. By doing so, TCISD will not be adversely affected by state formula funding.

At the June 8, 2021, TCISD Board Meeting, the Board unanimously approved the Foreign Trade Zone Exemption and supplemental Valero/TCISD Payment Agreement.

ANALYSIS

The proposed amendment only affects TCISD and will not adversely affect the Texas City Foreign Trade Zone or adversely affect the City of Texas City and therefore, the proposed amendment to Tax Equivalency Payment Agreement is recommended for approval.

ALTERNATIVES CONSIDERED

Attachments

Proposed Amendment

Existing Agreement

Resolution

**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: _____

TEXAS CITY FOREIGN TRADE ZONE CORPORATION

FOREIGN TRADE ZONE NO. 199

SUBZONE APPROVAL AND

TAX EQUIVALENCY PAYMENT AGREEMENT

This Agreement is made the *13th* day of *December*, 1995, by and among the City of Texas City (the "City"), Texas City Foreign Trade Zone Corporation (the "Grantee"), and PHIBRO ENERGY USA, INC. (the "Subzone User").

RECITALS

WHEREAS, the City has established the Grantee as part of the City's Foreign Trade Zone Economic Development Program established under Local Government Code §380.001 (the "Program"); and

WHEREAS, under the Program, the Grantee has been established to obtain and maintain a foreign trade zone grant to promote economic development in and around Texas City; and

WHEREAS, the Program allows private businesses to participate in the Program and receive the benefits of operating under foreign trade zone procedures through the establishment of one or more Subzones under the conditions expressed in the Program; and

WHEREAS, Subzone User desires to participate in the Program, and desires that Grantee make an application for a Subzone at the premises of the Subzone User (the "Subzone Property"); and

WHEREAS, as a prerequisite to filing an application for a Subzone, the Program requires the execution of a three party agreement obligating the Subzone User to make tax equivalency payments; and

WHEREAS, the City and the Grantee have determined that establishing a Subzone at the Subzone Property in accordance with the Program is in the public interest:

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES EXPRESSED IN THIS AGREEMENT, THE PARTIES AGREE AS FOLLOWS:

1. Subzone Application. Grantee agrees to file a Subzone Application for the Subzone Property (the "Subzone Application"), subject to Grantee approval of the text of the actual application.
2. Fees and Expenses. The Subzone User agrees to bear all fees and expenses incurred in connection with preparation and filing of the Subzone Application. Fees and expenses include, without limitation, application fees to the Department of Commerce, and reimbursement of outside counsel fees incurred by the Grantee in review and/or processing of the Subzone Application.
3. City Support. The City agrees to provide a support letter to be included in the Subzone Application.
4. Conditions to Operations. The Subzone User agrees to abide by all terms and conditions of the Program, and by the rules and regulations of Grantee. Prior to activation, the Subzone User will execute a Subzone Operators Agreement with Grantee detailing procedures for Subzone operation.
5. Tax Equivalency Payment.
 - (a) The Subzone User agrees that for each calendar year in which the Subzone Property is activated, the Subzone User will make a Tax Equivalency Payment to Grantee.

- (b) The Tax Equivalency Payment shall be in an amount equal to the difference between (i) the amount of ad valorem taxes that would have been assessed on inventory located at the Subzone Property if the Subzone designation had not been in place for the current year, and (ii) the amount of ad valorem taxes actually assessed for that year on inventory located at the Subzone Property. For purposes of determining the Tax Equivalency Payment, "taxes that would have been assessed" includes all ad valorem taxes which would have been assessed on inventory located at the Subzone Property, regardless of whether or not such inventory is owned by the Subzone User, by all taxing authorities with jurisdiction over the Subzone Property, including without limitation, the City, Galveston County, and applicable school, hospital, and junior college districts. The records of the Galveston Central Appraisal District used in preparing the tax roll shall be deemed conclusive in establishing the amount of taxes that would have been assessed if the Subzone designation had not been in place for the current year.
- (c) On or before October 15 of each year, Grantee shall send to the Subzone User a notice stating the Tax Equivalency Payment required for that calendar year.
- (d) The Tax Equivalency Payment shall be made from the Subzone User to the Grantee on or before November 15 of the year in which the payment is due. All past due amounts shall bear interest at the maximum rate allowable by law.
- (e) If the Subzone User does not timely make its Tax Equivalency payment, the Subzone Property shall be subject to deactivation by the Grantee. Prior to deactivating the Subzone Property, the Grantee shall provide the Subzone User

notice of its intent to deactivate and allow the Subzone User ten (10) days from the date of the notice to pay the past due amount and thereby avoid deactivation. Deactivation shall not affect the Subzone User's liability for payment of the Tax Equivalency Payment.

6. Miscellaneous.

- (a) This Agreement shall extend to and be binding upon and inure to the benefit of the parties hereto, and their respective legal representatives, successors and assigns.
- (b) All notices, claims, or demands required or permitted to be given hereunder shall be hand delivered or sent by certified mail, return receipt requested, to the address of each party listed on the signature page.
- (c) In the event any action or proceeding is commenced by any party to (i) determine rights, duties or obligations hereunder, (ii) determine a breach hereof and obtain damages, or (iii) otherwise enforce this Agreement, the prevailing party in such action or proceeding shall be entitled to recover from the other party or parties all costs and expenses, including reasonable attorneys fees and costs.
- (d) This Agreement shall be governed by the laws of the State of Texas, and is performable in Galveston County, Texas.

ADDRESS FOR NOTICE

CITY:
1801 - 9TH Avenue North
P.O. Box 2608
Texas City, TX 77592-2608
Attn: City Attorney

CITY:
CITY OF TEXAS CITY, TEXAS

By _____
Charles T. Doyle
Its Mayor

GRANTEE:

1801 - 9th Avenue North
P.O. Box 2608
Texas City, TX 77592-2608
Attn: City Attorney

GRANTEE:

**TEXAS CITY FOREIGN TRADE
ZONE CORPORATION**

By _____
Randy Dietel
Its Chairman

SUBZONE USER:

PHIBRO ENERGY USA, INC.
Texas City Refinery
Attention: Refinery Manager
P.O. Box 3429
Texas City, TX 77592-3429

SUBZONE USER:

PHIBRO ENERGY USA, INC.
By Robert M. Flavin
Robert M. Flavin
Its Senior Vice President & CFO

GEARY, PORTER & DONOVAN
A PROFESSIONAL CORPORATION

ATTORNEYS AND COUNSELORS

ONE BENT TREE TOWER
16475 DALLAS PARKWAY, SUITE 500
ADDISON, TEXAS 75001-6837

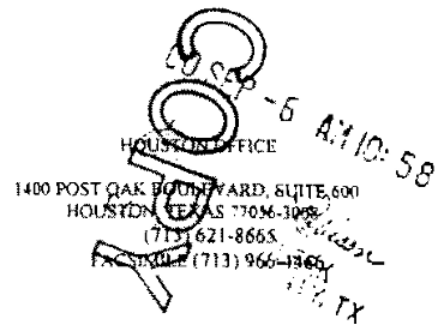
P. O. BOX 700248
DALLAS, TEXAS 75370-0248

(972) 931-9901
FACSIMILE (972) 931-9208

DAVID J. KAPLAN

DIRECT DIAL NUMBER
(972) 349-2104

E MAIL dkaplan@gpd.com



September 5, 2000

Texas City Independent School District
c/o Mr. Robert Q. Keith
Keith, Weber & Mosty, P.C.
P.O. Box 155
112 N. Nugent
Johnson City, TX 78636

Re: No. 97CV0755, Basis Petroleum, Inc. v. Galveston
Central Appraisal District, 56th Judicial District,
Texas (6315-33910)

Dear Mr. Keith:

The purpose of this letter is to propose certain amendments to the Tax Equivalency Payment Agreement ("Agreement") dated December 13, 1995 by and among the City of Texas City (the "City"), Texas City Foreign Trade Zone Corporation ("TC Corporation"), and Phibro Energy USA, Inc. Valero Refining Company-Texas is the successor in-interest to Phibro Energy USA, Inc. under the Agreement ("Valero"), and the Texas City Independent School District ("TCISD") is a third-party beneficiary under the Agreement.

This letter when executed by the City, TC Corporation, Valero and TCISD will confirm the amendment of the Agreement by the addition of a new paragraph 5(f) thereto, which shall read as follows:

- (1) This paragraph 5(f) shall apply only to the 1997 and 1998 tax years, which tax years when considered together commenced as of January 1, 1997 and ended as of December 31, 1998 (the "Relevant Tax Period");
- (2) This paragraph 5(f) shall apply only to the portion of the Tax Equivalency Payment (the "Applicable TEP") relating to the "taxes that

would have been assessed" by Texas City Independent School District ("TCISD") during the Relevant Tax Period against the assets held by Valero Refining Company - Texas (as successor to Phibro Energy USA, Inc.), as the Subzone User hereunder, during such Relevant Tax Period that qualify as "inventory" in accordance herewith (collectively, the "Relevant Inventory");

- (3) The parties recognize that the 56th Judicial District Court of Galveston County, Texas has ordered that a portion of the appraised values previously attributed to Account Number 8700-0501-3260-010 of Galveston County Appraisal District be removed from the Relevant Tax Period's appraisal rolls of, among others, TCISD because a portion of the Relevant Inventory qualifies for exemption under U.S. federal and Texas state law as foreign trade zone inventory (the "Exempt Relevant Inventory");
- (4) TCISD agrees to transfer tax payments previously made by the Subzone User to TCISD for the Relevant Tax Period with respect to the Exempt Relevant Inventory under Galveston County Appraisal District's Account Number 8700-0501-3260-010 to act as a credit against the Subzone User's payment obligations to TCISD with respect to the Applicable TEP;

TCISD further agrees to provide Subzone User with an additional credit against its Applicable TEP obligations equal to the incremental amount by which TCISD's obligations for school finance recapture payments under the Texas Education Code and other applicable law are reduced as a result of the removal of the Exempt Relevant Inventory values from TCISD's appraisal rolls for the Relevant Tax Period (the "Additional Credit"), which Additional Credit TCISD shall be obligated to make only if, when and to the extent either:

a) TCISD actually receives a refund in the form of a check payable to, or a wire transfer to an account of, TCISD from the State of Texas in the amount of any such reductions to TCISD's school finance recapture obligations for the Relevant Tax Period; or

b) TCISD both

(i) receives written verification from the State of Texas that it has granted to TCISD a credit in the amount of any such reductions to TCISD's school finance recapture obligations for the Relevant Tax Period, which credit the State of Texas will thereafter permit to be applied by TCISD against any amounts owed by TCISD to the State of Texas; and

(ii) makes payments to the State of Texas against which such credit may be applied by TCISD in accordance with applicable law;

- (5) The parties agree that TCISD's obligation to provide the Additional Credit required by this subsection 5(f) (and any actual refunds to the Subzone User necessitated thereby) shall be limited to the Relevant Tax Period and made only if, when and to the extent TCISD receives any applicable refund and/or makes application of any relevant credit to TCISD's payments to the State of Texas, as the case may be, that is directly caused by the reclassification of Relevant Inventory as Exempt Relevant Inventory qualifying for foreign trade zone treatment under applicable U.S. federal and Texas state law; TCISD shall have no obligation to credit the Subzone User's Applicable TEP obligations with any other current or future TCISD income or revenues or other moneys now or hereafter held by or owed to TCISD, including, without limitation, any current or future TCISD ad valorem tax revenues, moneys received by TCISD from the

September 5, 2000

Page 4

U.S. government or the State of Texas, local revenues or TCISD's fund balances;

- (6) TCISD agrees that it will use its reasonable best efforts to assist with the prosecution of any appeal or administrative proceeding involving, or the filing of any necessary forms with, the Texas Education Agency, the Texas Comptroller of Public Accounts or other applicable agencies for the purpose of seeking a redetermination of the results of TCISD's Property Value Study, as well as a redetermination of its school finance recapture obligations, for the Relevant Tax Period with respect to the Exempt Relevant Inventory;
- (7) The Subzone User agrees to indemnify TCISD for any reasonable costs and expenses, including attorneys' fees and expenses, incurred by or charged to TCISD in seeking the redeterminations provided by this subsection(f); and
- (8) The parties hereto agree that TCISD's obligation to provide the Additional Credit against the Subzone User's Applicable TEP obligations required by this subsection 5(f) (and any actual refunds to the Subzone User necessary as a result thereof) shall be made by TCISD as soon as possible, but in no event later than thirty (30) business days, following TCISD's receipt of any applicable refund from the State of Texas and/or TCISD's application of any relevant credit to its payments to the State of Texas, as the case may be.

Although this Agreement will not be filed with the Court unless enforcement of its provisions is required, it is intended by the parties that this document shall constitute a written Agreement pursuant to Texas Rule of Civil Procedure 11.

This letter agreement may be signed in one or more counterparts, but all of which when taken together shall constitute one and the same letter agreement. This letter agreement may not

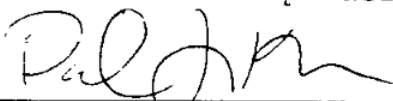
September 5, 2000
Page 5

be amended except pursuant to a writing signed by the City, TC Corporation, Valero and TCISD.

Thank you for your assistance with this matter. Please let me know if you have any questions.

Very truly yours,

GEARY, PORTER & DONOVAN
A Professional Corporation

By: 

David J. Kaplan
Attorney for Valero
Refining Company-Texas

AGREED AS TO FORM AND SUBSTANCE:

Galveston Central Appraisal District

By: Robert Q. Keith, Attorney for
Galveston Central Appraisal District

Date: _____

September 5, 2000
Page 6

Thank you for your assistance with this matter. Please let me know if you have any questions.

Very truly yours,

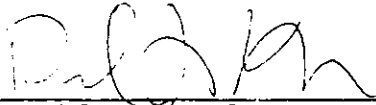
GEARY, PORTER & DONOVAN
A Professional Corporation

By: _____
David J Kaplan
Attorney for Valero
Refining Company-Texas

AGREED AS TO FORM AND SUBSTANCE:

Robert Q Keith
Galveston Central Appraisal District
By: Robert Q. Keith, Attorney for
Galveston Central Appraisal District
Date: 9-5-00

September 5, 2000
Page 6



By: David J. Kaplan, Attorney for
Valero Refining Company-Texas
Date: 9/5/00

ACKNOWLEDGED AND AGREED TO AS OF AUGUST _____, 2000 by and among:

Valero Refining Company-Texas,
successor to Phibro Energy USA, Inc.

By: Roy G. Martin
Name: ROY G MARTIN
Title: Asst. Sec.
Date: 11/29/00

City of Texas City, Texas
By: Carlos Galza
Name: CARLOS GALZA
Title: MAYOR
Date: 11-10-00

Texas City Independent School District
By: Lupit Cantu
Name: LUPIT CANTU
Title: PRESIDENT
Date: 11-14-00

Texas City Foreign Trade Zone Corporation
By: Randy Dutilleul
Name: RANDY DUTILLEUL
Title: 11-14-00
Date: PRESIDENT

DJK/jlp

TEXAS CITY HARBOUR FOREIGN TRADE ZONE CORPORATION

RESOLUTION NO. 21-03

A RESOLUTION APPROVING THE AMENDMENTS TO THE TAX EQUIVALENCY PAYMENT AGREEMENT BETWEEN VALERO REFINING-TEXAS L.P., ("VALERO REFINING"), THE TEXAS CITY FOREIGN TRADE ZONE CORPORATION ("GRANTEE"), THE CITY OF TEXAS CITY ("CITY"), AND THE TEXAS CITY INDEPENDENT SCHOOL DISTRICT ("TCISD"); AND PROVIDING THAT THIS RESOLUTION SHALL BECOME EFFECTIVE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, at a meeting of the Board of Directors of the Texas City Harbour Foreign Trade Zone Corporation (TCHFTZC), duly held on July 14, 2021, consideration was given to approving the amended agreement between Valero Refining-Texas L.P., ("Valero Refining"), the Texas City Foreign Trade Zone Corporation ("Grantee"), the City of Texas City ("City"), and the Texas City Independent School District ("TCISD").

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TEXAS CITY HARBOUR FOREIGN TRADE ZONE CORPORATION THAT:

SECTION 1: The Board of Directors of the Texas City Harbour Foreign Trade Zone Corporation hereby approves the amended agreement between Valero Refining-Texas L.P., ("Valero Refining"), the Texas City Foreign Trade Zone Corporation ("Grantee"), the City of Texas City ("City"), and the Texas City Independent School District ("TCISD").

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and adoption.

PASSED AND ADOPTED this 14th day of July 2021.

CHAIRPERSON/VICE CHAIRPERSON
Texas City Harbour Foreign Trade Zone Corporation

ATTEST:

BOARD SECRETARY
Texas City Harbour Foreign Trade Zone Corporation