

AMENDMENT NO. 2
TO AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR
SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES
BETWEEN PORT ARTHUR INDEPENDENT SCHOOL DISTRICT AND GT
LOGISTICS, LLC
(Comptroller Application No. 1550)

This **AMENDMENT NO. 2 TO THE AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES** (this “**AMENDMENT NO. 2**”) is entered into by and between **PORT ARTHUR INDEPENDENT SCHOOL DISTRICT** (the “**District**”), a lawfully created independent school district of the State of Texas operating under and subject to the Texas Education Code, and **GT LOGISTICS, LLC**, a Delaware limited liability company, Texas Taxpayer Identification Number 32042042351 (“**Applicant**”). The Applicant and the District may hereafter be referred together as the “**Parties**” and individually as a “**Party**.” Undefined capitalized terms herein shall have the meaning given to them in the Agreement (as defined below).

WHEREAS, on or about May 11, 2021, pursuant to Chapter 313 of the Texas Tax Code, after conducting a public hearing on the matter, the District made factual findings (the “**Findings of Fact**”), and passed, approved, and executed that certain Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes dated May 11, 2021, by and between the District and Applicant (the “**Agreement**”);

WHEREAS, on or about December 15, 2022, pursuant to Chapter 313 of the Texas Tax Code, the Board approved Agreement Amendment No. 1;

WHEREAS, on May 11, 2023, the District and Applicant agreed to update Sections 4.3 and 4.4 of (the “**Agreement**”), to ensure it was fully executed;

WHEREAS, the Parties notified the Texas Comptroller of Public Accounts (the “**Comptroller**”) of the Amended Application and the request for this **AMENDMENT NO. 2**, and the Comptroller issued its notice of completeness, issued its amended certification of the Amended Application and approved the form of this **AMENDMENT NO. 2** on May 23, 2023; and

WHEREAS, on July 27, 2023, the Board of Trustees determined that this **AMENDMENT NO. 2** is in the best interest of the District and the State of Texas and is consistent with and authorized by Chapter 313 of the Texas Tax Code, and hereby approves this **AMENDMENT NO. 2** and authorizes the Board President and Secretary or in the event the Board President and Secretary are unavailable or have disclosed a conflict of interest, the Board of Trustees has authorized the Board Vice President, to execute and deliver such Agreement to the Applicant.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual benefits to be derived by the Parties and other good and valuable considerations, the receipt and adequacy of which

Amendment to Agreement for Limitation on Appraised Value
Between Port Arthur ISD and GT Logistics, LLC
May 11, 2021
1st Amendment December 15, 2022
2nd Amendment July 27, 2023

*Texas Economic Development Act Agreement
Comptroller Form 50-826 (Jan 2020)*

are hereby acknowledged, and in compliance with Section 10.2 of the Agreement, the undersigned Parties agree to amend the Agreement as follows:

1. **Amendments.** The Agreement is hereby amended as follows:

Section 4.3. SCHEDULE OF MINIMUM PROPERTY VALUES FOR DEBT TAX PURPOSES. Applicant agrees, for each of the years set forth below in this Section, to ensure that Applicant's Qualified Property shall have at least the taxable value for debt service taxation purposes as listed on the following charts.

The Parties agree that the renewable fuels feedstock processing facility will be built in three discreet phases, which will be independently assessed by the Jefferson County Appraisal District. Therefore, the Parties agree that the Applicant will only be required to guarantee a minimum value upon commercial operations of each separate Phase of the Project. Applicant shall provide notice of the date of Commercial Operations to the District no later than October 1 of the tax year in which Commercial Operations is reached.

The Applicant agrees to guarantee the following minimum property values in Table 1, listed for each Tax Year, which represent 75% of the values set forth by the Applicant in Schedule B of the Application for Phase 1 of the project.

Table 1

Tax Year of Agreement	Date of Appraisal	School Year	Tax Year	Guaranteed Local Debt Service Tax Value
1	January 1, 2023	2023-2024	2023	\$88,041,328
2	January 1, 2024	2024-2025	2024	\$81,727,891
3	January 1, 2025	2025-2026	2025	\$75,946,184
4	January 1, 2026	2026-2027	2026	\$70,630,188
5	January 1, 2027	2027-2028	2027	\$65,685,924
6	January 1, 2028	2028-2029	2028	\$61,087,781
7	January 1, 2029	2029-2030	2029	\$56,811,702
8	January 1, 2030	2030-2031	2030	\$52,834,794
9	January 1, 2031	2031-2032	2031	\$49,136,490
10	January 1, 2032	2032-2033	2032	\$45,697,002

The Parties agree that the timing of Commercial Operations for Phase 2 and Phase 3 have not been finalized. Applicant agrees to increase the minimum guaranteed value set forth in Table 1 as the additional Phases of the Project reach Commercial Operations. For the first tax year immediately following the start of Commercial Operations and for each year thereafter through the end of the

Value Limitation Period, the Applicant agrees to increase the minimum value guarantee set forth in Table 1 by the additional values in Table 2 and Table 3 upon receipt of the notice from Applicant that Commercial Operations has been reached. Upon notice of Phase 2 Commercial Operations, the Applicant will guarantee the additional values set forth in Table 2. Upon notice of Phase 3 Commercial Operations, the Applicant will guarantee the additional values set forth in Table 3.

Table 2

First Tax Year after Start of Phase 2 Commercial Operations	Additional Guaranteed Local Debt Service Tax Value
1	\$13,447,172
2	\$33,287,671
3	\$30,932,789
4	\$28,767,590
5	\$26,753,797
6	\$24,880,979
7	\$23,139,338
8	\$21,519,548
9	\$20,013,233
10	\$18,612,334

Table 3

First Tax Year after Start of Phase 3 Commercial Operations	Additional Guaranteed Local Debt Service Tax Value
1	\$16,106,938
2	\$39,913,276
3	\$37,119,472
4	\$34,521,029
5	\$32,104,490
6	\$29,587,210
7	\$27,767,158
8	\$25,823,527
9	\$24,015,914

D. Section 4.4. COMPENSATION FOR LOSS OF OTHER REVENUES CAUSED BY APPLICANT'S FAILURE TO MAINTAIN MINIMUM PROPERTY VALUES. In addition to the amounts determined pursuant to Section 4.2 above, the Applicant, on an annual basis, beginning with Tax Year 2023 and continuing thereafter through Tax Year 2032, shall also indemnify and reimburse the District for any loss of District Debt Service Tax revenues to

its Interest and Sinking (I&S) Fund, arising from Applicant's failure to maintain at least the taxable values set forth in Section 4.3 on the Qualified Property that is the subject of this Agreement for Debt Service Tax purposes.

In the event that the Applicant fails to maintain the minimum annual taxable value for Debt Service Tax purposes as set forth in Section 4.3, above, Applicant shall reimburse the District for such revenue shortfall in accordance with the following formula:

Guaranteed Local Debt Service Tax Value (as listed in Section 4.3) for the applicable Tax Year

Minus

Actual Taxable Value for Debt Service Tax purposes for the applicable year (net of any loss of value attributable to a Major Property Loss)

Multiplied by

District's adopted Debt Service Tax rate for the applicable year.

If, for any year of this Agreement, the calculation set forth in this Section results in a negative number, the negative number will be considered to be zero.

The District specifically agrees that all payments to the District made under this Subsection shall only be deposited into the District's Interest and Sinking Fund account and may be used for no other purpose.

2. **Effect.** Except as modified and amended by the terms of this AMENDMENT NO. 2, all of the terms, conditions, provisions and covenants of the Findings of Fact and Agreement are ratified and shall remain in full force and effect, and the Agreement and this AMENDMENT NO. 2 shall be deemed to constitute a single instrument or document and the Findings of Fact and this AMENDMENT NO. 2 shall be deemed to constitute a single instrument or document. Should there be any inconsistency between the terms of this AMENDMENT NO. 2 and the Agreement or this AMENDMENT NO. 2 and the Findings of Fact; the terms of this AMENDMENT NO. 2 shall prevail. A copy of this AMENDMENT NO. 2 shall be delivered to the Texas Comptroller to be PORT ARTHUR ISD to the Texas Comptroller's internet website. A copy of this AMENDMENT NO. 2 shall be recorded with the official Minutes of the meeting at which it has been approved on July 27, 2023.

3. **Binding on Successors and Assigns.** The Agreement, as amended by this AMENDMENT NO. 2, shall be binding upon and inure to the benefit of the Parties and each other person and entity having any interest therein during their ownership thereof, and their respective successors and assigns.

4. **Counterparts.** This AMENDMENT NO. 2 may be executed in counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same document.

IN WITNESS WHEREOF, the District and Applicant have caused this AMENDMENT NO. 2 to be executed and delivered by their duly authorized representatives on this 27th day of July 2023.

GT LOGISTICS, LLC

By: 

**FRANK QUINTANA,
VICE PRESIDENT OF TAX**

**PORT ARTHUR
INDEPENDENT SCHOOL DISTRICT**

By: 

PRESIDENT, BOARD OF TRUSTEES

ATTEST:

By: 

SECRETARY, BOARD OF TRUSTEES

OR IN THE EVENT OF A CONFLICT OF INTEREST

By: 

VICE PRESIDENT, BOARD OF TRUSTEES