

Attachment G

Participation Agreement

**AGREEMENT FOR LIMITATION ON APPRAISED VALUE
OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES**

by and between

BEAUMONT INDEPENDENT SCHOOL DISTRICT

and

NATGASOLINE LLC
(Texas Taxpayer ID # 32049571162)

Texas Comptroller Application No. 311

Dated

December 19, 2013

**AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR
SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES**

STATE OF TEXAS §

COUNTY OF JEFFERSON §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this "Agreement," is executed and delivered by and between the **BEAUMONT INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as the "District," a lawfully created independent school district within the State of Texas operating under and subject to the Texas Education Code, and **NATGASOLINE LLC**, (*Texas Taxpayer ID #32049571162*), hereinafter referred to as the "Applicant." The Applicant and the District are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties." Certain capitalized and other terms used in this Agreement shall have the meanings ascribed to them in Section 1.3.

RECITALS

WHEREAS, on June 10, 2013, the Superintendent of Schools (hereinafter referred to as the "Superintendent") of the Beaumont Independent School District, acting as agent of the Board of Trustees of the District (the "Board of Trustees"), received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the Texas Tax Code; and,

WHEREAS, on June 18, 2013, the Board of Trustees authorized the Superintendent to accept, on behalf of the District, the Application from Natgasoline LLC; and,

WHEREAS, on June 19, 2013, the Superintendent acknowledged receipt of the Application, and on July 2, 2013, the Superintendent initially acknowledged the Application to be complete and accompanied by the requisite application fee as established pursuant to Texas Tax Code §313.025(a)(1) and Local District Policy CCG (Local); and,

WHEREAS, on August 27, 2013, the Application was determined by the Texas Comptroller of Public Accounts (the Comptroller") to be missing necessary information for the completion of the Comptroller's economic analysis and recommendation of the project; and,

WHEREAS, on August 29, 2013, the Superintendent re-determined that the Application was complete; and,

WHEREAS, the Application was delivered to the office of the Comptroller for review pursuant to Texas Tax Code §313.025(d); and,

WHEREAS, the Comptroller, via letter, has established September 11, 2013, as the completed Application date; and,

WHEREAS, pursuant to 34 Texas Administrative Code §9.1054, the Application was delivered for review to the Jefferson County Appraisal District established in Jefferson County, Texas (the “Appraisal District”), pursuant to Texas Tax Code §6.01; and,

WHEREAS, the Comptroller reviewed the Application pursuant to Texas Tax Code §313.025(d), and on October 10, 2013, the Comptroller, via letter, recommended that the Application be approved; and,

WHEREAS, pursuant to the provisions of Tex. Tax Code § 313.027(h), the Applicant has requested that the date on which the Qualifying Time Period for the project is to commence under this Agreement be deferred until January 2, 2014; and,

WHEREAS, the Comptroller conducted an economic impact evaluation pursuant to Chapter 313 of the Texas Tax Code which was presented to the Board of Trustees at a public hearing held in connection with the Board of Trustees’ consideration of the Application; and,

WHEREAS, the Board of Trustees has carefully reviewed the economic impact evaluation prepared pursuant to Texas Tax Code §313.026 and has carefully considered the Comptroller’s positive recommendation for the project; and,

WHEREAS, the District received written notification, pursuant to 34 Texas Administrative Code §9.1055(e)(2)(A), that the Comptroller reviewed this Agreement, and reaffirmed the recommendation previously made on October 10, 2013, that the Application be approved; and,

WHEREAS, on December 19, 2013, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District; and,

WHEREAS, on December 19, 2013, the Board of Trustees made factual findings pursuant to Texas Tax Code §313.025(f), including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) this Agreement is in the best interest of the District and the State of Texas; (iii) the Applicant is eligible for the limitation on appraised value of the Applicant’s Qualified Property; and, (iv) each criterion referenced in Texas Tax Code §313.025(e) has been met; and,

WHEREAS, on December 19, 2013, the Board of Trustees determined that the Tax Limitation Amount requested by the Applicant, and as defined in Sections 1.2 and 1.3, below, is consistent with the minimum values set out by Texas Tax Code §§313.022(b) and 313.052, as such Tax Limitation Amount was computed for the effective date of this Agreement; and,

WHEREAS, on December 19, 2013, the Board of Trustees approved the Application and the form of this Agreement for a Limitation on Appraised Value of Property for School District

Maintenance and Operations Taxes, and authorized the President and Secretary of the Board of Trustees to execute and deliver such Agreement to the Applicant;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, the Parties agree as follows:

ARTICLE I

AUTHORITY, TERM, DEFINITIONS, AND GENERAL PROVISIONS

Section 1.1. AUTHORITY

This Agreement is executed by the District as its written agreement with the Applicant pursuant to the provisions and authority granted to the District in Texas Tax Code §313.027.

Section 1.2. TERM OF THE AGREEMENT

After a deferral period granted by the Board of Trustees pursuant to the provisions of Tex. Tax Code § 313.027(h), this Agreement shall commence and first become effective on the Commencement Date, as defined in Section 1.3 below. In the event that the Applicant makes a Qualified Investment in the amount defined in Section 2.6 below, or greater, between the Commencement Date, as defined in Section 1.3 below, and the end of the Qualifying Time Period, the Applicant will be entitled to the Tax Limitation Amount defined in Section 1.3 below, for the following Tax Years: 2017, 2018, 2019, 2020, 2021, 2022, 2023, and 2024. The limitation on the local ad valorem property values for Maintenance and Operations purposes shall commence with the property valuations made as of January 1, 2017, the appraisal date for the third full Tax Year following the Commencement Date.

The period beginning with the Commencement Date and ending on December 31, 2016, is referred to herein as the "Qualifying Time Period," as that term is defined in Texas Tax Code §313.021(4). Applicant shall not be entitled to a tax limitation during the Qualifying Time Period.

Unless sooner terminated as provided herein, the limitation on the local ad valorem property values shall terminate on December 31, 2024. Except as otherwise provided herein, this Agreement will terminate in full on the Final Termination Date. The termination of this Agreement shall not (i) release any obligations, liabilities, rights and remedies arising out of any breach of, or failure to comply with, this Agreement occurring prior to such termination, or (ii) affect the right of a Party to enforce the payment of any amount, including any earned Tax Credit, to which such Party was entitled before such termination or to which such Party became entitled as a result of an event that occurred before such termination.

Except as otherwise provided herein, the Tax Years for which this Agreement is effective are as set forth below and set forth opposite each such Tax Year are the corresponding year in the term of this Agreement, the date of the Appraised Value determination for such Tax Year, and a

summary description of certain provisions of this Agreement corresponding to such Tax Year (it being understood and agreed that such summary descriptions are for reference purposes only, and shall not affect in any way the meaning or interpretation of this Agreement):

Tax Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions
Partial Year Deferral Period Beginning on Approval Date (12/19/2013)	January 1, 2013	2013-14	2013	Deferral Period
Partial Year Deferral Period (1/1/2014)	January 1, 2014	2014-15	2014	Deferral Period (Partial Year)
Partial Year Beginning on Commencement Date (01/02/14)	January 1, 2014	2014-15	2014	Start of Qualifying Time Period beginning with Commencement Date (01/02/14). No limitation on value. First year for computation of Annual Limit.
1	January 1, 2015	2015-16	2015	Qualifying Time Period. No limitation on value. Possible Tax Credit in future years.
2	January 1, 2016	2016-17	2016	Qualifying Time Period. No limitation on value. Possible Tax Credit in future years.
3	January 1, 2017	2017-18	2017	\$ 30 million property value limitation.
4	January 1, 2018	2018-19	2018	\$ 30 million property value limitation. Possible Tax Credit due to Applicant.
5	January 1, 2019	2019-20	2019	\$ 30 million property value limitation. Possible Tax Credit due to Applicant.

Tax Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary Description of Provisions
6	January 1, 2020	2020-21	2020	\$ 30 million property value limitation. Possible Tax Credit due to Applicant.
7	January 1, 2021	2021-22	2021	\$ 30 million property value limitation. Possible Tax Credit due to Applicant.
8	January 1, 2022	2022-23	2022	\$ 30 million property value limitation. Possible Tax Credit due to Applicant.
9	January 1, 2023	2023-24	2023	\$30 million property value limitation. Possible Tax Credit due to Applicant.
10	January 1, 2024	2024-25	2024	\$ 30 million property value limitation. Possible Tax Credit due to Applicant.
11	January 1, 2025	2025-26	2025	No tax limitation. Possible Tax Credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
12	January 1, 2026	2026-27	2026	No tax limitation. Possible Tax Credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.
13	January 1, 2027	2027-28	2027	No tax limitation. Possible Tax Credit due to Applicant. Applicant obligated to Maintain Viable Presence if no early termination.

Section 1.3. DEFINITIONS

Wherever used herein, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning, to-wit:

“Act” means the Texas Economic Development Act set forth in Chapter 313 of the Texas Tax Code, as amended.

“Affiliate” of any specified person or entity means any other person or entity which, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under direct or indirect common control with such specified person or entity. For purposes of this definition “control” when used with respect to any person or entity means (i) the ownership, directly or indirectly, or fifty percent (50%) or more of the voting securities of such person or entity, or (ii) the right to direct the management or operations of such person or entity, directly or indirectly, whether through the ownership (directly or indirectly) of securities, by contract or otherwise, and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“Aggregate Limit” means, for any Tax Year during the term of this Agreement, the cumulative total of the Annual Limit amount for such Tax Year and for all previous Tax Years during the term of this Agreement, less all amounts paid by the Applicant to or on behalf of the District under Article IV.

“Agreement” means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented from time to time in accordance with Section 8.3.

“Annual Limit” means the maximum annual benefit which can be paid directly to the District as a Supplemental Payment under the provisions of Texas Tax Code § 313.027(i). For purposes of this Agreement, the amount of the Annual Limit shall be calculated for each year by multiplying the District’s average daily attendance for the applicable school year, as calculated pursuant to Texas Education Code § 42.005, times the greater of \$100, or any larger amount allowed by Texas Tax Code § 313.027(i), if such limit amount is increased for any future year of this Agreement. The Annual Limit shall first be computed for Tax Year 2014, which, by virtue of the deferral of the date on which the Qualifying Time Period for the project is to commence under this Agreement is the Tax Year that includes the date of January 2, 2014, on which the Qualifying Time Period commences under this Agreement.

“Applicant” means Natgasoline LLC, *Texas Taxpayer Identification Number 32049571162*, the company listed in the Preamble of this Agreement which, on June 10, 2013, filed the Application with the District for an Appraised Value Limitation on Qualified Property, and on August 29, 2013 filed an Amended Application, pursuant to Chapter 313 of the Texas Tax Code. The term “Applicant” shall also include the Applicant’s assigns and successors-in-interest and its direct and indirect subsidiaries.

“Applicable School Finance Law” means Chapters 41 and 42 of the Texas Education Code, the Texas Economic Development Act (Chapter 313 of the Texas Tax Code), Chapter 403, Subchapter M, of the Texas Government Code applicable to the District, and the Constitution and general laws of the State applicable to the independent school districts of the State, including specifically, the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State, and judicial decisions construing or interpreting any of the above. The term also includes any amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of the Applicant’s ad valorem tax obligation to the District, either with or without the limitation of property values made pursuant to this Agreement.

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C, of the Texas Tax Code) filed with the District by the Applicant on June 10, 2013, together with the Amended Application submitted on August 29, 2013, which has been certified by the Comptroller’s office to constitute a complete final Application as of the date of September 11, 2013. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant for the purpose of obtaining this Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

“Appraised Value” shall have the meaning assigned to such term in Section 1.04(8) of the Texas Tax Code.

“Appraisal District” means the Jefferson County Appraisal District.

“Approval Date” means December 19, 2013, the date upon which the Application and this Agreement were approved by the Board of Trustees.

“Board of Trustees” means the Board of Trustees of the Beaumont Independent School District.

“Commencement Date” means January 2, 2014, the date upon which the Qualifying Time Period begins. By agreement of the Parties pursuant to Texas Tax Code §313.027(h), the Commencement Date has been deferred, at the request of the Applicant, from the Approval Date.

“Completed Application Date” means September 11, 2013, the date upon which the Comptroller determined to be the date of its receipt of a completed Application for Appraised Value Limitation on Qualified Property (Tax Code, Chapter 313, Subchapter B or C), Comptroller Form 50-296, from the Applicant.

“Comptroller” means the Texas Comptroller of Public Accounts, or the designated representative of the Texas Comptroller of Public Accounts acting on behalf of the Comptroller.

"Comptroller's Rules" means the applicable rules and regulations of the Comptroller set forth at Title 34 of the Texas Administrative Code, Part 1, Chapter 9, Subchapter F, together with any court or administrative decisions interpreting same.

"County" means Jefferson County, Texas.

"Determination of Breach and Notice of Contract Termination" shall have the meaning assigned to such term in Section 7.8 of this Agreement.

"District" or "School District" means the Beaumont Independent School District, being a duly authorized and operating independent school district in the State, having the power to levy, assess, and collect ad valorem taxes within its boundaries and to which Subchapter C of the Act applies. The term also includes any successor independent school district or other successor governmental authority having the power to levy and collect ad valorem taxes for school purposes on the Applicant's Qualified Property or the Applicant's Qualified Investment.

"Final Termination Date" means December 31, 2027. However, any payment obligations of any Party arising under this Agreement prior to the Final Termination Date will survive until paid by the Party owing same, and any right of a Party to enforce payment of any amount to which such Party was entitled prior to the Final Termination Date will survive until paid by the Party owing same.

"Force Majeure" means a failure caused by (a) provisions of law, or the operation or effect of rules, regulations or orders promulgated by any governmental authority having jurisdiction over the Applicant, the Applicant's Qualified Property or the Applicant's Qualified Investment or any upstream, intermediate or downstream equipment or support facilities as are necessary to the operation of the Applicant's Qualified Property or the Applicant's Qualified Investment; (b) any demand or requisition, arrest, order, request, directive, restraint or requirement of any government or governmental agency whether federal, state, military, local or otherwise; (c) the action, judgment or decree of any court; (d) floods, storms, hurricanes, evacuation due to threats of hurricanes, lightning, earthquakes, washouts, high water, fires, acts of God or public enemies, wars (declared or undeclared), blockades, epidemics, riots or civil disturbances, insurrections, strikes, labor disputes (it being understood that nothing contained in this Agreement shall require the Applicant to settle any such strike or labor dispute), explosions, breakdown or failure of plant, machinery, equipment, lines of pipe or electric power lines (or unplanned or forced outages or shutdowns of the foregoing for inspections, repairs or maintenance), inability to obtain, renew or extend franchises, licenses or permits, loss, interruption, curtailment or failure to obtain electricity, gas, steam, water, wastewater disposal, waste disposal or other utilities or utility services, inability to obtain or failure of suppliers to deliver feedstock, raw materials, equipment, parts or material, or inability of the Applicant to ship or failure of carriers to transport to or from the Applicant's facilities products (finished or otherwise), feedstock, raw materials, equipment, parts or material; or (e) any other cause (except financial), whether similar or dissimilar, over which the Applicant has no reasonable control and which forbids or prevents performance.

“Land” shall have the meaning assigned to such term in Section 2.2.

“Maintain Viable Presence” means, after the development and construction of the project described in the Application and in the description of the Applicant’s Qualified Investment and Qualified Property as set forth in Section 2.3 below, (i) the operation over the term of this Agreement of the facility or facilities for which the tax limitation is granted, as the same may from time to time be expanded, upgraded, improved, modified, changed, remodeled, repaired, restored, reconstructed, reconfigured, and/or reengineered; (ii) the maintenance of at least one hundred seventy (170) New Jobs from the time they are created until the Final Termination Date; and (iii) the maintenance of at least eighty percent (80%) of such New Jobs as Qualifying Jobs from the time they are created until the Final Termination Date.

“M&O Amount” shall have the meaning assigned to such term in Section 3.2 of this Agreement.

“Maintenance and Operations Revenue” or “M&O Revenue” means (i) those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Texas Education Code §45.002 and Article VII §3 of the Texas Constitution, plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 of the Texas Education Code or any other statutory provision as well as any amendment or successor statute to these provisions, plus (iii) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace District M&O Revenue lost as a result of such similar agreements, less (iv) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the Texas Education Code.

“Market Value” shall have the meaning assigned to such term in Section 1.04(7) of the Texas Tax Code.

“Net Tax Benefit” means an amount equal to (but not less than zero): (i) the sum of (A) the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for all Tax Years during the term of this Agreement if this Agreement had not been entered into by the Parties; plus (B) any Tax Credits received by Applicant under this Agreement; minus, (ii) an amount equal to the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas, for all Tax Years during the term of this Agreement, plus (B) any and all payments due to the District under Article III of this Agreement.

“New Jobs” means at least one hundred seventy (170) “new jobs,” as defined by 34 Texas Administrative Code §9.1051(14)(C), which the Applicant will create in connection with the project described in the Application and in the description of the Applicant’s Qualified Investment and Qualified Property as set forth in Section 2.3 below. In accordance with the requirements of Texas Tax Code §313.024(d), at least eighty percent (80%) of all New Jobs shall also be Qualifying Jobs, as defined below.

“Qualified Investment” has the meaning set forth in Chapter 313 of the Texas Tax Code, as interpreted by the Comptroller’s Rules, as these provisions existed on the date of this Agreement, and applying any specific requirements for rural school districts imposed by Subchapter C of Chapter 313 of the Texas Tax Code and by the Comptroller’s Rules.

“Qualifying Jobs” means at least eighty percent (80%) of all New Jobs, which must meet the requirements of Texas Tax Code §313.021(3). For the avoidance of doubt, at least eighty percent (80%) of all New Jobs must be Qualifying Jobs (that is, eighty percent (80%) of all New Jobs must meet the requirements of Texas Tax Code §313.021(3)).

“Qualified Property” has the meaning set forth in Chapter 313 of the Texas Tax Code, as interpreted by the Comptroller’s Rules and the Texas Attorney General, as these provisions existed on the date of this Agreement, and applying any specific requirements for rural school districts imposed by Subchapter C of Chapter 313 of the Texas Tax Code and by the Comptroller’s Rules.

“Qualifying Time Period” means, after a deferral period as permitted by Texas Tax Code §313.027(h), the period that begins on the Commencement Date of January 2, 2014, and ends on December 31, 2016.

“State” means the State of Texas.

“Substantive Document” means a document or other information or data in electronic media determined by the Comptroller to substantially involve or include information or data significant to an application, the evaluation or consideration of an application, or the agreement or implementation of an agreement for limitation of appraised value pursuant to Texas Tax Code, Chapter 313. The term includes, but is not limited to, any application requesting a limitation on appraised value and any amendments or supplements, any economic impact evaluation made in connection with an application, any agreement between the Applicant and the school district and any subsequent amendments or assignments, any school district written finding or report filed with the Comptroller as required under Texas Tax Code, Chapter 313, and any application requesting school Tax Credits under Texas Tax Code, §313.103.

“Tax Credit” means the tax credit, either to be paid by the District to the Applicant, or to be applied against any taxes that the District imposes on the Applicant’s Qualified Property, as computed under the provisions of Subchapter D of the Act and rules adopted by the Comptroller and/or the Texas Education Agency, provided that the Applicant complies with the requirements imposed on the Applicant under such provisions, including the timely filing of a completed application under Texas Tax Code §313.103 and the duly adopted administrative rules relating thereto.

“Tax Limitation Amount” means the maximum amount which may be placed as the Appraised Value on Qualified Property/Qualified Investment for years three (3) through ten (10) of this Agreement pursuant to Texas Tax Code §313.054. That is, for each of the eight (8) Tax Years 2017, 2018, 2019, 2020, 2021, 2022, 2023, and 2024, the Appraised Value of the

Applicant's Qualified Investment for the District's maintenance and operations ad valorem tax purposes shall not exceed, and the Tax Limitation Amount shall be, the lesser of:

- (a) the Market Value of the Applicant's Qualified Investment; or
- (b) Thirty Million Dollars (\$30,000,000.00).

The Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the effective date of this Agreement, as set out by Texas Tax Code, §313.022(b) or §313.052, as applicable.

"Tax Year" shall have the meaning assigned to such term in Section 1.04(13) of the Texas Tax Code (*i.e.*, the calendar year).

"Taxable Value" shall have the meaning assigned to such term in Section 1.04(10) of the Texas Tax Code.

"Texas Education Agency Rules" means the applicable rules and regulations adopted by the Texas Commissioner of Education in relation to the administration of Chapter 313, Texas Tax Code, which are set forth at Title 19 – Part 2, Texas Administrative Code (including, but not limited to, §61.1019), together with any court or administrative decisions interpreting same.

ARTICLE II

PROPERTY DESCRIPTION

Section 2.1. LOCATION WITHIN A QUALIFIED REINVESTMENT OR ENTERPRISE ZONE

The Applicant's Qualified Property upon which the Applicant's Qualified Investment will be located is within an area designated as a reinvestment zone under Chapter 311 or 312 of the Texas Tax Code. The legal description of the reinvestment zone in which the Applicant's Qualified Property is located is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

Section 2.2. LOCATION OF QUALIFIED PROPERTY

The location of the Qualified Property upon which the Applicant's Qualified Investment will be located (the "Applicant's Qualified Property") is described in the legal description which is attached to this Agreement as **EXHIBIT 2** and is incorporated herein by reference for all purposes. The land described in **EXHIBIT 2** (the "Land") qualifies as Qualified Property, and the Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in **EXHIBIT 2** without the express authorization of each of the Parties.

Section 2.3. DESCRIPTION OF QUALIFIED INVESTMENT AND QUALIFIED PROPERTY

The Qualified Investment and/or Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 3**, which is attached hereto and incorporated herein by reference for all purposes (the "Applicant's Qualified Investment"). The Applicant's Qualified Investment shall be that property, described in **EXHIBIT 3** which is placed in service under the terms of the Application, during the Qualifying Time Period described in both Section 1.2 above and the definition of Qualifying Time Period set forth in Section 1.3 above. The Applicant's Qualified Property shall be all property, described in **EXHIBIT 3**, including, but not limited to the Applicant's Qualified Investment, together with the portion of the Land described in **EXHIBIT 2**, which: (1) is owned or leased under a capitalized lease by the Applicant or any member of the "combined group" (as defined in Texas Tax Code §171.0001(7)) of which the Applicant is a member; (2) is first placed in service after September 11, 2013, the Completed Application Date established by the Comptroller; and (3) is used in connection with the activities described in the Application. Property which is not specifically described in **EXHIBIT 3** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Investment or the Applicant's Qualified Property for purposes of this Agreement, unless pursuant to Texas Tax Code §313.027(e) and Section 8.3 of this Agreement, the Board of Trustees, by official action, provides that such other property is a part of the Applicant's Qualified Investment for purposes of this Agreement.

Property owned by the Applicant which is not described on **EXHIBIT 3** may not be considered to be Qualified Property unless the Applicant:

- (a) submits to the District and the Comptroller a written request to add such property to this Agreement, which request shall include a specific description of the additional property to which the Applicant requests that the Tax Limitation Amount apply;
- (b) notifies the District and the Comptroller of any other changes to the information that was provided in the Application approved by the District; and,
- (c) provides any additional information reasonably requested by the District or the Comptroller that is necessary to re-evaluate the economic impact analysis for the new or changed conditions.

Notwithstanding the foregoing, any replacement property that meets the definition of Qualified Property (including, but not limited to, any such replacement property installed as part of the project in connection with turnarounds, outages, planned, unplanned and emergency shutdowns, and scheduled and unscheduled maintenance, repairs, restorations, modifications or inspections) shall not be subject to the foregoing restrictions and shall be considered Qualified Property hereunder.

Section 2.4. APPLICANT'S OBLIGATIONS TO PROVIDE CURRENT INVENTORY OF QUALIFIED PROPERTY

At the end of the Qualifying Time Period, or at any other time when there is a material change in the Applicant's Qualified Property located on the Land described in **EXHIBIT 2**, or upon a reasonable request by the District, the Comptroller, or the Appraisal District, the Applicant shall provide to the District, the Comptroller, and the Appraisal District a reasonably specific and detailed description of the material tangible personal property, buildings, or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Applicant's Qualified Property to which the Tax Limitation Amount applies, including maps or surveys of sufficient detail and description to locate all such described property within the boundaries of the real property which is subject to this Agreement.

Section 2.5. QUALIFYING USE

The Parties agree that the Applicant's Qualified Investment described above in Section 2.3 qualifies for a Tax Limitation Agreement under Texas Tax Code §313.024(b)(1) as a manufacturing facility.

Section 2.6. LIMITATION ON APPRAISED VALUE

So long as the Applicant makes a Qualified Investment in the amount of Thirty Million Dollars (\$30,000,000.00), or greater, during the Qualifying Time Period, and unless this Agreement has been terminated as provided herein before such Tax Year, for each of the eight (8) Tax Years 2017, 2018, 2019, 2020, 2021, 2022, 2023, and 2024, the Appraised Value of the Applicant's Qualified Investment for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

- (a) the Market Value of the Applicant's Qualified Investment; or
- (b) Thirty Million Dollars (\$30,000,000.00).

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the effective date of this Agreement, as set out by Texas Tax Code, §313.054(a).

ARTICLE III

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 3.1. INTENT OF THE PARTIES

Subject to the limitations contained in this Agreement (including Section 5.1), it is the intent of the Parties that the District shall, in accordance with the provisions of Texas Tax Code, §313.027(f)(1), be compensated by the Applicant for any loss that the District incurs in its Maintenance and Operations Revenue solely as a result of, or on account of, entering into this

Agreement, after taking into account any payments to be made under this Agreement. Such payments shall be independent of, and in addition to, such other payments as set forth in Article IV. Subject to the limitations contained in this Agreement (including Section 5.1), it is the intent of the Parties that the risk of any negative financial consequence to the District in making the decision to enter into this Agreement will be borne by the Applicant and not by the District.

Section 3.2. CALCULATING THE AMOUNT OF LOSS OF REVENUES BY THE DISTRICT

Subject to the provisions of Sections 5.1 and 5.2, the amount to be paid by the Applicant to compensate the District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year during the term of this Agreement (the "M&O Amount") shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

The M&O Amount owed by the Applicant to the District means the Original M&O Revenue *minus* the New M&O Revenue;

Where:

- i. "Original M&O Revenue" means the total State and local Maintenance & Operations Revenue that the District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Applicant's Qualified Property and/or the Applicant's Qualified Investment been subject to the ad valorem maintenance and operations tax at the District-adopted tax rate for the applicable year.
- ii. "New M&O Revenue" means the total State and local Maintenance & Operations Revenue that the District actually received for such school year, after all adjustments have been made to such Maintenance and Operations Revenue because of any portion of this Agreement.

In making the calculations required by this Section 3.2:

- i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.
- ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property and/or the Applicant's Qualified Investment will be presumed to be one hundred percent (100%).
- iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue as calculated

under this Section 3.2 results in a negative number, the negative number will be considered to be zero.

- iv. All calculations made for years three (3) through ten (10) of this Agreement under Section 3.2, Subsection ii, of this Agreement relating to the definition of "New M&O Revenue" will reflect the Tax Limitation Amount for such year.
- v. All calculations made under this Section 3.2 shall be made by a methodology which isolates only the revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements or any other factors not contained in this Agreement.

Section 3.3. COMPENSATION FOR LOSS OF OTHER REVENUES

In addition to the amounts determined pursuant to Section 3.2 above, and to the extent provided in Section 6.3, the Applicant, on an annual basis, shall also indemnify and reimburse the District for the following:

- (a) All non-reimbursed costs incurred by the District in paying or otherwise crediting to the account of the Applicant, any applicable Tax Credit to which the Applicant may be entitled pursuant to Chapter 313, Subchapter D of the Texas Tax Code, and for which the District does not receive reimbursement from the State pursuant to Texas Education Code §42.2515, or other similar or successor statute.
- (b) All non-reimbursed costs, certified by the District's external auditor to have been incurred by the District for extraordinary education-related expenses related to the Applicant's Qualified Investment that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment attributable to the Applicant's Qualified Investment.
- (c) Any other loss of the District's revenues which directly result from, or are reasonably attributable to any payment made by the Applicant to or on behalf of any third party beneficiary of this Agreement.

Section 3.4. CALCULATIONS TO BE MADE BY THIRD PARTY

All calculations under this Agreement shall be made annually by an independent third party (the "Third Party") jointly approved each year by the District and the Applicant. If the Parties cannot agree on the Third Party, then the Third Party shall be selected by the mediator provided in Section 7.9 of this Agreement.

Section 3.5. DATA USED FOR CALCULATIONS

The calculations for payments under this Agreement shall be initially based upon the valuations placed upon the Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal District in its annual certified tax roll submitted to the District pursuant to Texas Tax Code §26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party selected under Section 3.4. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

Section 3.6. DELIVERY OF CALCULATIONS

On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 3.4 of this Agreement shall forward to the Parties a certification containing the calculations required under Sections 3.2 and/or 3.3, Article IV, and/or Section 5.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed, which fee shall be the sole responsibility of the Applicant, subject to the provisions of Section 3.7. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's offices, personnel, books, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation and fee for a period of five (5) years after payment. The Applicant shall not be liable for any of the Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement or the fee paid by the Applicant to the Third Party pursuant to Section 3.7, if such fee is timely paid.

Section 3.7. PAYMENT BY APPLICANT

The Applicant shall pay any amount determined to be due and owing to the District under this Agreement on or before the January 31 next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Third Party under Section 3.6 below, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or Tax Credit or other reimbursement applications filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement. For no Tax Year during the term of this Agreement shall the

Applicant be responsible for the payment of an aggregate amount of fees and expenses under this Section 3.7 and Section 3.6 which exceeds Ten Thousand Dollars (\$10,000.00).

Section 3.8. RESOLUTION OF DISPUTES

Pursuant to Section 3.4 and Section 3.6, should the Applicant disagree with the certification containing the calculations, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days following the later of (i) receipt of the certification, or (ii) the date the Applicant is granted access to the books, records and other information in accordance with Section 3.6 for purposes of auditing or reviewing the information in connection with the certification. Within fifteen (15) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District. Any appeal by the Applicant of the final determination of the Third Party may be made, in writing, to the Board of Trustees within thirty (30) days of the final determination of certification containing the calculations, and shall be without limitation of the Applicant's other rights and remedies available hereunder, at law or in equity.

Section 3.9. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT

If at the time the Third Party selected under Section 3.4 makes its calculations under this Agreement, the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property, and/or the Applicant's Qualified Property and such appeal remains unresolved, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Property and/or the Applicant's Qualified Property by the Appraisal District.

If as a result of an appeal or for any other reason, the Taxable Value of the Applicant's Qualified Investment and/or the Applicant's Qualified Property is changed, once the determination of the new Taxable Value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations for the applicable year or years using the new Taxable Value. In the event the new calculations result in a change in any amount paid or payable by the Applicant under this Agreement, the Party from whom the adjustment is payable shall remit such amounts to the other Party within thirty (30) days of the receipt of the new calculations from the Third Party.

Section 3.10. EFFECT OF STATUTORY CHANGES

Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 5.1, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District reasonably determines that it will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, the Applicant shall make payments to the District, up to

the revenue protection amount limit set forth in Section 5.1, that are necessary to offset any actual negative impact on the District as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on the District. Such payment shall be made no later than thirty (30) days following notice from the District of such determination and calculation.

ARTICLE IV

SUPPLEMENTAL PAYMENTS

Section 4.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS

In interpreting the provisions of Article IV, the Parties agree as follows:

(a) **Amounts Exclusive of Indemnity Amounts**

In addition to undertaking the responsibility for the payment of all of the amounts set forth under Article III, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the supplemental payments set forth in this Article IV, (the "Supplemental Payments"). The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313, Texas Tax Code, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the Applicant's obligation to make Supplemental Payments under this Article IV is separate and independent of the obligation of the Applicant to pay the amounts described in Article III; provided, however, that all payments under Articles III and IV are subject to the limitations contained in Section 5.1, and that all payments under this Article IV are subject to the separate limitations contained in Section 4.4.

(b) **Adherence to Statutory Limits on Supplemental Payments**

It is the express intent of the Parties that any Supplemental Payments made to or on behalf of the District by the Applicant under this Article IV shall exceed neither (i) the limit imposed by the provisions of Texas Tax Code §313.027(i), as such limit is allowed to be increased by the Legislature for any future year of this Agreement, nor (ii) the lesser of the amounts described in Section 4.2(a) and (b).

Section 4.2. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO AGGREGATE LIMIT

In any year during the term of this Agreement, the District shall not be entitled to receive Supplemental Payments that exceed the lesser of:

- (a) the Applicant's Stipulated Supplemental Payment Amount, defined as Fifteen Percent (15%) of the Applicant's Net Tax Benefit, as the term is defined in Section 1.3, above; or,
- (b) the Aggregate Limit, as the term is defined in Section 1.3, above.

Section 4.3. ANNUAL CALCULATION OF STIPULATED SUPPLEMENTAL PAYMENT AMOUNT

The Parties agree that for each Tax Year during the term of this Agreement beginning with the third full Tax Year following the Commencement Date (Tax Year 2017), the Applicant's Stipulated Supplemental Payment Amount, as defined in Section 4.2, will annually be calculated based upon the then most current estimate of tax savings to the Applicant, which will be made, based upon assumptions of student counts, tax collections, and other applicable data, in accordance with the following formula:

Taxable Value of the Applicant's Qualified Property for such Tax Year had this Agreement not been entered into by the Parties (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's interest and sinking fund tax purposes for such Tax Year, or school taxes due to any other governmental entity, including the State of Texas, for such Tax Year);

Minus,

The Taxable Value of the Applicant's Qualified Property for such Tax Year after giving effect to this Agreement (i.e., the Taxable Value of the Applicant's Qualified Property used for the District's maintenance and operations tax purposes for such Tax Year, or school taxes due to any other governmental entity, including the State of Texas, for such Tax Year);

Multiplied by,

The District's maintenance and operations tax rate for such Tax Year, or the school tax rate of any other governmental entity, including the State of Texas, for such Tax Year;

Plus,

Any Tax Credit received by the Applicant with respect to such Tax Year;

Minus,

Any amounts previously paid to the District under Article III;

Multiplied by,

The number 0.15;

Minus,

Any amounts previously paid to the District under Sections 4.2 and 4.3 with respect to such Tax Year.

In the event that there are changes in the data upon which the calculations set forth herein are made, the Third Party described in Section 3.4 above shall adjust the Applicant's Stipulated Supplemental Payment Amount calculation to reflect such changes in the data.

Section 4.4. CALCULATION OF ANNUAL SUPPLEMENTAL PAYMENTS TO THE DISTRICT AND APPLICATION OF AGGREGATE LIMIT

For each year of this Agreement, beginning with year three (Tax Year 2017) and continuing thereafter through year thirteen (Tax Year 2027), the District, or its Successor Beneficiary should one be designated under Section 4.6, below, shall not be entitled to receive Supplemental Payments, computed under Sections 4.2 and 4.3, above, that exceed the Net Aggregate Limit, defined in Section 1.3, above.

If, for any Tax Year during the term of this Agreement the amount of the Applicant's Stipulated Supplemental Payment Amount, calculated under sections 4.2 and 4.3 above for such Tax Year, exceeds the Aggregate Limit for such Tax Year, the difference between the Applicant's Stipulated Supplemental Payment Amount so calculated and the Aggregate Limit for such Tax Year, shall be carried forward from year-to-year into subsequent Tax Years during the term of this Agreement, and to the extent not limited by the Aggregate Limit in any subsequent Tax Year during the term of this Agreement, shall be paid to the District. If there are changes in Chapter 313 of the Texas Tax Code that increase or decrease the limit on the amount of the Supplemental Payments that may be made to or on behalf of the District by the Applicant under this Article IV, any higher or lower amount of Supplemental Payments that first became due hereunder prior to the effective date of any such statutory change will not be adjusted.

Any of the Applicant's Stipulated Supplemental Payment Amounts which cannot be paid to the District prior to the end of the thirteenth full Tax Year following the Commencement Date (Tax Year 2027) because such payment would exceed the Aggregate Limit, will be deemed to have been cancelled by operation of law, and the Applicant shall have no further obligation with respect thereto.

Section 4.5. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS

- (a) All calculations required by this Article IV, including but not limited to: (i) the calculation of the Applicant's Stipulated Supplemental Payment Amount; (ii) the determination of both the Annual Limit and the Aggregate Limit; (iii) the effect, if any, of the Aggregate Limit upon the actual amount of Supplemental Payments eligible to be paid to the District by the Applicant; and (iv) the carry forward and accumulation of any of the Applicant's Stipulated Supplemental Payment Amounts unpaid by the Applicant due to the Aggregate Limit in previous years, shall be calculated by the Third Party selected pursuant to Section 3.4.
- (b) The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 3.6.
- (c) The payment of all amounts due under this Article IV shall be made at the time set forth in Section 3.7.

Section 4.6. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY

At any time during this Agreement, the Board of Trustees may, in its sole discretion, direct that any of the Applicant's payments under this Article IV be made to the District's educational foundation or to a similar entity, provided that such decision and direction of the Board of Trustees does not result in additional costs to the Applicant. Such foundation or entity may only use such funds received under this Article IV to support the educational mission of the District and its students. Any designation of such foundation or entity must be made by recorded vote of the Board of Trustees at a properly posted public meeting of the Board of Trustees. Any such designation will become effective after such public vote and the delivery of notice of said vote to the Applicant in conformance with the provisions of Section 8.1 below. Such designation may be rescinded by the Board of Trustees, by Board action, at any time, and any such rescission will become effective after delivery of notice of such action to the Applicant in conformance with the provisions of Section 8.1.

Any designation of a successor beneficiary under this Section 4.6 shall not alter the Aggregate Limit on Supplemental Payments described in Section 4.4 above.

Notwithstanding the foregoing, any payments made by Applicant shall be made in the manner and to the party designated in this Agreement unless Applicant receives unambiguous written notice from the District that such payments are to be made to a different party.

ARTICLE V

ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

SECTION 5.1. ANNUAL LIMITATION AFTER FIRST THREE YEARS

Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year during the term of this Agreement after the completion of the Tax Year 2017, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles III and IV with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Sections 3.4 and 3.6, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles III and IV shall be reduced until such excess is eliminated.

Section 5.2. OPTION TO CANCEL AGREEMENT

In the event that any payment otherwise due from the Applicant to the District under Article III and/or Article IV with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 5.1 above, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to cancel this Agreement by notifying the District of its election in writing not later than the July 31 of the year next following the Tax Year with respect to which a reduction under Section 5.1 is applicable. Any cancellation of this Agreement under the foregoing provisions of this Section 5.2 shall be effective immediately prior to the second Tax Year next following the Tax Year in which the reduction giving rise to the option occurred. In addition to the foregoing, in the event the Applicant determines that it will not commence or complete construction of the Applicant's Qualified Investment, the Applicant shall have the option, during the Qualifying Time Period, to terminate this Agreement by notifying the District in writing of its exercise of such option. Any termination of this Agreement under the immediately preceding sentence shall be effective immediately prior to the beginning of the Tax Year immediately following the Tax Year during which such notification is delivered to the District. Upon any termination this Agreement under this Section 5.2, this Agreement shall terminate and be of no further force or effect; provided, however, that the Parties' respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged.

ARTICLE VI

TAX CREDITS

Section 6.1. APPLICANT'S ENTITLEMENT TO TAX CREDITS

The Applicant shall be entitled to Tax Credits from the District under and in accordance with the provisions of Subchapter D of the Act and the Comptroller's Rules, provided that the

Applicant complies with the requirements under such provisions, including the filing of a completed application under Section 313.103 of the Texas Tax Code and the Comptroller's Rules.

Section 6.2. DISTRICT'S OBLIGATIONS WITH RESPECT TO TAX CREDITS

The District shall timely comply and shall cause the District's collector of taxes to timely comply with their respective obligations under Subchapter D of the Act and the Comptroller's Rules, including, but not limited to, such obligations set forth in Section 313.104 of the Texas Tax Code and the Comptroller's Rules and/or Texas Education Agency's rules, as applicable.

Section 6.3. COMPENSATION FOR LOSS OF TAX CREDIT PROTECTION REVENUES

If after the Applicant has actually received the benefit of a Tax Credit under Section 6.1, the District does not receive aid from the State pursuant to Texas Education Code §42.2515 or other similar or successor statute with respect to all or any portion of such Tax Credit for reasons other than the District's failure to comply with the requirements for obtaining such aid, then the District shall notify the Applicant in writing thereof and the circumstances surrounding the State's failure to provide such aid to the District. The Applicant shall pay to the District the amount of such Tax Credit for which the District did not receive such aid within thirty (30) calendar days after receipt of such notice. If the District receives aid from the State for all or any portion of a Tax Credit with respect to which the Applicant has made a payment to the District under this Section 6.3, then the District shall pay to the Applicant the amount of such aid within thirty (30) calendar days after the District's receipt thereof.

ARTICLE VII

ADDITIONAL OBLIGATIONS OF APPLICANT

Section 7.1. DATA REQUESTS

During the term of this Agreement, and upon the written request of one Party or by the Comptroller (the "Requesting Party"), the other Party shall provide the Requesting Party with all information reasonably necessary for the Requesting Party to determine whether the other Party is in compliance with its obligations, including any employment obligations which may arise under this Agreement. The Applicant shall allow authorized employees of the District, the Comptroller, and/or the Appraisal District to have access to the Applicant's Qualified Property and/or business records, in accordance with Texas Tax Code Section 22.07, during the term of this Agreement, in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property. All inspections will be made at a mutually agreeable time after the giving of not less than forty-eight (48) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property. All inspections may be accompanied by one or more representatives of the Applicant, and shall be conducted in accordance with the Applicant's safety, security, and operational standards.

Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District, the Comptroller, or the Appraisal District with any technical or business information that is private personnel data, proprietary, a trade secret or confidential in nature or is subject to a confidentiality agreement with any third party or any other information that is not necessary for the District to determine the Applicant's compliance with this Agreement.

Section 7.2. REPORTS TO OTHER GOVERNMENTAL AGENCIES

The Applicant shall timely make any and all reports that are or may be required under the provisions of law or administrative regulation as a result of this Agreement, including but not limited to the annual report or certifications that may be required to be submitted by the Applicant to the Comptroller under the provisions of Texas Tax Code §313.032 and the provisions of Title 34, Part 1, Chapter 9, Subchapter F of the Texas Administrative Code. The Applicant shall forward a copy of all such required reports or certifications to the District contemporaneously with the filing thereof. Currently, the Comptroller requires an Annual Eligibility Report and the Biennial Progress Reports, Forms 50-772 and 50-773, respectively, and an Application for Tax Credit, Form 50-300. The obligation to make all such required filings shall be a material obligation under this Agreement. The Applicant shall not be in default of any reporting obligation hereunder, unless the Applicant has received thirty (30) days prior notice of its reporting obligation from the District.

Section 7.3. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE

By entering into this Agreement, the Applicant warrants that:

- (a) it will abide by all of the terms of this Agreement;
- (b) if it does not cancel the Agreement prior to the end of the Qualifying Time Period under Section 5.2 of this Agreement, it will Maintain Viable Presence in the District through the Final Termination Date of this Agreement; provided, however, that notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of this Agreement, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure, provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure; and,
- (c) it will meet the applicable minimum eligibility requirements under Texas Tax Code, Chapter 313, throughout the period from and including the Tax Year 2019 through and including the last Tax Year during the term of this Agreement with respect to which the Applicant receives the benefit of a Tax Credit.

Section 7.4. CONSEQUENCES OF EARLY TERMINATION OR OTHER BREACH BY APPLICANT

(a) In the event of a Material Breach of this Agreement (as hereinafter defined), except as provided in Section 5.2, after the notice and cure period provided by Section 7.8, then the District shall be entitled, as its sole and exclusive remedy, to the recapture of all ad valorem tax revenue lost as a result of this Agreement together with the payment of penalty and interest, as calculated in accordance with Section 7.5, on that recaptured ad valorem tax revenue. For purposes of this recapture calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Article III. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV.

(b) Notwithstanding Section 7.4(a), in the event that the District determines that the Applicant has failed to Maintain Viable Presence and provides written notice of termination of this Agreement, then the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of such termination notice. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem maintenance and operations taxes for all of the Tax Years for which the Tax Limitation Amount was allowed pursuant to this Agreement that are prior to the Tax Year in which the default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 7.5. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Article III. The Applicant shall also be entitled to a credit for any amounts paid to the District pursuant to Article IV. Upon payment of such liquidated damages, the Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy. Notwithstanding the foregoing, penalties shall only be due to the extent it is determined that the breach of this Agreement by the Applicant was willful and without a good faith, reasonable belief by the Applicant that its action or omission constituting such breach was in compliance with this Agreement.

Section 7.5. CALCULATION OF PENALTY AND INTEREST

In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes owed less all credits under Section 7.4 for each Tax Year during the term of this Agreement since the Commencement Date. The District shall calculate penalty or interest for each Tax Year during the term of this Agreement since the Commencement Date in accordance with the methodology set forth in Chapter 33 of the Texas Tax Code, as if the base amount calculated for such Tax Year less all credits under Section 7.4 had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code §33.01(a), or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Texas Tax Code §33.01(c), or its successor statute. Notwithstanding the foregoing, penalties shall only be due to the extent it is determined that the breach of this Agreement by the Applicant was willful and

without a good faith, reasonable belief by the Applicant that its action or omission constituting such breach was in compliance with this Agreement.

Section 7.6. MATERIAL BREACH OF AGREEMENT

The Applicant shall be in "Material Breach of this Agreement" (herein so called) if it commits one or more of the following acts or omissions:

- (a) The Applicant is determined to have failed to meet its obligations to have made accurate material representations of fact in the submission of its Application as is required by Section 8.13, below.
- (b) Subject to Section 5.2, the Applicant fails to Maintain Viable Presence in the District, as required by Section 7.3 of this Agreement, through the Final Termination Date of this Agreement.
- (c) The Applicant fails to make any payment required under Articles III or IV of this Agreement on or before its due date.
- (d) Subject to Section 5.2, the Applicant fails to create and maintain at least one hundred seventy (170) New Jobs when fully operational.
- (e) Subject to Section 5.2, the Applicant fails to create and maintain at least eighty percent (80%) of all such New Jobs as Qualifying Jobs which meet the requirements of Texas Tax Code §313.021(3).
- (f) The Applicant makes any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement, in excess of the amounts set forth in Articles III and IV above. Voluntary donations made by the Applicant to the District after the date of execution of this Agreement, and not mandated by this Agreement or made in recognition of or in consideration for this Agreement are not barred by this provision.
- (g) The Applicant fails to materially comply in any material respect with any other term of this Agreement, or the Applicant fails to meet its obligations under the applicable Comptroller's Rules, and under the Act.

Section 7.7. LIMITED STATUTORY CURE OF MATERIAL BREACH

In accordance with the provisions of Texas Tax Code §313.0275, for any full Tax Year which commences after the project has become operational, the Applicant may cure any Material Breach of this Agreement described in Sections 7.6(d) and 7.6(e) or 7.6(f), above, without the termination of the remaining term of this Agreement. In order to cure any such non-compliance

with Sections 7.6(d) and 7.6(e) or 7.6(f) for any such Tax Year, the Applicant may make the liquidated damages payment required by Texas Tax Code §313.0275(b), in accordance with the provisions of Texas Tax Code §313.0275(c).

Section 7.8. DETERMINATION OF MATERIAL BREACH AND TERMINATION OF AGREEMENT

Prior to making a determination under Section 7.4 or Section 7.6 that the Applicant is in Material Breach of this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the Material Breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, the Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that a Material Breach of this Agreement has not occurred and/or that it has cured or undertaken to cure any such Material Breach of this Agreement.

If the Board of Trustees is not reasonably satisfied with such response and/or that such Material Breach of this Agreement has been cured, then the Board of Trustees shall, after reasonable notice to the Applicant, conduct a hearing called and held for the purpose of determining whether such Material Breach of this Agreement has occurred and, if so, whether such Material Breach of this Agreement has been cured. At any such hearing, the Applicant shall have the opportunity, together with its counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to whether or not a Material Breach of this Agreement has occurred, the date such Material Breach of this Agreement occurred, if any, and whether or not any such Material Breach of this Agreement has been cured. Except as otherwise provided in Section 7.7, in the event that the Board of Trustees determines that such a Material Breach of this Agreement has occurred and has not been cured, it shall also terminate this Agreement and determine the amount of recaptured taxes under Section 7.4 (net of all credits under Section 7.4), and the amount of any penalty and/or interest under Section 7.5 that are owed to the District.

After making its determination regarding any alleged Material Breach of this Agreement, the Board of Trustees shall cause the Applicant to be notified in writing of its determination (a "Determination of Breach and Notice of Contract Termination").

Section 7.9. DISPUTE RESOLUTION

After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 7.8, the Applicant shall have ninety (90) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within ninety (90) days after the Applicant's receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 7.8, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court

judge then presiding in Jefferson County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the Texas Civil Practice and Remedies Code and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator's fees and expenses and the Applicant shall bear one-half of such mediator's fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation.

In the event that any mediation is not successful in resolving the dispute or that payment is not received before the expiration of such ninety (90) days, the District shall have the remedies for the collection of the amounts determined under Section 7.8 as are set forth in Texas Tax Code Chapter 33, Subchapters B and C, for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of reasonable attorney's fees and a tax lien on the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Texas Tax Code §33.07 to the attorneys representing the District pursuant to Texas Tax Code §6.30. In the event that the Applicant is a prevailing party in any such legal proceedings under this section, the District shall be responsible for the payment of the Applicant's reasonable attorney's fees.

In any event where a dispute between the District and the Applicant under this Agreement cannot be resolved by the Parties, after completing the procedures required above in this Section 7.9, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in any judicial proceeding, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any covenant, agreement or undertaking made by a Party pursuant to this Agreement.

Section 7.10. LIMITATION OF OTHER DAMAGES

Notwithstanding anything contained in this Agreement to the contrary, the District's damages for any default shall under no circumstances exceed the greater of either any amounts calculated under Sections 7.4 and 7.5 above, or the monetary sum of the difference between the payments and credits due and owing to the Applicant at the time of such default and the District taxes that would have been lawfully payable to the District had this Agreement not been executed. In addition, the District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement.

The Parties further agree that the limitation of damages and remedies set forth in this Section 7.10 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 7.11. BINDING ON SUCCESSORS

In the event of a merger or consolidation of the District with another school district or other governmental authority, this Agreement shall be binding on the successor school district or other governmental authority.

Section 7.12. APPLICANT'S REPRESENTATIONS REGARDING PROJECT STATUS AT END OF DEFERRAL PERIOD

As set forth in section 1.2, above, the Parties have agreed to the deferral of the Commencement Date for this Agreement until January 2, 2014. The Applicant must, therefore, comply with the requirements of 34 Texas Administrative Code § 9.1054(h)(13). In order to meet those requirements the Applicant, by its execution of this Agreement, affirms that there have been no material changes in the project schedule, cost projections, taxable value projections, or employment projections set forth in the Application deemed complete by the Comptroller on September 11, 2013. Additionally, the Applicant agrees to diligently comply with any written request from the District or the Comptroller to provide additional information necessary to evaluate the economic impact analysis for the conditions prior to the start of the Qualifying Time Period.

In the event that any information submitted by the Applicant pursuant to this Section 7.12 results in the Comptroller's recommendation in favor of the project being changed to a negative recommendation by the Comptroller, then the Board of Trustees may, in its sole discretion, immediately terminate this Agreement by giving notice of such termination to the Applicant in accordance with the provisions of Section 8.1, below. After receiving such notice, the Applicant shall be entitled to dispute such termination in accordance with the dispute resolution procedures contained in Section 7.9, above.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.1. INFORMATION AND NOTICES

Unless otherwise expressly provided in this Agreement, all notices required or permitted hereunder shall be in writing and deemed sufficiently given for all purposes hereof if (i) delivered in person, by courier (e.g., by Federal Express) or by registered or certified United States Mail to the Party to be notified, with receipt obtained, or (ii) sent by facsimile transmission, with "answer back" or other "advice of receipt" obtained, in each case to the appropriate address or number as set forth below. Each notice shall be deemed effective on receipt by the addressee as aforesaid; provided that, notice received by facsimile transmission after 5:00 p.m. at the location of the addressee of such notice shall be deemed received on the first business day following the date of such electronic receipt.

Notices to the District shall be addressed as follows:

Dr. Timothy Chargois, Superintendent
BEAUMONT INDEPENDENT SCHOOL DISTRICT
3395 Harrison Avenue
Beaumont, TX 77706
Fax: (409) 617-5000

or at such other address or to such other facsimile transmission number and to the attention of such other person as the District may designate by written notice to the Applicant.

Notices to the Applicant shall be addressed as follows:

Frank Choufoer
Natgasoline LLC
P.O. Box 2008
Nederland, TX 77627
Phone: (409) 723-1901
Email: frank.choufoer@ocinitrogen.com

or at such other address or to such other facsimile transmission number and to the attention of such other person as the Applicant may designate by written notice to the District.

Section 8.2. EFFECTIVE DATE, TERMINATION OF AGREEMENT

- (a) This Agreement shall be and become effective on the date of final approval of this Agreement by the Board of Trustees,
- (b) Subject to Sections 5.2 and 7.3(b), the obligation to Maintain Viable Presence under this Agreement shall remain in full force and effect through the Final Termination Date.
- (c) In the event that the Applicant fails to make a Qualified Investment in the amount of Thirty Million Dollars (\$30,000,000.00), or greater, during the Qualifying Time Period, this Agreement shall become null and void on December 31, 2016.

Section 8.3. AMENDMENTS TO AGREEMENT; WAIVERS

This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties. Waiver of any term, condition or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition or provision, or a waiver of any other term, condition or provision of this Agreement. By official action of the Board of Trustees, this Agreement may be amended to include, in the Applicant's Qualified Investment, additional or replacement Qualified Property or Qualified Investment not

specified in **EXHIBIT 3**, provided that the Applicant reports to the District, the Comptroller, and the Appraisal District, in the same format, style, and presentation as the Application, all relevant investment, value, and employment information that is related to the additional or replacement property. Any amendment of this Agreement adding additional or replacement Qualified Property or Qualified Investment pursuant to this Section 8.3 shall, (1) require that all property added by amendment be eligible property as defined by Texas Tax Code, §313.024; (2) clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and (3) define minimum eligibility requirements for the recipient of limited value. This Agreement may not be amended to extend the value limitation time period beyond its eight-year statutory term.

Section 8.4. ASSIGNMENT

The Applicant may assign this Agreement, or a portion of this Agreement, to an Affiliate or a new owner or lessee of all or a portion of the Applicant's Qualified Property and/or the Applicant's Qualified Investment, provided that the Applicant shall provide written notice of such assignment to the District. Upon such assignment, the Applicant's assignee will be liable to the District for outstanding taxes or other obligations arising under this Agreement. A recipient of limited value under Texas Tax Code, Chapter 313 shall notify immediately the District, the Comptroller, and the Appraisal District in writing of any change in address or other contact information for the owner of the property subject to the limitation agreement for the purposes of Texas Tax Code §313.032. The assignee's or its reporting entity's Texas Taxpayer Identification Number shall be included in the notification.

Section 8.5. MERGER

This Agreement contains all of the terms and conditions of the understanding of the Parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties and others relating hereto are superseded by this Agreement.

Section 8.6. MAINTENANCE OF COUNTY APPRAISAL DISTRICT RECORDS

When appraising the Applicant's Qualified Property and the Applicant's Qualified Investment subject to a limitation on Appraised Value under this Agreement, the Chief Appraiser of the Appraisal District shall determine the Market Value thereof and include both such Market Value and the appropriate value thereof under this Agreement in its appraisal records.

Section 8.7. GOVERNING LAW

This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in Jefferson County, Texas.

Section 8.8. AUTHORITY TO EXECUTE AGREEMENT

Each of the Parties represents and warrants that its undersigned representative has been expressly authorized to execute this Agreement for and on behalf of such Party.

Section 8.9. SEVERABILITY

If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision or condition cannot be so reformed, then such term, provision or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality and enforceability of the remaining terms, provisions and conditions contained herein (and any other application such term, provision or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in a mutually acceptable manner so as to effect the original intent of the Parties as closely as possible to the end that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 8.9, the term "Law" shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

Section 8.10. PAYMENT OF EXPENSES

Except as otherwise expressly provided in this Agreement, or as covered by the application fee, (i) each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement, and (ii) in the event of a dispute between the Parties in connection with this Agreement, the prevailing Party in the resolution of any such dispute, whether by litigation or otherwise, shall be entitled to full recovery of all attorneys' fees (including a reasonable hourly fee for in-house legal counsel), costs and expenses incurred in connection therewith, including costs of court, from the non-prevailing Party.

Section 8.11. INTERPRETATION

When a reference is made in this Agreement to a Section, Article or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The words "include," "includes" and "including" when used in this Agreement shall be deemed in such case to be

followed by the phrase “, but not limited to.” Words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require. This Agreement is the joint product of the Parties and each provision of this Agreement has been subject to the mutual consultation, negotiation and agreement of each Party and shall not be construed for or against any Party.

Section 8.12. EXECUTION OF COUNTERPARTS

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

Section 8.13. ACCURACY OF REPRESENTATIONS CONTAINED IN APPLICATION

The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application. The Applicant warrants that to the best of Applicant’s knowledge all material representations, material information, and material facts contained in the Application are true and correct in all material respects. The parties further agree that the Application and all the attachments thereto are included by reference into this Agreement as if set forth herein in full; provided, however, that to the extent of any differences or inconsistencies between the terms, conditions, representations, information, and facts contained in the Application and those contained in this Agreement, the terms, conditions, representations, information, and facts contained in this Agreement shall be controlling.

In the event that the Board of Trustees, after completing the procedures required by Sections 7.8 and 7.9 of this Agreement, makes a written determination that the Application was either incomplete or inaccurate as to any material representation, material information, or material fact, then the Board of Trustees shall notify Applicant in writing of such determination and the Applicant shall have the time periods permitted by Section 7.8 or any other section of this Agreement; if any such material representation, material information or material fact remains uncured after the written notice and cure periods specified herein, this Agreement shall be invalid and void except for the enforcement of the provisions required by 34 Texas Administrative Code §9.1053(f)(2)(K).

Section 8.14. PUBLICATION OF DOCUMENTS

The Parties acknowledge that the District is required to publish the Application and its required schedules, or any amendment thereto; all economic analyses of the proposed project submitted to the District; the approved and executed copy of this Agreement or any amendment thereto; and each application requesting Tax Credits under Texas Tax Code §313.103, as follows:

- a. Within seven (7) days of such document, the District shall submit a copy to the Comptroller for publication on the Comptroller's Internet website.

- b. The District shall provide on its website a link to the location of those documents posted on the Comptroller's website.
- c. This Section 8.14 does not require the publication of information that is confidential under Texas Tax Code §313.028.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 19th day of December, 2013.

NATGASOLINE LLC

By: 
Name: FRANK R. CHOUFUER
Title: PRESIDENT

BEAUMONT INDEPENDENT SCHOOL DISTRICT

By: 
GWEN AMBRES
President
Board of Trustees

ATTEST:

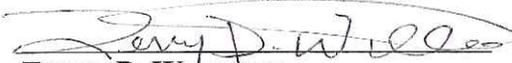

TERRY D. WILLIAMS
Secretary
Board of Trustees

EXHIBIT 1

DESCRIPTION OF QUALIFIED REINVESTMENT ZONE

The *Natgasoline LLC Reinvestment Zone* was originally created on April 24, 2012, by action of the Jefferson County Commissioner's Court. As a result of the action of the Jefferson County Commissioner's Court, all real property within Jefferson County, Texas is located within the boundaries of the *Natgasoline LLC Reinvestment Zone*. A map of the *Natgasoline LLC Reinvestment Zone* is attached as the next page of this **EXHIBIT 1**. The legal description of the *Natgasoline LLC Reinvestment Zone* is as follows:

TRACT I (Fee Simple)

BEING a 4.6344 acre tract or parcel of land situated in the Phelam Humphry League, Abstract No. 32, Jefferson County, Texas and being the remainder of Lots 8, 9, & 10 of the Resubdivision of the Daniel Lewis Land in the Phelam Humphry League as recorded in Volume 1, Page 44, Map Records, Jefferson County, Texas and also being all of that certain called 4.6453 acre tract of land, identified as Tract One, as described in a "Special Warranty Deed" from Edward P. deZevallos and Robert Price, Jr. to Jefferson Triangle Marine, L.P. as recorded in Clerk's File No. 98-9821354, Official Public Records of Real Property, Jefferson County, Texas, and being all of that certain called 4.6344 acre tract, identified as TRACT ONE, as described in a "Special Warranty Deed" from Jefferson Triangle Marine, L.P. to TX ENERGY, LLC as recorded in Clerk's File No. 2007047460, Official Public Records of Real Property, Jefferson County, Texas, said 4.6344 acre tract being more particularly described as follows:

NOTE: All bearings are based on the Northeasterly line of that certain called 4.6453 acre tract, identified as Tract One, as described in a "Special Warranty Deed" from Edward P. deZevallos and Robert Price, Jr. to Jefferson Triangle Marine, L.P. as recorded in Clerk's File No. 98-9821354, Official Public Records of Real Property, Jefferson County, Texas as SOUTH 44°20'08" EAST.

BEGINNING at a 5/8" iron rod found for the most Northerly corner of the tract herein described, said corner also being the intersection of the Northerly line of the said Lot 8 and the Westerly right-of-way line of the Kansas City Southern Railroad (based on a width of 100 feet);

THENCE SOUTH 44°20'08" EAST, along and with the Westerly right-of-way line of the Kansas City Southern Railroad, for a distance of 714.22 feet to a 5/8" iron rod found for corner, said corner being the most Northerly corner of that certain called 4.960 acre tract of land, identified as Tract Two, as described in a "Special Warranty Deed" from Bo-Mac Contractors, Ltd. to Camille J. Landry, Mitchell P. Landry and Regina M. Landry d/b/a Deep South Crane & Rigging Co. as recorded in Clerk's File No. 2003031413, Official Public Records of Real Property, Jefferson County, Texas;

THENCE SOUTH 45°24'51" WEST, for the boundary between the tract herein described and the said 4.960 acre Deep South Crane & Rigging Co. tract, for a distance of 432.78 feet to a 1/2" iron rod found for corner, said corner being the most Westerly corner of the said 4.960 acre Deep South Crane & Rigging Co. tract, the most Northerly corner of that certain called 0.846 acre tract of land, identified as Tract One, as described in a "Special Warranty Deed" from Bo-Mac Contractors, Ltd. to Camille J. Landry, Mitchell P. Landry and Regina M. Landry d/b/a Deep South Crane & Rigging Co. as recorded in Clerk's File No. 2003031413, Official Public Records of Real Property, Jefferson County, Texas and also being the most Easterly corner of that certain called 0.2153 acre tract of land as described in a "Warranty Deed" from MKC Energy Investments, Inc. to Camille J. Landry, Mitchell P. Landry and Regina M. Landry d/b/a Deep South Crane & Rigging Co. as recorded in Clerk's File No. 2004003596, Official Public Records of Real Property, Jefferson County, Texas;

THENCE NORTH 47°55'06" WEST, for the boundary between the tract herein described and the said 0.2153 acre Deep South Crane & Rigging Co. tract, for a distance of 114.58 feet to a 5/8" iron rod found for corner, said corner being in the Northeasterly right-of-way line of State Highway No. 347, and said corner also being the beginning of a curve to the right having a radius of 410.58 feet and being subtended by a chord bearing NORTH 37°01'37" EAST with a chord length of 120.77 feet;

THENCE NORTHEASTERLY, along and with the Northeasterly right-of-way line of State Highway No. 347 and along and with said curve, for an arc length of 121.21 feet to a Texas Department of Transportation concrete monument (broken) found for corner;

THENCE NORTH 46°02'51" EAST, continuing along and with the Northeasterly right-of-way line of State Highway No. 347, for a distance of 58.28 feet to a Texas Department of Transportation concrete monument found for corner;

THENCE NORTH 38°11'29" WEST, continuing along and with the Northeasterly right-of-way line of State Highway No. 347, for a distance of 247.57 feet to a Texas Department of Transportation concrete monument found for corner;

THENCE SOUTH 46°33'32" WEST, continuing along and with the Northeasterly right-of-way line of State Highway No. 347, for a distance of 30.50 feet to a Texas Department of Transportation concrete monument found for corner;

THENCE NORTH 38°17'20" WEST, continuing along and with the Northeasterly right-of-way line of State Highway No. 347, for a distance of 339.48 feet to a 5/8" iron rod found for corner, said corner being in the common line between the said Lot 8 and Lot 1 of the said Resubdivision of the Daniel Lewis Land;

THENCE NORTH 45°43'05" EAST, for the boundary between the said Lots 1 and 8, for a distance of 230.50 feet to the POINT OF BEGINNING and containing 4.6344 ACRES, more or less.

TRACT II (Fee Simple)

BEING a 21.1268 acre tract or parcel of land situated in the Phelam Humphry League, Abstract No. 32, Jefferson County, Texas and being out of and part of that certain called 62.71 acre tract of land as described in a "Warranty Deed" by J.T. Shelby to Texas Gulf Sulphur Company as recorded in Volume 812, Page 470, Deed Record, Jefferson County, Texas and also being all of that certain called 21.1253 acre tract, identified as Tract Two, as described in a "Special Warranty Deed" from Edward P. deZevallos and Robert Price, Jr. to Jefferson Triangle Marine, L.P. as recorded in Clerk's File No. 98-9821354, Official Public Records of Real Property, Jefferson County, Texas, and being all of that certain called 21.1268 acre tract, identified as TRACT TWO, as described in a "Special Warranty Deed" from Jefferson Triangle Marine, L.P. to TX ENERGY, LLC as recorded in Clerk's File No. 2007047460, Official Public Records of Real Property, Jefferson County, Texas, said 21.1268 acre tract being more particularly described as follows:

NOTE: All bearings are based on the Northeasterly line of that certain called 4.6453 acre tract, identified as Tract One, as described in a "Special Warranty Deed" from Edward P. deZevallos and Robert Price, Jr. to Jefferson Triangle Marine, L.P. as recorded in Clerk's File No. 98-9821354, Official Public Records of Real Property, Jefferson County, Texas as SOUTH 44°20'08" EAST.

BEGINNING at a 5/8" iron rod found for the most Easterly corner of the tract herein described, said corner also being the most Northerly corner of that certain called 20.0281 acre tract of land as described in a "Special Warranty Deed" from Phillip A. Roebuck Family Partnership, LTD. to TX ENERGY, LLC as recorded in Clerk's File No. 2008003576, Official Public Records of Real Property, Jefferson County, Texas and said corner also being in the Westerly right-of-way line of the Kansas City Southern Railroad (based on a width of 100 feet);

THENCE SOUTH 47°05'45" WEST, for the boundary between the tract herein described and the said 20.0281 acre TX ENERGY, LLC tract, for a distance of 1203.93 feet to a 1/2" iron rod found for corner, said corner being in the Northeasterly right-of-way line of State Highway No. 347 and being the most Westerly corner of the said 20.0281 acre TX ENERGY, LLC tract and said corner also being the beginning of a curve to the right having a radius of 3685.83 feet and being subtended by a chord bearing

NORTH 35°50'30" WEST with a chord length of 621.42 feet;

THENCE NORTHWESTERLY, along and with the Northeasterly right-of-way line of State Highway No. 347 and along and with said curve, for an arc length of 622.16 feet to a Texas Department of Transportation concrete monument found for corner, said corner also being the beginning of a curve to right having a radius of 1910.08 feet and being subtended by a chord bearing NORTH 29°42'58" WEST with a chord length of 81.50 feet;

THENCE NORTHWESTERLY, along and with the Northeasterly right-of-way line of State Highway No. 347 and along and with said curve with a curve, for an arc length of 81.51 feet to a 1/2" iron rod found for corner, said corner being in the Southeasterly line of a 100 foot wide Texas Department of Transportation drainage ditch as recorded in Volume 1476, Page 76, Deed Records, Jefferson County, Texas;

THENCE NORTH 47°37'34" EAST, along and with the Southeasterly line of the said 100 foot wide Texas Department of Transportation drainage ditch, for a distance of 583.89 feet to a 5/8" iron rod found for corner;

THENCE NORTH 02°27'15" EAST, continuing along and with the Southeasterly line of the said 100 foot wide Texas Department of Transportation drainage ditch, for a distance of 532.70 feet to a 5/8" iron rod found for corner;

THENCE NORTH 47°09'58" EAST, continuing along and with the Southeasterly line of the said 100 foot wide Texas Department of Transportation drainage ditch, for a distance of 119.76 feet to a 5/8" iron rod found for corner, said corner also being in the Westerly right-of-way line of the said Kansas City Southern Railroad;

THENCE SOUTH 44°19'05" EAST, along and with the Westerly right-of-way line of the Kansas City Southern Railroad, for a distance of 1065.14 feet to the POINT OF BEGINNING and containing 21.1268 ACRES, more or less.

TRACT III, Parcel A (Fee Simple)

BEING a 5.8766 acre tract or parcel of land situated in the Phelam Humphry League, Abstract No. 32, Jefferson County, Texas and being out of and a part of that certain 300 foot strip as described in Warranty Deed from J.T. Shelby to Texas Gulf Sulphur Company, recorded in Volume 1454 Page 630, Deed Records, Jefferson County, Texas, and also being all of that certain called 5.8735 acre tract of land, identified as Tract Three-A, as described in a "Special Warranty Deed" from Edward P. deZevallos and Robert Price, Jr. to Jefferson Triangle Marine, L.P. as recorded in Clerk's File No. 98-9821354, Official Public Records of Real Property, Jefferson County, Texas, and being all of that certain called 5.8766 acre tract, identified as TRACT THREE A, as described in a "Special Warranty Deed" from Jefferson Triangle Marine, L.P. to TX ENERGY, LLC as recorded in Clerk's File No. 2007047460, Official Public Records of Real Property, Jefferson County, Texas, said 5.8766 acre tract being more particularly described as follows:

NOTE: All bearings are based on the Northeasterly line of that certain called 4.6453 acre tract, identified as Tract One, as described in a "Special Warranty Deed" from Edward P. deZevallos and Robert Price, Jr. to Jefferson Triangle Marine, L.P. as recorded in Clerk's File No. 98-9821354, Official Public Records of Real Property, Jefferson County, Texas as SOUTH 44°20'08 " EAST. All set 5/8" iron rods set with a cap stamped "M. W. Whiteley & Associates ".

BEGINNING at a "T" rail found for the most Northerly corner of the tract herein described, said corner also being the intersection of the Northwest boundary line of the Phelam Humphry League, A-32, Jefferson County, Texas, as said line was established by an agreed judgment in Cause No. 1219 and the Northeasterly corner of said 300 foot strip and said corner also being the most Westerly corner of that certain called 3.1638 acre tract, identified as TRACT FIVE A, as described in a "Special Warranty Deed" from Jefferson Triangle Marine, L.P. to TX ENERGY, LLC as recorded in Clerk's File No. 2007047460, Official Public Records of Real Property, Jefferson County, Texas;

THENCE SOUTH 44°20'52" EAST, along and with the Northeasterly line of the said 300 foot strip and for the boundary between the tract herein described and the said 3.1638 acre TX ENERGY, LLC tract, for a distance of 444.90 feet to a 5/8" iron rod found for corner, said corner being the most Southerly corner of the said 3.1638 acre TX ENERGY, LLC tract and in the Westerly line of a 100 foot wide Texas Department of Transportation drainage ditch as recorded in Volume 1476, Page 76, Deed Records, Jefferson County, Texas;

THENCE SOUTH 04°31'42" EAST, along and with the Westerly line of the said 100 foot wide Texas Department of Transportation drainage ditch, for a distance of 225.31 feet to a 5/8" iron rod found for corner;

THENCE SOUTH 41°37'56" EAST, continuing along and with the Westerly line of the said 100 foot wide Texas Department of Transportation drainage ditch, for a distance of 485.69 feet to a 5/8" iron rod found for corner;

THENCE SOUTH 10°09'26" EAST, continuing along and with the Westerly line of the said 100 foot wide Texas Department of Transportation drainage ditch, for a distance of 230.28 feet to a 5/8" iron rod set for corner;

THENCE SOUTH 45°26'32" WEST, continuing along and with the Westerly line of the said 100 foot wide Texas Department of Transportation drainage ditch, for a distance of 3.82 feet to a 5/8" iron rod set for corner, said corner also being in the Easterly right-of-way line of the Kansas City Southern Railroad (based on a width of 100 feet);

THENCE NORTH 44°19'21" WEST, along and with the Easterly right-of-way line of the Kansas City Southern Railroad, for a distance of 1292.67 feet to a 5/8" iron rod set for corner, said corner being in the Northwest line of the said Phelam Humphry League;

THENCE NORTH 45°28'30" EAST, along and with the Northwest line of the said Phelam Humphry League, for a distance of 299.95 feet to the POINT OF BEGINNING and containing 5.8766 ACRES, more or less.

TRACT III, Parcel B (Fee Simple)

BEING a 23.5668 acre tract or parcel of land situated in the Phelam Humphry League, Abstract No. 32, Jefferson County, Texas and being out of and a part of that certain 300 foot strip as described in Warranty Deed from J.T. Shelby to Texas Gulf Sulphur Company, recorded in Volume 1454 Page 630, Deed Records, Jefferson County, Texas, and also being all of that certain called 23.5505 acre tract, identified as Tract Three -B, as described in a "Special Warranty Deed" from Edward P. deZevallos and Robert Price, Jr. to Triangle Railyard, L.P. as recorded in Clerk's File No. 1999043482, Official Public Records of Real Property, Jefferson County, Texas, and being all of that certain called 23.5668 acre tract, identified as TRACT THREE B, as described in a "Special Warranty Deed" from Jefferson Triangle Properties, L.P. to TX ENERGY, LLC as recorded in Clerk's File No. 2007047461, Official Public Records of Real

Property, Jefferson County, Texas, said 23.5668 acre tract being more particularly described as follows:

NOTE: All bearings are based on the Northeasterly line of that certain called 4.6453 acre tract, identified as Tract One, as described in a "Special Warranty Deed" from Edward P. deZevallos and Robert Price, Jr. to Jefferson Triangle Marine, L.P. as recorded in Clerk's File No. 98-9821354, Official Public Records of Real Property, Jefferson County, Texas as SOUTH 44°20 '08 " EAST. All set 5/8 " iron rods set with a cap stamped "M. W. Whiteley & Associates".

COMMENCING at a "T" rail found for the most Northerly corner of that certain called 5.8766 acre tract, identified as TRACT THREE A, as described in a "Special Warranty Deed" from Jefferson Triangle Marine, L.P. to TX ENERGY, LLC as recorded in Clerk's File No. 2007047460, Official Public Records of Real Property, Jefferson County, Texas, said corner also being the intersection of the Northwest boundary line of the Phelam Humphry League, A-32, Jefferson County, Texas, as said line was established by an agreed judgment in Cause No. 1219 and the Northeasterly corner of said 300 foot strip and said corner also being the most Westerly corner of that certain called 3.1638 acre tract, identified as TRACT FIVE A, as described in a "Special Warranty Deed" from Jefferson Triangle Marine, L.P. to TX ENERGY, LLC as recorded in Clerk's File No. 2007047460, Official Public Records of Real Property, Jefferson County, Texas;

THENCE SOUTH 44°20'52" EAST, along and with the Northeasterly line of the said 300 foot strip and for the boundary between the said 5.8766 acre and the said 3.1638 acre TX ENERGY, LLC tracts, for a distance of 444.90 feet to a 5/8" iron rod found for corner, said corner being the most Southerly corner of the said 3.1638 acre TX ENERGY, LLC tract and in the Westerly line of a 100 foot wide Texas Department of Transportation drainage ditch as recorded in Volume 1476, Page 76, Deed Records, Jefferson County, Texas;

THENCE SOUTH 44°09'59" EAST, over and across the said 100 foot wide Texas Department of Transportation drainage ditch, for a distance of 156.02 feet to a 5/8" iron rod found for the most Northerly corner and the POINT OF BEGINNING of the tract herein described, said corner also being an exterior ell corner of that certain called 192.5857 acre tract of land, identified as TRACT FIVE B, as described in a "Special Warranty Deed" from Jefferson Triangle Marine, L.P. to TX ENERGY, LLC as recorded in Clerk's File No. 2007047460, Official Public Records of Real Property, Jefferson County, Texas, and said corner also being in the Easterly line of the said 100 foot wide Texas Department of Transportation drainage ditch;

THENCE SOUTH 44°20'33" EAST, for the boundary between the tract herein described and the said 192.5857 acre TX ENERGY, LLC tract, for a distance of 1399.09 feet to a 5/8" iron rod found for corner, said corner being the most Southerly corner of the said 192.5857 acre TX ENERGY, LLC tract and also being the most Westerly corner of that certain called 24.6091 acre tract of land as described in a "Special Warranty Deed" from OilTanking Beaumont Partners, L.P. to TX ENERGY, LLC as recorded in Clerk's File No. 2009022171, Official Public Records of Real Property, Jefferson County, Texas;

THENCE SOUTH 44°19'21" EAST, for the boundary between the tract herein described and the said 24.6091 acre TX ENERGY, LLC tract, for a distance of 2715.60 feet to a 2" iron pipe found for corner, said corner being in the North line of the McFaddin Canal No. 2 as recorded on Partition Map No. 1 of the McFaddin-Wiess- Kyle Land Co. as recorded in Volume 4, Page 198, Map Records, Jefferson County, Texas;

THENCE SOUTH 86°54'33" WEST, along and with the North line of the McFaddin Canal No. 2, for a distance of 399.19 feet to a 5/8" iron rod found for corner, said corner being in the Easterly right-of-way line of the Kansas City Southern Railroad (based on a width of 100 feet);

THENCE NORTH 44°19'21" WEST, along and with the Easterly right-of-way line of the Kansas City Southern Railroad, for a distance of 3058.46 feet to a 5/8" iron rod found for corner, said corner being in the Easterly line of the said 100 foot wide Texas Department of Transportation drainage ditch;

THENCE NORTH 45°26'32" EAST, along and with the Easterly line of the said 100 foot wide Texas Department of Transportation drainage ditch, for a distance of 56.38 feet to a 5/8" iron found for corner;

THENCE NORTH 10°09'26" WEST, continuing along and with the Easterly line of the said 100 foot wide Texas Department of Transportation drainage ditch, for a distance of 311.77 feet to a 5/8" iron rod found for corner;

THENCE NORTH 41°37'56" WEST, continuing along and with the Easterly line of the said 100 foot wide Texas Department of Transportation drainage ditch, for a distance of 480.20 feet to a 5/8" iron rod found for corner;

THENCE NORTH 04°43'06" WEST, continuing along and with the Easterly line of the said 100 foot wide Texas Department of Transportation drainage ditch, for a distance of 71.72 feet to the POINT OF BEGINNING and containing 23.5668 ACRES, more or less.

TRACT IV, Parcel A (Fee Simple)

BEING a 22.8591 acre tract or parcel of land situated in the Jeff and James Chaison Survey, Abstract No. 435, Jefferson County, Texas, the same being a portion of that certain called 150 acres of land conveyed by Perry McFaddin Duncan, Camelia B. McFaddin, a feme sole, Di Vernon McFaddin Cordts and husband, E.G. Cordts, Mamie McFaddin Ward and Husband, Carroll E. Ward, W.P.W. McFaddin, Jr. and J.L.C. McFaddin to Texas Gulf Sulphur Company, Vol. 960, Pg. 192, Deed Records, Jefferson County, Texas and also being all of that certain called 22.8199 acre tract of land, identified as Tract Four-A as described in a "Special Warranty Deed" from Edward P. deZevallos and Robert Price, Jr. to Jefferson Triangle Marine, L.P. as recorded in Clerk's File No. 98-9821354, Official Public Records of Real Property, Jefferson County, Texas, and being all of that certain called 22.8591 acre tract, identified as TRACT FOUR A, as described in a "Special Warranty Deed" from Jefferson Triangle Marine, L.P. to TX ENERGY, LLC as recorded in Clerk's File No. 2007047460, Official Public Records of Real Property, Jefferson County, Texas, said 22.8591 acre tract being more particularly described as follows:

NOTE: All bearings are based on the Northeasterly line of that certain called 4.6453 acre tract, identified as Tract One, as described in a "Special Warranty Deed" from Edward P. deZevallos and Robert Price, Jr. to Jefferson Triangle Marine, L.P. as recorded in Clerk's File No. 98-9821354, Official Public Records of Real Property, Jefferson County, Texas as SOUTH 44°20'08 " EAST. All set 5/8 " iron rods set with a cap stamped "M. W. Whiteley & Associates".

COMMENCING at an axle found for the intersection of the most Southerly Northwest boundary line of the Phelam Humphry League, Abstract No. 32, Jefferson County, Texas, and the most Southerly Southeast corner of the Jeff and James Chaison Survey, Abstract No. 435 as said line was established by an agreed judgment in Cause No. 1219, said corner also being the most Easterly corner of the said John A. Veatch Survey, Abstract No. 55, Jefferson County, Texas and said corner also being an interior ell corner of the remainder of that certain called 192.5857 acre tract of land, identified as TRACT FIVE B, as described in a "Special Warranty Deed" from Jefferson Triangle Marine, L.P. to TX ENERGY, LLC as recorded in Clerk's File No. 2007047460, Official Public Records of Real Property, Jefferson County, Texas and an exterior ell corner of that certain called 123.9004 acre tract, identified as TRACT FOUR B, as described in a "Special Warranty Deed" from Jefferson Triangle Marine, L.P. to TX ENERGY, LLC as

recorded in Clerk's File No. 2007047460, Official Public Records of Real Property, Jefferson County, Texas;

THENCE SOUTH 89°58'05" WEST, along and with the South line of the said 123.9004 acre TX ENERGY, LLC tract, the same being the common line between the said Jeff and James Chaison Survey and the said John A. Veatch Survey, for a distance of 389.73 feet to 5/8" iron rod found for corner, said corner being the Southwest corner of the said 123.9004 acre TX ENERGY, LLC tract and in the East line of a 100 foot wide Texas Department of Transportation drainage ditch as recorded in Volume 1476, Page 76, Deed Records, Jefferson County, Texas;

THENCE NORTH 89°56'43" WEST, over and across the said 100 foot wide Texas Department of Transportation drainage ditch, and for the common line between the said Jeff and James Chaison Survey and the said John A. Veatch Survey, for a distance of 100.13 feet to a 5/8" iron rod found for the Southeast corner and POINT OF BEGINNING of the tract herein described;

THENCE NORTH 89°56'31" WEST, continuing for the common line between the said Jeff and James Chaison Survey and the said John A. Veatch Survey, for a distance of 382.40 feet to a 1" iron pipe found for corner;

THENCE NORTH 89°52'32" WEST, continuing for the common line between the said Jeff and James Chaison Survey and the said John A. Veatch Survey, for a distance of 496.09 feet to a 1" iron pipe found for corner, said corner also being an exterior ell corner of that certain called 318.35 acre tract of land as described in a "Corrected Sheriffs Deed" from G. Mitch Woods, Sheriff of Jefferson County, Texas, to LaMonica Ltd. as recorded in Clerk's File No. 2003038403, Official Public Records of Real Property, Jefferson County, Texas;

THENCE NORTH 01°20'03" EAST, for the boundary between the tract herein described and the said 318.35 acre LaMonica Ltd. tract, for a distance of 995.53 feet to a 1" iron pipe found for corner, said corner being in the South line of a Canal for barge traffic from W.P.H. McFaddin to United Oil and Refining Co. as recorded in Volume 80, Page 292, Deed Records, Jefferson County, Texas and Volume 93, Page 450, Deed Records, Jefferson County, Texas;

THENCE NORTH 70°27'51" EAST, along and with the South line of the said Canal, for a distance of 198.41 feet to a 1" iron pipe found for corner;

THENCE NORTH 72°45'38" EAST, continuing along and with the South line of the said Canal, for a distance of 324.39 feet to a 5/8" iron rod found for corner;

THENCE NORTH 82°00'17" EAST, continuing along and with the South line of the said Canal, for a distance of 400.87 feet to a 5/8" iron rod set for corner, said corner being the intersection of the South line of the said Canal and the West line of the said 100 foot wide Texas Department of Transportation drainage ditch;

THENCE SOUTH 01°48'50" WEST, along and with the West line of the said 100 foot wide Texas Department of Transportation drainage ditch, for a distance of 1215.58 feet to the POINT OF BEGINNING and containing 22.8591 ACRES, more or less.

TRACT IV, Parcel B (Fee Simple)

BEING a 121.3652 acre tract or parcel of land situated in the Jeff and James Chaison Survey, Abstract No. 435, Pierre Lemane Survey, Abstract No. 163 and the W.P.H. McFaddin Survey, Abstract No. 689,

Jefferson County, Texas, and out of and part of that certain called 150 acres of land conveyed by Perry McFaddin Duncan, Camelia B. McFaddin, a feme sole, Di Vernon McFaddin Cordts and husband, E.G. Cordts, Mamie McFaddin Ward and Husband, Carroll E. Ward, W.P.W. McFaddin, Jr. and J.L.C. McFaddin to Texas Gulf Sulphur Company, Vol. 960, Pg. 192, Deed Records, Jefferson County, Texas and being out of and part of that certain called 123.9203 acre tract of land, identified as Tract Four B, as described in a "Special Warranty Deed" from Edward P. deZevallos and Robert Price, Jr. to Jefferson Triangle Marine, L.P. as recorded in Clerk's File No. 98-9821354, Official Public Records of Real Property, Jefferson County, Texas, and being out of and part of that certain called 123.9004 acre tract, identified as TRACT FOUR B, as described in a "Special Warranty Deed" from Jefferson Triangle Marine, L.P. to TX ENERGY, LLC as recorded in Clerk's File No. 2007047460, Official Public Records of Real Property, Jefferson County, Texas, said 121.3652 acre tract being more particularly described as follows:

NOTE: All bearings are based on the Northeasterly line of that certain called 4.6453 acre tract, identified as Tract One, as described in a "Special Warranty Deed" from Edward P. deZevallos and Robert Price, Jr. to Jefferson Triangle Marine, L.P. as recorded in Clerk's File No. 98-9821354, Official Public Records of Real Property, Jefferson County, Texas as SOUTH 44°20'08" EAST. All set 5/8" iron rods set with a cap stamped "M.W. Whiteley & Associates".

BEGINNING at an axle found for the intersection of the most Southerly Northwest boundary line of the Phelam Humphry League, Abstract No. 32, Jefferson County, Texas, and the most Southerly Southeast corner of the Jeff and James Chaison Survey, Abstract No. 435 as said line was established by an agreed judgment in Cause No. 1219, said corner also being the most Easterly corner of the said John A. Veatch Survey, Abstract No. 55, Jefferson County, Texas and said corner also being an interior ell corner of the remainder of that certain called 192.5857 acre tract of land, identified as TRACT FIVE B, as described in a "Special Warranty Deed" from Jefferson Triangle Marine, L.P. to TX ENERGY, LLC as recorded in Clerk's File No. 2007047460, Official Public Records of Real Property, Jefferson County, Texas and an exterior ell corner of the said 123.9004 acre TX ENERGY, LLC tract;

THENCE SOUTH 89°58'05" WEST, along and with the South line of the said 123.9004 acre TX ENERGY, LLC tract, the same being the common line between the said Jeff and James Chaison Survey and the said John A. Veatch Survey, for a distance of 389.73 feet to 5/8" iron rod found for corner, said corner being the Southwest corner of the said 123.9004 acre TX ENERGY, LLC tract and in the East line of a 100 foot wide Texas Department of Transportation drainage ditch as recorded in Volume 1476, Page 76, Deed Records, Jefferson County, Texas;

THENCE NORTH 01°48'50" EAST, along and with the East line of the said 100 foot wide Texas Department of Transportation drainage ditch, for a distance of 1228.38 feet to a 5/8" iron rod found for corner, said corner being the intersection of the said 100 foot wide Texas Department of Transportation drainage ditch and the South line of a Canal for barge traffic from W.P.H. McFaddin to United Oil and Refining Co. as recorded in Volume 80, Page 292, Deed Records, Jefferson County, Texas and Volume 93, Page 450, Deed Records, Jefferson County, Texas;

THENCE NORTH 84°30'51" EAST, along and with the South line of the said Canal, for a distance of 5095.88 feet to a 1" iron pipe found for corner, said iron pipe being located the old bank of the Neches River;

THENCE SOUTH 25°57'41" EAST, along and with the old bank of the Neches River, for a distance of 1148.77 feet to a point for corner (unable to find or set corner), said corner being the Northeast corner of that certain called 0.7526 acre tract of land as described in a "Special Warranty Deed" from Chevron U.S.A. Inc. to TX ENERGY, LLC as recorded in Clerk's File No. 2009011357, Official Public Records of

Real Property, Jefferson County, Texas, the same being the Northeast corner of that certain called 24.6091 acre tract of land as described in a "Special Warranty Deed" from TX ENERGY, LLC to OilTanking Beaumont Partners, L.P. as recorded in Clerk's File No. 2009022170, Official Public Records of Real Property, Jefferson County, Texas;

THENCE NORTH 89°55'27" WEST, for the boundary between the tract herein described and the said 24.6091 acre OilTanking Beaumont Partners, L.P. tract, for a distance of 644.65 feet to a 5/8" iron rod with a cap stamped "M.W. Whiteley & Associates" found for corner;

THENCE SOUTH 00°58'20" WEST, for the boundary between the tract herein described and the said 24.6091 acre OilTanking Beaumont Partners, L.P. tract, for a distance of 201.22 feet to a point for corner, and said corner being the Northeast corner of the said 192.5857 acre TX ENERGY, LLC tract and in the common line between the W.P.H. McFaddin Survey and the said Phelam Humphry League;

THENCE NORTH 89°08'02" WEST, for the boundary between the tract herein described and the remainder of the said 192.5857 acre TX ENERGY, LLC tract, the same being the common line between the said Phelam Humphry League and the said W. P.H. McFaddin Survey, the said Pierre Lemane Survey and the said Jeff and James Chaison Survey, for a distance of 4571.06 feet to a point for corner (unable to find or set corner), said corner being an exterior ell corner of the remainder of the said 192.5857 acre TX ENERGY, LLC tract and also an exterior ell corner of the said Phelam Humphry League and an interior ell corner of the said Jeff and James Chaison Survey;

THENCE SOUTH 00°37'20" WEST, for the boundary between the tract herein described and the said 192.5857 acre T tract, the same being the common line between the said Phelam Humphry League and the said Jeff and James Chaison Survey for a distance of 550.66 feet to the POINT OF BEGINNING and containing 121.3652 ACRES, more or less.

TRACT V, Parcel A (Fee Simple)

BEING a 3.1638 acre tract or parcel of land situated in the Phelam Humphry League, Abstract No. 32, Jefferson County, Texas and being a portion of the 208.38 acres of land conveyed by Stanolind Oil Purchasing Company to Texas Gulf Sulphur Company, Volume 1597, Page 324, Deed Records, Jefferson County, Texas, and also being all of that certain called 3.1656 acre tract of land, identified as Tract Five A, as described in a "Special Warranty Deed" from Edward P. deZevallos and Robert Price, Jr. to Jefferson Triangle Marine, L.P. as recorded in Clerk's File No. 98-9821354, Official Public Records of Real Property, Jefferson County, Texas, and being all of that certain called 3.1638 acre tract, identified as TRACT FIVE A, as described in a "Special Warranty Deed" from Jefferson Triangle Marine, L.P. to TX ENERGY, LLC as recorded in Clerk's File No. 2007047460, Official Public Records of Real Property, Jefferson County, Texas, said 3.1638 acre tract being more particularly described as follows:

NOTE: All bearings are based on the Northeasterly line of that certain called 4.6453 acre tract, identified as Tract One, as described in a "Special Warranty Deed" from Edward P. deZevallos and Robert Price, Jr. to Jefferson Triangle Marine, L.P. as recorded in Clerk's File No. 98-9821354, Official Public Records of Real Property, Jefferson County, Texas as SOUTH 44°20 '08 " EAST. All set 5/8" iron rods set with a cap stamped "M. W. Whiteley & Associates".

BEGINNING at a "T" rail found for the most Westerly corner of the tract herein described, said corner also being the intersection of the Northwest boundary line of the Phelam Humphry League, A-32, Jefferson County, Texas, as said line was established by an agreed judgment in Cause No. 1219 and the Northeasterly corner of that certain 300 foot strip as described in Warranty Deed from J.T. Shelby to Texas Gulf Sulphur Company, recorded in Volume 1454 Page 630, Deed Records, Jefferson County,

Texas, also being the most Northerly corner of that certain called 5.8766 acre tract, identified as TRACT THREE A, as described in a "Special Warranty Deed" from Jefferson Triangle Marine, L.P. to TX ENERGY, LLC as recorded in Clerk's File No. 2007047460, Official Public Records of Real Property, Jefferson County, Texas;

THENCE NORTH 45°28'30" EAST, along and with the Northwesterly line of the said Phelam Humphry League, for a distance of 672.47 feet to a 5/8" iron rod found for corner, said corner being in the Westerly line of a 100 foot wide Texas Department of Transportation drainage ditch as recorded in Volume 1476, Page 76, Deed Records, Jefferson County, Texas;

THENCE SOUTH 01°58'31" WEST, along and with the Westerly line of the said 100 foot wide Texas Department of Transportation drainage ditch, for a distance of 161.21 feet to a 5/8" iron rod found for corner;

THENCE SOUTH 23°40'34" WEST, continuing along and with the Westerly line of the said 100 foot wide Texas Department of Transportation drainage ditch, for a distance of 448.39 feet to a 5/8" iron rod found for corner;

THENCE SOUTH 04°30'21" EAST, continuing along and with the Westerly line of the said 100 foot wide Texas Department of Transportation drainage ditch, for a distance of 218.62 feet to a 5/8" iron rod found for corner, said corner being in the Northeasterly line of the said 300 foot strip and also being an exterior ell corner of the said 5.8766 acre TX ENERGY, LLC tract;

THENCE NORTH 44°20'52" WEST, along and with the Northeasterly line of the said 300 foot strip and for the boundary between the tract herein described and the said 5.8766 acre TX ENERGY, LLC tract, for a distance of 444.90 feet to the POINT OF BEGINNING and containing 3.1638 ACRES, more or less.

TRACT V, Parcel B (Fee Simple)

BEING a 171.2645 acre tract or parcel of land situated in the Phelam Humphry League, Abstract No. 32, Jefferson County, Texas and being out of and part of that certain called 208.38 acres of land conveyed by Stanolind Oil Purchasing Company to Texas Gulf Sulphur Company, Volume 1597, Page 324, Deed Records, Jefferson County, Texas and being all of that certain called 203.2524 acre tract of land, identified as Tract Five B, as described in a "Special Warranty Deed" from Edward P. deZevallos and Robert Price, Jr. to Jefferson Triangle Marine, L.P. as recorded in Clerk's File No. 98-9821354, Official Public Records of Real Property, Jefferson County, Texas, save and except that certain called 10.6679 acre tract of land as described in a "Special Warranty Deed" from Palmera Properties, Inc. to Martin Gas Sales, Inc. as recorded in Clerk's File No. 98-9814112, Official Public Records of Real Property, Jefferson County, Texas, and being all of that certain called 192.5857 acre tract of land, identified as TRACT FIVE B, as described in a "Special Warranty Deed" from Jefferson Triangle Marine, L.P. to TX ENERGY, LLC as recorded in Clerk's File No. 2007047460, Official Public Records of Real Property, Jefferson County, Texas, save and except a portion of that certain called 24.6091 acre tract of land as described in a "Special Warranty Deed" from TX ENERGY, LLC to OilTanking Beaumont Partners, L.P. as recorded in Clerk's File No. 2009022170, Official Public Records of Real Property, Jefferson County, Texas said 171.2645 acre tract being more particularly described as follows:

NOTE: All bearings are based on the Northeasterly line of that certain called 4.6453 acre tract, identified as Tract One, as described in a "Special Warranty Deed" from Edward P. deZevallos and Robert Price, Jr. to Jefferson Triangle Marine, L.P. as recorded in Clerk's File No. 98-9821354, Official Public Records of Real Property, Jefferson County, Texas as SOUTH 44°20'08" EAST. All set 5/8" iron rods set with a cap stamped "M. W. Whiteley & Associates".

BEGINNING at an axle found for the intersection of the most Southerly Northwest boundary line of the Phelam Humphry League, Abstract No. 32, Jefferson County, Texas, and the most Southerly Southeast corner of the Jeff and James Chaison Survey, Abstract No. 435 as said line was established by an agreed judgment in Cause No. 1219, said corner also being the most Easterly corner of the said John A. Veatch Survey, Abstract No. 55, Jefferson County, Texas and said corner also being an exterior ell corner of that certain called 123.9004 acre tract, identified as TRACT FOUR B, as described in a "Special Warranty Deed" from Jefferson Triangle Marine, L.P. to TX ENERGY, LLC as recorded in Clerk's File No. 2007047460, Official Public Records of Real Property, Jefferson County, Texas;

THENCE NORTH 00°37'20" EAST, for the boundary between the tract herein described and the said 123.9004 acre TX ENERGY, LLC tract, the same being the common line between the said Phelam Humphry League and the said Jeff and James Chaison Survey, for a distance of 550.66 feet to a point for corner (unable to find or set corner), said corner being an interior ell corner of the said 123.9004 acre TX ENERGY, LLC tract;

THENCE SOUTH 89°08'02" EAST, for the boundary between the tract herein described and the said 123.9004 acre TX ENERGY, LLC tract, the same being the common line between the said Phelam Humphry League and the said Jeff and James Chaison Survey, the Pierre Lemane Survey, Abstract No. 163 and the W. P.BL McFaddin Survey, Abstract No. 689, Jefferson County, Texas, for a distance of 4571.06 feet to a point for corner, said corner being in the West line of the said 24.6091 acre OilTanking Beaumont Partners, L.P. tract;

THENCE SOUTH 00°58'20" WEST, for the boundary between the tract herein described and the said 24.6091 acre OilTanking Beaumont Partners, L.P. tract, for a distance of 1004.19 feet to a 5/8" iron rod with a cap stamped "M. W. Whiteley & Associates", said corner being in the North line of the remainder of that certain called 461.42 acre tract, identified as TRACT A, as described in a "Special Warranty Deed" from BP Pipelines (North America) Inc. to OilTanking Beaumont Partners, L.P. as recorded in Clerk's File No. 2001014848, Official Public Records of Real Property, Jefferson County, Texas;

THENCE NORTH 89°01'40" WEST, for the boundary between the tract herein described and the remainder of the said 461.42 acre OilTanking Beaumont Partners, L.P. tract, passing at a distance of 1326.31 feet a found 3" aluminum pipe, passing at a distance of 1738.01 feet a 3" aluminum pipe and continuing for a total distance of 2202.70 feet to a 5/8" iron rod found for corner, said corner also being an exterior ell corner of the said 461.42 acre OilTanking Beaumont Partners, L.P. tract and the Northwest corner of that certain called 24.6091 acre tract of land as described in a "Special Warranty Deed" from OilTanking Beaumont Partners, L.P. to TX ENERGY, LLC as recorded in Clerk's File No. 2009022171, Official Public Records of Real Property, Jefferson County, Texas;

THENCE SOUTH 45°25'18" WEST, continuing for the boundary between the tract herein described and the Northwesterly line of the said 24.6091 acre TX ENERGY, LLC tract, for a distance of 2730.75 feet to a 5/8" iron rod found for corner, said corner being in the Northeasterly line of that certain 300 foot strip as described in Warranty Deed from J.T. Shelby to Texas Gulf Sulphur Company, recorded in Volume 1454 Page 630, Deed Records, Jefferson County, Texas and said corner also being in the Northeasterly line of that certain called 23.5668 acre tract, identified as TRACT THREE B, as described in a "Special Warranty Deed" from Jefferson Triangle Properties, L.P. to TX ENERGY, LLC as recorded in Clerk's File No. 2007047461, Official Public Records of Real Property, Jefferson County, Texas;

THENCE NORTH 44°20'33" WEST, for the boundary between the tract herein described and the said 23.5668 acre TX ENERGY, LLC tract, for a distance of 1399.09 feet to a 5/8" iron rod found for corner, said corner being the most Northerly corner of the said 23.5668 acre TX ENERGY, LLC tract and also

being in the Easterly line of a 100 foot wide Texas Department of Transportation drainage ditch as recorded in Volume 1476, Page 76, Deed Records, Jefferson County, Texas;

THENCE NORTH 04°26'05" WEST, along and with the Easterly line of the said 100 foot wide Texas Department of Transportation drainage ditch, for a distance of 313.59 feet to a 5/8" iron rod found for corner;

THENCE NORTH 23°40'23" EAST, continuing along and with the Easterly line of the said 100 foot wide Texas Department of Transportation drainage ditch, for a distance of 442.57 feet to a 5/8" iron rod found for corner;

THENCE NORTH 01°56'02" EAST, continuing along and with the Easterly line of the said 100 foot wide Texas Department of Transportation drainage ditch, for a distance of 285.61 feet to a 5/8" iron rod found for corner, said corner being in the Northwesterly line of the Phelam Humphry League;

THENCE NORTH 45°21'25" EAST, along and with the Northwesterly line of the Phelam Humphry League, for a distance of 566.11 feet to the POINT OF BEGINNING and containing 181.9324 acres, more or less save and except the above referenced 10.6679 acre Martin Gas Sales, Inc. thereby leaving a net acreage of 171.2645 acres, more or less.

TRACT VI, PARCEL A (Fee Simple)

BEING a 24.6091 acre tract or parcel of land situated in the Phelam Humphry League, Abstract No. 32, Jefferson County, Texas and being out of and part of that certain called 461.42 acre tract of land, identified as tract A, as described in a "Special Warranty Deed" from BP Pipelines (North America) inc. to Oil Tanking Beaumont Partners, L.P. as recorded in Clerk's File No. 2001014848, Official Public Records of Real Property, Jefferson County, Texas, and being all of that certain called 24.6091 acre tract of land as described in a "Special Warranty Deed" from OilTanking Beaumont Partners, L.P. to TX ENERGY, LLC as recorded in Clerk's File No. 2009022171, Official Public Records of Real Property, Jefferson County, Texas, said 24.6091 acre tract being more particularly described as follows:

NOTE: All bearings are based on the Northeasterly line of that certain called 4.6344 acre tract, identified as Tract One, as described in a "Special Warranty Deed" from Jefferson Triangle Marine, L.P. to TX Energy, LLC as recorded in Clerk's File No, 2007047460 Official Public Records of Real Property, Jefferson County, Texas as SOUTH 44°20'08" EAST.

BEGINNING at a 5/8" iron rod found for the most Westerly corner of the tract herein described, said corner also being the most Southerly corner of that certain called 192.5857 acre tract of land, identified as TRACT FIVE B, as described in a "Special Warranty Deed" from Jefferson Triangle Marine, L.P. to TX ENERGY, LLC as recorded in Clerk's File No. 2007047460, Official Public Records of Real Property, Jefferson County, Texas, and said corner also being in the Northeast line of that certain called 23.5668 acre tract of land, identified as TRACT THREE B, as described in a "Special Warranty Deed" from Jefferson Triangle Marine, L.P. to TX ENERGY, LLC as recorded in Clerk's File No. 2007047461, Official Public Records of Real Property, Jefferson County, Texas;

THENCE NORTH 45°25'18" EAST, for the boundary between the tract herein described and the said 192.5857 acre TX ENERGY, LLC tract, for a distance of 2730.75 feet to a 5/8" iron rod found for corner, said corner being an interior ell corner of the said 192.5857 acre TX ENERGY, LLC tract and also being an exterior ell corner of the said 461.42 acre OilTanking Beaumont Partners, LP tract;

THENCE SOUTH 89°01'40" EAST, for the boundary between the tract herein described and the said

192.5857 acre TX ENERGY, LLC tract, for a distance of 394.38 feet to a 5/8" iron rod found for corner;

THENCE SOUTH 45°25'18" WEST, over and across the said 461.42 acre OilTanking Beaumont Partners, LP tract for a distance of 784.53 feet to a 5/8" iron rod found for corner;

THENCE SOUTH 49°57'07" EAST, over and across the said 461.42 acre OilTanking Beaumont Partners, LP tract for a distance of 118.98 feet to a 5/8" iron rod found for corner;

THENCE SOUTH 45°25'18" WEST, over and across the said 461.42 acre OilTanking Beaumont Partners, LP tract for a distance of 2235.32 feet to a 5/8" iron rod found for corner, said corner being in the Northeast line of said 23.5668 acre TX ENERGY, LLC tract;

THENCE NORTH 44°19'21" WEST, for the boundary between the tract herein described and the said 23.5668 acre TX ENERGY, LLC tract, for a distance of 400.00 feet to the POINT OF BEGINNING and containing 24.6091 ACRES, more or less.

TRACT VI, Parcel B (Easement Estate)

BEING a 0.3818 acre pipeline right-of-way and easement situated in the Phelam Humphry League, Abstract No. 32, Jefferson County, Texas, being out of and part of that certain called 2.440 acre tract of land, also identified as TRACT D, Save and Except that certain called 0.332 acres lying within the Kansas City Southern railroad 100' wide strip, as described in a deed from Mamie McFaddin Ward Heritage Foundation, et al to OilTanking Beaumont Partners, L.P. as recorded in Clerk's File No, 20050069725 Official Public Records of Real Property of Jefferson County, Texas, and being out of and part of that certain called 6.4 acre tract of land, also identified as TRACT E, as described in a deed from Mamie McFaddin Ward Heritage Foundation, et al to OilTanking Beaumont Partners, L.P. as recorded in Clerk's File No. 2005006972, Official Public Records of Real Property, Jefferson County, Texas, said 0.3818 acre pipeline right-of-way and easement being more particularly described as follows:

NOTE: All bearings are based on the Northeasterly line of that certain called 4.6344 acre tract, identified as Tract One, as described in a "Special Warranty Deed" from Jefferson Triangle Marine, L.P. to TX Energy, LLC as recorded in Clerk's File No. 20070474160 Official Public Records of Real Property, Jefferson County, Texas as SOUTH 44°20'08" EAST.

COMMENCING at a 5/8" iron rod found for the most Southwesterly corner of that certain called 23.5668 acre tract of land, identified as TRACT THREE B, as described in a "Special Warranty Deed" from Jefferson Triangle Properties, L.P. to TX ENERGY, LLC as recorded in Clerk's File No. 2007047461, Official Public Records of Real Property, Jefferson County, Texas, said corner also being in the Northeast right-of-way line of Kansas City Southern Railroad (based on a width of 100 feet), and also said corner being an exterior ell corner of said OilTanking Beaumont Partners, L.P. Tract D;

THENCE NORTH 86°54'33" EAST, for the boundary between said TX ENERGY, LLC TRACT THREE B and the said OilTanking Beaumont Partners, L.P. TRACT D, for a distance of 85.00 feet to the most Westerly corner and the POINT OF BEGINNING of the tract therein described;

THENCE NORTH 86°54'33" EAST, continuing for the boundary between the said TX ENERGY, LLC TRACT THREE B and the said OilTanking Beaumont Partners, L.P. TRACT D, for a distance of 100.00 feet to a point for corner;

THENCE SOUTH 44°19'21" EAST, over and across the said OilTanking Beaumont Partners, L.P. TRACT D and TRACT E for a distance of 238.25 feet to a point for corner, said corner being in the most

Westerly North line of that certain called 46.796 acre tract of land, also identified as TRACT ONE, as described in a deed from E. I. DU PONT DE NEMOURS AND COMPANY to EASTMAN CHEMICAL COMPANY as recorded in Clerk's File No. 2007038287, Official Public Records of Real Property, Jefferson County, Texas;

THENCE NORTH 81°14'31" WEST, for the boundary between the said OilTanking Beaumont Partners, L.P. TRACT E and the said Eastman Chemical Company 46.796 acre tract for a distance of 125.20 feet;

THENCE NORTH 44°19'21" WEST, over and across the said OilTanking Beaumont Partners, L.P. TRACT E and TRACT D for a distance of 204.06 feet to the POINT OF BEGINNING and containing 0.3818 ACRES, more or less.

TRACT VI, Parcel C (Easement Estate)

BEING a 1.2396 acre road easement situated in the Phelam Humphry League, Abstract No. 32, Jefferson County, Texas and being out of and part of that certain called 27.18 acre tract of land, identified as Tract B, as described in a "Special Warranty Deed" form BP Pipelines (North America) Inc. to Oil Tanking Beaumont Partners, L.P. as recorded in Clerk's File No. 2001014848, Official Public Records of Real Property, Jefferson County, Texas, said 1.2396 acre road easement being more particularly described as follows:

NOTE: All bearings are based on the Northeasterly line of that certain called 4.6344 acre tract, identified as Tract One, as described in a "Special Warranty Deed" from Jefferson Triangle Marine, L.P. to TX Energy, LLC as recorded in Clerk's File No. 2007047460 Official Public Records of Real Property, Jefferson County, Texas as SOUTH 44°20'08" EAST.

COMMENCING at a 2" iron pipe found for the North corner of said OilTanking Beaumont Partners, L.P. tract, said corner being the most Easterly corner of that certain called 20.0281 acre tract of land as described in a "Special Warranty Deed" from Phillip A. Roebuck Family Partnership, LTD. to TX Energy, LLC. as recorded in Clerk's File No. 2008003576, Official Public Records of Real Property, Jefferson County, Texas, said corner also being in the Southwesterly right-of-way line of Kansas City Southern Railroad (bases on a width of 100 feet);

THENCE SOUTH 44°18'38" EAST, along and with the said Southwesterly right-of-way line of Kansas City Southern Railroad for a distance of 429.22 feet to a point for the most Northerly corner and the POINT OF BEGINNING of the tract herein described;

THENCE SOUTH 44°18'38" EAST, continuing along and with the said Southwesterly right-of-way line of Kansas City Southern Railroad for a distance of 50.00 feet to point for corner;

THENCE SOUTH 45°27'11" WEST, over and across the said 27.18 acres OilTanking Beaumont Partners, L.P. tract for a distance of 1071.13 feet to a point for corner, said corner being in the Northeasterly right-of-way line of State Highway 347;

THENCE NORTH 63°42'49" WEST, along and with the Northeasterly right-of-way line of the said State Highway 347 for a distance of 52.93 feet to a point for corner;

THENCE NORTH 45°27'11" EAST, over and across the said 27.18 acres OilTanking Beaumont Partners, L.P. tract for a distance of 1088.71 feet to the POINT OF BEGINNING and containing 1.2396 ACRES, more or less.

TRACT VII, Parcel A (Fee Simple)

BEING 46.8010 Acres of land described and being out of and a part of those certain tracts deed to E. I. du Font de Nemours and Company more fully described as 3.224 acres described as McFaddin Access Strip No. 1, 3.189 acres described as Weiss Access Strip, 124.708 acres recorded in Volume 845, Page 63, 23.70 acres recorded in Volume 1865, Page 58, 10.270 acres recorded in Volume 1865, Page 68, 23.70 acres described as Tract "A" recorded in Volume 1865, Page 120 and 10.270 acres recorded in Volume 1865, Page 128 of the Deed Records of Jefferson County, Texas. Said 46.796 acres of land also being a part of the DuPont-Beaumont Industrial Site No. 1 Subdivision recorded in Volume 15, Page 4 of the Map Records and part of the DuPont-Beaumont Works Industrial park Subdivision recorded in Clerk's File No. 2006048240 and being Lot 4 of the Replat of DuPont-Beaumont Industrial Site No. 1 in Clerk's File No. 2007037934 of the said Jefferson County and being situated in the Pelham Humphries League, Abstract No. 32, and the J. S. Johnston Survey, Abstract No. 34, Jefferson County, Texas.

TRACT VII, PARCEL B (Easement Estate) – Beaumont-Dupont:

Non-exclusive easement estate as conveyed, assigned and/or set forth in (i) that certain deed executed by E. I. du Font de Nemours and Company in favor of Eastman Chemical Company, dated September 26, 2007, filed September 28, 2007, under County Clerk's File No. 2007038287, Official Public Records of Real Property of Jefferson County, Texas and (ii) that certain Declaration of Easements and Covenants executed by E. I. du Font de Nemours and Company as recorded under Film Code No. 104-01-0533, Real Property Records, Jefferson County, Texas.

TRACT VIII (Fee Simple) - DELETED

TRACT IX (Fee Simple)

BEING a 20.0281 acre or parcel of land situated in the Phelam Humphry League, Abstract No. 32, Jefferson County, Texas and being all of that certain called 20.03 acre tract of land as described in a "Special Warranty Deed" from Phillip A. Roebuck to The Phillip A. Roebuck Family Partnership, Ltd. as recorded in Clerk's File No. 97-9731390, Official Public Records of Real Property, Jefferson County, Texas, the same being all of that certain called 20.03 acre tract of land as described in a "Special Warranty Deed" from Suzanne R. Roebuck to The Phillip A. Roebuck Family Partnership, Ltd. as recorded in Clerk's File No. 97-9731389, Official Public Records of Real Property, Jefferson County, Texas, and being all of that certain called 20.0281 acre tract of land as described in a "Special Warranty Deed" from Phillip A. Roebuck Family Partnership, LTD. to TX ENERGY, LLC as recorded in Clerk's File No. 2008003576, Official Public Records of Real Property, Jefferson County, Texas said 20.0281 acre tract being more particularly described as follows:

NOTE: All bearing are based on the Northeasterly line of that certain called 4.6453 acre tract, identified as Tract One, as described in a "Special Warranty Deed" from Edward P. deZevallos and Robert Price, Jr. to Jefferson Triangle Marine, L. P., as recorded in Clerk's File No. 98-9821354, Official Public Records of Real Property, Jefferson County, Texas as SOUTH 44°20'08" EAST

BEGINNING at a 2" iron pipe found for the most Easterly corner of the tract herein described, said corner also being the most Northerly corner of the remainder of that certain called 27.18 acre tract of land, identified as TRACT B, as described in a "Special Warranty Deed" from BP Pipelines (North America) Inc. to OilTanking Beaumont Partners, L.P, as recorded in Clerk's File No. 2001014848, Official Public

Records of Real Property, Jefferson County, Texas and in the Westerly right-of-way line of the Kansas City Southern Railroad (based on a width of 100 feet);

THENCE SOUTH 47°02'52" WEST, for the boundary between the tract herein described and the remainder of the said 27.18 acre OilTanking Beaumont Partners, L.P. tract, for a distance of 1188.10 feet to a small nail in concrete at the base of a fence post found for corner, said corner being the most Westerly corner of the remainder of the said 27.18 acre OilTanking Beaumont Partners, L.P. tract and in the Northeasterly right-of-way line of State Highway No. 347;

THENCE NORTH 48°06'40" WEST, along and with the Northeasterly right-of-way line of State Highway No. 347, for a distance of 248.11 feet to a Texas Department of Transportation concrete monument found for corner, said corner also being the beginning of a curve to the right having a radius of 3685.93 feet and being subtended by a chord bearing NORTH 44°16'27" WEST having a chord length of 477.60 feet;

THENCE NORTHWESTERLY, along and with the Northeasterly right-of-way line of State Highway No. 347 and along and with said curve, for an arc length of 477.94 feet to a 1/2" iron rod found for corner, said corner being the most Southerly corner of that certain called 21.1268 acre tract, identified as TRACT TWO, as described in a "Special Warranty Deed" from Jefferson Triangle Marine, L.P. to TX ENERGY, LLC as recorded in Clerk's File No. 2007047460, Official Public Records of Real Property, Jefferson County, Texas;

THENCE NORTH 47°05'45" EAST, for the boundary between the tract herein described and the said 21.1268 acre TX ENERGY, LLC tract for a distance of 1203.93 feet to a 5/8" iron rod found for corner, said corner being the most Easterly corner of the said 21.1268 acre TX ENERGY, LLC tract and in the Westerly right-of-way line of the Kansas City Southern Railroad;

THENCE SOUTH 44°20'18" EAST, along and with the Westerly right-of-way line of the Kansas City Southern Railroad, for a distance of 723.78 feet to the POINT OF BEGINNING and containing 20.0281 ACRES, more or less.

TRACT X Parcel A (Fee Simple)

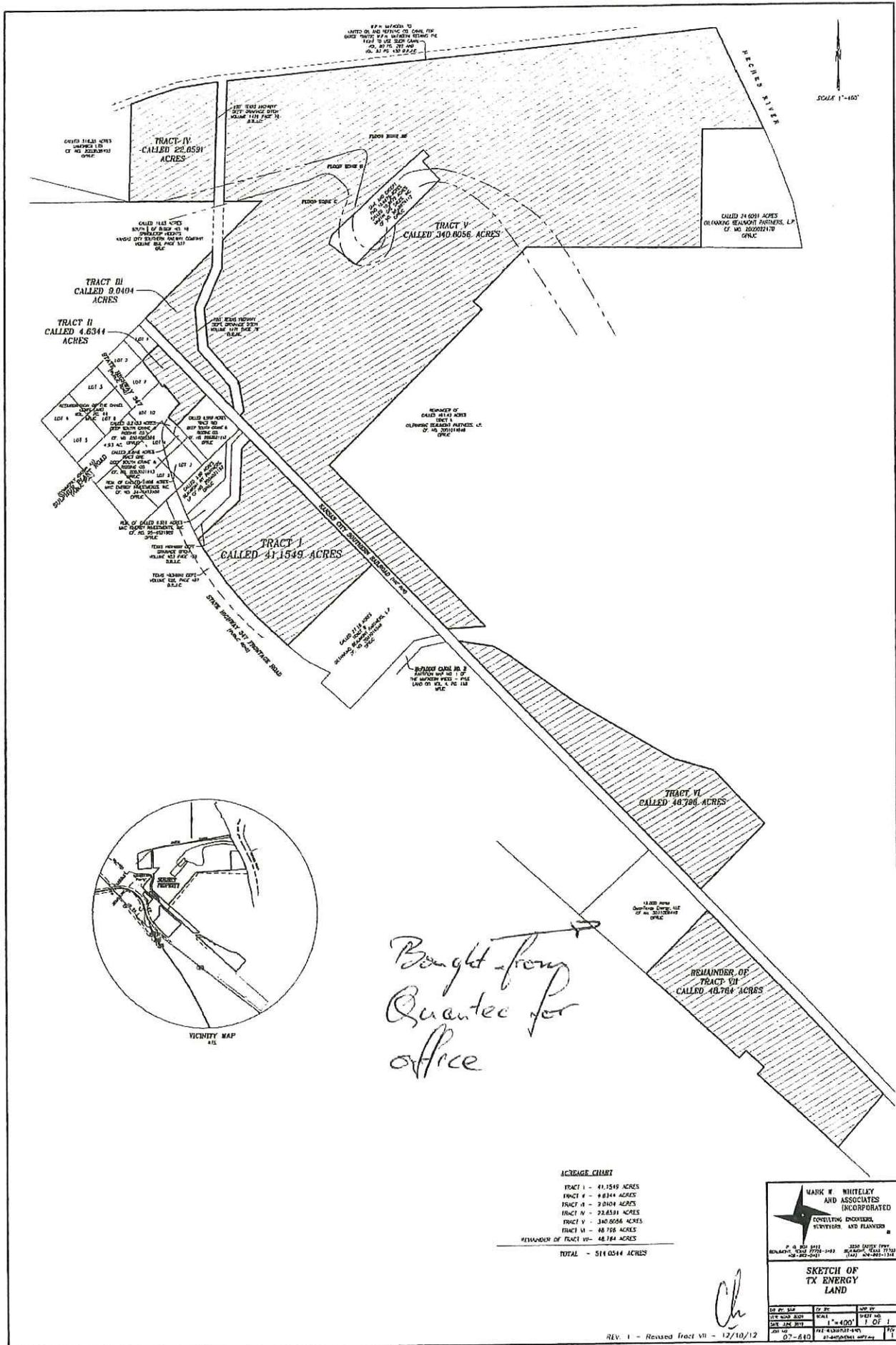
Lot One (1) of the du PONT-BEAUMONT INDUSTRIAL SITES SUBDIVISION: BEING a 12.8175 acre tract of land in the Pelham Humphries League in Jefferson County, Texas, and also being out of a 124 acre tract conveyed by Wesley W. Kyle, et al to E. I. du Pont de Nemours and Company by deed dated December 14, 1951 and being recorded in Volume 845, Page 33, Deed Records of Jefferson County, Texas, and said 12.8175 acre tract being sometimes also known as Lot No. 1 of the DuPont-Beaumont Industrial Sites Subdivision that was recorded on November 19, 1991, in Volume 15, Page 4 of the Map Records of Jefferson County, Texas.

TRACT X Parcel B (Fee Simple)

Lot Two (2) of the du PONT-BEAUMONT INDUSTRIAL SITES SUBDIVISION: BEING a 13.5247 acre tract of land in the Pelham Humphries League in Jefferson County, Texas, and also being out of a 124 acre tract conveyed by Wesley W. Kyle, et al to E. I. du Pont de Nemours and Company by deed dated December 14, 1951 and being recorded in Volume 845, Page 33, Deed Records of Jefferson County, Texas, and said 13.5237 acre tract being sometimes also known as Lot No. 2 of the DuPont-Beaumont Industrial Sites Subdivision that was recorded on November 19, 1991, in Volume 15, Page 4 of the Map Records of Jefferson County, Texas.

TRACT X Parcel C (Easement Estate)

Non-exclusive easement estate as conveyed, assigned and/or set forth in (i) that certain deed executed by E. I. du Pont de Nemours and Company in favor of Eastman Chemical Company, dated September 26, 2007, filed September 28, 2007, under County Clerk's File No. 2007038287, Official Public Records of Real Property of Jefferson County, Texas and (ii) that certain Declaration of Easements and Covenants executed by E. I. du Pont de Nemours and Company as recorded under Film Code No. 104-01-0533, Real Property Records, Jefferson County, Texas.



ACREAGE CHART

TRACT I -	41.1549 ACRES
TRACT II -	4.6344 ACRES
TRACT III -	9.0404 ACRES
TRACT IV -	22.0591 ACRES
TRACT V -	340.8056 ACRES
TRACT VI -	48.786 ACRES
REMAINDER OF TRACT VII -	48.784 ACRES
TOTAL -	514.0544 ACRES

MARK W. WHITELEY AND ASSOCIATES INCORPORATED
 CONSULTING ENGINEERS, SURVEYORS AND PLANNERS

2000 WEST 10TH STREET, SUITE 1000
 DALLAS, TEXAS 75201-1443
 PHONE: 214-343-1100
 FAX: 214-343-1101
 WWW: WWW.MARKWHITELEY.COM

SKETCH OF TX ENERGY LAND

DATE: 12/10/12	SCALE: 1" = 400'	SHEET NO: 1 OF 1
PROJECT: TX ENERGY LAND	DATE: 12/10/12	BY: [Signature]
REV: 1 - Revised Tract VII - 12/10/12	DATE: 12/10/12	BY: [Signature]

Ch

EXHIBIT 2

LOCATION OF QUALIFIED INVESTMENT/QUALIFIED PROPERTY

All Qualified Property owned or leased by the Applicant and located within the boundaries of both the Beaumont Independent School District and the *Natgasoline LLC Reinvestment Zone* will be included in and subject to this Agreement. Specifically, all Qualified Property of the Applicant located within the legal description of the *Natgasoline LLC Reinvestment Zone* set forth in **EXHIBIT 1**.

EXHIBIT 3

DESCRIPTION OF THE APPLICANT'S QUALIFIED INVESTMENT/QUALIFIED PROPERTY

The project provides for the design and construction of one (1) methanol unit and one (1) methanol to gasoline unit (MtG), related utility, infrastructure and logistics improvements.

The proposed investment (or construction) for which the tax limitation is sought will include one (1) methanol unit and one (1) methanol to gasoline unit (MtG), along with all process auxiliaries including but not limited to packaged systems, blowers and fans, furnaces, heat exchangers, electrical heaters, , rotary valves, vessels, reactors, scales, trolleys and hoists pipe ways, utility service lines, raw material pipelines, storage tanks, compressors, drums, heat exchangers, pumps, filters piping, insulation, electrical switchgear, transformers, instrumentation equipment, equipment and structural foundations and supports, control equipment and facilities, warehouses, raw material and utility distribution improvements, flare, shipping facility improvements, inter-plant piping, other chemical processing equipment, modifications, tie-ins, upgrades and revamps to existing facilities, air compressors, electrical sub-stations, road improvements, utilities (including all lines), flares, tankage, pipe connections, cooling towers, waste water units, control, administration and other plant buildings, water and sewer treatment facilities, fire prevention and safety equipment, any other tangible personal property utilized in the process, storage, quality control, shipping, waste management and general operation of the methanol and MtG units and any other infrastructure additions, upgrades and modifications related to the methanol unit.

The qualified investment and qualified property will also include any other necessary equipment to construct a fully functioning manufacturing plant.