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**MINUTES OF VIDEOCONFERENCE MEETING NO. 2334
COMMISSIONERS OF JEFFERSON COUNTY
JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7**

Place: 4749 Twin City Highway, Suite 300
Port Arthur, Texas

Date: October 20, 2020

Present: Commissioners
Richard Beaumont
Lester Champagne
Billy Joe Butler
Albert Moses, Jr.
Phil Kelley, Manager
Pete Steele, Attorney

Absent: James Gamble, Sr.

Visitors: Dean Depew, DD7
Brady Girouard, DD7
Garrett Boudoin, DD7
Allen Sims, LJA Engineering
Kim Carroll, Texan Engineering
Mark Skobel, Valero Refinery

The meeting was called to order at 2:00 p.m. by Chairman Beaumont after ascertaining that the Notice of Meeting had been posted in accordance with the law. Commissioner Moses gave the invocation.

Minutes of Meeting No. 2333

The Minutes of Meeting No. 2333 was approved as read.

Consider Resolution to Approve 2020 Certified Tax Roll

Resolution No. 465 approving the 2020 Tax Roll was presented for approval. Commissioner Champagne moved that Resolution No. 465 be approved.

Commissioner Butler seconded the motion. The motion carried. A copy of Resolution No. 465 is attached hereto and made a part of these minutes.

Consider Resolution Authorizing Tax Abatement with Diamond Green Diesel, LLC

Resolution No. 466 Authorizing Tax Abatement Agreement with Diamond Green Diesel LLC was presented to the Board for consideration. Mr. Phil Kelley stated that some representatives from Valero are in attendance through the Zoom meeting and Mr. Mark Skobel of Valero is personally present to address the Board. Mr. Skobel stated the project is a joint venture between Valero and a company called Darling. The project will be named Diamond Green Diesel, and it will produce 30,000 gallons of renewable diesel per day. Mr. Skobel explained how the renewable diesel is made and stated the project is approximately a billion-dollar project. Construction has not been started. Thirty to thirty-five (30-35) permanent jobs will be created, and about six hundred (600) construction jobs will be created. Construction will start as soon as it can once the abatements are granted. It is hoped the project can be completed and operational within two (2) years. It will be the largest renewable diesel plant in the State of Texas. Other byproducts such as propane and naphtha will also be produced. Mr. Kelley stated the Jefferson County Commissioners' Court and the Sabine Neches Navigation District have already approved this tax abatement, and the Port of Port Arthur will be considering the tax abatement at its meeting tomorrow. Mr. Kelley further stated the District's agreement mirrors the County agreement and requires attempting to hire local labor and use local sub-contractors. Mr. Kelley asked if there was anyone in attendance via Zoom that would like to speak on the abatement. Mr. Mike Eaves,

Valero's attorney, thanked the Board for its consideration and asked if the District's Board does approve the proposed Tax Abatement Agreement, if Mr. Martin Loeber, attorney-in-fact for Diamond Green Diesel LLC, could come by the District's office while he is in town and sign the Agreement. Mr. Kelley answered yes. Commissioner Champagne moved to approve Resolution No. 466 Authorizing Tax Abatement Agreement with Diamond Green Diesel LLC. Commissioner Moses seconded the motion. The motion carried. A copy of Resolution No. 466 is attached hereto and made a part of these minutes.

Consider Pay Request No. 4 (Final) to Sabine Universal Products, Inc. for Supplemental Mechanical Equipment for Alligator Bayou Pump Station Annex Project

A recommendation letter was received from Allen Sims of LJA Engineering for Pay Request No. 4, which is the final payment, to Sabine Universal Products, Inc. in the amount of Sixteen Thousand Seven Hundred Twenty-Three and 80/100 (\$16,723.80) Dollars. This is the contract for the cooling systems for the engines as well as for the angle gears on the pumping units at the project. The contract is about two (2) years old, and the keel coolers have been installed and are filled with antifreeze. The balance due is for the remainder of the retainage on the contract, and Mr. Kelley and Mr. Sims recommend releasing the final payment. Commissioner Champagne moved to approve Pay Request No. 4 (Final) to Sabine Universal Products, Inc. for Supplemental Mechanical Equipment for Alligator Bayou Pump Station Annex Project in the amount of Sixteen Thousand Seven Hundred Twenty-Three and 80/100 (\$16,723.80) Dollars. Commissioner Butler seconded the motion. The motion carried.

Mr. Allen Sims gave a brief update report on the project and stated there are a few minor electrical items that need to be finished before the startup can be done. All vendors associated with the engines, angle gears, pumps, electrical panels, etc. have been contacted that need to be present for the initial startup and the earliest date all are available is November 16. Consequently, startup is scheduled for November 16. The intake sheet pile will be pulled a couple of weeks after and then the project will be substantially complete.

Sabine Pass to Galveston Bay Project Summary

Mr. Brady Girouard gave a brief update on the Sabine Pass to Galveston Bay Project. Contract 1 is the only project currently underway. Approval is being sought to perform the first 150 feet of the project next week. The contractor has mobilized at five (5) other locations aside from the main location at the Valero Refinery to perform some levee repairs. Contract 2 is approaching a thirty-five percent (35%) design package to be let by a new contract. The District was successful in deviating from the current alignment and establishing the new alignment on the west side of the railway which should be beneficial. Contract 3 through Valero Refining is approaching sixty-five (65%) design. Contract 3B (area around Port of Port Arthur and KCS railyard) is also approaching sixty-five percent (65%) design. Contract 3A has a lot of coordination with different entities being done. Contract 4 is in the early stages and is a catch all project. There are currently a lot of contractors and consultants working all over the District on these projects. Mr. Kelley stated the Galveston District Corps of Engineers has brought in a First Lieutenant (right hand man to the Colonel) who has been assigned as an

Assistant Project Manager to the Sabine Pass to Galveston Bay Project. He is getting highly involved and is coming in with the Project Manager this Thursday. He is working on putting together a tiered Governance Structure from the Southwest Division on down through the Galveston District for meetings to discuss all issues and reporting on progress of the project.

Commissioner Champagne questioned the levee repairs that Mr. Girouard had mentioned being done in Contract 1. Mr. Girouard stated the repairs are a result of Harvey. The work had been bid coupled with some pump station work, and all bids were rejected. Mr. Kelley stated there are different areas where the District had some sloughing on interior slopes and were items the District filed for emergency funding on under PL 84-99, and the Corps is just now getting it done. Mr. Dean Depew attended a pre-construction meeting with the contractor that is going to perform the upgrades at Lakeview and Delmar Pump Stations to raise the motor control center and generator transfer switch. This work should be started after the first of the year.

Manager's Miscellaneous Reports/Financials

Since the date of the last Commissioner's meeting, the following work has been done:

HFPL Maintenance/Herbicide Crew

Herbicide Application:

- Lakeview, North St. Ditch, Stadium Ditch Lat. 1, KCS Ditch
- Stadium Ditch Lat. 2, Atlantic Main to Hwy. 73, Atlantic Main Ext.
- Main A

Levee:

- Applied herbicide to HFPL surface from Jade Ave. to W. Port Arthur Rd.

Contractor:

- Ducks Dragline
- GP Evans Contractors LLC: Mowing HFPL & ROWs, Areas 1, 3, 4 and 14
Control Center Operation and Pump Station Maintenance Report

- Station 16
Unit 2 Trash Rake-change out bad load sensor and speed proximity switch. Unit back in service.
Ordering more load sensors and proximity switches for the rakes at Station 16.

- Station 19
Trash Rake A-add oil to Hydraulic tank.

- Station 7
Unit 7 Sump Pump-change out burnt out coil on contactor and return to Auto.

- Station 14
Sump Pump-trouble shoot to find bad 120-volt breaker that feeds coil voltage to pump contactor. Changed out bad breaker.

- Station 20
Clean out rain bucket.

- Station 8
Generator Battery Charger-change out old Lamarche charger to new 24Volt Smart Charger.
- Station 7
Unit 1-Disconnect and remove Engine Hot starts for crew to change out engine.

- Warehouse
New L.E.D. Lighting-assembling fixtures to be installed in warehouse.

- Station 16
Change out a bad 120volt receptacle in the office.

- Fab Shop
Replace burnt out contactor on Jet Band Saw.

- Station 2
Generator-change 2 4D batteries and test run Generator, Station 16
Unit 2 Trash Rake-change out bad load sensor and speed proximity switch. Unit back in service.
Ordering more load sensors and proximity switches for the rakes at Station 16.

- Station 19
Trash Rake A-add oil to Hydraulic tank.

- Station 7
Unit 7 Sump Pump-change out burnt out coil on contactor and return to Auto.

- Station 14
Sump Pump-trouble shoot to find bad 120-volt breaker that feeds coil voltage to pump contactor. Changed out bad breaker.

Construction Notes - Alligator Bayou Pump Station Annex
September 28, 2020 – October 9, 2020

Monday, September 28:

Alligator Project; Allco is working on site today. Weather conditions were cloudy. The site conditions were dry.

Allco superintendents (3) on site Mike Nunez (1), Terrell (1), and Richie (1) with (8) operators/laborers reported.

Allco's crew is grouting the hatch covers in-place within the station's main floor.

Electrical Specialties is on site (2) today mounting electrical boxes.

Diver Dan's crew is on site (3) cutting sheet pile off the cofferdam.

Electrical Specialties is on site (3) working on the electrical system to the angle gears.

Tuesday, September 29:

Alligator Project; Allco worked on site today. Weather conditions were sunny. The site conditions were dry.

Allco superintendents (3) on site Mike Nunez (1), Terrell (1), and Richie (1) with (8) operators/laborers reported.

Allco's crew is moving their equipment about twenty feet back on the cofferdam and driving sheet pile to hold dirt under the trackhoe and crane. The crew is also moving the support beams and digging dirt out from the center of the cofferdam. Mike's crew is grouting the hatch covers into the main station's floor.

Electrical Specialties is on site (3) running conduit to the electrical boxes for angle gear power.

Wednesday, September 30:

Alligator Project; Allco worked on site today. Weather conditions were sunny. The site conditions were muddy.

Allco superintendents (3) on site Mike Nunez (1), Terrell (1), and Richie (1) with (8) operators/laborers reported.

Allco is continuing to dig dirt out of the cofferdam.

Electrical Specialties is on site (3) working on the electrical system to the angle gears.

Chapman is on site (2) finishing up installing the air pipe to the starters on units #5 and 6. The crew is also installing pipe from the diesel overflow tank on the station's second floor level to the return transfer pumps running back to the main tanks.

DD7's Scott Snyder pulled the fuel level switch covers on each main engine's day tank and inspected the inside of each tank. The tanks looked good with no corrosion or debris inside. It was noted that unit #1 has about (1/4 inch) of preservative fluid inside of the tank.

Thursday, October 1:

Alligator Project; Allco worked on site today. Weather conditions were sunny. The site conditions were dry.

Allco superintendents (2) on site Mike Nunez (1) and Terrell (1) with (8) operators/laborers reported.

Allco's crew is working on the cofferdam.

Bosco Industries is on site (8) installing the septic tank and hooking up all the pipes. The system will be ready to go as soon as ESI hooks up the power.

Electrical Specialties is on site (2) wiring power to the angle gears. Shane is working on wiring the clutch to unit #6.

Chapman is on site (2) installing an emergency fuel shut off valve in the main fuel line on the station's basement floor level. It was noted that Chapman is now finished with all piping.

Friday, October 2:

Alligator Project; Allco is working on site today. Weather conditions were sunny. The site conditions were dry.

Allco superintendents (2) on site Mike Nunez (1) and Terrell (1) with (8) operators/laborers reported.

Allco's crew is continuing to dig dirt out of the cofferdam.

Electrical Specialties is on site (2) working on the electrical system running to the angle gears.

DD7's Scott Snyder and a couple of men are making up a 6-inch PVC pipe for a submersible pump to pump out the intake bays.

Monday, October 5:

Alligator Project; Allco is working on site today. Weather conditions were sunny. The site conditions were dry.

Allco superintendents (2) on site Mike Nunez (1) and Terrell (1) with (4) operators/laborers reported.

Allco's crew is digging and water jetting down the sides of the sheet pile to help clean mud off sheets and get the site ready for the divers.

Electrical Specialties is on site (3) working on wiring the engine clutches to the main engines' panels. The crew is also working on the angle gear wiring.

Tuesday, October 6:

Alligator Project; Allco worked on site today. Weather conditions were sunny. The site conditions were dry.

Allco superintendents (2) on site Mike Nunez (1) and Terrell (1) with (4) operators/laborers reported.

Diver Dan is on site (3) cutting sheet pile off the cofferdam. It was noted that the divers were able to cut down to (-11.0 ft) elevation this time.

Electrical Specialties is on site (3) working on wiring the clutches to the main engines' panels and the wiring to the angle gears.

Wednesday, October 7:

Alligator Project; Allco worked on site today. Weather conditions were cloudy. The site conditions were dry.

Allco superintendents (2) on site Mike Nunez (1) and Terrell (1) with (4) operators/laborers reported.

Allco moved the sheet pile off from the cofferdam. The crew started moving equipment back and setting mats to get ready for more digging.

Electrical Specialties is on site (3) working on the electrical system to angle gears.

Diver Dan is on site (3) and finished cutting a section of sheet pile out of the cofferdam. The crew finished by 11:00 AM.

DD7's Scott Snyder started the diesel air compressor and pumped tanks up to 200 psi. Scott checked the plugs on the tanks with soapy water. It was noted that two plugs were leaking and need to be resealed. Scott informed Mike Nunez his findings and Mike called Chapman to notify them.

Thursday, October 8:

Alligator Project; Allco worked on site today. Weather conditions were cloudy from impending Hurricane Delta, with light rain starting around 12 pm. The site conditions were dry.

Allco superintendents (2) on site Mike Nunez (1) and Terrell (1) with (4) operators/laborers reported.

Electrical Specialties is on site (2) finishing wiring the clutches to the main engines' panels. The crew is still working on the angle gear wiring and waiting on Yancey to come back to the station and finish his wiring.

Friday, October 9:

Alligator Project; Allco is not on site today due to Hurricane Delta.

Mr. Phil Kelley presented the financial statements prepared by FMW, P.C. for the period ended September 30, 2020, and gave a collateral securities report as of September 30, 2020.

Permits

City of Groves – Request for Drainage Entry into Lateral A-3-A for the Recreational Complex Development. Mr. Brady Girouard recommended approval with no permit fee and no bond required. Commissioner Champagne moved to approve Mr. Girouard’s recommendation. Commissioner Moses seconded the motion. The motion carried.

Checks & Purchase Orders
Maintenance Fund

Ck. No. 17200 – Allison Nathan Getz, Tax Assessor-Collector
\$24,687.60 – 2020 Tax Collection Fee

Ck. No. 17201 – Brock Services, Ltd.
\$1,250.00 – Labor and Material to Raise Scaffolding at Pump Station 15

Ck. No. 17202 – Duck’s Dragline Service, Inc.
\$13,860.00 – Rental LS250X4 Trackhoe 10/1-10/15/20 and
Rental LS250X3 Trackhoe 10/1-10/15/20

Ck. No. 17203 – Groves Equipment Rental Co., Inc.
\$2,700.00 – Rental 15 Ton Crane, 9/17-10/16/20

Ck. No. 17204 – Johnny’s Towing & Recovery
\$450.00 – Rental of Transport Truck, 10/12/20

Ck. No. 17205 – Lind & Associates, Inc.
\$2,550.00 – Upgrade to Lateral A-3/A-3-A System

Ck. No. 17206 – LJA Engineering, Inc.
\$90,624.94 – Stormwater Management Plan, DD7 Data System,
Sabine Pass to Galveston Project, Rodair Gully Study,

Alligator Bayou Upgrade, HMGP App, Lat A-3-A Upgrade,
Starlake Ditch Remediations, Shamrock Ditch/Rodair Gully,
Lat 3 Upgrade, Nederland, Groves, Port Neches and PA Coalition

Ck. No. 17207 – Medcom

\$1,375.00 – 2020 Annual ACA Employer Reporting

Ck. No. 17208 – Mutual of Omaha Companies

\$1,135.22 – Health Insurance Payment

Ck. No. 17209 – National Networks

\$3,279.24 – November 2020 Computer Services

Ck. No. 17210 – Nerbert Frelow

\$960.00 – Rental of Dump Truck, 10/14-10/15/20

Ck. No. 17211 – Ron Lewis & Associates

\$3,500.00 – Legislative Consulting Fees

Ck. No. 17212 – Sabine Universal Products

\$16,723.80 – Alligator Bayou Upgrade

Ck. No. 17213 – South East TX Regional Planning Co.

\$150.00 – 2021 SETRPL Membership Dues

Ck. No. 17214 – W-Industries of Texas, LLC

\$15,677.73 – Update Data Operations System

Ck. No. 17215 – FILMR, LLC

\$252.00 - Social Media Posts

Ck. No. 17217 – DISA, Inc.

\$25.00 – Pre-Employment Physical

Ck. No. 17218 – Duck's Dragline Service, Inc.

\$20,260.00 – Rental LS250X3 Trackhoe, 1 Move, Drum Cutter
Head Rental and Mat Rental

Ck. No. 17219 – GP Evans Contractors

\$26,262.43 – Levee Mowing

Ck. No. 17220 – LJA Engineering, Inc.

\$15,436.25 – Rodair Gully Widening Project, Phase V

Ck. No. 17221 – National Networks
\$1,868.96 – Lenovo Think Pad for BGirouard

Ck. No. 17222 – Orgain, Bell & Tucker, LLP
\$350.00 – Attorney Fees

Ck. No. 17223 – Sprint Waste Services, LP
\$2,094.66 – Holding Tank Rental, Fuel Surcharges and
Rollbox Rental – Various Pump Stations

Ck. No. 17224 – TWCA Risk Management Fund
\$987.00 – General Liability Ins. Final Audit

Commissioner Moses moved that the checks from the Maintenance Fund be approved for payment. Commissioner Butler seconded the motion. The motion carried.

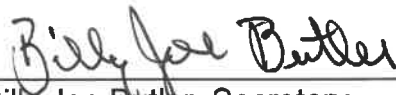
Chairman Beaumont asked if there were any questions or comments from the public. Mr. Mike Eaves thanked the Board again and stated he also appreciates Mr. Pete Steele's work as well.

Mr. Phil Kelley asked Allen Sims of LJA Engineering if he was going to give a report on the Rodair Gully Study. Mr. Sims handed out formal copies of the Rodair Study Report to the Board members and stated that there had been no changes in the Study since the last Board meeting. Mr. Sims further stated he has a digital copy of the Study for uploading on the District's website. Mr. David French had addressed the Board at the last meeting and asked that the Study be put up for public comments. Mr. Kelley said the formal copy of the Study is shown as a draft and not for design and stated in the past, the Board has never considered approval of a study or an approval to accept a study. Since Mr. French had questioned having a period of time for public comments and the District will likely be applying for grant opportunities for the proposed

improvements in the Study, Mr. Kelley feels it is a good idea to post the Study for public comments until the second meeting in November. At that time, the Study will be presented to the Board for formal acceptance in final form. This will allow the District to check the box yes on a grant application that the District does have a drainage plan in connection to the proposed projects.

Chairman Beaumont asked if there was anyone else with any questions or comments from the public. There were none except a thank you comment from David French.

At 2:25 p.m., Commissioner Butler moved that the meeting be adjourned. Commissioner Moses seconded the motion. The motion carried.



Billy Joe Butler, Secretary



Richard Beaumont, Chairman

RESOLUTION

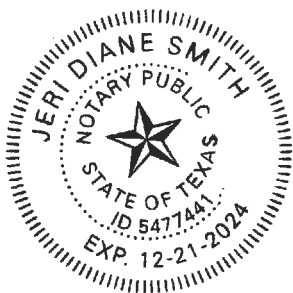
BE IT RESOLVED pursuant to the Texas Property Tax Code, Section 26.09, that the Board of Directors of Jefferson County Drainage District No. 7, hereby approve the 2020 Tax Roll this the 20th day of October, 2020.

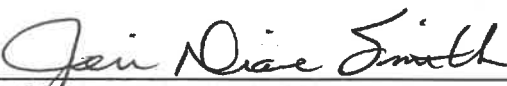
JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7



RICHARD BEAUMONT
Chairman

SWORN TO AND SUBSCRIBED before me, the undersigned authority, on this the 20th day of October, 2020.





NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

10/01/2020 02:49 pm
 tc502_juris_summary.rep v1.12
 Request Seq.: 3595407

Tax Collection System - JEFFERSON COUNTY
 Certified Roll Jurisdiction Summary
 Processing For Tax Year: 2020 County Code: ALL Tax Unit: ALL

Jurisdiction: 51 DRAINAGE DISTRICT #7					
Total Parcels:	58,780	Tax Rate:	0.2949900	Opt Hom:	0.2000000
Market Value:	15,529,931,052	State Hom:	0	Opt O65:	40,000
		State O65:	0	Opt Disabled:	0
		Disabled:	40,000		
AG Exclusion Count:	238	AG Exclusion Amt:	44,410.995		
Timber Exclusion Count:	0	Timber Exclusion Amt:	0		
HS Capped Count:	5,318	HS Capped Amt:	25,375,849		
Assessed Value:	15,460,144,208				
Prorated-Exxy Count/Amt:	2,119	1,067,513,357	Pro Youth Associations Count/Amt:	.6	393,272
100% Exempt Vet Count/Amt:	246	33,210,281	Pro Misc Exempts Count/Amt:	14	3,152,275
Chdo Count/Amt:	32	1,387,678	Pollution Control Count/Amt:	93	571,117,559
Pro Schools Count/Amt:	39	21,011,490	Freeport Count/Amt:	33	71,818,729
Prorated-Exxl Count/Amt:	2	163,822	Abatement Count/Amt:	6	1,422,331,050
Pro Charitable Functions Count/Amt:	27	2,636,607	Hb366 Count/Amt:	65	14,054
State Homestead Count:	0	State Homestead Amt:	0		
Local Homestead Count:	23,322	Local Homestead Amt:	554,639,129		
State Over 65 Count:	0	State Over 65 Amt:	0		
Local Over 65 Count:	8,902	Local Over 65 Amt:	334,266,729		
Surviving Spouse Count:	50	Surviving Spouse Amt:	1,923,265		
State Disabled Count:	0	State Disabled Amt:	0		
Local Disabled Count:	1,070	Local Disabled Amt:	39,577,640		
Total VET Count:	503	Total VET Amt:	5,165,984		
*VET Surviving Spouse Count:	14	*VET Surviving Spouse Amt:	156,832		
*included in the Total VET Count/Amt					
Partial Exempt Values:	935,572,747				
Taxable Value:	11,329,821,287				
Total Levy Amt:	33,439,527.69				
Late Rendition Penalty Count:	1,022	Late Rendition Penalty Amt:	17,690.58		
Frozen Account Count:	0				
Frozen Homesite Value:	0				
Frozen Taxable Value:	0				
Unfrozen Levy Amt:	0.00				
Frozen Levy Amt:	0.00				
Frozen Levy Loss Amt:	0.00				
Total Non-Exempt Parcel Count:	58,780				

**RESOLUTION NO. 466
AUTHORIZING TAX ABATEMENT AGREEMENT WITH
DIAMOND GREEN DIESEL LLC**

STATE OF TEXAS	§
	§
COUNTY OF JEFFERSON	§

WHEREAS, Jefferson County Drainage District No. 7 (the "District") adopted Resolution 258 on October 15, 1996, setting forth its policy concerning tax abatements; and

WHEREAS, the District has memorialized, restated and amended its tax abatement policy several times through the years, with its last amendment being by Resolution 443 on June 4, 2019, adopting the Jefferson County Amended Uniform Tax Abatement Policy-2019 as its tax abatement policy; and

WHEREAS, in open meetings the District has stated that the District's policy is to consider tax abatement agreements for entities requesting tax abatement if they mirror the terms and conditions of the same abatement request approved by the Commissioner's Court of Jefferson County; and

WHEREAS, the District desires to enter into a Tax Abatement Agreement (in the form and content of that approved by the Commissioners' Court of Jefferson County) with Diamond Green Diesel LLC and wishes to authorize the District's Manager, Phil Kelley, to execute the Agreement on behalf of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7:


THAT it is in the best interest of the District to enter into a Tax Abatement Agreement with Diamond Green Diesel LLC for property leased from The Premcor Refining Group Inc., d/b/a Valero Port Arthur Refinery, and located within the DGD Reinvestment Zone for construction of a new Renewable Diesel Plant and related improvements and authorize its Manager, Phil Kelley, to execute on behalf of the District the Tax Abatement Agreement attached hereto as Exhibit "A" (without exhibits) and made a part hereof by reference.

THAT the terms of the Tax Abatement Agreement and the property subject to the agreement meets the applicable guidelines and criteria adopted by the Board of Commissioners of the District under Section 312.002, Texas Tax Code.

THAT the Manager be, and hereby is, authorized to take any and all action and is authorized to execute any and all instruments, documents, or filings in connection with the accomplishment of the transactions outlined in this resolution and to certify the adoption of such resolutions to such parties which such Manager deems necessary or appropriate.

I, Billy Joe Butler, Secretary of the Board of Commissioners of Jefferson County Drainage District No. 7, do hereby certify that the above is a true and correct copy of a resolution adopted by the Board of Commissioners of Jefferson County Drainage District No. 7, at their meeting No. 2334 held on the 20th day of October, 2020, upon motion made by Commissioner Champagne and seconded by Commissioner Moses and adopted unanimously by said Board, a quorum being present.

Given under my hand this 20th day of October, 2020.

A handwritten signature in cursive script that reads "Billy Joe Butler".

Secretary

JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7

STATE OF TEXAS §
 §
COUNTY OF JEFFERSON §

ABATEMENT AGREEMENT FOR PROPERTY LOCATED IN THE REINVESTMENT ZONE

Pursuant to Section 312.401 of the Texas Tax Code, this Tax Abatement Agreement (hereinafter referred to as the "AGREEMENT") is made and entered into by and between Jefferson County Drainage District No. 7 (hereinafter sometimes referred to as "the DISTRICT"), and Diamond Green Diesel LLC. (hereinafter sometimes referred to as "DGD" or "OWNER").

1. RECITALS

WHEREAS, OWNER proposes to lease from The Premcor Refining Group Inc. d/b/a Valero Port Arthur Refinery taxable real property located within the DGD Reinvestment Zone, the designation of which was implemented by the Jefferson County Commissioners Court by an Order dated October 6, 2020 (hereinafter referred to as the "REINVESTMENT ZONE"); and

WHEREAS, this AGREEMENT is limited to the project to be constructed by OWNER, on various parcels of land located within the Reinvestment Zone, which is described with particularity in Exhibit "A" attached hereto and which will involve construction of a new Renewable Diesel Plant and related improvements (hereinafter referred to collectively as the "PROJECT"); and

WHEREAS the DISTRICT wishes to encourage OWNER to select Jefferson County as the site for the PROJECT; and

WHEREAS, the REINVESTMENT ZONE is an area within Jefferson County, Texas, generally described as being within a refinery located at 1801 South Gulfway Drive, Port Arthur, Texas 77640, which has been designated by Order of this Court, the legal description for which is attached hereto as Exhibit "C." It is understood and agreed that the REINVESTMENT ZONE boundary is subject to revision based on the final construction plan of the Project, and the Jefferson County agrees to take the steps necessary to amend the Reinvestment Zone boundary, consistent with such final Project, upon request of Owner.

NOW, THEREFORE, for the mutual consideration set forth below, the Parties hereto agree as follows:

EXHIBIT "A"

2. AUTHORIZATION

THIS AGREEMENT IS AUTHORIZED BY THE TEXAS PROPERTY REDEVELOPMENT AND TAX ABATEMENT ACT, TEX. TAX CODE CHAPTER 312, AS AMENDED, AND BY ORDER OF THE JEFFERSON COUNTY COMMISSIONERS COURT ESTABLISHING AND ADOPTING THE DGD REINVESTMENT ZONE.

3. DEFINITIONS

For purposes of this AGREEMENT, the following terms shall have the meanings set forth below:

“Abatement” means the full or partial exemption from ad valorem taxes of the value of certain property located in the REINVESTMENT ZONE designated for economic development purposes.

“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 common control with such specified person or entity. For purposes of this definition, the term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person or entity, whether through the ownership of voting securities, by contract or otherwise.

“Base Year Value” means the taxable value of all industrial realty improvements owned by OWNER and/or its Affiliates within Jefferson County on January 1 preceding the execution of the abatement agreement. OWNER will, in consultation with the Jefferson County Appraisal District, provide the DISTRICT with a list of the Jefferson County Appraisal District account numbers identifying the industrial realty improvements owned by the property owner and/or its Affiliates and the taxable value thereof on January 1 preceding the execution of the abatement agreement for use in preparing the schedule to be attached as an exhibit to the abatement agreement before execution specifying the Base Year Value for all purposes of the abatement agreement.

“Base year”, for the parties to this agreement, is defined as the calendar year in which this abatement contract is executed (signed) by all parties hereto.

“Ineligible Property” is fully taxable and ineligible for tax abatement and includes land, supplies, inventory, housing, vehicles, improvements for the generation or transmission of electrical energy not wholly consumed by a new facility or expansion; any improvements, including those to produce, store or distribute natural gas, fluids or gasses, which are not integral to the operation of the facility; deferred maintenance, property to be rented or leased, property which has a productive life of less than ten years, or any other property for which abatement is not allowed by state law.

“Eligible Property” means the realty improvements, the on-site buildings, structures, fixed machinery and equipment, storage tanks, process units (including all integral components necessary for operations), site improvements, and infrastructure and the permanent office space

and related fixed improvements, as defined by the Tax Code but does not include personal tangible property.

“New Eligible Property” means Eligible Property, the construction of which commences subsequent to the effective date of this AGREEMENT. During the construction phase of the New Eligible Property, the OWNER may make such change orders to the New Eligible Property as are reasonably necessary to accomplish its intended use. It is expressly understood that, notwithstanding anything to the contrary written herein, energy, electricity, manufacturing supplies (e.g. foreign manufactured catalysts), feedstocks, freight, and direct materials that physically become a part of the end product manufactured by the PROJECT) are not subject to the terms of this AGREEMENT.

“Taxable Value” for each taxing entity executing an abatement agreement is determined by deducting from the Market Value of all industrial realty improvements of a property owner and/or its affiliates the amount of any applicable exemptions and abatements granted for that Tax Year.

“Completion” as used herein, shall mean, the successful commissioning of the PROJECT and the attainment of reliable operations. OWNER shall certify in writing to the DISTRICT when such Completion is attained.

“Full-time job”, as used herein, shall mean a permanent full-time position that: requires at least 1,600 hours or work per year, is not a transferred from another area of the state, is not created to replace a previous employee, and is covered by a group health benefit plan, and pays at least 110% of the county average weekly wage for manufacturing jobs in Jefferson County.

“Payment in Lieu of Taxes”. If, during the period of this abatement, any Federal or State law provides an additional tax exemption for the property that is already the subject of this agreement, Applicant agrees to decline that tax exemption during the period of this abatement. If Applicant is unable to decline that tax exemption, Applicant agrees to pay the taxes, or payment in lieu of taxes, on the reduction of property tax revenue to the DISTRICT that is the result of said exemption. Any payment in lieu of taxes shall be due on or before November 15 of the year in which payment is due.

4. TERM OF ABATEMENT

This AGREEMENT shall be effective and enforceable upon execution by both parties (which date is herein referred to as the "Effective Date"). The Term of the Abatement pursuant to this AGREEMENT shall begin on January 1, 2022, and shall terminate on December 31, 2031, unless sooner terminated pursuant to other provisions of this AGREEMENT. Should OWNER not begin the construction of the PROJECT by December 31, 2020, this AGREEMENT shall be null and void.

5. OWNER REPRESENTATIONS/OBLIGATIONS

In order to receive a tax abatement with respect to a tax year listed on the Abatement Scheduled attached hereto, OWNER shall comply with the following:

- a. As a result of the PROJECT, and upon its Completion (currently estimated to be not later than the first quarter, 2023, maintain a level of not less than 25 new full-time jobs (consisting of both permanent direct employee jobs and permanent contractor jobs), using headcount as of May 1, 2020 as the starting point, relating to the PROJECT during the remaining term of this AGREEMENT; provided, however that OWNER may reduce employment levels due to improved efficiencies or changing economic conditions during the term of this AGREEMENT as long as such employment levels do not fall below 25 full-time jobs for total on site employment by owner during said term. In the event that such employment falls below 25 full-time jobs for total on site employment, Abatement shall be reduced proportionate to such employment decline beginning with the tax year in which the decline occurs and each tax year thereafter per the example calculation cited below where:

A1 = initial Abatement \$\$
A2 = revised Abatement \$\$
E1 = 25 full-time jobs
E2 = revised employee count
 $A2 = A1 \times (E2/E1)$

- b. Report and certify the requisite job levels to the DISTRICT, annually during each tax year under this AGREEMENT;
- c. Construct the PROJECT with an estimated investment in excess of \$1 billion;
- d. Make available to the DISTRICT information concerning the details of contractor bids, every quarter, during the construction phase of the PROJECT under the express understanding that OWNER is providing the DISTRICT such contractor bid information on a strictly confidential basis so as to maintain the integrity of the competitive bid process;
- e. Report and certify to the DISTRICT the requisite cost of the PROJECT within 120 days after the completion of the PROJECT (or 120 days after the Effective Date, whichever is later);
- f. Ensure that qualified local labor, vendors, suppliers, and sub-contractors are given a timely opportunity to bid on contracts for the provision of supplies, goods and services (including engineering and construction services, e.g., piping, electrical, civil, fabrication) in connection with construction of the PROJECT and any turnaround project which is undertaken as part of or in connection with the PROJECT during the term of the abatement period. Such consideration shall be made in good faith without discrimination. For purposes of the foregoing:
 - i. "Local labor" is defined as those qualified laborers or craftsmen who are residents and domiciliaries of the nine county regions comprised of Jefferson, Orange, Hardin, Jasper, Newton, Liberty, Tyler and Chambers Counties, as well as the Bolivar Peninsula area of Galveston County. "Local vendors" and "local suppliers" shall include only those located or having a principal office in Jefferson

County. "Local subcontractors" shall include only those located or having a principal office in Jefferson County.

- ii. OWNER agrees to give preference and priority to local manufacturers, suppliers, vendors, contractors and labor, except where not reasonably possible to do so without significant added expense, substantial inconvenience, or sacrifice in operating efficiency. For any such exception in cases involving purchases over \$1 million, a justification for such purchase shall be included in OWNER'S annual letter of compliance. OWNER further acknowledges that it is a contractual obligation, under this agreement, of persons receiving property tax abatements to favor local manufacturers, suppliers, contractors, and labor, all other factors being equal. In the event of a breach of this "buy local" provision, OWNER agrees that the percentage of abatement shall be proportionately reduced in an amount equal to the amount the disqualified contract bears to the total construction cost for the PROJECT.
- iii. OWNER agrees that it will provide sufficient notice and information regarding of the project to qualified local contractors to enable them to submit bids for materials in the initial procurement processes, including but not limited PROJECT information provided in job fairs to be conducted by OWNER.
- g. Report and certify to the DISTRICT, quarterly the total number of dollars spent on local labor, local subcontractors and local vendors/suppliers, as total and percentage compared to total dollars spent in connection with the PROJECT;
- h. OWNER will invoice purchases locally to ensure that sales taxes credited to the benefit of Jefferson County, Texas. As further clarification OWNER will enter into a Separate Contract as defined in 34 Texas Administrative Code 3.291 (a) (13) with an EPC contractor (EPC) for the construction of the new plant facility Project to be located in the Reinvestment Zone of OWNER in Jefferson County Texas.

OWNER will obtain a Texas Direct Payment Permit (DPP) and issue a DPP exemption certificate in lieu of sales tax to EPC. OWNER will remit use taxes on taxable purchases made for use in the PROJECT directly to the state of Texas on its monthly Texas Direct Payment Return for both state and county taxes at the applicable rates. The State of Texas collects Limited, Sales, Excise and Use Taxes for both the state and local tax jurisdictions. The state is responsible for distributing the local taxes it collected to the applicable local jurisdiction.
- i. Not in any way discriminate against or treat disparately union contractors who choose to participate in the competitive bid process relating to work on the PROJECT, nor discriminate against or treat disparately union members who seek employment on the PROJECT; and
- j. Encourage and promote the utilization of Historically Underutilized Businesses (HUBs) (also known as Disadvantaged Business Enterprises, or DBEs) by the general contractor

engaged by OWNER to construct the PROJECT and any turnaround project which is undertaken as part of or in connection with the PROJECT during the term of the abatement period by ensuring qualified HUB/DBE vendors and contractors are given a timely opportunity to bid on contracts for supplies and services. For purposes of the foregoing:

- i. A HUB/DBE is a business owned or controlled by Socially and Economically Disadvantaged Individuals as defined by all applicable federal or state laws and local policies, including Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Asian Indian Americans, women, and individuals with disabilities.
- ii. A HUB/DBE is one that is at least 51 percent owned or controlled by one or more women or Socially and Economically Disadvantaged Individuals or, in the case of a publicly-owned business, one that at least 51 percent of the stock of which is controlled by one or more women or Socially and Economically Disadvantaged Individuals.
- iii. A business that has been certified as a HUB/DBE by an agency of the federal government or the State of Texas is presumed to be a HUB/DBE for purposes of Agreement.
- iv. Only a HUB/DBE with its principal office in the State of Texas will be recognized as a HUB/DBE for purposes of this Agreement. A list of HUB/DBE vendors/suppliers is maintained in the DISTRICT office and a list of same is attached hereto as Exhibit D. As to the use of qualified local and HUB/DBE vendors, suppliers and sub-contractors, OWNER will, at a minimum:
 - k. Consult with chambers of commerce, minority business associations, trade associations and other regional economic development organizations to identify local and HUB/DBE vendors, suppliers and sub-contractors;
 - l. Notify qualified local and HUB/DBE vendors, suppliers and sub-contractors, allowing sufficient time for effective preparation of bids for the planned work to be sub-contracted or materials, supplies or equipment to be purchased;
 - m. Provide qualified local and HUB/DBE vendors, suppliers and sub-contractors who are interested in bidding on a subcontract or contract for materials, supplies, equipment, or the provision of engineering and construction services and labor adequate information regarding the project as early as is practicable in the bidding process in order to allow the HUB/DBE vendors, suppliers and sub-contractors sufficient time to prepare a bid (*i.e.*, plans, specifications, scope of work, bonding and insurance requirements, and a point of contact within the general/prime contractor);
 - n. Negotiate in good faith with interested qualified local and HUB/DBE vendors, suppliers or sub-contractors, and award sub-contracts or contracts for materials, supplies equipment, or the provision of engineering and construction services and labor to local or HUB/DBE

vendors, suppliers or sub-contractors when they are the lowest qualified responsive bidder who meets all of the applicable bid specifications; and

Include a provision in OWNER'S contract with the general/prime contractor on the PROJECT which requires the general/prime contractor to read and comply with the terms of this AGREE Provide access to and authorize the inspection of the Eligible Property by the DISTRICT's personnel to ensure that the improvements or repairs thereto are made according to the specifications and conditions of this AGREEMENT.

- o. Provide access to and authorize the inspection of the Eligible Property by the DISTRICT's personnel to ensure that the improvements or repairs thereto are made according to the specifications and conditions of this AGREEMENT.

6. VALUE OF ABATEMENT

For each year under this Agreement, the abatement percentage received by OWNER under this AGREEMENT with respect to the value of New Eligible Property, is set forth on attached Exhibit: "Tax Abatement Schedule"

The Abatement during each year covered by this Agreement shall be the value attributable to the Project multiplied by Abatement Schedule, adjusted by the Base Year Value.

7. QUARTERLY MONITORING MEETINGS

With respect to the quarterly monitoring meetings referenced in Section 5(d) above, the DISTRICT shall be allowed to attend such quarterly monitoring meetings, on the express condition that they execute a confidentiality agreement prepared by OWNER so as to protect confidential information which may be disclosed to them during or as a result of such monitoring meetings. OWNER agrees to reimburse the DISTRICT in an amount not to exceed to \$4,000.00 annually for the costs or expenses actually incurred by the DISTRICT in monitoring the status of the bidding process every quarter during the construction phase of the PROJECT. OWNER will provide the DISTRICT with quarterly reports which detail procurement of services, equipment and labor utilized in construction.

8. TAXABILITY

During the period that this AGREEMENT is effective, taxes shall be payable as follows:

- a. The value of Ineligible Property shall be fully taxable;
- b. The Taxable Value of existing Eligible Property as determined each shall be fully taxable; and
- c. The value of New Eligible Property shall be abated as set forth in Section 6, hereinabove.

9. ADJUSTMENTS TO ABATEMENT FOR BASE YEAR VALUE DECLINE

The Jefferson County Central Appraisal District will establish the certified values of Eligible Property as of January 1, 2020 (year abatement executed) as set forth on attached Exhibit "B," and such values shall be the values used to calculate the Base Year Value as herein defined. If on January 1st of any tax year listed on the "Tax Abatement Schedule" the Taxable Value is less than the Base Year Value, then the abatement of value otherwise available shall be reduced by one dollar for each dollar that the Taxable Value of realty improvements is less than the Base Year Value, except that no such reduction of OWNER's abatement shall be made should any reduction to Taxable Value of OWNER's Eligible Property result from a Force Majeure event.

In the event OWNER reduces its ad valorem taxes on personal property otherwise payable to the DISTRICT by participating in a foreign trade zone, then the amount of abated value otherwise available shall be reduced by one dollar for each dollar of tax value reduction attributable to special treatment from trade zone participation. The parties hereto stipulate and agree that they have received the certified appraisal value for this property, as calculated by the Jefferson County Central Appraisal District.

It is specifically understood and agreed by OWNER that, if at any time during the effective dates of this agreement relating to abatement, OWNER files or prosecutes an action in district court to contest the appraised value of any property of OWNER or OWNER's affiliates within Jefferson County for unequal appraisal or revision thereof pursuant to Sec. 42.26, Texas Tax Code, any and all abatements granted by the DISTRICT to OWNER or its affiliates shall become null and void and cancelled.

10. POLLUTION CONTROL EXEMPTION

The DISTRICT understands that OWNER plans (i) to request from the TCEQ a determination under Section 11.31 of the Texas Tax Code that certain property included in the New Eligible Property is pollution control property, and (ii) to apply for an exemption from ad valorem taxes under Section 11.31 of the Texas Tax Code with respect to all or a portion of such property determined by the TCEQ to be pollution control property. The maximum dollar value for equipment that OWNER intends to claim to the TCEQ as exempt from taxation under Section 11.31 is fifteen percent (15%) of cost ("Intended Maximum"), though that number could change as current estimated project costs are refined. It is understood that the DISTRICT would not have agreed to this abatement percentages if it were known that the actual exempt property claimed by OWNER would exceed the Intended Maximum. In the event OWNER ultimately obtains an amount in excess of the Intended Maximum in any year of Abatement under this AGREEMENT (such amount the "Exempt Property Excess"), the percentage of abatement described in the "Abatement Schedule" shall be reduced pro rata so as to reimburse the DISTRICT for the total decrease in District tax revenue during the abatement period beginning on January 1, 2020 which is expected to result from the Exempt Property Excess. It is understood and agreed that OWNER will not seek a tax exemption for any equipment or portion of the facility which merely reduces the pollution characteristics of the finished product produced by the facility and that an exemption will only be sought for equipment and technology utilized to reduce pollution at or around the facility.

11. EVENT OF DEFAULT

If either party should default in performing any obligation under this AGREEMENT, the other party shall provide such defaulting party written notice of default and provide the defaulting party with a minimum period of thirty (30) days to cure such default prior to instituting an action for breach or pursuing any other remedy for default, provided however, that, if the default is of such a nature that it cannot, with the exercise of reasonable diligence, be cured within thirty (30) days, then such party shall not be in default so long as such party has commenced such cure within thirty (30) days after receiving written notice of such default and is diligently prosecuting such cure to completion. Subject to providing such notice of default and the aforesaid opportunity to cure same, the party aggrieved by default shall have the right to terminate this AGREEMENT and to pursue any remedy available at law or in equity, for breach hereof. In addition, if a party (the "Affected Party") shall become unable to timely perform any of its obligations under this AGREEMENT, other than any obligation to pay money, as a consequence of a Force Majeure Event, the Affected Party shall be relieved of such obligation (and such failure to timely perform such obligation shall not constitute a default) to the extent that and for so long as (but only to the extent that and only for so long as) it is unable to timely perform such obligation as a consequence of such Force Majeure Event. A "Force Majeure Event" means any of the following: (a) acts of God, earthquakes, tidal waves, lightning, floods, and storms; (b) explosions and fires; (c) strikes and lockouts; (d) wars, riots, acts of the public enemy, civil disturbances, hostilities, sabotage, blockades, insurrections, terrorism, and epidemics; (e) acts of expropriation, confiscation, nationalization, requisitioning, or other taking; and (f) any other event, condition, or circumstance beyond the reasonable control of the party claiming relief as a consequence thereof; provided, however, that "Force Majeure Event" does not include the inability to make payment or financial distress.

12. RECAPTURE OF TAXES

In the event the DISTRICT terminates this AGREEMENT pursuant to the provisions of Section 11 as a result of any event of default by OWNER under such Section 11, including, for the avoidance of doubt, if OWNER fails to make the improvements to the Eligible Property as provided by this AGREEMENT, the DISTRICT shall be entitled to recapture and be paid all taxes previously abated by virtue of this AGREEMENT within thirty (30) days of the termination, together with all penalties and interest required by the Texas Property Tax Code.

13. TERMINATION

OWNER shall have the right to terminate this agreement at any time upon thirty (30) days' written notice to the DISTRICT and the DISTRICT shall have the right of recapture per Provision number 12 above, unless OWNER's termination was necessitated or caused by conditions or occurrences beyond OWNER's control.

14. ASSIGNMENT

OWNER may assign this AGREEMENT, in whole or in part, to a new owner or lessee of the same PROJECT, or a portion thereof, or to an Affiliate of OWNER upon written approval by resolution of the DISTRICT of such assignment, and approval shall not be unreasonably withheld or delayed. It shall not be unreasonable for the DISTRICT to withhold approval if OWNER or the proposed assignee is liable to the DISTRICT for outstanding taxes or other obligations.

15. ENTIRE AGREEMENT

The Parties agree that 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 the AGREEMENT.

16. SUCCESSORS AND ASSIGNS

This AGREEMENT shall be binding on and inure to the benefit of the parties, their respective successors and assigns. OWNER may not assign all or part of its rights and obligations hereunder without the prior written consent of the DISTRICT, which shall not be unreasonably withheld or delayed. It shall not be unreasonable to withhold consent to assignment if OWNER or the proposed assignee(s) is/are delinquent in the payment of any ad valorem taxes.

17. NOTICE

Any notice and/or statement required and permitted to be delivered shall be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses:

OWNER: Mr. Martin E. Loeber, Attorney-in-Fact
Diamond Green Diesel LLC
One Valero Way
San Antonio, Texas 78249
(210) 345-2000
(210) 345-2495 (facsimile)

With a copy to: Mr. Russell Minor
Director, Ad Valorem Tax
Valero Energy Corporation
One Valero Way
San Antonio, Texas 78249
(210) 345-2000
(210) 345-2495 (facsimile)

DISTRICT: Mr. Phil Kelley
Manager
Jefferson County Drainage District No. 7
P.O. Box 3244
Port Arthur, Texas 77643-3244
(409) 985-4369
(409) 983-7564 (facsimile)

With a copy to: Pete Steele
General Counsel
3120 Central Mall Drive
Port Arthur, Texas 77642
(409) 724-6644
(409) 724-7585 (facsimile)

18. MERGER

The Parties agree that 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 which relate in any way to the DISTRICT's Policies and others relating hereto are superseded by this AGREEMENT.

19. INTERPRETATION

The Parties acknowledge that both have been represented by counsel of their choosing in the negotiation and preparation of the AGREEMENT. Regardless of which party prepared the initial draft of this AGREEMENT, this AGREEMENT shall, in the event of any dispute over its meaning or application, be interpreted without reference to the principle of construction favoring the party who did not draft the AGREEMENT under construction.

20. APPLICABLE LAW AND VENUE

This AGREEMENT is made, and shall be construed and interpreted under the laws of the State of Texas and venue shall lie in Jefferson County, Texas.

21. SEVERABILITY

In the event any provision of this AGREEMENT is illegal, invalid, or unenforceable under present or future laws, then, and in that event, it is the intention of the Parties hereto that the remainder of this AGREEMENT shall not be affected thereby, and it is also the intention of the Parties to this AGREEMENT that in lieu of each clause or provision that is found to be illegal, invalid, or unenforceable, a provision be added to this AGREEMENT which is legal, valid, and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

Executed in duplicate this the __ day of _____, 2020.

FOR THE DISTRICT:

Jefferson County Drainage District No. 7

Mr. Phil Kelley, Manager,

FOR THE OWNER:

Martin E. Loeber, Attorney-in-Fact
Diamond Green Diesel LLC

“Tax Abatement Schedule”

Tax Year		Abatement Percentage
0	2021	0%
1	2022	100%
2	2023	100%
3	2024	100%
4	2025	100%
5	2026	100%
6	2027	100%
7	2028	100%
8	2029	100%
9	2030	100%
10	2031	100%

EXHIBIT A -- "Description of Project"

The proposed project is to CONSTRUCT a new renewable diesel plant which will be the first such plant in Texas. The plant will produce low carbon intensity renewable diesel and other co-products from renewable feedstocks such as recycled animal fats, inedible corn oil, used cooking oil and soybean oil. The plant process will deoxygenate these feedstocks, subject them to an isomerization process, and then separate the resultant products for sale into US and foreign markets. The investment under consideration for purposes of this agreement would produce approximately 400 million gallons annually of renewable diesel, along with nearly 40 million gallons of renewable naphtha.