



DIXIE CULLEN

SAFETY FIRST WITH QUALITY SERVICE

Customer Waiver Agreement

DATE

RE: Inventory Storage at Dixie Cullen Interests Inc. facilities located at 4224 Barge Dock Road, Baytown, Texas 77523.

This agreement is entered into by and between DIXIE CULLEN INTERESTS INC.' CUSTOMER ("the Customer") and DIXIE CULLEN INTERESTS INC. on the date duly listed above on this agreement.

Article I

General Obligations undertaken by Customer.

Dixie Cullen Interests Inc. operates a Foreign-Trade Zone located at 4224 Barge Dock Road, Baytown, Texas 77523, in which the Customer stores or intends to store product. Pursuant to 19 C.F.R. §146, 19 U.S.C. §810(e) provides a federal exemption from local ad valorem taxes on tangible personal property imported from outside the United States and held in a Foreign-Trade Zone for the purpose of storage, sale, exhibition, repackaging, assembly, distribution, sorting, grading, cleaning, mixing, display, manufacturing, or processing. Chambers County, Texas, the local government in control of FTZ No. 171 in Baytown, Texas, has elected to waive the federal Foreign-Trade Zone tax exemption as applicable to warehouse stored cargo under which located in or upon the facility operated by Dixie Cullen Interests at the above-described warehouse location.

Therefore, in mutual confirmation the Customer and Dixie Cullen Interests hereby agree and confirm that the Customer acknowledges this tax exemption waiver applies in reference to their product actively stored in the Foreign-Trade Zone located at Dixie Cullen Interests' above described facility. Additionally, the Customer confirms that rather than the operator of the Foreign-Trade Zone (Dixie Cullen Interests) assuming responsibility for taxes and other payments described in Article II, below, which are due to local taxing authorities on cargo located actively inside the Foreign-Trade Zone, and actively held under FTZ status storage, the Customer agrees responsibility for payments due to the taxing authorities which are on both FTZ and non-FTZ cargo.

Article II

PILOT Payment Obligations undertaken by Customer.

Customer understands and agrees that if any FTZ Inventory receives the FTZ Exemption, the District will suffer lost revenue. Therefore, the Customer, agrees to the following:

1. Customer agrees to make Payment(s) to the District each year for its FTZ Inventory stored in the FTZ Site as it relates to ad valorem taxes that would have been levied by the District but for the FTZ Exemption. The amount and taxable value of such inventory shall be determined on an annual basis by Chambers County Appraisal District. Customer's obligation for Payment(s) shall extend



DIXIE CULLEN

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Customer Waiver Agreement

to all FTZ Inventory, owned by Customer or owned by an affiliated entity.

2. Customer, together with their successors and assignees agree to make an annual Payment(s) to Goose Creek ISD in an amount determined by the multiplying the total value of its FTZ Inventory times the respective total *ad valorem* property tax rate of Goose Creek ISD adopted for the applicable tax year.
3. Payments due and owing under Section II(2), above shall be made on or before the 31st day of January of the year next following the year in which the tax levy is set by the each of the respective taxing entities governing bodies. Payments shall be delivered to the each of the respective taxing entities business addresses in the amount equal to the ad valorem taxes determined in accordance with Section II(2), above.
4. Prior to December 1st of each year during which this Agreement is in effect, GCCISD will provide to Customer supporting documentation for the calculations used to arrive at the amount of the contribution, including a breakdown of 1) total personal property; 2) total Exempted Personal Property which is not subject to tax because of the federal preemption applicable to FTZ Usage-Driven Site personal property; and, 3) any other inventory held for export. Customer agrees to provide any required additional supporting documentation upon reasonable request by GCCISD and agrees to make its Exempted Personal Property and its inventory records available for inspection by GCCISD or the Chambers County Appraisal District during normal business hours upon reasonable request. If Operator fails or refuses to provide the information necessary for GCCISD or the Chambers County Appraisal District or its successor to determine the correctness of the calculation of the payment due under this contract, then GCCISD shall be entitled to reimbursement of any reasonable expenses, including attorney's fees and expert witness fees, necessary to obtain such information.
4. For any inventory that does not receive the FTZ Exemption, PILOT Payment(s) shall not be owed to the District. However, if such inventory is later granted the FTZ Exemption, the Companies agree to disburse Payment(s) to the respective taxing entities, in the amount of the ad valorem taxes that would have been due on all FTZ Inventory but for the FTZ Exemption, plus Interest calculated from the original due date.
5. Not later than the required filing date of rendition statements and property reports as required by Tex. Tax Code §§22.23 and 22.24, or any successor statutes (currently April 15 of each year), as long as this Agreement is in effect, Customer agrees to furnish Chambers County Appraisal district all required renditions and reports detailing all inventories owned by Companies and their assigns and/or successors which are stored at the FTZ Site. Such

Storage & Distribution
Overhead Lift Capacity
Foreign Trade Zone (FTZ)



Crating/Skidding/Containerizing
Climate & Humidity
Controlled Warehouse

DIXIE CULLEN

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reports shall include all inventories required by law.

6. Customer shall provide additional information requested pursuant to this Agreement by the District no later than the fifteenth business day following the Company's receipt of such request.
7. Signature below by a certified officer of Customer confirms effect of this agreement on the date listed and allows Dixie Cullen Interests to provide a copy of this agreement to all applicable taxing authorities, and is permitted, in compliance with local taxing authority to confirm total inventory tonnage count as required.

Name

Title

Date