

[VICTORIA COUNTY LETTERHEAD]

January \_\_, 2023

Steven Ward  
Prairie Energy Partners, LLC  
803 Mable St.  
El Campo, Texas 77437

Re: Term Sheet – Prairie Refinery Project Economic Development Incentives

Dear Mr. Ward:

This term sheet sets forth the mutual understanding of Victoria County and Prairie Energy Partners, LLC (“**Prairie**”) regarding next steps to be taken by the parties in connection with agreements regarding the property taxation of Prairie’s proposed energy project. The parties understand that completion of these steps will require the negotiation and execution of agreements, and adoption of county orders, pursuant to the requirements of applicable law and subject to approval of County officials.

The parties intend to complete the following steps following acknowledgment of this term sheet:

1. To qualify for the economic development incentives contemplated herein, Prairie will agree to a \$1B minimum capital investment and the creation of at least 150 new, full-time jobs in the County.
2. Prairie and Victoria County will enter into an agreement under Texas Tax Code § 312.402 that abates 100% of Prairie's county property taxes at the project site for a period of 10 years.
3. Prairie and Victoria County will enter into an agreement under Local Government Code, Chapter 381 that fully taxes the first \$500M of property tax valuation, and then rebates 75% of County property taxes paid on any amount of valuation that exceeds \$500M for 20 years following the end of the Chapter 312 agreement.
4. As part of the above-referenced Chapter 381 agreement, Victoria County will agree to rebate 75% of local sales tax paid on construction of the facility (over a three-year period).

VICTORIA COUNTY, TEXAS

PRAIRIE ENERGY PARTNERS, LLC

By: \_\_\_\_\_  
Name: Ben Zeller  
Title: County Judge

By: \_\_\_\_\_  
Name: Steven Ward  
Title: Managing Member