

THE STATE OF TEXAS

COUNTY OF TYLER ON THIS THE 31st DAY OF MAY, A.D. 1994

the Commissioners' Court in and for Tyler County, Texas convened in a Special Meeting at the Commissioners' Courtroom in Woodville, Texas, the following members of the Court present, to wit:

JEROME OWENS	COUNTY JUDGE, Presiding
MAXIE RILEY	COMMISSIONER, PCT.#1
PETE BARNES	COMMISSIONER, PCT.#2
JERRY MAHAN	COMMISSIONER, PCT.#3
HENRY EARL SAWYER	COMMISSIONER, PCT.#4
DONECE GREGORY	COUNTY CLERK, Ex-Officio

the following were absent: none thereby constituting a quorum. In addition to the above were:

JOYCE MOORE	COUNTY AUDITOR
JAMES A CLARK	CRIMINAL DISTRICT ATTORNEY
TINA BUMP	COUNTY TREASURER

A motion was made by **Commissioner Riley** and seconded by **Commissioner Sawyer** to approve the bond of Melissi Evans, deputy in the District Clerk's department. All voted yes and none no. SEE ATTACHED BOND.

Approval on bond for Nancy Howell in the District Clerk's department was tabled per request of Pat Brown and motion by **Commissioner Mahan**. The motion was seconded by **Commissioner Barnes**. All voted yes and none no.

Commissioner Riley motioned to approve the bond of Louise Breaux in the County Treasurer's office. **Commissioner Sawyer** seconded the motion. All voted yes and none no. SEE ATTACHED BOND.

A motion was made by **Commissioner Sawyer** and seconded by **Commissioner Barnes** to approve the deputation of Kari Brooks as a temporary deputy for the County Clerk's department. SEE ATTACHED DEPUTATION

Judge Owens informed the Court the John Gray Institute and Entergy has requested the County to update the tax abatement guidelines. Gene Koci, representing the industrial development committee of the Chamber of Commerce was present to answer questions. The Court reviewed abatements given by surrounding counties. After discussion, **Commissioner Riley** motioned to retain the guidelines now in effect with the following modifications: that, at least 25% of the work force be citizens of Tyler County, if available; that, a sixth year abatement be granted at 75% of the value; that, a seventh year abatement be granted at 50% of the value. The sixth and seventh years will not be bound to the formula of capital improvements and jobs created under the present guidelines. The motion was seconded by **Commissioner Barnes**. All voted yes and none no. SEE ATTACHED GUIDELINES.

After reading of the whole, a motion was made by **Commissioner Sawyer** and seconded by **Commissioner Barnes** to adopt a resolution electing to become eligible to participate in tax abatement. All voted yes and none no. SEE ATTACHED RESOLUTION.

By consensus of the Court, the meeting adjourned8:41 AM.

TYLER COUNTY COMMISSIONERS' COURT
MAY 31, 1994

SIGNED: Jerome Owens Jerome Owens, County Judge

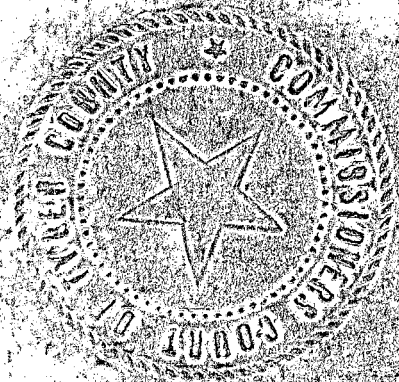
Maxie L. Riley Maxie L. Riley, Comm. Pct. #1

A. M. Barnes A. M. Barnes, Comm. Pct. #2

Jerry Mahan Jerry Mahan, Comm. Pct. #3

Henry Earl Sawyer Henry Earl Sawyer, Comm. Pct. #4

ATTEST: Donece Gregory Donece Gregory, County Clerk



NOT RECORDED



Western Surety Company

OFFICIAL BOND AND OATH

THE STATE OF TEXAS }
County of Tyler } ss

KNOW ALL MEN BY THESE PRESENTS:

BOND No. **OFF-13747391**

That we, Melissie Evans, as Principal, and WESTERN SURETY COMPANY, a corporation duly licensed to do business in the State of Texas, as Surety, are held and bound unto¹ Governor of Texas, his successors in office,

in the sum of² Fourteen Thousand and no/100 * * * (\$ 14,000.00) DOLLARS,
(NOT VALID IF FILLED IN FOR MORE THAN \$50,000.00)

for the payment of which we hereby bind ourselves and our heirs, executors and administrators, jointly and severally, by these presents.

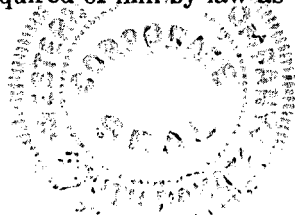
Dated this 9th day of May, 19 94.

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH, That whereas, the above bounden Principal was on the 9th day of May, 19 94, duly

Appointed to the office of Deputy Dist Clerk in and for³ Tyler
(Elected-Appointed)

County, State of Texas, for a term of 4 year s commencing on the 9th day of May, 19 94.

NOW THEREFORE, if the said Principal shall well and faithfully perform and discharge all the duties required of him by law as the aforesaid officer, ~~and shall~~



then this obligation to be void, otherwise to remain in full force and effect.

PROVIDED, HOWEVER, that regardless of the number of years this bond may remain in force and the number of claims which may be made against this bond, the liability of the Surety shall not be cumulative and the aggregate liability of the Surety for any and all claims, suits, or actions under this bond shall not exceed the amount stated above. Any revision of the bond amount shall not be cumulative.

PROVIDED, FURTHER, that this bond may be cancelled by the Surety by sending written notice to the party to whom this bond is payable stating that, not less than thirty (30) days thereafter, the Surety's liability hereunder shall terminate as to subsequent acts of the Principal.

Countersigned Melissie Evans Principal
WESTERN SURETY COMPANY
By Joy Wilson Resident Agent By Joe Kirby Joe E. Kirby, President

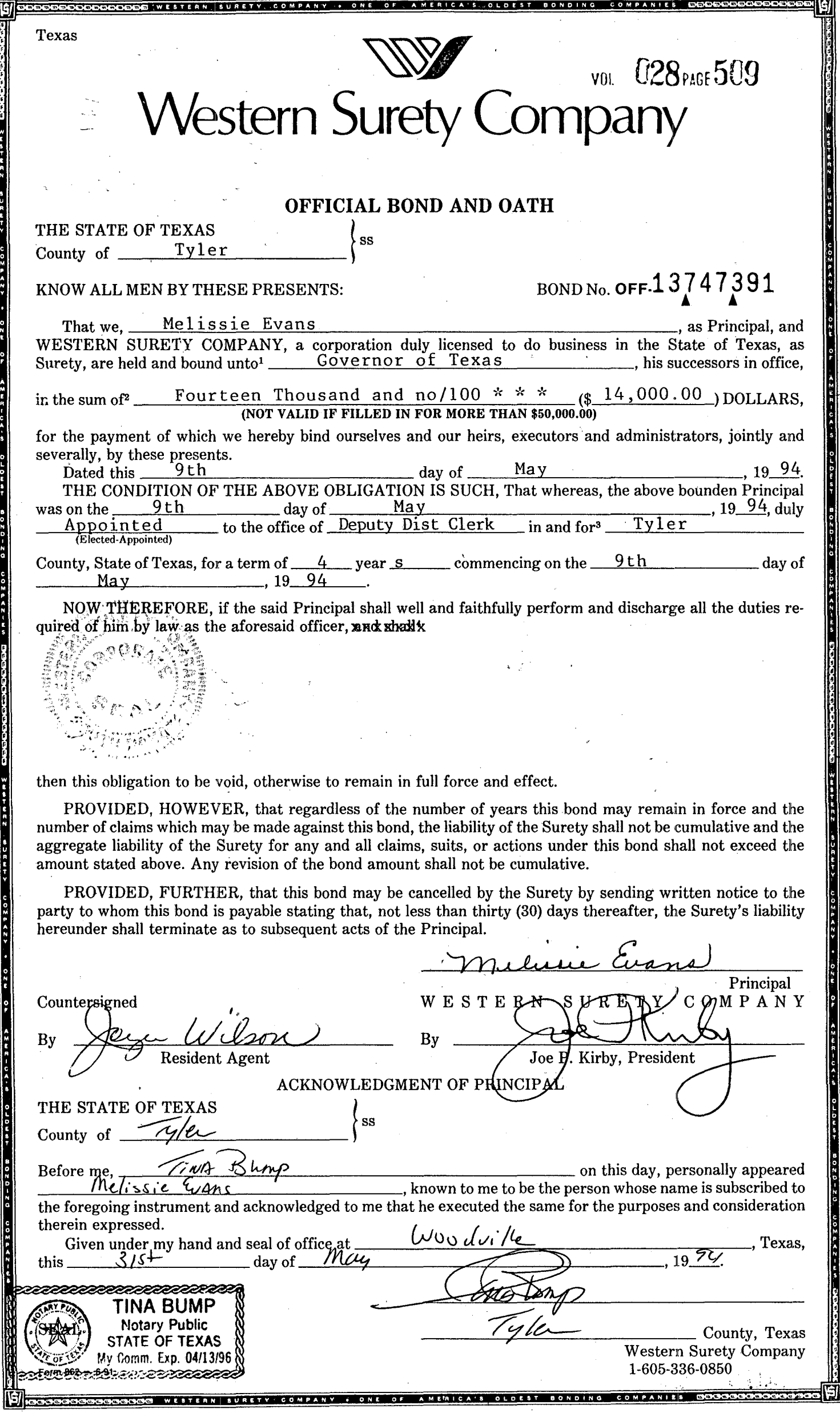
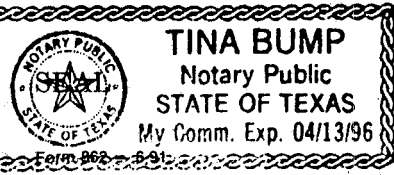
ACKNOWLEDGMENT OF PRINCIPAL

THE STATE OF TEXAS }
County of Tyler } ss

Before me, Tina Bump on this day, personally appeared Melissie Evans, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office at Woodville, Texas, this 31st day of May, 19 94.

Tina Bump
Tyler County, Texas
Western Surety Company
1-605-336-0850



OATH OF OFFICE
(COUNTY COMMISSIONERS and COUNTY JUDGES)

028 PAGE 510

I, _____, do solemnly swear (or affirm) that I will faithfully execute the duties of the office of _____, of the State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws of the United States and of this State; and I furthermore solemnly swear (or affirm) that I have not directly nor indirectly paid, offered, or promised to pay, contributed, nor promised to contribute any money, or valuable thing, or promised any public office or employment, as a reward for the giving or withholding a vote at the election at which I was elected; and I furthermore solemnly swear (or affirm) that I will not be, directly or indirectly, interested in any contract with or claim against the County, except such contracts or claims as are expressly authorized by law and except such warrants as may issue to me as fees of office. So help me God.

Signed _____

Sworn to and subscribed before me at _____, Texas, this _____ day of _____, 19____.

SEAL _____ County, Texas

OATH OF OFFICE
(General)

I, Melissie Evans, do solemnly swear (or affirm) that I will faithfully execute the duties of the office of Deputy District Clerk, of the State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws of the United States and of this State; and I furthermore solemnly swear (or affirm) that I have not directly nor indirectly paid, offered, or promised to pay, contributed, nor promised to contribute any money, or valuable thing, or promised any public office or employment, as a reward for the giving or withholding a vote at the election at which I was elected. So help me God.

Signed Melissie Evans

Sworn to and subscribed before me at Woodville, Texas, this 3/8 day of May, 1994.

SEAL _____ County, Texas

THE STATE OF TEXAS }
County of TYLER } ss

The foregoing bond of Melissie Evans as Deputy Dist. Clerk in and for Tyler County and State of Texas, this day approved in open Commissioner's Court.

ATTEST: _____ Clerk
County Court Tyler County

Date May, 1994
_____ County Judge,
Tyler County, Texas

THE STATE OF TEXAS }
County of Tyler } ss

I, DONECE GREGORY, County Clerk, in and for said County, do hereby certify that the foregoing Bond dated the 9th day of May, 1994, with its certificates of authentication, was filed for record in my office the _____ day of May, 1994 at 12 o'clock M., and duly recorded the _____ day of _____, 19____, at _____ o'clock M., in the Records of Official Bonds of said County in Volume _____, on page _____.

WITNESS my hand and the seal of the County Court of said County, at office in Woodville, Texas, the day and year last above written.

By _____ Deputy County Court DONECE GREGORY Clerk
Tyler County

COMPLAINT NOTICE: Should any dispute arise about your premium or about a claim that you have filed, contact the agent or write to the issuer of this bond, Western Surety Company. If the problem is not resolved, you may also write to the State Board of Insurance, P.O. Box 149091, Austin, Texas 78714-9091, FAX #(512)475-1771. This notice of complaint procedure is for information only and does not become a part or condition of this bond.

VOL. 028 PAGE 511

ACKNOWLEDGMENT OF SURETY
(Corporate Officer)

STATE OF SOUTH DAKOTA

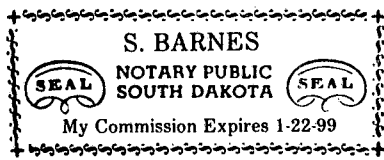
County of Minnehaha

} ss

Before me, a Notary Public, in and for said County and State on this _____ day of

_____, 19____, personally appeared Joe P. Kirby

to me known to be the identical person who subscribed the name of WESTERN SURETY COMPANY, Surety, to the foregoing instrument as the aforesaid officer and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such corporation for the uses and purposes therein set forth.



S. Barnes
Notary Public

TEMPORARY POSITION
SUMMER 1994

DEPUTATION

THE STATE OF TEXAS

Vol. 028 PAGE 513

COUNTY OF TYLER

I, DONECE GREGORY

County Clerk of the County of Tyler and State of Texas, having full confidence in Kari Brooks of said County and State, do hereby with the consent of the Commissioners' Court of Tyler County, Texas, duly entered herein, nominate and appoint the said Kari Brooks my true and lawful deputy, in my name, place and stead, to do and perform any and all acts and things pertaining to the office of said County Clerk of said County and State, hereby ratifying and confirming any and all such acts and things lawfully done in the premises by virtue hereof.

WITNESS my hand, this 31st day of May 1994

Donece Gregory
of Tyler County, Texas.

THE STATE OF TEXAS

COUNTY OF TYLER

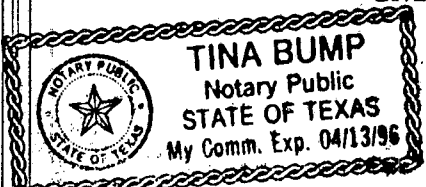
BEFORE ME, TINA BUMP

Notary Public in and for Tyler County, Texas, on this day personally appeared DONECE GREGORY

known to me to be the person whose name is subscribed to the foregoing deputation, and acknowledged to me that he executed the same for the purposes and considerations therein expressed.

GIVEN under my hand and seal of office at Woodville, Texas,

this 31st day of May 1994



Tina Bump
Tyler County, Texas

OATH OF OFFICE

"I, KARI BROOKS

do solemnly swear (or affirm) that I will faithfully execute the duties of the office of Deputy County Clerk and for Tyler County of the State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws of the United States and of this State; and I furthermore solemnly swear (or affirm), that I have not directly nor indirectly paid, offered, or promised to pay, contributed, nor promised to contribute any money, or valuable thing, or promised any public office or employment, as a reward to secure my appointment or the confirmation thereof. So help me God.

Signed *Kari Brooks*

Sworn to and subscribed before me, this 31st day of May A. D. 1994

Jerome Owen
Tyler County Judge

ORDER AUTHORIZING APPOINTMENT OF DEPUTY

VOL. 028 PAGE 514

In Commissioners' Court of Tyler County, Texas.

Upon application duly presented, it is ordered by the Court that Donece Gregory, County Clerk of Tyler County, Texas, be and he is hereby authorized to appoint and deputize Kari Brooks as Deputy County Clerk in said office. Said appointment to date from the 31st day of May, 1994, and to continue in effect until revoked by said officer or be otherwise terminated; and the compensation to be paid said deputy is hereby fixed at the sum of \$xxxxxx Dollars, per month payable solely from the fees of said office.

Entered 31st day of May, 1994. Recorded in Minute Book Page

E-584

No.

DEPUTATION OF KARI BROOKS

Filed for record the ... day of ..., 19..., at ... o'clock M., and recorded ... day of ..., 19..., in Book ... of the records of deputation of ... County. Clerk County Court, Texas. By ... Deputy.



Western Surety Company

OFFICIAL BOND AND OATH

THE STATE OF TEXAS }
County of TYLER } ss

KNOW ALL MEN BY THESE PRESENTS:

BOND No. OFF-13747393

That we, Louise Breaux, as Principal, and WESTERN SURETY COMPANY, a corporation duly licensed to do business in the State of Texas, as Surety, are held and bound unto County Judge, his successors in office,

in the sum of Ten Thousand and no/100 * * * * (\$ 10,000.00) DOLLARS,
(NOT VALID IF FILLED IN FOR MORE THAN \$50,000.00)

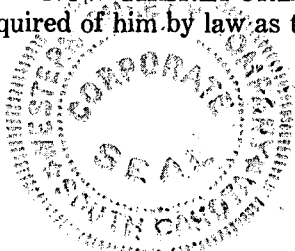
for the payment of which we hereby bind ourselves and our heirs, executors and administrators, jointly and severally, by these presents.

Dated this 20th day of May, 19 94

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH, That whereas, the above bounden Principal was on the 16th day of May, 19 94 duly Appointed to the office of Deputy County Treasurer and for Tyler
(Elected-Appointed)

County, State of Texas, for a term of 4 year s commencing on the 16th day of May, 19 94.

NOW THEREFORE, if the said Principal shall well and faithfully perform and discharge all the duties required of him by law as the aforesaid officer, and shall⁴



"Faithfully perform the duties of the office."

then this obligation to be void, otherwise to remain in full force and effect.

PROVIDED, HOWEVER, that regardless of the number of years this bond may remain in force and the number of claims which may be made against this bond, the liability of the Surety shall not be cumulative and the aggregate liability of the Surety for any and all claims, suits, or actions under this bond shall not exceed the amount stated above. Any revision of the bond amount shall not be cumulative.

PROVIDED, FURTHER, that this bond may be cancelled by the Surety by sending written notice to the party to whom this bond is payable stating that, not less than thirty (30) days thereafter, the Surety's liability hereunder shall terminate as to subsequent acts of the Principal.

Louise Breaux
Principal

Countersigned
By Joyce Wilson
Resident Agent

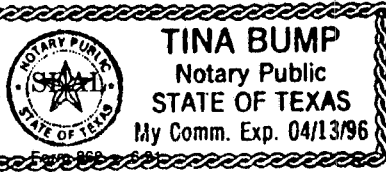
WESTERN SURETY COMPANY
By Joe Kirby
Joe E. Kirby, President

ACKNOWLEDGMENT OF PRINCIPAL

THE STATE OF TEXAS }
County of Tyler } ss

Before me, Tina Bump on this day, personally appeared Louise Breaux, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office at Woodville, Texas, this 31st day of May, 19 94.



Tina Bump
Tyler County, Texas
Western Surety Company
1-605-336-0850

I, _____, do solemnly swear (or affirm) that I will faithfully execute the duties of the office of _____, of the State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws of the United States and of this State; and I furthermore solemnly swear (or affirm) that I have not directly nor indirectly paid, offered, or promised to pay, contributed, nor promised to contribute any money, or valuable thing, or promised any public office or employment, as a reward for the giving or withholding a vote at the election at which I was elected; and I furthermore solemnly swear (or affirm) that I will not be, directly or indirectly, interested in any contract with or claim against the County, except such contracts or claims as are expressly authorized by law and except such warrants as may issue to me as fees of office. So help me God.

Signed _____

Sworn to and subscribed before me at _____, Texas, this _____ day of _____, 19____.

SEAL _____ County, Texas

OATH OF OFFICE
(General)

I, LOUISE BREAUX, do solemnly swear (or affirm) that I will faithfully execute the duties of the office of Deputy County Treasurer, of the State of Texas, and will to the best of my ability preserve, protect, and defend the Constitution and laws of the United States and of this State; and I furthermore solemnly swear (or affirm) that I have not directly nor indirectly paid, offered, or promised to pay, contributed, nor promised to contribute any money, or valuable thing, or promised any public office or employment, as a reward for the giving or withholding a vote at the election at which I was elected. So help me God.

Signed Louise Breaux

Sworn to and subscribed before me at Woodville, Texas, this 31st day of May, 1994.

SEAL _____ Tyler County, Texas

THE STATE OF TEXAS }
County of Tyler } ss

The foregoing bond of Louise Breaux as Deputy County Treasurer in and for Tyler County and State of Texas, this day approved in open Commissioner's Court.

ATTEST: Donece Gregory Clerk
DONECE GREGORY
County Court Tyler County

Date May 31st, 1994
Jerome Owens County Judge,
JEROME OWENS
Tyler County, Texas

THE STATE OF TEXAS }
County of Tyler } ss

I, DONECE GREGORY, County Clerk, in and for said County, do hereby certify that the foregoing Bond dated the 20th day of May, 1994, with its certificates of authentication, was filed for record in my office the 31st day of May, 1994, at 9:00 o'clock A M., and duly recorded the _____ day of _____, 1994, at 9:00 o'clock A M., in the Records of Official Bonds of said County in Volume _____, on page _____.

WITNESS my hand and the seal of the County Court of said County, at office in Woodville, Texas, the day and year last above written.

By _____ Deputy County Court Tyler County

COMPLAINT NOTICE: Should any dispute arise about your premium or about a claim that you have filed, contact the agent or write to the issuer of this bond, Western Surety Company. If the problem is not resolved, you may also write to the State Board of Insurance, P.O. Box 149091, Austin, Texas 78714-9091, FAX #(512)475-1771. This notice of complaint procedure is for information only and does not become a part or condition of this bond.

VOL. 028 PAGE 517

ACKNOWLEDGMENT OF SURETY
(Corporate Officer)

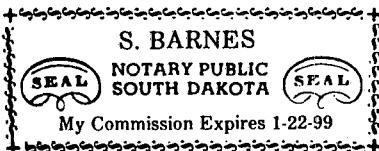
STATE OF SOUTH DAKOTA

County of Minnehaha

} ss

Before me, a Notary Public, in and for said County and State on this _____ day of

_____, 19____, personally appeared Joe P. Kirby
to me known to be the identical person who subscribed the name of WESTERN SURETY COMPANY, Surety, to the foregoing instrument as the aforesaid officer and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such corporation for the uses and purposes therein set forth.



S. Barnes
Notary Public

RESOLUTION 5/31/94
A RESOLUTION ELECTING TO BECOME ELIGIBLE VOL.
TO PARTICIPATE IN TAX ABATEMENT

028 PAGE 519

WHEREAS, Economic well-being of its citizens is essential to the welfare of Tyler County, Texas, and,

WHEREAS, Current economic conditions in Southeast Texas require that action be taken by all sectors of the economy, including local government, to create a desirable economic competitive advantage, and

WHEREAS, Economic incentives are important competitive tools;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS' COURT OF TYLER COUNTY:

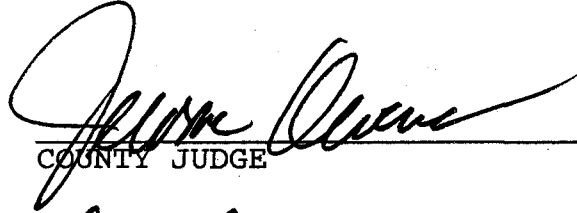
That Tyler County, Texas, is in favor of a successful tax abatement program which will create new jobs, encourage new capital investment, and establish a broadened tax base for the community; and that Tyler County elects to become eligible to participate in tax abatement.

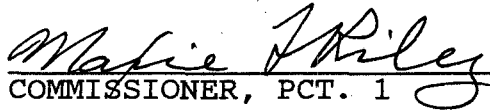
BE IT FURTHER RESOLVED BY THE COMMISSIONERS' COURT OF TYLER COUNTY:


That the tax abatement policy and guidelines of Tyler County, Texas, in the form and as attached hereto, be and the same is hereby adopted by the Commissioners' Court of Tyler County, Texas, and said

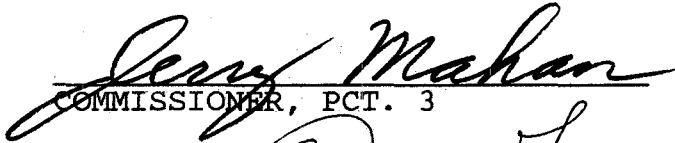
policy and guidelines shall be the tax abatement policy of Tyler County, Texas.

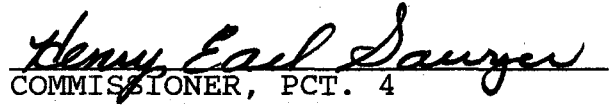
Passed and adopted by the Commissioners' Court of Tyler County, Texas, this 31st day of May, 1994.

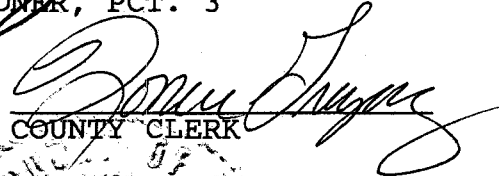

COUNTY JUDGE

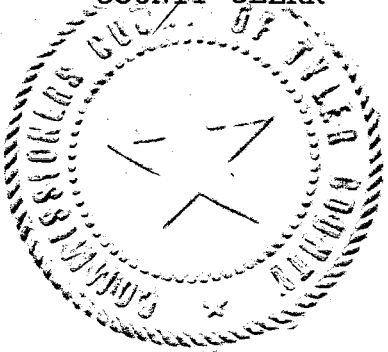

COMMISSIONER, PCT. 1


COMMISSIONER, PCT. 2


COMMISSIONER, PCT. 3


COMMISSIONER, PCT. 4

Attest: 
COUNTY CLERK



VOL. 028 PAGE 520

TAX ABATEMENT GUIDELINES

OBJECTIVE:

The objective of this tax abatement program is to create new jobs, new capital investment, and a broadened tax base for our community by:

1. providing an incentive for already established businesses to expand and/or modernize, and
2. providing an incentive to attract businesses that might not locate in our community otherwise

This program is not intended to provide abatement for any business venture whose decision to locate is based primarily on local market considerations.

CANDIDATE QUALIFICATIONS:

1. produces products/services primarily for markets outside of our community
2. compliments existing businesses and/or increases the diversity of our community's economy
3. does not endanger existing businesses via direct competition
4. creates new jobs and capital investment as outlined in the "abatement schedule" below

TAX ABATEMENT GUIDELINES

Definitions

Section 1

(a) "Abatement" means the full or partial exemption from ad valorem taxes of certain real property in a reinvestment zone designated for economic development purposes.

(b) "Agreement" means a contractual agreement between a property owner and/or lessee and Tyler County for the purposes of tax abatement.

(c) "Base year value" means the assessed value of eligible property January 1 preceding the execution of the agreement made after January 1 but before the execution of the agreement.

(d) "Economic Life" means the number of years a property improvement is expected to be in service in a facility.

(e) "Deferred Maintenance" means improvements necessary for continued operations which do not improve productivity or alter the process technology.

(f) "Expansion" means the addition of buildings, structures, fixed machinery or equipment for the purposes of increasing production capacity.

(g) "Facility" means property improvements completed or in the process of construction which together comprise an integral whole.

(h) "Manufacturing Facility" means buildings and structures, including fixed machinery and equipment, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.

(i) "Modernization" means the replacement and upgrading of existing facilities which increases the production input or output, updates the technology or substantially lowers the unit cost of the operation. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing or repairing.

(j) "New Facility" means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.

(k) "Other Basic Industry" means buildings and structures including fixed machinery and equipment not elsewhere described, used or to be used for the production of products or services which primarily serve a market outside the Tyler County area and result in the creation of new permanent jobs and bring new wealth in.

(l) "Distribution Center Facility" means buildings and structures, including fixed machinery and equipment, used or to be used primarily to receive, store, service and distribute goods or materials.

(m) "Entertainment Facility" means buildings and structures, including fixed machinery and equipment, used or to be used to provide entertainment through the admission of the general public.

(n) "Service Facility" means buildings and structures, including fixed machinery and equipment, used or to be used to service goods.

(o) "Research Facility" means buildings and structures, including fixed machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.

(p) "Total Facility" means all buildings and structures, including fixed machinery and equipment at the site(s) where the "abatement facility" is located.

ABATEMENT TO PROMOTE ECONOMIC DEVELOPMENT
Section 2

VOL. 028 PAGE 523

(a) Authorized Facility. A facility may be eligible for abatement under this section if it is a: Manufacturing Facility, Research Facility, Distribution Center Facility, Service Facility, Entertainment Facility or Other Basic Industry.

(b) Creation of New Value. Abatement may only be granted for the additional value of eligible property improvements made subsequent to and listed in an abatement agreement between Tyler County and the property owner and lessee (if required), subject to such limitations as Tyler County may require.

(c) New and Existing Facilities. Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.

(d) Eligible Property. Abatement may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements plus that office space and related fixed improvements necessary to the operation and administration of the facility.

(e) Ineligible Property. The following types of property shall be fully taxable and ineligible for abatement: land, inventories, supplies, tools, furnishings, and other forms of movable personal property, vehicles, vessels, aircraft, housing, hotel accommodations, deferred maintenance investments, property to be rented or leased except as provided in Section 2 (f), improvements for the generation or transmission of electrical energy not wholly consumed by a new facility or expansion, any improvement, including those to produce, store or distribute natural gas, fluids or gases, which are not integral to the operation of the facility, property which has an economic life of less than 15 years, property owned or used by the State of Texas or its political subdivision or by any organization owned, operated or directed by a political subdivision of the State of Texas.

(f) Owned/Leased Facilities. If a leased facility is granted abatement the agreement shall be executed with the lessor and the lessee.

(g) Value and Term of Abatement. Abatement shall be granted effective with the January 1 valuation date immediately following the date of execution of the abatement agreement.

The length of an abatement contract will be for a period not to exceed seven (7) years including the construction period but no more than the lesser of (1) six (6) years after successful completion of the project, or (2) one-half of the project's useful life. The maximum amount of the abatement may be determined as follows:

FOR YEAR 1 THRU 5:

New Percent Of Value To Be Abated	Capital Improvements Cost of the Project	No. New Fulltime Permanent Jobs Created
0%	0- 1,000,000	0- 25
25%	1,000,001- 2,500,000	26- 50
50%	2,500,001- 5,000,000	51- 75
75%	5,000,001-10,000,000	76-100
100%	over 10,000,000	over 100

FOR YEAR 6:

75% of the value abated during the previous 5th year

FOR YEAR 7:

50% of the value abated during the previous 5th year

If a modernization project includes facility replacement, the abated value shall be the value of the new unit less the value of the old unit(s).

(h) Local Employment Requirement. A property owner asking for tax abatement under this policy shall agree, if available, to hire 25% of construction employees and 25% of permanent employees from Tyler County.

The Commissioners' Court reserves the right by majority vote to modify or amend this requirement according to the circumstances of a particular project.

(i) Economic Qualifications. In order to be eligible to receive tax abatement, the planned improvement:

- (1) must not be expected to solely or primarily have the effect of transferring employment from one part of Tyler County to another; and,
- (2) must be necessary because capacity cannot be provided efficiently utilizing existing improved property when reasonable allowance is made for necessary improvements; and

- (3) must create a net increase of permanent jobs at the total facility of the applicant; and
- (4) the property owner seeking tax abatement shall insure that its construction contractor and the operating manager of the facility granted tax abatement shall pay all affected employees a fair and equitable wage during the construction period of the abated project. In addition, the construction contractor, and the operating manager of the facility agree to utilize area contractors and work force to the maximum extent feasible.

(j) Taxability. From the execution of the abatement to the end of the agreement period taxes shall be payable as follows:

- (1) The value of ineligible property as provided in Section 2 (e) shall be fully taxable.
- (2) the base year value of existing eligible property as determined each year shall be fully taxable, and
- (3) the additional value of new eligible property shall be taxable in the manner described in Section 2 (g) or Section 3 (a) and (b).

ABATEMENT TO FINANCE INFRASTRUCTURE
Section 3

VOL. 028 PAGE 525

(a) Authorized Use. In addition to abatements granted under Section 2 an entity may grant tax abatements on additional value of property improvements to encourage agreements to finance the construction of necessary infrastructure for the economic development of an area including, but not limited to, school facilities, streets and thoroughfares, and utilities.

(b) Value and Term of Abatement. The amount and length of abatement contracts under this section shall be determined by the entity considering the value of the infrastructure to be constructed and effect on additional development potential.

(c) Combination Abatements. Projects may qualify for abatements and evaluations under both sections of these guidelines.

PUBLIC HEARING AND APPROVAL
Section 4

(a) Prior to entering into a tax abatement agreement all legal requirements for creation of a reinvestment zone must have been completed, including a public hearing at which interested persons are entitled to speak and present evidence for or against the designation.

(b) Prior to entering into a tax abatement agreement Tyler County may, at its option, hold a public hearing at which interested persons shall be entitled to speak and present written materials for or against the approval of the tax abatement agreement.

(c) Prior to entering into a tax abatement agreement a committee consisting of one representative from every taxing entity affected by the county, school district and city having taxing jurisdiction over the proposed improvement shall be convened to study the requested abatement; determine the effect of the proposed improvement on economic development; the impact of the requested abatement; the ability of the taxing entity to deliver services; present a recommended abatement contract for the consideration of each entity.

(d) In order to enter into a tax abatement agreement, the entity must find that the terms of the proposed agreement meet these guidelines and criteria and that:

- (1) there will be no substantial adverse effect on the provision of entity's service or tax base;
- (2) the planned use of the property will not constitute a hazard to public safety, health or morals;
- (3) the tax abatement will not adversely affect the competitive position of existing companies in Tyler County;
- (4) where the applicant for abatement lies within the extraterritorial jurisdiction (ETJ) of a city within the county, the applicant will be encouraged to seek formation of the reinvestment zone through the city.

APPLICATION Section 5

(a) Any present or potential owner of taxable property in Tyler County may request abatement by filing a written request with the entity.

(b) The application shall consist of a general description of the new improvements to be undertaken; a descriptive list of the improvements for which an abatement is requested; a list of the kind, number and location of all proposed improvements of the property; a map and property description; a time schedule for undertaking and completing the proposed improvements; the number of permanent jobs to be created. In the case of modernization a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The application form may require such financial and other information as Tyler County deems appropriate reevaluating the financial capacity and other factors of

the applicant.

(c) After receipt of an application for tax abatement, Tyler County through its designated officer or employee shall prepare a feasibility study setting out the impact of the proposed tax abatement. The feasibility study shall include, but not be limited to, an estimate of the economic effect of the abatement of taxes and the benefit to the eligible jurisdiction and the property to be included in the zone.

(d) Tyler County shall not enter into an abatement agreement if it finds that the request of the abatement was filed after the commencement of construction, alteration, or installation of improvements related to a proposed modernization, expansion or new facility. An applicant is ineligible for abatement if a decision to commence a modernization, expansion or new facility in Tyler County has been formally announced on or before the date of adoption of these guidelines. However, Tyler County may enter into an abatement agreement if it finds the commencement date of construction, alteration, or installation of improvements related to a proposed modernization, expansion or new facility was after September, 1987, and before the effective date of these guidelines.

(e) Variance. Requests for variance from the provisions of Subsections (a), (c) and (g) of Section 2, and Section 3, Subsections (a), (b) and (c) may be made in written form to the Commissioners' Court of Tyler County provided, however, the total duration of an abatement shall in no instance exceed seven (7) years. Such request shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Approval of a request for variance requires a three-fourths (3/4) vote of the governing body of Tyler County.

AGREEMENT Section 6

(a) After approval the Commissioners' Court shall formally pass a resolution and execute an agreement with the owner of the facility and lessee as required which shall include:

- (1) estimated value to be abated and the base year value;
- (2) percent of value to be abated each year as provided in Section 2 (g) and Section 3 (a) and (b);
- (3) the commencement date and the termination date of abatement;
- (4) the proposed use of the facility; nature of construction, time schedule, map, property description and improvement list as provided in Application, Section 3 (b);
- (5) contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignments as provided in Sections 2(a), 2 (f), 2 (g), 6, 7 and 8, or other provisions that may be required for uniformity of state law, and Section 3

- (a) and (b);
- (6) amount of investment and number of permanent jobs created;
- (7) contain procedures for verification of compliance with all contractual provisions.

Such agreement shall be executed within a reasonable time after applicant has forwarded all necessary information and documentation to Tyler County.

RECAPTURE
Section 7

(a) In the event that the facility is completed and begins producing product or service, but subsequently discontinues producing product or service for any reason excepting fire, explosion or other casualty or accident or natural disaster for a period of twelve (12) consecutive months during the abatement period, then the agreement shall terminate and so shall the abatement of the taxes for the calendar year during which the facility no longer produces. The taxes otherwise abated for that calendar year shall be paid to Tyler County within sixty (60) days from the date of termination.

(b) In the event that the legally determined fair market value of the real property on January 1 of any tax year is less than the legally determined base year value of the real property, then the abatement of fair market value of the projects for such tax year shall be reduced during such tax year for each dollar that the fair market value of the real property is less than the base value; provided, however, that in no event shall the offset exceed the fair market value of the real property that would otherwise be abated. The assessed value of the real property shall be that value assigned by the Tyler County Appraisal District. Furthermore, if Tyler County loses tax revenue in any tax year during the term of the contract as a result of lowered assessed property valuation in Tyler County as determined by the Tyler County Appraisal District, the amount of tax dollars abated will be reduced during such tax year for each dollar of lost tax revenue, provided, however, that in no event shall the reduction exceed the amount of taxes that would otherwise be abated.

(c) Should Tyler County determine that the company or individual is in default according to the terms and conditions of its agreement, Tyler County shall notify the company or individual in writing at the address stated in the agreement, and if such is not cured within sixty (60) days from the date of such notice (Cure Period), then the agreement may be terminated.

(d) In the event that the company or individual (1) allows its ad valorem taxes owed to Tyler County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest; or (2) violates any of the terms and conditions of the abatement agreement and fails to cure during the "Cure Period",

the agreement then may be terminated and all taxes previously abated by virtue of the agreement will be recaptured and paid within sixty (60) days of termination.

ADMINISTRATION
Section 8

VOL. 528 PAGE 529

(a) The Chief Appraiser of the Tyler County Appraisal District shall annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year the company or individual receiving abatement shall furnish the assessor with such information as may be necessary for the abatement. Once value has been established, the Chief Appraiser shall notify Tyler County of the amount of the assessment.

(b) The agreement shall stipulate that a designated representative of Tyler County will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.

(c) Upon completion of construction Tyler County shall annually evaluate each facility receiving abatement to ensure compliance with the agreement.

ASSIGNMENT
Section 9

Tax abatement agreements may be assigned to a new owner or lessee of the facility with the written consent of Tyler County which consent shall not be unreasonably withheld. Any assignment shall provide that the assignee shall irrevocably and unconditionally assume all the duties and obligations of the assignor upon the same terms and conditions as set out in the agreement. Any assignment of a tax abatement shall be to an entity that contemplates the same improvements or repairs to the property, except to the extent such improvements or repairs have been completed. No assignment shall be approved if the assignor or the assignee are indebted to Tyler County for ad valorem taxes or other obligations.

SUNSET PROVISION
Section 10

These guidelines and criteria are effective upon the date of their adoption and will remain in force for two years, at which time all tax abatement contracts created pursuant to its provisions will be reviewed by Tyler County to determine whether the goals have been achieved. Based on that review, the guidelines and criteria will be modified, renewed or eliminated.