

TYLER COUNTY COMMISSIONERS COURT

SPECIAL MEETING

April 23, 2014 ---- 9:00 a.m.

THE STATE OF TEXAS ON THIS THE 23rd day of April, 2014 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:

JACQUES L. BLANCHETTE	COUNTY JUDGE, Presiding
MARTIN NASH	COMMISSIONER, PCT. #1
MIKE MARSHALL	COMMISSIONER, PCT. #3
JACK WALSTON	COMMISSIONER, PCT. #4
KATRINA WALSTON	DEPUTY COUNTY CLERK, Ex-Officio

The following were absent: Commissioner Hughes thereby constituting a quorum. In addition to the above were:

JACKIE SKINNER	COUNTY AUDITOR
DAN HUNT	ASST. CRIMINAL DIST. ATTORNEY

Commissioner Nash motioned to table consideration of **tax abatement** to German Pellets because they have not submitted an application in writing. The motion was seconded by **Commissioner Walston**. All voted yes and none no.

A motion was made by **Commissioner Walston** to adopt the resolution in support to place a referendum for a constitutional amendment on the ballot to increase state funding for transportation. The motion was seconded by **Commissioner Nash**. All voted yes and none no. SEE ATTACHED RESOLUTION

A motion was made by **Commissioner Marshall** to designate and authorize the County Judge as the representative for the **County Transportation Infrastructure Fund Grant Program Agreement**. The motion was seconded by **Commissioner Walston**. All voted yes and none no. SEE ATTACHED

Commissioner Nash motioned to adopt the resolution and order approving the **County Transportation Infrastructure Fund Grant Program Agreement** and make specific findings required by the Texas Department of Transportation. The motion was seconded by **Commissioner Walston**. Commissioner Nash called attention that this would be a "reimbursement" type grant. All voted yes and none no. SEE ATTACHED RESOLUTION

A motion was made by **Commissioner Nash** to grant a **utility permit**, contingent upon receipt of the fee, to Fort Apache Energy, Inc. for construction of a pipeline right of way on **CR4500**. **Commissioner Walston** seconded the motion. All voted yes and none no. SEE ATTACHED.

Judge Blanchette reported that Doug Weir had accepted another position in Upshur County. **Judge Blanchette** motioned to accept the resignation of the County Extension Agent, Doug Weir. The motion was seconded by **Commissioner Walston**. All voted yes and none no. SEE ATTACHED

EXECUTIVE SESSION was held.

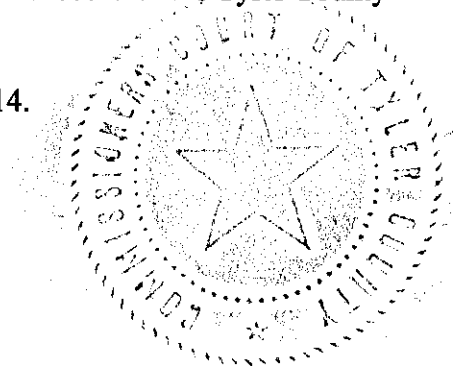
Commissioner Nash made a motion to adjourn. **Commissioner Walston** seconded the motion. All voted yes and none no.

THERE BEING NO FURTHER BUSINESS, THE MEETING ADJOURNED.

I, Donece Gregory, County Clerk and ex officio member of the Tyler County Commissioners Court, do hereby certify to the fact that the above is a true and correct record of the Tyler County Commissioners Court session held on April 23, 2014.

Witness my hand and seal of office on this the 7th day of May, 2014.

Attest: 
Donece Gregory, County Clerk, Tyler County, Texas





Commissioners Court of Tyler County

MARTIN NASH
Commissioner, Pct. 1

RUSTY HUGHES
Commissioner, Pct. 2

JACQUES L. BLANCHETTE
County Judge

MIKE MARSHALL
Commissioner, Pct. 3

JACK WALSTON
Commissioner, Pct. 4

STATE OF TEXAS §
 §
COUNTY OF TYLER §

TAX ABATEMENT CONTRACT

BETWEEN THE COUNTY OF TYLER, TEXAS, WOODVILLE LUMBER, INC., AND GP LUMBER, LLC

This Tax Abatement Contract (this "Contract") is an abatement contract executed by and among Tyler County ("County"), Woodville Lumber, Inc. ("Woodville Lumber") and GP Lumber, LLC ("GP Lumber" and together with Woodville Lumber, the "Company"). Its terms and conditions are supported by good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged.

INTRODUCTION

The Texas Property Redevelopment and Tax Abatement Act (Section 312.001 et seq. Texas Property Tax Code) provides that the governing body of a County has the power to create one or more reinvestment zones for abatement of real and personal property ad valorem taxes provided that certain conditions as detailed in the Code are met. The Code further provides that if a County creates a reinvestment zone as provided in the Code, that other specified governmental entities having taxing jurisdiction over real and personal property located within the zone may enter into a tax abatement contract with the owner(s) of such property.

Woodville Lumber will acquire real property ("Real Property") located within the taxing jurisdiction of the Woodville Independent School District, within the taxing jurisdiction of Tyler County Hospital District and within the taxing jurisdiction of Tyler County, Texas.

Tyler County has heretofore designated, by one or more Orders of its Commissioners Court, the Real Property as a reinvestment zone (the "Zone") eligible for the abatement of ad valorem taxes on real and personal property (the "Taxes"). The Orders creating the Zone are attached as Exhibit "A" and contain a description of the Real Property forming the Zone. By virtue of the County following the requirements of the law in creating the Zone, the County, Woodville Lumber and German Pellets Lumber now exercise their rights to enter into this Contract, the terms and conditions of which are detailed below, and with the attached exhibits constitute the full compete agreement between Tyler County, Woodville Lumber and GP Lumber with respect to the Taxes which would otherwise be payable to Tyler County.

The term "Tax Year" as used herein means each calendar year during the term of this Contract.

TERMS AND CONDITIONS

- 1) The property to be subject to the Contract shall be (a) the Real Property and improvements thereto (together, the "Real Property"), which are more particularly described in Exhibit "B" attached hereto and made a part hereof and incorporated herein, and (b) all personal property, including without limitation inventory and equipment, located on the Real Property (the "Personal Property").
- 2) The Company intends to construct and equip certain sawmill facilities on the Real Property (the "Project"). It is anticipated that Woodville Lumber will own the Real Property and the bulk of the personal property constituting capital assets for the term of this Contract. GP Lumber will operate the Project and will own certain other personal property, including inventory.
- 3) The Company shall diligently proceed to commence construction and equipping of the Project on the Real Property. The Company shall complete the Project not later than December 31, 2016. A general description of the kind, number and location of all proposed improvements constituting the Project are attached hereto as Exhibit "A" and made a part hereof for all purposes. The total cost of constructing and equipping the Project is estimated to be not less than sixty five million and no/100 dollars (\$65,000,000) (the "Estimated Project Value").
- 4) The assessed value of eligible property as of January 1 preceding the execution of the agreement made after January 1 but before the execution of the agreement is \$ _____ ("Base Year Value").
- 5) The Company agrees and covenants that it will diligently and faithfully, in a good and workmanlike manner, pursue the completion of the Project as a good and valuable consideration of this Contract. The Company further covenants and agrees that all construction will be completed in accordance with all applicable laws, regulations, and ordinances. The Company shall hereafter, during the term of this Contract, continuously operate and maintain the Project as a sawmill facility.
- 6) Company shall, in writing and until the expiration of this Contract, annually certify compliance with this Contract to the County.
- 7) Subject to the terms and conditions of this Contract, the Taxes which are generated by improvements and increased value on Real Property after the execution of the tax abatement agreement, and tangible personal property, including inventory, located on the real property after the execution of the tax abatement agreement are hereby abated. The party holding title to taxable assets constituting all or a portion of the Project, whether Woodville Lumber or GP Lumber, shall be entitled to the abatements against Taxes set forth herein with respect to such assets. The tax abatement will proceed under the following schedule ("Abatement Schedule"):

<u>% Abatement</u>	<u>Term of Abatement</u>
100%	1 st year
90%	2 nd year
80%	3 rd year
70%	4 th year

60%	5 th year
50%	6 th year
40%	7 th year
30%	8 th year
20%	9 th year
10%	10 th year

This Contract shall be for a term of ten (10) years, commencing on the 1st day of January of the year following completion of the Project, or January 1, 2017, whichever occur first, unless sooner terminated in accordance with the provisions hereinafter provided however, Taxes attributable to an increase in the fair market value of the Project over the Base Year Value during the construction or completion phase, to be no more than two (2) tax years (i.e. 2015-2016) (the "Construction Period"), shall be abated at the rate of 100% in accordance with generally applicable local and state law. Taxes not attributed to the Project are those taxes derived from real and personal property outside of the Real Property are not abated. Such abatement will be restricted to include only (i) the Real Property and (ii) sawmill facilities, equipment and other personal property, including inventory, which are part of the Project, as described by Exhibit C.

- 8) Uses of the property upon which taxes are to be abated hereunder are to be limited, consistent with the general purpose of encouraging development and development of the reinvestment zone during the indicated period of abatement.
- 9) Construction on the Project must begin prior to the end of the Tax Year 2014 (i.e. December 31, 2014) and be substantially completed prior to the end of the Tax Year 2016 (i.e. December 31, 2016) (the "Construction Period").
- 10) GP Lumber, as operator of the Project, covenants and agrees to act in good faith to attempt to hire a 25% of its permanent employees for the jobs to be created as a result of the Project from residents of Tyler County, Texas, if possible without creating financial hardship or sacrificing operational efficiency.
- 11) A breach of this Contract shall occur upon any of the following events: (a) construction of the Project is not completed substantially in accordance with the terms and conditions of the Contract; (b) the Company allows its Taxes owed to the County of Tyler to become delinquent, and the Company has failed to timely and properly follow the applicable legal procedures for protest and/or contest of any such Taxes; (c) the Company shall cease, during the term of this Contract, to continuously operate and maintain the Project as a sawmill facility for a period of more than twelve (12) consecutive months; or (d) the Company shall fail to invest at least 70% of the Estimated Project Value by January 1, 2017. In the event of any breach of this Contract, then the County shall give the Company written notice of such breach and require the Company to cure such breach within sixty (60) days. If such breach remains uncured at the end of such sixty (60) day period, then the County may by written notice to the Company terminate this Contract, and no future abatement of Taxes shall be granted to the Company. In the event the County exercises its right to terminate this Contract, and at the time of such termination, the Company has invested in the Project less than seventy percent (70%) of the Estimated Project Value, the County may by written notice to the Company, require the Company to repay a portion of the value of all tax abatements previously granted to the Project (the "Tax Benefit"). Such repayment shall be calculated by multiplying (i) the percentage by which the Company's

investment has fallen short of the Estimated Project Value by (ii) the Tax Benefit previously received by the Company (the "Recapture Amount"). For example, if the Company has committed to invest \$10,000,000 in the County, and upon termination of this Contract by the County has only invested \$6,000,000, and assuming the total Tax Benefit to the Company in previous years is \$1,000,000, then the Recapture Amount would be equal to \$400,000 (40% shortfall in investment x \$1,000,000). In such event, the Recapture Amount will become a debt to the County and shall be due, owing and paid to the County within sixty (60) days of any such event. If during the term hereof, and after completion of the Project, the performance by the Company of any of its obligations of undertakings hereunder shall be interrupted or delayed by any occurrence and not occasioned by the conduct of the party hereto, whether such performance to be an act of God or the common enemy or the result of war, riot, civil commotion, fire, wind, flooding, or sovereign conduct, then the Company shall be excused from such performance for such period of time as its reasonably necessary after such occurrence to remedy the effects thereof, provided that the Company shall restore the Project within twelve (12) months of such event; otherwise, this Contract is subject to termination by the County effective the date of the event which caused the noncompliance.

12) The Company agrees that, upon notice to the Company, the County, its officers, agents and employees shall have reasonable right of access to the Project to inspect the improvements in order to ensure the Project is being constructed and completed according to specifications and conditions of this Contract. After completion of the Project, upon reasonable prior notice to the Company, the County shall have the continuing right to inspect the Project during normal business hours to ensure that Project are thereafter maintained and operated in accordance with this Contract.

13) In the event the Company reduces its ad valorem taxes on personal property by participating in a foreign trade zone ("Special Treatment"), then the abatement agreed to in this Contract shall be reduced during such Tax Year by one dollar of tax reduction attributed to Special Treatment. It is the intent of this paragraph that all amounts otherwise due as taxes on property within the Project shall be fully paid in accordance with full market value under the provisions of the Tax Property Tax Code as the same be amended, without Special Treatment.

14) It is understood and agreed between the parties that the Company, in performing its obligations hereunder, is acting independently, and the County assumes no responsibilities or liabilities in connection therewith to third parties. The Company further agrees to indemnify and hold harmless the County, its officers, agents, and employees, from any and all kinds of claims, losses, damages, injuries, suits, or judgments, or whatever kind of nature, including claims for contribution or indemnity and the reasonable and necessary costs, including attorney's fees, incurred in defense of any such claim, which any person, firm or corporation has or may have arising out of or resulting out of the Project described herein, absent gross negligence or willful misconduct on the part of the County.

15) All Notices required or contemplated by this Contract shall be addressed as follows:

If to The Company:

GP Lumber, LLC

Mailing address Line 1

Mailing address Line 2

ATTENTION: Primary Contact

If to Tyler County, then to:

Tyler County, Texas

100 West Bluff, Room 102

Woodville, Texas 75979

ATTENTION: County Judge

- 16) Reasonable attorney's fees and expenses of a party incurred in successfully prosecuting or defending a suit under this Contract against the other party will be recoverable by the successful party in such action.
- 17) All obligations under this Contract are performable in Tyler County, Texas and it is agreed and understood by and between the parties hereto that venue for any action based, in whole or in part, directly or indirectly, upon any of the terms of this Contract shall lie exclusively in the courts of Tyler County, Texas.
- 18) This Contract shall be governed by and construed under the laws of the State of Texas.
- 19) This Contract supersedes any and all other agreements, either oral or in writing, in any, between the parties, and contains the entire agreement of the parties on the subject matter hereof.
- 20) If any provision of this Contract is held in final judgment by a Court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force and effect without being impaired or invalidated in any way.
- 21) The waiver by one party of any breach or default of this Contract by another party will not be deemed a waiver of any other provision of this Contract.
- 22) This Contract may be amended or modified only by a written instrument signed by all parties and dated subsequent to the effective date hereof.
- 23) The terms and conditions of this Contract are binding upon the successors and assigns of the parties hereto. The parties agree that the Company shall have the right to assign this Contract, in whole or in part and any and all rights, benefits and obligations thereof to any wholly owned subsidiary of Germain Pellets GmbH or of the Company, any affiliated corporation or any partner of the Company, without further consent or act of any party, provided that the assignee is not indebted to Tyler County for ad valorem taxes or other obligations; and further provided that the Company shall only be released from its obligations hereunder provided 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 Contract. The Company shall notify the County of any assignment under this Section within 10 (ten) business days at the address provided above.
- 24) This Contract was authorized by the Tyler County Commissioners Court by a vote taken at its regularly scheduled Court Meeting on _____, whereupon it was determined that Jacques L. Blanchette, County Judge would sign on behalf of Tyler County.
- 25) The executing of this Contract is accomplished by _____, who is authorized to execute the Contract in his capacity as _____ of Woodville Lumber, and by _____, who is authorized to execute the Contract in his capacity as _____ of GP Lumber.

WITNESS OUR HANDS this the _____ day of _____, 20__.

TYLER COUNTY, TEXAS

By: _____
Jacques L. [unclear] chette
County [unclear]

ATTEST:

Donece Gregory
County Clerk

DRAFT

GP LUMBER, LLC

By: _____
Name
Title

WOODVILLE LUMBER, INC.

By: _____
Name
Title

EXHIBIT "A"

ORDER CREATING REINVESTMENT ZONE

EXHIBIT "B"

LEGAL DESCRIPTION OF COMPANY PROPERTY

EXHIBIT "C"

PROJECT DESCRIPTION

Assets constituting the Project shall consist of the Real Property described on Exhibit "B" above (the "Real Property"), together with all property, real and personal, located on the Real Property which is acquired or constructed during the Construction Period.

Without limiting the generality of the foregoing, the Project will consist of land, buildings and improvements constituting a sawmill facility, including production buildings, parking area, storage facilities and related facilities. Equipment will include all personal property used in connection with the sawmill, including without limitation, equipment for preparing, processing, storing and shipping wood products. Inventory will include raw wood materials and finished wood products.

Sawmill Fact Sheet
Estimated Figures

	Estimates
Investment	> 65 m
thereof sourced in US	> 50%
Jobs created	80 - 150
Indirect jobs	250 - 300
Purchase raw material p.a.	12 - 15 m
Labor costs p.a.	5 - 8 m
Other expenses p.a.	5 - 7 m



Commissioners Court of Tyler County

MARTIN NASH
Commissioner, Pct. 1

RUSTY HUGHES
Commissioner, Pct. 2

JACQUES L. BLANCHETTE
County Judge

MIKE MARSHALL
Commissioner, Pct. 3

JACK WALSTON
Commissioner, Pct. 4

STATE OF TEXAS §
 §
COUNTY OF TYLER §

TAX ABATEMENT AGREEMENT BETWEEN THE COUNTY OF TYLER, TEXAS AND GERMAN PELLETS TEXAS, LLC

This Tax Abatement Agreement (“Agreement”) is an abatement agreement executed by and between Tyler County, Texas (“County”) and German Pellets Texas, LLC (“Company”). Its terms and conditions are supported by good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged.

I. **RECITALS**

The Texas Property Redevelopment and Tax Abatement Act (Section 312.001 et seq. Texas Property Tax Code) provides that the governing body of a County has the power to create one or more reinvestment zones for abatement of real and personal property ad valorem taxes provided that certain conditions as detailed in the Code are met. The Code further provides that if a County creates a reinvestment zone as provided in the Code, that other specified governmental entities having taxing jurisdiction over real and personal property located within the zone may enter into a tax abatement agreement with the Company(s) of such property.

The Company owns real property (“Real Property”) located within the taxing jurisdiction of the Woodville Independent School District, within the taxing jurisdiction of Tyler County Hospital District and within the taxing jurisdiction of Tyler County, Texas.

Tyler County has heretofore designated, by Order of its Commissioners Court, the Real Property as a reinvestment zone (the “Zone”) eligible for the abatement of ad valorem taxes on real and personal property (the “Taxes”). By virtue of the County following the requirements of the law in creating the Zone, the County and the Company now exercise their rights to enter into this Agreement, the terms and conditions of which are detailed below, and with the attached exhibits constitute the full complete agreement between Tyler County and the Company with respect to the Taxes which would otherwise be payable to Tyler County.

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

II. **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 Zone designated for economic development purposes. This abatement does not affect or have any relation to any other projects of Company that have previously recieved an abatement from the County.

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

"Base Year Value" for each taxing entity executing an abatement agreement is the Taxable Value of all industrial realty improvements of a property owner located within that entity (County) for the tax period defined as the "Base Year."

"Completion" as used herein, shall mean, the successful commissioning of the Project and the attainment of reliable operations. Company shall certify in writing to the County when such Completion is attained.

"Eligible Property" means the on-site buildings, structures, fixed machinery and equipment, storage tanks, process units (including all integral components necessary for operations), site improvements, and infrastructure included in the Project, and the permanent office space and related fixed improvements necessary to the operation and administration of the Project but does not include personal property.

"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; deferred maintenance, property which has a productive life of less than ten years, or any other property for which abatement is not allowed by state and/or federal law.

"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 Company may make such change orders to the New Eligible Property as are reasonably necessary to accomplish its intended use.

"Project" means _____.

"Taxable Value" means, for any tax year specified, the Certified Appraised Value for such tax year of all industrial realty improvements owned by Company and located within the County, reduced by the following to the extent included in such Certified Appraised Value: (i) the exempt value of pollution control property (as determined by the Texas Commission on Environmental Quality and/or by appeal or subsequent legal action) included in any such improvements, and (ii) the exempt value of any such improvements where such exempt value results from property tax abatement agreements between the County and Company.

III. 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 _____ and shall terminate on _____, unless sooner terminated pursuant to other provisions of this AGREEMENT.

IV.
COMPANY'S REPRESENTATIONS/OBLIGATIONS

In order to receive a tax abatement with respect to a tax year listed on EXHIBIT: "Tax Abatement Schedule," Company shall comply with the following:

a. As a result of the Project, and upon its Completion (currently estimated to be not later than _____), Company shall maintain a level of not less than ____ new full-time jobs, using headcount as of _____ as the starting point, relating to the PROJECT during the remaining term of this Agreement; provided, however that Company 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 ____ full-time jobs for total on site employment by Company during said term. In the event that such employment falls below ____ 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 \$s
A2 = revised Abatement \$s
E1 = _____ full-time jobs
E2 = revised employee count
A2 = A1 x (E2/E1)

b. Report and certify the requisite job levels to the County, annually during each tax year under this Agreement;

c. Construct the Project with an estimated investment in excess of _____;

d. Report and certify to the County 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);

e. The Company covenants and agrees to act in good faith to attempt to hire 50% of its permanent employees for the jobs to be created as a result of the Project from residents of Tyler County, Texas, if possible without creating financial hardship or sacrificing operational efficiency.

f. The Company agrees and covenants that it will diligently and faithfully, in a good and workmanlike manner, pursue the completion of the Project as a good and valuable consideration of this Agreement. The Company further covenants and agrees that all construction will be completed in accordance with all applicable laws, regulations, and ordinances. The Company shall thereafter, during the term of this Agreement, continuously operate and maintain the Project as a manufacturing facility.

V.
VALUE OF ABATEMENT

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

VI.
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 year shall be fully taxable; and
- c. The value of New Eligible Property shall be abated as set forth in Section V., herein.

VII.
ADJUSTMENTS TO ABATEMENT FOR BASE YEAR VALUE DECLINE

The Tyler County Appraisal District will establish the certified taxable values of all industrial realty improvements within the jurisdiction of the County, and which are owned by the Company and/or its Affiliates as of January 1, 20__, as set forth on attached Exhibit "B", and such values shall be the Base Year Value as herein defined. If on January 1st of any tax year listed on the "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.

VIII.
DEFAULT

A breach of this Agreement shall occur upon any of the following events: (a) construction of the Project is not completed substantially in accordance with the terms and conditions of the Agreement; (b) the Company allows its Taxes owed to the County to become delinquent, and the Company has failed to timely and properly follow the applicable legal procedures for protest and/or contest of any such Taxes; (c) the Company shall cease, during the term of this Agreement, to continuously operate and maintain the Project as a _____ facility for a period of more than twelve (12) consecutive months; or (d) the Company shall fail to invest less than 70% of the Estimated Project Value by January 1, _____. In the event of any breach of this Agreement, then the County shall give the Company written notice of such breach and require the Company to cure such breach within sixty (60) days. If such breach remains uncured at the end of such sixty (60) day period, then the County may by written notice to the Company terminate this Agreement, and no future abatement of Taxes shall be granted to the Company. In the event the County exercises its right to terminate this Agreement, and at the time of such termination, the Company has invested in the Project less than seventy percent (70%) of the estimated project value set forth above, the County may by written notice to the Company, require the Company to repay a portion of the value of all tax abatements previously granted to the Project (the "Tax Benefit"). Such repayment shall be calculated by multiplying (i) the percentage by which the Company's investment has fallen short of the estimated project value by (ii) the Tax Benefit previously received by the Company (the "Recapture Amount"). For example, if the Company has committed to invest \$10,000,000 in the County, and upon termination of this Agreement by the County has only invested \$6,000,000, and assuming the total Tax Benefit to the Company in previous years is \$1,000,000, then the Recapture Amount would be equal to \$400,000 (40% shortfall in investment x \$1,000,000). In such event, the Recapture Amount will become a debt to the County and shall be due, owing and paid to the County within sixty (60) days of any such event. If during the term hereof, and after completion of the Project, the performance by the Company of any of its obligations of

undertakings hereunder shall be interrupted or delayed by any occurrence and not occasioned by the conduct of the party hereto, whether such performance to be an act of God or the common enemy or the result of war, riot, civil commotion, fire, wind, flooding, or sovereign conduct, then the Company shall be excused from such performance for such period of time as its reasonably necessary after such occurrence to remedy the effects thereof, provided that the Company shall restore the Project and premises within twelve (12) months of such event; otherwise, this Agreement is subject to termination by the County effective the date of the event which caused the noncompliance.

IX.
INSPECTIONS

The Company agrees that, upon notice to the Company, the County, its officers, agents and employees shall have reasonable right of access to the premises to inspect the improvements in order to insure the Project is being constructed and completed according to specifications and conditions of this Agreement. After completion of the Project, upon reasonable prior notice to the Company, the County shall have the continuing right to inspect the premises during normal business hours to insure that premises are thereafter maintained and operated in accordance with this Agreement.

X.
INDEMNITY

It is understood and agreed between the parties that the Company, in performing its obligation hereunder, is acting independently, and the County assumes no responsibilities or liabilities in connection therewith to third parties. The Company further agrees to indemnify and hold harmless the County, its officers, agents, and employees, from any and all kinds of claims, losses, damages, injuries, suits, or judgments, or whatever kind of nature, including claims for contribution or indemnity and the reasonable and necessary costs, including attorney's fees, incurred in defense of any such claim, which any person, firm or corporation has or may have arising out of or resulting out of the Project described herein, absent gross negligence or willful misconduct on the part of the County.

XI.
NOTICES

All notices required or contemplated by this Agreement shall be addressed as follows:

If to the Company:

German Pellets Texas, LLC
164 County Road 1040
Woodville, Texas 75979
ATTENTION: Peter Liebold

If to the County:

Tyler County, Texas
100 West Bluff, Room 102
Woodville, Texas 75979
ATTENTION: County Judge

XII.
ATTORNEY FEES, VENUE, AND GOVERNING LAW

Reasonable attorney's fees and expenses of a party incurred in successfully prosecuting or defending a suit under this Agreement against the other party will be recoverable by the successful party in such action. All obligations under this Agreement are performable in Tyler County, Texas and it is agreed and understood by and between the parties hereto that venue for any action based, in whole or in part, directly or indirectly, upon any of the terms of this Agreement shall lie exclusively in the courts of Tyler County, Texas. This Agreement shall be governed by and construed under the laws of the State of Texas.

XIII.
SUCCESSORS AND ASSIGNEES

The terms and conditions of this Agreement are binding upon the successors and assigns of both parties hereof. The parties agree that the Company shall have the right to assign this Agreement, and all rights, benefits, and obligations thereof to Texas Pellets, Inc., to any wholly owned subsidiary of German Pellets GmbH or of the Company, any affiliated corporation or any partner of the Company, without further consent or act of any party provided that the assignee is not indebted to Tyler County for ad valorem taxes or other obligations; and further provided that the Company shall only be released from its obligations hereunder provided 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. The Company shall notify the County of any assignment under this section at least 30 (thirty) days before the assignment occurs.

XIV.
MISCELLANEOUS

This Agreement supersedes any and all other agreements, either oral or in writing, if any, between the parties, and contains the entire agreement of the parties as to the subject matter hereof. If any provision of this Agreement is held in final judgment by a Court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force and effect without being impaired or invalidated in any way. The waiver by one party of any breach or default of this Agreement by the other party will not be deemed a waiver of any other provision of this Agreement. This Agreement may be amended or modified only by a written instrument signed by both parties and dated subsequent to the effective date hereof.

WITNESS OUR HANDS this the ____ day of _____, 2014.

TYLER COUNTY, TEXAS

By: _____
Jacques L. Blanchette
County Judge

ATTEST:

Donece Gregory
County Clerk

GERMAN PELLETS TEXAS, LLC

By: _____
Name
Title

EXHIBIT A "Description of Project"

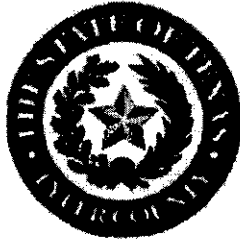
"Tax Abatement Schedule"

The tax abatement will proceed under the following schedule ("Abatement Schedule"):

<u>% Abatement</u>	<u>Term of Abatement</u>
100%	1 st year
90%	2 nd year
80%	3 rd year
70%	4 th year
60%	5 th year
50%	6 th year
40%	7 th year
30%	8 th year
20%	9 th year
10%	10 th year

EXHIBIT B "Base Year Property"

The Base Year Value will be attached when the values that comprise the Base Year Value as defined under Section II of this agreement are certified by the Tyler County Appraisal District.



Commissioners Court of Tyler County

RESOLUTION IN SUPPORT OF A CONSTITUTIONAL ADMENDMENT FOR INCREASED STATE FUNDING FOR TRANSPORTATION

WHEREAS the 83rd Texas Legislature passed historic legislation proposing a constitutional amendment on the November 4, 2014 state ballot affecting the state's roads, highways and bridges; and

WHEREAS this is "A constitutional amendment to provide for the transfer of certain general revenue to the economic stabilization fund and to the state highway fund and for the dedication of the revenue transferred to the state highway fund"; and

WHEREAS this proposal will allow revenue transferred to the state highway fund to be used only for developing public roadways, other than toll roads; and

WHEREAS this would require that any funds transferred to the state highway fund be allocated by the Texas Department of Transportation consistent with existing formulas to ensure the entire state benefits from this additional funding; and

WHEREAS the proposed amendment will aid in maintaining the current infrastructure and will ease congestion by funding new projects for added capacity without any new or increased taxes or fees; and

WHEREAS a strong transportation system is fundamental to Texas' quality of life and economic vitality, attracting new businesses and generating new jobs; and

WHEREAS state transportation funding over the past several years has been supplemented by bond programs and those bond programs are now exhausted and have resulted in a significant level of debt for Texas; and

WHEREAS the current state budget includes approximately \$5 billion per year in construction funding and will, based on current revenue projections, drop to only \$2.5 billion in available funds for construction for the next biennium; and

WHEREAS according to the latest report of the 2030 Commission, approximately \$6.1 billion per year in construction funding is needed to achieve "worst possible" conditions and \$9.5 billion per year is needed to achieve "minimally competitive" conditions; and

WHEREAS the proposed amendment would result in an estimated \$1.4 billion per year for the state highway fund; and

WHEREAS while the proposed amendment would not fully fund the state's overall transportation needs, it would be a key step toward securing critical funding for transportation projects in Texas;

THEREFORE BE IT RESOLVED, that the **Commissioners Court of Tyler County, Texas**, supports the proposed amendment to address Texas' transportation infrastructure needs on the November 4, 2014 ballot.

ADOPTED this 23rd day of April, 2014, by the
TYLER COUNTY COMMISSIONERS COURT

Martin Nash, Pct. #1, Commissioner

Rusty Hughes, Pct. #2 Commissioner

Mike Marshall, Pct. #3 Commissioner

Jack Walston, Pct. #4 Commissioner

Jacques L. Blanchette, Tyler County Judge

Contract # _____
District # _____
Code Chart 64 # _____
Project: _____

STATE OF TEXAS §
COUNTY OF TRAVIS §

**COUNTY TRANSPORTATION
INFRASTRUCTURE FUND GRANT AGREEMENT**

THIS AGREEMENT is made by and between the State of Texas, acting by and through the Texas Department of Transportation, called the "State", and Tyler County, acting by and through its duly authorized officials, called the "County."

WITNESSETH

WHEREAS, Transportation Code, Chapter 256, Subchapter C allows for the Texas Department of Transportation to make grants to counties for transportation infrastructure projects located in areas of the state affected by increased oil and gas production; and

WHEREAS, The County has submitted its application for the Grant funding from the State and its application was approved; and

WHEREAS, state law requires counties to meet certain contract standards relating to the management and administration of State funds; and

WHEREAS, the Governing Body of the County has approved entering into this agreement by resolution or ordinance which is attached to and made a part of this agreement as Attachment A; and

NOW THEREFORE, the State and the County agree as follows:

AGREEMENT

1. Agreement Period. This agreement becomes effective when signed by the last party whose signing makes the agreement fully executed. This agreement shall remain in effect until the Projects are completed or unless terminated as provided below.

2. Scope of Work. The County shall complete the transportation infrastructure projects as proposed in its List of Transportation Infrastructure Projects defined in 3. below. The County shall place the transportation infrastructure projects on the county road system.

3. List of Transportation Infrastructure Projects. The County is responsible to review the list of projects listed on its previously submitted application for a grant from the fund and create a List of Transportation Infrastructure Projects prioritizing its choice of projects which can be performed with the grant amount awarded to the County by the State. Within thirty (30) calendar days after final execution of this agreement, the County shall submit to the State this List of Transportation Infrastructure Projects (in a format specified by the State). This List of Transportation Infrastructure Projects shall include an estimated month and year of starting construction and completing construction for each funded project including the estimated project cost for each project. During the term of this agreement, updates to the List of Transportation Infrastructure Projects may be made by the County. Updates can include changes in priority, changes in estimated cost, changes in month or year of starting

Contract # _____
District # _____
Code Chart 64 # _____
Project: _____

or completing construction, or adding or deleting projects. Any proposed new projects shall include the same information as was required for projects submitted as part of the application for a grant from the fund. Updated List of Transportation Infrastructure Projects or a statement of no material change to the previously submitted list shall be submitted to the State no less than semi-annually. Any update to the List of Transportation Infrastructure Projects requires written concurrence from the State to the County.

4. Project Sources, Uses of Funds, and Reimbursement.

- a. The State has authorized the total amount of grant award from the fund as shown in Attachment B, Amount of Grant Award and Funding Commitments, which is attached to this agreement. The expected cash contributions from the State, the County, or other parties are shown in Attachment B. The State will reimburse only for allowable project costs for this program in accordance with 43 TAC § 15.192. The County must be in compliance with the requirements of this agreement to receive reimbursement of project costs.
- b. The County shall submit monthly billing statements or a statement that no construction or maintenance work was performed during the previous month, in accordance with procedures defined by the State, accompanied by a certification of work performed during the previous month. Along with the billing statements submitted by the County, it shall submit copies of all paid invoices and/or force account documentation. Within thirty (30) days of receipt of a complete billing statement and supporting documentation, the State will reimburse the County.
- c. The County shall not commence construction of a funded transportation infrastructure project prior to receipt of written approval from the State in accordance with procedures defined by the State.
- d. If the County commences performance on a transportation infrastructure project but fails to complete the project, the State may seek reimbursement of all money received by the County for that individual transportation infrastructure project.
- e. For each transportation infrastructure project located on the State highway system, the County shall contribute to the State (from the amount awarded to the County from the fund and the County's matching funds) an amount equal to the allowable costs incurred by the State for that project.
- f. The County may submit in writing to the State a proposed amendment during the term of this agreement changing the order of projects on its List of Transportation Infrastructure Projects or identifying additional project(s) or extended limits on an approved project that contains all information required by rule for that project. If funds are available within the amount awarded to the County, the State may execute the proposed amendment allowing the County to use the available funds in the revised order, for the additional project(s), or for extended limits on an approved project in the County.
- g. The state auditor may conduct an audit or investigation of any entity receiving funds from the State directly under this agreement or indirectly through a subcontract under this agreement. Acceptance of funds directly under this agreement or indirectly through a subcontract under this agreement acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. An entity that is the subject of an audit or investigation must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.

Contract # _____
District # _____
Code Chart 64 # _____
Project: _____

5. Project Responsibilities. The County is responsible for all aspects of the work constituting this Project or list of projects unless otherwise indicated in this agreement. In order to obtain reimbursement for eligible expenses from the State, the County shall certify to the State in accordance with procedures defined by the State that they have complied with all program requirements and applicable federal, state, and local laws and regulations.

6. Final Inspection. The County shall perform final inspection and acceptance of each transportation infrastructure project when it is complete. The County shall send a copy of a document evidencing inspection and acceptance of the project to the State within thirty (30) days after the inspection is completed.

7. Right of Way and Real Property Acquisition. The County shall comply with all the requirements of Title II and Title III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Title 42 U.S.C.A. Section 4601 et seq.

8. Suspension. If the State determines that the County has not been complying with 43, TAC, Part I, Chapter 15, Subchapter O, the State may prohibit the County from continuing with all projects on the List of Transportation Infrastructure Projects until the County complies.

9. Termination of this Agreement. This agreement shall remain in effect until the transportation infrastructure projects identified in the most current List of Transportation Infrastructure Projects with concurrence from the State are completed and accepted by all parties, unless the:

- a. Agreement is terminated in writing with the mutual consent of the parties; or
- b. Agreement is terminated because the County has breached the agreement for Failure to Comply as stated in Paragraph 16.

10. Environmental Permitting and Regulatory Issues.

- a. The County must comply with all applicable federal, state, and local environmental laws and regulations and permitting requirements.
- b. The County is responsible for coordination and environmental clearance.
- c. The County is responsible for identification and assessment of any environmental problems associated with the project(s) and for the cost of any environmental problem's mitigation and remediation.
- d. The County is responsible for providing any required public meetings or public hearings for assessing and mitigating environmental issues.
- e. The County shall provide the State with written certification by a qualified professional that all identified environmental problems have been remediated and that all required permits and clearances from appropriate regulatory agencies have been obtained.

11. Compliance with Texas Accessibility Standards and ADA. The County shall ensure that the plans for and the construction of the transportation infrastructure projects subject to this agreement are in compliance with the Texas Accessibility Standards (TAS) issued by the Texas Department of Licensing and Regulation, under the Texas Government Code, Chapter 469, Elimination of Architectural Barriers. The TAS establishes minimum accessibility requirements to be consistent with minimum accessibility requirements of the Americans with Disabilities Act (42 U.S.C. Section 12101 et seq.). The County shall provide written

Contract # _____
District # _____
Code Chart 64 # _____
Project: _____

certification to the State of compliance, or non-applicability, for each transportation infrastructure project.

12. Project Maintenance. The County shall maintain any roadway on the County system constructed under this Agreement after completion of the proposed work.

13. Historically Underutilized Business (HUB) Program Requirements. The County shall comply with all applicable requirements of the Comptroller of Public Accounts (CPA) Historically Underutilized Business (HUB) Program.

14. Grant Management Standards. The County must comply with the Uniform Grant Management Standards promulgated by the Office of the Governor under 34 TAC Part 1, Chapter 20, Subchapter I – Comptroller.

15. Certification.

Within sixty (60) days after the completion of a listed transportation infrastructure project, the County must submit a written certification to the State in accordance with procedures defined by the State that it has complied with the requirements for this grant awarded under 43 TAC, Part 1, Chapter 15, Subchapter O, including a certification that the project has been constructed in accordance with all applicable requirements, laws, rules and requirements. The Certification must describe the allowable costs for the project and the amount reimbursed from the fund.

16. Failure to Comply.

- a. If the State determines that the County has not complied with one or more material requirements of the grant rules, the State may prohibit the County from participating in the program.
- b. The prohibition from participating may continue until the State determines that the County has complied with all material requirement of the applicable rule.
- c. The State may remove the County's project or projects from participation in the program if the project(s) is not let or begun as force account work within three (3) years of the execution of this agreement or within another reasonable period agreed to by the State and the County.
- d. Prior to exercising any remedies above or the remedy regarding reimbursement in 4.d., the State will provide a written notice to the County identifying the applicable requirement and specifying the failure to comply.
- e. The County may respond in writing to the State with a reasonable schedule for the County's timely compliance with the applicable requirement, or if compliance is not practical, with an alternative proposal that is acceptable to the State. Should the County fail to deliver an acceptable response to the State within thirty (30) days after the date that the County received the notice, the State may proceed with the applicable remedies allowed by rule.

17. Amendments. An amendment to this agreement must be in writing and executed jointly by the State and the County.

18. Remedies. This agreement shall not be considered as specifying the exclusive remedy for any agreement default, but all remedies existing at law and in equity may be availed of by either party to this agreement and shall be cumulative.

Contract # _____
District # _____
Code Chart 64 # _____
Project: _____

19. Notices. All notices to either party by the other required under this agreement shall be delivered personally or sent by certified or U.S. mail, postage prepaid, addressed to the party at the following addresses:

County:	State:
_____	Scott Ayres
_____	8350 Eastex Freeway
_____	Beaumont, Texas 77708-1701
_____	Scott.Ayres@txdot.gov

All notices shall be deemed given on the date delivered or deposited in the regular mail, unless otherwise provided in this agreement. Either party may change the above address by sending written notice of the change to the other party. Either party may request in writing that notices shall be delivered personally or by certified U.S. mail and the request shall be honored and carried out by the other party.

20. Legal Construction. In case one or more of the provisions contained in this agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, that invalidity, illegality, or unenforceability shall not affect any other provisions and this agreement shall be construed as if it did not contain the invalid, illegal or unenforceable provision.

21. Responsibilities of the Parties.

- a. The State and the County agree that neither party is an agent, servant, or employee of the other party and each party agrees it is responsible for its individual acts and deeds as well as the acts and deeds of its contractors, employees, representatives, and agents.
- b. To the extent permitted by law, the County agrees to indemnify and save harmless the State, its agents and employees from all suits, actions or claims and from all liability and damages resulting from any and all injuries or damages sustained by any person or property in consequence of any neglect, error, or omission in the performance of the design, construction, maintenance or operation of the Project by the County, its contractors, subcontractors, agents and employees, and from any claims or amounts arising or recovered under the Workers' Compensation Laws; the Texas Tort Claims Act, Chapter 101, Texas Civil Practice and Remedies Code; or any other applicable laws or regulations, all as from time to time may be amended.
- c. The parties expressly agree that this project is not a joint venture or enterprise. However, if a court should find that the parties are engaged in a joint venture or enterprise, then the County agrees to pay any liability adjudicated against the State for acts and deeds of the County, its employees or agents during the performance of this Project.
- d. The County shall also indemnify and save harmless the State from any and all expense, including, but not limited to, attorney fees which may be incurred by the State in litigation or otherwise resisting any claim or liabilities which may be imposed on the State as a result of activities by the County, its agents, or employees.

Contract # _____
District # _____
Code Chart 64 # _____
Project: _____

- e. Should the County's transportation infrastructure project require the County or its contractor to perform any work on State right of way, the County, by contract, shall require each: (1) contractor and subcontractor it may hire to secure a policy of insurance in the maximum statutory limits for tort liability, naming the State as an additional insured under its terms; and (2) contractor it may hire to indemnify and hold harmless the County and the State from all claims, liability, and damages resulting from the contractor's performance under a contract to do work.

22. Ownership of Documents. Upon completion or termination of this agreement, all documents prepared by the State shall remain the property of the State. All data prepared under this agreement shall be made available to the State without restriction or limitation on their further use. All documents produced or approved or otherwise created by the County shall be made available to the State upon request by the State. The originals shall remain the property of the County.

23. Compliance with Laws. The parties shall comply with all federal, state, and local laws, statutes, ordinances, rules and regulations, permitting requirements, and the orders and decrees of any courts or administrative bodies or tribunals in any manner affecting the performance of this agreement. When required, the County shall furnish the State with satisfactory proof of this compliance.

24. Sole Agreement. This agreement constitutes the sole and only agreement between the parties and supersedes any prior understandings or written or oral agreements respecting the subject matter of this agreement.

25. Retention of Records and Inspection. The County shall keep a complete and accurate record to document the performance of the work and to expedite any audit that might be conducted. The County shall maintain all books, documents, papers, accounting records and other documentation relating to costs. Records shall include, but not be limited to, diaries, materials received (invoices), test reports, manufacturer's certificates, warranties, change orders, and time extensions. The County shall make those materials available to the State or their duly authorized representatives for verification, review and inspection at its office during the contract period and for three (3) years from the date the final payment is received by the County or until any impending litigation, or claims are resolved.

26. Signatory Warranty. Each signatory warrants that the signatory has the necessary authority to execute this agreement on behalf of the entity represented.

Contract # _____
District # _____
Code Chart 64 # _____
Project: _____

THIS AGREEMENT IS EXECUTED by the State and the County in duplicate.

THE COUNTY

Signature

Printed Name and Title

Date

THE STATE OF TEXAS

Signature

Typed or Printed Name

Title

Date



Commissioners Court of Tyler County

**RESOLUTION AND ORDER
APPROVING THE COUNTY TRANSPORTATION
INFRASTRUCTURE FUND GRANT PROGRAM AGREEMENT,
DEISGNATING AUTHORIZED REPRESENTATIVE
REQUIRED BY THE
TEXAS DEPARTMENT OF TRANSPORTATION**

WHEREAS, Tyler County has received a Notice of Eligible Grant Award from the Texas Department of Transportation ("TxDOT") in the amount of \$463,521.00; and

WHEREAS, the Commissioners Court of Tyler County has determined that it is in the best interests of the citizens of Tyler County to enter into an Agreement with TxDOT concerning the County Transportation Infrastructure Funds grant Program; and

WHEREAS, TxDOT has created County Transportation Infrastructure Fund Grant Program Implementation Procedures that Tyler County is required to follow to receive the grant funding; and

THEREFORE, IT IS ORDERED, ADJUDGED AND DECREED that Tyler County designates _____ as its County Representative and authorizes the County Representative to sign all project-related documents on behalf of the County, including any certifications required by the Grant Program; and

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Tyler County Commissioners Court hereby approves the attached County Transportation Infrastructure Fund Grant Program Agreement ("the Agreement") and authorizes the County Representative to execute the Agreement between Tyler County and the Texas Department of Transportation

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Tyler County Commissioners Curt hereby approves the attached revised Prioritized List of road projects to be funded with the County Transportation Infrastructure Fund Grant.

IT IS FURTHERS ORDERED, ADJUDGED AND DECREED that the Commissioners Court of Tyler County makes the following findings in the exercise of discretion and authority extended to said Commissioners Court by Texas Law, and such findings are made upon due inquiry and satisfactory proof that such findings are factual and based upon commonly accepted practices and standards by Texas Counties:

IT IS THE FINDING OF THIS COMMISSIONERS COURT that the county has experience in the construction and maintenance of all county roads currently in the County road maintenance inventory, and that the county has suitable equipment, experience and personnel to properly repair such roads without the utilization of outside contractors, or, if such contractors are required in the prudent expenditure of county and grant funds, that such contractors will be selected upon demonstrated competence and the lowest and most suitable bid, if competitive bidding is required. In this regard, the County has suitable design standards, specifications and quality assurance procedures in place to assure that resulting road maintenance projects are properly constructed with suitable materials and that appropriate safety and environmental procedures will be utilized. The County Representative is hereby expressly authorized to certify to such.

IT IS THE FURTHER FINDING OF THIS COMMISSIONERS COURT that Tyler County will utilize generally accepted cost accounting practices in the financial aspects of this grant administration, and that proper documentation of all expenditures will be maintained by the appropriate county officials responsible for financial aspects of the grant administration. The County Representative is hereby expressly authorized to certify to such.

IT IS THE FURTHER FINDING OF THIS COMMISSIONERS COURT that with the following exceptions, all road right-of-way involved in projects identified for funding under this grant is presently within the county road maintenance inventory, and no new right-of-way is required. The County Representative is hereby expressly authorized to certify to such.

IT IS THE FURTHER FINDING OF THIS COMMISSIONERS COURT that Tyler County will notify all public utilities, water supply corporations, and common carriers of record of their plans to repair, renovate or construct the project roads identified in the Grant application, and will cooperate with the said utilities and common carriers for protection of such infrastructure. It is not anticipated that any relocation of utilities will be required. The County Representative is hereby expressly authorized to certify to such.

IT IS THE FURTHER FINDING OF THIS COMMISSIONERS COURT pursuant to 40 C.F.R. §1500, and specifically § 1508.4 et seq, and 33 U.S.C. § 1344, (f)(1)(B) and ©, county road maintenance projects are not prohibited by the National Environmental Protection Act (NEPA), nor the Water Pollution Prevention and Control Act, and that a categorical exclusion, such projects pose no significant effect on the human or natural environment, and which this Court finds to have no such adverse impact, and therefore do not require an environmental impact assessment of the projects contemplated in this grant, in that no federal funds are being used by the County in meeting the grant requirements. The County shall comply with applicable state environmental standards, as applicable, such as 30 TAC § 111.146, and as such, this finding further authorizes the County Representative to make certifications regarding compliance with environmental requirements of the Grant, which is expressly approved by this Commissioners Court.

IT IS THE FURTHER FINDING OF THIS COMMISSIONERS COURT that as a public roadway, open to all residents for use as a public road designed for vehicular traffic, as defined

by statute and other applicable law, that the road projects subject to this grant are in full compliance with the Texas Accessibility Standards and the Americans with Disabilities access standards, as the same may apply, and the County representative is hereby expressly authorized to certify to such.

Finally, **IT IS THE FURTHER FINDING OF THIS COMMISSIONERS COURT** that where necessary, any materials required for the completion of this project shall be solicited by a standard that is known to be suitable for use in road construction and repair projects, and the County will require such testing as may be deemed appropriate to determine that such materials meet any applicable standards, either by specification or by direct inquire with the provider or vendor of such materials. The County Representative is hereby expressly authorized to certify to such.

Read and Adopted this the _____ day of _____, 2014, by a vote of _____ ayes and _____ nays.

Jacques L. Blanchette, Tyler County Judge

Martin Nash, Commissioner Precinct #1

Rusty Hughes, Commissioner Precinct #2

Mike Marshall, Commissioner Precinct #3

Jack Walston, Commissioner Precinct #4

ATTEST:

Donece Gregory, County Clerk

ATTACHMENT B

Amount of Grant Award and Funding Commitments

County of:	Tyler
Amount of Grant Funds Awarded by State:	<u>\$ 463,521</u>
Minimum amount of County Matching Funds*:	<u>\$ 51,502</u>

* The State Share will be 90% for counties determined to be "economically disadvantaged" by Transportation Code 222.053. These counties will have a minimum of 10% county matching funds. The State Share will be 80% for counties not determined to be "economically disadvantaged" by Transportation Code 222.053. These counties will have a minimum of 20% matching funds.

County Name Tyler County

Project Name _____

CERTIFICATION
County Transportation Infrastructure Fund Grant Program

Environmental Permitting and Regulatory Issues

By submitting this form, signed and dated by an authorized representative of the County, the County certifies to TxDOT the following:

The County certifies that the Project consists of improving an existing county road that is part of the county road system and that has previously been maintained by the County. The improvements listed in the Project may include the resurfacing and repairing of the existing county road. The County is unaware of any applicable federal, state, and local environmental laws and regulations that would require permitting for the Project. Further, the County has no requirement for coordination and environmental clearance for the Project. The County has not identified any environmental problems associated with the Project that require costs for mitigation and/or remediation. Finally, the County is not required to provide any public meetings or public hearings for assessing and mitigating environmental issues for the Project.

County Authorized Representative Signature _____

Date _____

County Authorized Representative Name _____

Title _____

PERMIT TO USE TYLER COUNTY ROAD RIGHTS-OF-WAY
FOR CONSTRUCTION OF GAS PIPELINE

Fort Apache, whose principal address is 161 Ranch Dr. Boeris, Tx.
hereinafter referred to as Fort Apache does hereby apply for a permit to utilize the
rights of way of Tyler County Road No. 4500 as hereinafter provided:

I.

Fort Apache is the gatherer, transporter and purchaser of certain quantities of
natural gas to be produced by Fort Apache from the Rice #1 well,
situated in the C.E. Stewart survey, Abstract No. 1629, Tyler County, Texas.

II.

Fort Apache will construct, operate and maintain a pipeline, not greater than
2 inches in diameter, to cause the gas produced from the Rice #1 well, located
in the C.E. Stewart Survey, Abstract No. 1629 to be delivered to an existing pipeline
in the _____ Survey, Abstract No. _____, Tyler County, Texas. Said pipeline
will cross CR 4500 approximately 1 miles North of CR 4052 and 2-4
miles South of CR 1013
Pm

III.

Fort Apache will construct, operate and maintain the gathering line in a good
and workmanlike manner, in compliance with the highest standards of pipeline
construction and in accordance with all applicable laws and regulations.

IV.

Fort Apache will construct pipeline across county rights-of-way CR 4500 and
as nearly as practicable across to a depth so as not to interfere with the continued
maintenance of CR 4500, which depth is a minimum to be six (6) feet below the county
road surface. Fort Apache will restore the surface to the same condition, or better
as it was prior to Fort Apache construction of the gathering line.

V.

Fort Apache understands and agrees that its use of the rights of way of
CR 4500 shall be limited exclusively to the purpose designated herein and should Tyler
County reasonable determine that the pipeline needs to be moved or presents an undue
threat to the public safety, Fort Apache will remove and relocate the gathering line at
its sole cost and expense upon thirty (30) days written notification by Tyler County.

VI.

Fort Apache and its successors and designees hereby indemnify and agree to hold Tyler County, its officials and affiliated agencies harmless from any and all claims of personal injury (including death), damage to equipment, supplies or personal property or any other claims which may arise by virtue of Fort Apache use of the rights-of-way for the construction, operation and maintenance of the gathering line by Fort Apache. FORT Apache shall provide Tyler County with a certificate of liability insurance in the amount of \$1,000,000.00 showing Tyler County as an additional named insured under the policy at least seven (7) days before construction begins, and such policy is to remain in force while said pipeline is in use.

VII.

Tyler County makes no warranty of title or representation of right of use. Any suit filed by any adjacent land owner shall be defended by Fort Apache and Tyler County shall not be liable or responsible for defending any suit or title to such easement or right of way.

VIII.

Fort Apache shall provide and post gas line marking and/or signs on CR 4500 and will maintain the up keep of such signs.

IX.

Fort Apache is required to pay a \$1000.00 Administration Fee to Tyler County Commissioners' Precinct where line will be located. Payment is due prior to time of approval by Tyler County Commissioner' Court. Payment may be made payable by check, cashier check, or money order.

By execution here of in the spaces provided below, Fort Apache does hereby apply for a permit as hereinafter provided, and Tyler County does hereby grant a permit to Fort Apache under the premises and under the conditions as hereinabove provided to be effective as of the date of the signature on behalf of Tyler County.

Dated this _____ day of _____, 20__

(name of pipeline)

By: _____ (executor/president)

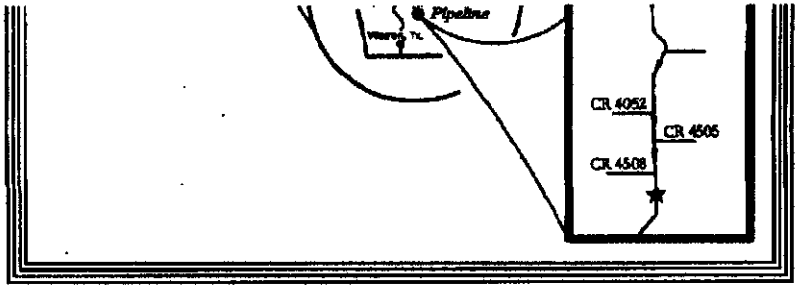
PERMIT GRANTED ON BEHALF OF TYLER COUNTY, TEXAS

By: HONORABLE TYLER COUNTY JUDGE

By: Jacques L. Blanchette (name) JACQUES L. BLANCHETTE

Title: COUNTY JUDGE Date: 4/23/14

G&BN CO, Section No. 8
 A - 334
 Tyler County, Texas



Vyonda J. White
 Property Owner

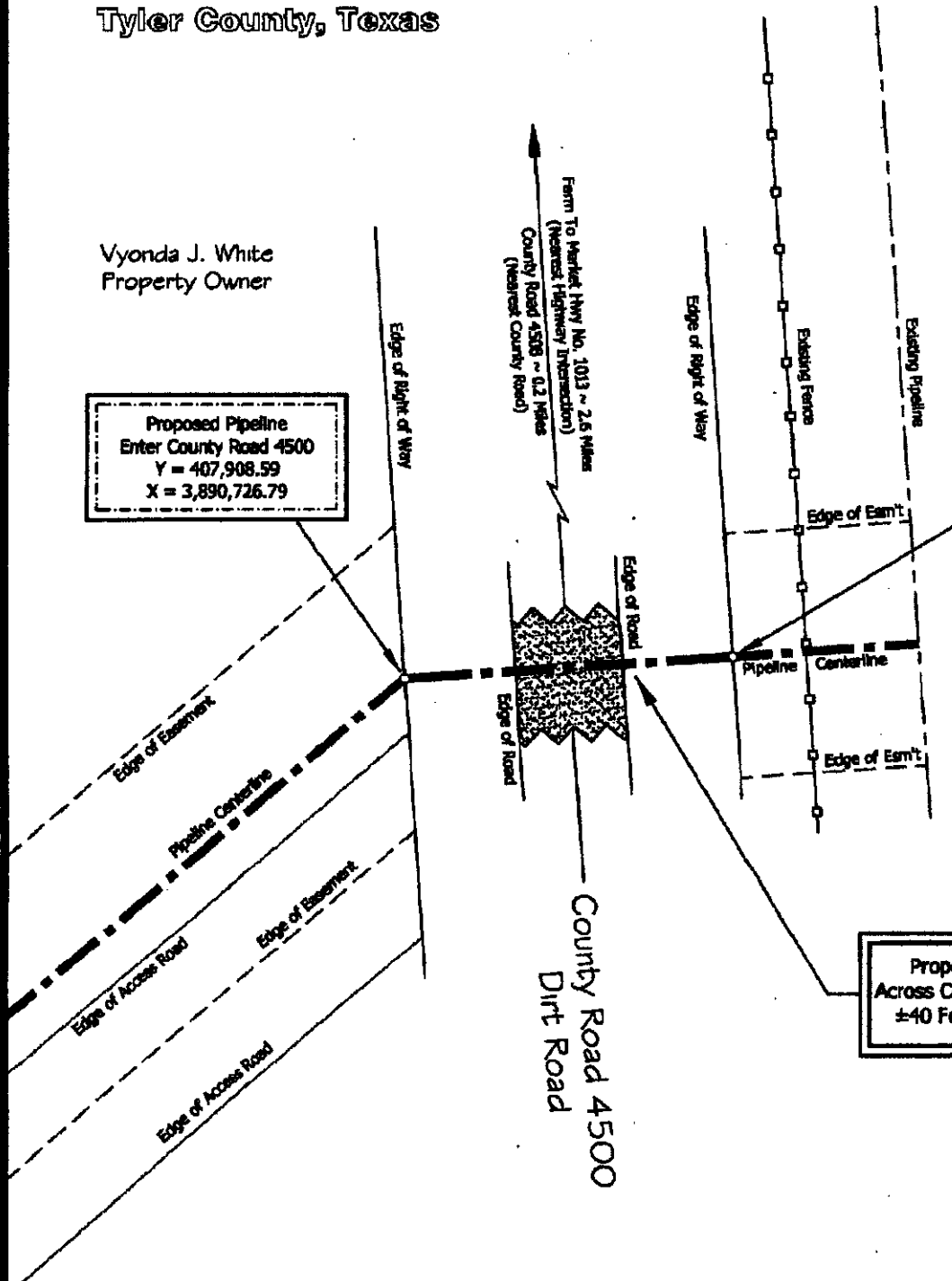
George J. Huckins Trust
 Property Owner

Proposed Pipeline
 Enter County Road 4500
 Y = 407,908.59
 X = 3,890,726.79

Proposed Pipeline
 Exit County Road 4500
 Y = 407,911.23
 X = 3,890,766.61

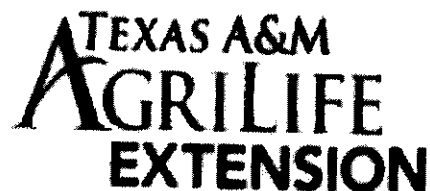
Proposed Pipeline
 Across County Road 4500
 ±40 Feet or ±2 Rods

Farm To Market HWY No. 1013 ~ 2.6 Miles
 (Nearest Highway Intersection)
 County Road 4508 ~ 0.2 Miles
 (Nearest County Road)



NOTE:
 All Coordinates and Bearings are based on the Texas State Plane
 Coordinate System, Central Zone, 4203 and are in NAD 27 Datum.

TYLER COUNTY EXTENSION OFFICE



April 16, 2014

To: Judge Blanchette and Commissioners Court
100 West Bluff, Rm 102
Woodville, Texas 75979

Judge Blanchette and Commissioners Court,

I am writing to notify you that I am resigning from my position as County Extension Agent-Ag/Natural Resources. My last day of employment here in Tyler County will be May 2, 2014.

I appreciate the opportunities I have been given during my time here in Tyler County and have had the pleasure of working with some great people, and have enjoyed the court's support.

I wish you and the citizens of Tyler County the best of success in the future.

If I can be of assistance to you in any way in the future, please do not hesitate to call.

Sincerely,

A handwritten signature in cursive script that reads "Doug Weir".

Doug Weir
CEA-Ag/NR

Tyler County Extension Office
201 Veterans Way, Suite 102 | Woodville, Texas 75979
Tel. 409.283.8284 | Fax. 409.331.0015 | Tyler.agrilife.org



TYLER COUNTY COMMISSIONERS COURT

County Courthouse, Room 101 / Woodville, Texas

Wednesday,
April 23, 2014
9:00 a.m.

MARTIN NASH
Commissioner, Pct. 1

RUSTY HUGHES
Commissioner, Pct. 2

JACQUES L. BLANCHETTE
County Judge

MIKE MARSHALL
Commissioner, Pct. 3

JACK WALSTON
Commissioner, Pct. 4

NOTICE Is hereby given that a *Special Meeting* of the Tyler County Commissioners Court will be held on the date stated above, at which time the following subjects will be discussed;

Agenda

"The longest journey begins with the first step" Unknown

> CALL TO ORDER - J. Blanchette

- Establish quorum

I. CONSIDER/APPROVE

A. **Granting Abatement** to Sawmill being constructed on German Pellet property - M. Nash -
 cannot, motion to take 1st JW - MN. makes motion, have a summary
 application

B. **Resolution** in Support of a Constitutional Amendment for Increased State Funding for
 Transportation - J. Blanchette - Cuts Grant - J. Blanchette on Ballot on the floor.
 J. Nichols request for support from County, all agree to table.
 to put on Resolution on Ballot before voters June. JW makes motion to approve

C. **Representative** for County Transportation Infrastructure Fund Grant Program Agreement - M. Nash
 JB., M.N. speaks to agree to put a discussion in matter.
 someone to sign upon. Motion to approve MM 1st motion + JW 2nd motion

D. **Resolution and Order** approving the County Transportation Infrastructure Fund Grant
 Program Agreement, Designating Authorized Representative, and Making Specific Findings
 Required by the Texas Department of Transportation - M. Nash - all discussing in matter of
 JW JS. M. Nash - motion to approve MN. makes motion to approve all T's
 (Bet @ Jack on funding) closed. JW - 2nd motion carries

E. **Utility Permit** from Fort Apache Energy, Inc. for construction of Pipeline Right of Way on
 CR 4500 - M. Nash - motion to approve crossing upon receipt of fees -
 will be contingent. motion by M. Nash, JW - second motion. all T's
 motions carries.

F. **Accepting the resignation** of Doug Weir, County Extension Agent-Ag/Natural Resources - (J. Blanchette)
 turned a resignation to move closer to home, wants to personal matters.

(DAN Hunt dismissed for
 District Court
 calling.)

JB motion acceptance
 MN. 2nd motion all
 motion carries T's

II. EXECUTIVE SESSION

Consult with District Attorney and/or his legal staff in executive session held in accordance with Texas Government Codes 555.071(1)(A), (2) regarding pending and/or contemplated litigation, and/or 551.074, regarding personnel matters, and/or property acquisition.

➤ **ADJOURN**

I do hereby certify that the above Notice of Meeting of the Tyler County Commissioners Court is a true and correct copy of said Notice and that I posted a true and correct copy of said Notice at the Tyler County Courthouse in a place readily accessible to the general public at all times and that said Notice remained so posted continuously for at least 72 hours preceding the scheduled time of said meeting, as is required by Section 551.002 & 551.041.

Executed on April 23 2014 Time 9:00A -

Donece Gregory, County Clerk/Ex Officio Member of Commissioners Court

By: Katrina Walsh (Deputy)

meeting to adjourn.



TYLER COUNTY COMMISSIONERS COURT

County Courthouse, Room 101 / Woodville, Texas

Wednesday,
April 23, 2014
9:00 a.m.

MARTIN NASH
Commissioner, Pct. 1

RUSTY HUGHES
Commissioner, Pct. 2

JACQUES L. BLANCHETTE
County Judge

MIKE MARSHALL
Commissioner, Pct. 3

JACK WALSTON
Commissioner, Pct. 4

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Agenda

"The longest journey begins with the first step" Unknown

➤ CALL TO ORDER

- Establish quorum

I. CONSIDER/APPROVE

- A. Granting Abatement** to Sawmill being constructed on German Pellet property – *M. Nash*
- B. Resolution** in Support of a Constitutional Amendment for Increased State Funding for Transportation – *J. Blanchette*
- C. Representative** for County Transportation Infrastructure Fund Grant Program Agreement – *M. Nash*
- D. Resolution and Order** approving the County Transportation Infrastructure Fund Grant Program Agreement, Designating Authorized Representative, and Making Specific Findings Required by the Texas Department of Transportation – *M. Nash*
- E. Utility Permit** from Fort Apache Energy, Inc. for construction of Pipeline Right of Way on CR 4500 – *M. Nash*
- F. Accepting the resignation** of Doug Weir, County Extension Agent-Ag/Natural Resources – *J. Blanchette*

II. EXECUTIVE SESSION

Consult with District Attorney and/or his legal staff in executive session held in accordance with Texas Government Codes 555.071(1)(A), (2) regarding pending and/or contemplated litigation, and/or 551.074, regarding personnel matters, and/or property acquisition.

➤ ADJOURN

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Executed on April 17 2014 Time 11:00 AM

Donece Gregory, County Clerk/Ex Officio Member of Commissioners Court

By: James Brown (Deputy)