

STATE OF TEXAS

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COUNTY OF MCCULLOCH

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**AN ORDER ADOPTING GUIDELINES AND CRITERIA OF THE MCCULLOCH
COUNTY COMMISSIONERS COURT FOR GRANTING TAX ABATEMENT AS A
BUSINESS INCENTIVE IN REINVESTMENT ZONES
CREATED IN MCCULLOCH COUNTY**

(For the period August 3, 2015 through August 3, 2017)

WHEREAS, the Commissioners Court of McCulloch County, Texas by a Commissioners Court Order adopted on August 3, 2015 declared its eligibility to grant tax abatement; and

WHEREAS, as a direct result of being eligible to grant tax abatement, McCulloch County and other taxing jurisdictions in McCulloch County will be able to compete for projects that would bring additional economic development and new tax base into the County; and

WHEREAS, pursuant to the PROPERTY REDEVELOPMENT AND TAX ABATEMENT ACT, TEX. TAX CODE Chapter 312, it is necessary to adopt Guidelines and Criteria for granting tax abatement agreements as a business incentive for the next two year period commencing August 3, 2015 through August 3, 2017, inclusive, said Guidelines and Criteria to be unchanged for the two year period, unless amended by three-quarters vote; and

WHEREAS, nothing herein shall imply or suggest that the County is under any obligation to provide any tax abatement, or provide any length, level or value of tax abatement to any applicant;

NOW, THEREFORE, BE IT ORDERED BY MCCULLOCH COUNTY COMMISSIONERS COURT:

that McCulloch County hereby adopts the following Guidelines and Criteria for granting tax abatement as a business incentive in reinvestment zones created within McCulloch County, Texas for the period August 3, 2015 through August 3, 2017, inclusive.

McCulloch County-Guidelines and Criteria

SECTION 1
DEFINITIONS

- (a) "ABATEMENT" means the exemption from ad valorem taxation of a portion or all of the eligible value of the real property or of tangible personal property located on the real property, or both, as limited by these Guidelines and Criteria and the provisions of TEX. TAX CODE §312.402.
- (b) "AGREEMENT" means a written contractual agreement between a property owner and/or lessee and an eligible taxing jurisdiction for the purposes of a business incentive.
- (c) "APPLICANT" means the legal entity seeking tax abatement as a business incentive.
- (d) "APPRAISED VALUE" means the last certified property value as approved by the McCulloch County Appraisal Review Board.
- (e) "BASE YEAR VALUE" means the appraised value of all property owned by the TAXPAYER/applicant in the reinvestment zone as most recently determined by the McCulloch County Appraisal District immediately preceding the application, plus the agreed upon value of all property improvements made in the reinvestment zone since the last appraisal, but before the execution of the agreement.
- (f) "MCCULLOCH COUNTY" AND "COUNTY" means McCulloch County, Texas a political subdivision of the State of Texas.
- (g) "COMMISSIONERS COURT" means the Commissioners Court of McCulloch County, Texas, the governing body of McCulloch County.
- (h) "BUSINESS INCENTIVE" means an item offered of value to a business that induces the business to locate in a particular jurisdiction.
- (i) "COMMENCEMENT OF CONSTRUCTION" means the placement or construction of any improvements that are part of the project in a reinvestment zone. The storage of building materials in the reinvestment zone that are to be used in construction of the improvements does not constitute commencement of construction. Engineering, site preparation and similar activity shall not be considered commencement of

construction so long as permanent improvements that are part of the project have not been constructed and placed in the reinvestment zone.

- (j) "DESIGNATING AUTHORITY" means the taxing unit that has the authority to designate the reinvestment zone in which the proposed project is located.
- (k) "DESIGNEE" unless otherwise indicated, means any person or entity authorized by the Commissioners Court to act as the County's designee.
- (l) "ECONOMIC LIFE" means the number of years a property improvement is expected to be in service in a facility, and will continue to have value for ad valorem tax purposes throughout such term.
- (m) "ELIGIBLE JURISDICTION" includes any political subdivision that levies ad valorem taxes upon property located within the proposed or existing reinvestment zone.
- (n) "EXPANSION" means the addition of building, structures, fixed machinery or equipment for purposes of increasing production capacity.
- (o) "FACILITY" means property improvements proposed, completed, or in the process of construction which together comprise an integral whole.
- (p) "MATERIAL MISREPRESENTATION" means a false statement about a material matter which induced the Commissioners Court to take any specific action on an application for tax abatement as a business incentive, and without such misrepresentation, the Commissioners Court would either not have designated a reinvestment zone, or granted tax abatement as a business incentive or would have taken some action different than it actually did.
- (q) "MODERNIZATION" means the replacement or upgrading of existing facilities which increases the productivity 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.

- (r) "PROJECT" is a reference to the entire proposal of work and improvements to be accomplished in the reinvestment zone as described in the application and tax abatement as a business incentive agreement.
- (s) "REINVESTMENT ZONE " means any area of either McCulloch County which has been designated by the Commissioners Court as a reinvestment zone for tax abatement as a business incentive and which is not within the taxing jurisdiction of any incorporated municipality.
- (t) "RELATED ENTITY" means an entity that has (i) significant common purposes and substantial common membership with the TAXPAYER or is directly or indirectly under the direction or control of the TAXPAYER. In addition, an entity is a Related Entity if it or the TAXPAYER owns (directly or through one or more entities) a 50 percent or greater interest in the capital or profits of the other.
- (u) "RENOVATION" is a repair or improvement of an existing facility or structure.
- (v) "REPAIR" means any improvement or betterment of an existing facility or structure.
- (w) "REPLACEMENT" means the substitution of something new or different for an existing facility or structure, or portion thereof, when the replacement facility or structure is to be used for the same general purpose as the old facility or structure that is being replaced.
- (x) "SUBSTANTIAL COMPLIANCE" means that any estimate or prediction that comes within seventy-five percent (75%) of a stated amount shall be construed as compliance, but only when estimates are expressly authorized. Unless expressly authorized, strict compliance with a statement or representation shall be required.
- (y) "TAXPAYER" means the legal entity that seeks, or who has been approved for tax abatement as a business incentive. It also is a reference to the owner of the property constituting the reinvestment zone and the improvements and tangible personal property to be located therein.

SECTION 2

REINVESTMENT ZONE DESIGNATION

- (a) A reinvestment zone may only be designated in accordance with the TEXAS TAX CODE.
- (b) A reinvestment zone may only be designated by the Commissioners Court in an area of the County that does not include an area within the taxing jurisdiction of a municipality.
- (c) An area may be designated as a reinvestment zone if the Commissioners Court, after a public hearing on the proposed designation, finds that the designation would attract major investment into the reinvestment zone that would be a benefit to the property to be included in the reinvestment zone and would contribute to the economic development of the County.
- (d) A public hearing on a proposed reinvestment zone designation must be held prior to the findings and action of the Commissioners Court on the proposal. The public hearing shall be conducted in accordance with all applicable provisions of the Code. Notice of the hearing shall be given in accordance with the Code. The public hearing must also be posted as an agenda item in accordance with Chapter 551 of the Texas Government Code (the "Texas Open Meetings Act").
- (e) Property may be located both in a reinvestment zone designated by the County and in a reinvestment zone designated by a municipality.
- (f) If the Commissioners Court finds that designation of an area as a reinvestment zone is proper, such proposed designation shall be put to a vote of the Commissioners Court, and will pass if a majority of the members of the Commissioners Court in attendance vote to approve the designation. The order of the Commissioners Court designating the area as a reinvestment zone shall contain a sufficient description of the boundaries of the reinvestment Zone.
- (g) The designation of a reinvestment zone shall be for a period of five (5) years. No designation of a reinvestment zone shall exceed five (5) years, and a designation of a reinvestment zone shall automatically expire five (5) years after the date of

designation unless renewed by the Commissioners Court for one or more subsequent periods not to exceed five (5) years each. The expiration of a designation of a reinvestment zone does not affect any existing tax abatement agreement relating to property in such reinvestment zone.

- (h) Tax abatement agreements entered into by the County shall be in compliance with all applicable requirements set forth in the Code.

SECTION 3

ELIGIBILITY CRITERIA GENERALLY

- (a) General Eligibility Subject to the limitations and exceptions contained in these Guidelines and Criteria, TEX. TAX CODE. §312.402 shall govern to what extent real property and tangible personal property located in a reinvestment zone are eligible for tax abatement as a business incentives.
- (b) Property Value Eligible for Abatement Subject to the limitations and other eligibility requirements contained in these guidelines, McCulloch County may abate the value of tangible personal property located on the real property in the reinvestment zone in each year covered by the agreement, other than tangible personal property that was located on the real property at any time before the period covered by the agreement. The value of real property to the extent its value for each year during the agreement exceeds its value for the year in which the agreement was executed is eligible for abatement.
- (c) New and Existing Facilities A business incentive may be granted for both eligible new facilities and structures, as well as for expansion or modernization of existing facilities and structures.
- (d) Eligible Property to be Described The application for tax abatement as a business incentive or any other business incentive and any agreement must describe the project and improvements with such detail and certainty as required by the Commissioners Court in order to identify the property that is declared to be eligible for business incentives. Any property, even though otherwise eligible for business incentives, that is not sufficiently

described in the application, as determined by the Commissioners Court, or its designee, shall not be eligible for business incentives under such agreement.

SECTION 4

ELIGIBILITY CRITERIA AND TERMS FOR FACILITIES/INDUSTRY

- (a) **Economic Qualifications.** In addition to satisfying the other eligibility criteria, to be eligible for designation of a reinvestment zone and to receive tax abatement, the proposed project must be reasonably shown to have an estimated cost upon completion of at least twenty million dollars (\$20,000,000.00).
- (b) **Eligibility.** The Commissioners Court shall determine eligibility for abatement on a case-by-case basis.
- (c) **Rate and Duration of Tax Abatement.** When a determination has been made to offer tax abatement, the County will determine the percent of value abated and the length of abatement on a case-by-case basis.
- (d) **Effective Date.**
 - (1) The effective date of the agreement shall be the date that the MCCULLOCH COUNTY executes the agreement.
 - (2) Abatement applies to all eligible improvements placed in the reinvestment zone after the MCCULLOCH COUNTY and TAXPAYER execute their agreement. Taxes will be abated on eligible property for the number of years approved by the MCCULLOCH COUNTY, commencing January 1 immediately following the effective date of the agreement. Property otherwise eligible for abatement under the agreement shall be eligible for abatement only if the property is placed or constructed in the reinvestment zone after the effective date of the agreement, but on or before December 31 immediately preceding the beginning of the last full tax year that taxes are to be abated.
- (e) **Taxability.** From the execution of the agreement to the end of the agreement period taxes shall be payable as follows:

- (1) the value of ineligible property as provided in Section 3 shall be fully taxable.
 - (2) the base year value of existing eligible property as determined each year shall be fully taxable; and
 - (3) the unabated value of eligible property shall be taxable.
- (f) **Limitations.** If, during the term of the business incentive period the TAXPAYER should close, cease production, or demolish any or all of a facility that was in existence on the effective date of the business incentives agreement, or take any other similar action that would have the effect of reducing or deleting the value of the facility, or portion thereof from the tax rolls that was in existence on the effective date of the business incentives agreement regardless of the reason, then the eligible value for abatement allowed in the business incentives agreement shall be reduced by the amount of existing property value owned by the TAXPAYER that is reduced or deleted from the tax roll. Depreciation, agreed to by the Chief Appraiser, or Appraisal Review Board, shall not be construed as a reduction or deletion of value for purposes of this limitation.

SECTION 5

APPLICATION

- (a) **Filing.** Any property owner of taxable property in the McCulloch County located in a designated or proposed reinvestment zone may request tax abatement as a business incentive by filing a written application with the Commissioners Court, or its designee.
- (b) **Contents.** The application shall include all information contemplated by these Guidelines and Criteria in order for the Commissioners Court to evaluate the applicant's eligibility and to determine whether to grant any business incentives. The application shall be submitted on a form provided by the McCulloch County, or alternatively, if unavailable, the contents of the application shall be in order of this subsection and respond to each element of this subsection, and shall contain such other information as required by McCulloch County, or its representative. Specifically, the application shall include the following:

- (1) A list of the kind, number and location of all proposed improvements of the property, including a general written description of the general nature and extent of modernization, expansion or new improvements to be undertaken.
- (2) A statement of the current and proposed uses of the property showing that planned usage is consistent with the general purpose of encouraging development or redevelopment of the reinvestment zone during the period that the property tax exemptions are in effect.
- (3) A map showing locations of existing and proposed improvements. The map should also show general uses and conditions of the real property in the reinvestment zone.
- (4) A legal description of the property.
- (5) An estimate of the project cost and new value that will result from the modernization, expansion or new improvements to be undertaken. A statement of the base year value separately stated for land and existing improvements located in the reinvestment zone, plus any improvements or changes in value in the reinvestment zone after the last appraisal and prior to the application. In any case where the value of an existing facility will be deleted or diminished as a result of the project, the application must contain verification from the Chief Appraiser of the last appraised value of any portion or all of a facility whose value will be reduced or removed from the tax rolls.
- (6) An estimate of the number of jobs that will be created or retained by the modernization, expansion or new improvements.
- (7) Estimated date of start of construction, length of construction, estimated value of new improvements to be completed during each year of construction and estimated date of completion.
- (8) An estimate of what the property value subject to abatement will be on January 1 immediately following the end of the abatement period.

- (9) In the case of applicants unknown to the Commissioners Court, a financial statement of the individual or corporation filing the application, complete with letters of credit and other documents which the Commissioners Court may request in order that the Commissioners Court can appropriately evaluate the financial capacity and other factors of the applicant.
- (10) The TAXPAYER shall make the following assurances in the application:
- a) That all the information contained in the application is true and correct.
 - b) That the person signing the application on behalf of the TAXPAYER has unrestricted authority to execute the application and the contract documents on behalf of the TAXPAYER, and has the unrestricted authority to obligate the TAXPAYER to all the terms, covenants and conditions that will be contained in the agreement.
 - c) That construction will not commence on any of the eligible improvements until an agreement has been executed with the designating authority, whether the designating authority is the County, or a municipality.
 - d) That the project will not be constructed without first obtaining all necessary local, state and federal environmental and construction permits, and that the TAXPAYER will abide by all conditions of the permits, laws and ordinances, rules and regulations governing the operation of the project throughout its economic life.
 - e) That the TAXPAYER will abide by all conditions of the agreement and the Guidelines and Criteria adopted by the Commissioners Court applicable to the agreement.
 - f) That the planned use of the property will not constitute a hazard to public health or safety throughout the economic life of the project.
 - g) That the applicant will make the specific improvements to the property as described in its application.

- h) That although estimates of the cost of the project and the number of jobs retained or created as a result of the project that are within seventy-five percent (75%) of actual cost and/or number of jobs may be construed to be substantial compliance, the actual total cost of the project and actual number of jobs retained or created shall not be less than the minimum amounts required in McCulloch County's Guidelines required to qualify for tax abatement as a business incentive.
- i) The applicant will identify the type of legal entity making the application, such as corporation, partnership, etc. If a corporation, the statement should include the home state of incorporation, the name and address of the registered agent for service in Texas, and a commitment to notify the McCulloch County within sixty days of any change of the registered agent or status of the corporation. Similar information will be required of a general or limited Partnership or other legal entity.
- j) The application shall contain the name, title and address of the TAXPAYER's local and corporate representatives for the purposes of giving notice.
- k) In its application, the applicant shall include a statement that it waives all rights of confidentiality with regard to the contents of its application for tax abatement as a business incentive otherwise granted under TEX. TAX CODE §312.003.
- l) The applicant shall agree to reimburse McCulloch County for all legal fees and any other expenses that McCulloch County incurs in establishing eligibility for granting business incentives and for reviewing, processing and acting on its application. Further, applicant shall agree to pay for the costs of an economic impact assessment, if McCulloch County requires one in connection with its application for

business incentives. In the event McCulloch County determines an economic impact assessment is required, the TAXPAYER shall be given notice and the opportunity to withdraw its application prior to commencement of the economic impact assessment, if applicant is unwilling to pay the total cost of the economic impact assessment. In its application, the TAXPAYER shall agree to pay for all fees and expenses incurred by McCulloch County in establishing eligibility to grant business incentives and processing the application, even though the Commissioners Court ultimately denies the application.

m) Any other information that the Commissioners Court or Applicant may deem appropriate to assist the Commissioners Court in determining whether to enter into a business incentives agreement with the Applicant.

(11) If a variance from any provision in these Guidelines and Criteria is requested, a statement describing the variance, and a detailed statement supporting the Applicant's reasons for the requested variance must be included.

(c) **Completed Application.** Upon receipt of a completed application, the Commissioners Court shall mail written notice to the presiding officer of the governing body of each taxing unit that includes in its boundaries real property that is included in the application. Such notice shall be mailed at least seven (7) days before the Commissioners Court takes any action on the application. The notice shall include a copy of the proposed agreement.

(d) **Economic impact assessment.** After receipt of an application for business incentives, the Commissioners Court may cause to have prepared an economic impact assessment setting forth the impact of the proposed agreement. The study shall include, but not necessarily be limited to, an assessment of the economic effects of the abatement of taxes. McCulloch County shall give at least ten (10) days written notice to the Applicant of its intent to conduct an economic impact assessment, which notice shall include a description of the scope of the study. If the Applicant is unwilling to pay for the

economic impact assessment, it may give notice to McCulloch County within seven (7) calendar days from the date it received notice of the proposed economic impact assessment that the Applicant is withdrawing its application. The economic impact assessment may include any other issue that the Commissioners Court determines to be appropriate in considering the application, including, without limitation by enumeration, environmental issues, short term/long term effect on issues of adequacy of existing physical plants, need to increase number of employees in the County, and the impact on the County of any resulting increased costs as a result of the project and the County's ability to pay such costs during the abatement period.

(e) **Environmental impact assessment.** After receipt of an application for business incentives, the Commissioners Court may cause to have prepared a comprehensive environmental impact statement setting forth the environmental impact of the proposed activity. After receiving and reviewing applicant's environmental impact statement, the Commissioners Court may request additional assessments or studies as necessary based on the environmental impact statement.

SECTION 6

AGREEMENTS

(a) **Order of Commissioners Court.** After approval, the Commissioners Court shall formally pass an Order approving the tax abatement and execute an agreement with the owner of the facility as required, which shall include those matters contained in TEXAS TAX CODE §312.402 and any other terms and conditions in the best interests of McCulloch County.

(b) **Execution/Effective Date.** After making the necessary findings, McCulloch County may, in its discretion, approve and execute the agreement. The effective date of the agreement shall be the date that the originating City or County's designated representative or official executes the agreement.

SECTION 7

RECAPTURE

(a) **Conditions of Default; Cure and Termination.** Should the Commissioners Court determine that the TAXPAYER is in default according to the terms and conditions of its agreement, the Commissioners Court shall notify the TAXPAYER in writing at the address stated in the agreement, and if such default is not cured within sixty (60) days from the date of such notice ("Cure Period"), then the agreement may be terminated by the Commissioners Court. Provided, that upon proof of a curative effort commencing within sixty (60) days, if construction is required, the Commissioners Court may extend the time to complete the curative work, based upon reasonable construction requirements.

(b) **Elements of Default.** The following shall be considered elements of default, in the event that the TAXPAYER:

- (1) Allows its ad valorem taxes owed to McCulloch County to become delinquent without timely and proper protest and/or contest; or
- (2) Violates any of the terms and conditions of the abatement agreement, or any prior or subsequent agreement with McCulloch County, or any other taxing jurisdiction that has granted an agreement to the TAXPAYER for any project that the Commissioners Court has also granted business incentives; or
- (3) Discontinues producing product or service at the improvements subject to abatement and described in the application, for any reason excepting fire, explosion or other casualty or accident or natural disaster for a period of one year during the abatement period after the facility is completed and begins producing product or service.
- (4) Violates any written term, covenant, condition, agreement, or promise of a gift or donation made by the TAXPAYER to McCulloch County, although such may be extraneous to the agreement, and even though same might be otherwise legally unenforceable; or
- (5) Makes any material misrepresentations, either in the application or agreement.

(c) **Termination.** If, after written notice, the TAXPAYER fails to cure within the prescribed period any specified default, such failure shall be grounds for termination for cause. Termination of the agreement for cause shall be retroactive to the beginning of the agreement. Termination shall be effected by an Order of the Commissioners Court and written notice mailed to the TAXPAYER.

(d) **Non Waiver.** In the event the Commissioners Court fails to act on or enforce any element or breach that is identified as a default, such failure to act shall not be a waiver of McCulloch County's right to subsequently enforce the same default or any other prior or subsequent default.

(e) **Recapture.** On termination for cause, the TAXPAYER shall then become liable for the payment of all taxes that would have otherwise become due but for the abatement agreement for all calendar years during which the abatement agreement was in effect. Said taxes shall be paid to the County Tax Office for the credit of McCulloch County within sixty (60) days from the date of receipt of notice of termination. All such taxes due shall include statutory penalty and interest from the date they would otherwise have become delinquent but for the agreement, until the date they are actually paid.

SECTION 8

ADMINISTRATION

(a) **Duties of Chief Appraiser.** The Chief Appraiser of McCulloch County shall, as a normal consequence of his duties, annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, on or before April 1, the TAXPAYER receiving abatement shall furnish the Chief Appraiser with such information as may be reasonably requested. Once value has been established, the Chief Appraiser shall notify the affected taxing jurisdictions, which have granted tax abatement as a business incentive in the reinvestment zone, of the amount of the appraisal.

(b) **Compliance Inspections.** All compliance inspections will be made only after giving twenty-four (24) hours' notice and will only be conducted in such manner as not to 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) **Annual Evaluations** Upon completion of construction, the Commissioners Court, or their designees, shall annually evaluate each facility receiving abatement to ensure compliance with the agreement.

(d) **Notice Requirements.** Any notice required to be given to McCulloch County hereunder shall be in writing, and mailed or personally delivered to the McCulloch County Judge. Notices to the TAXPAYER shall be in writing, and addressed to its designated representative at the address provided in its application or the agreement.

SECTION 9

MISCELLANEOUS

(a) **Variance.** An application for a variance from the provisions of these Guidelines and Criteria may be made in written form to the Commissioners Court. The total duration of abatement shall in no instance exceed ten (10) consecutive tax years commencing January 1 following the effective date of the agreement, including any extension. Such request shall include a complete description of the circumstances explaining why the applicant should be granted such variance. Approval of a request for variance requires at least a three-fourths (3/4) vote of the Commissioners Court.

(b) **Assignments.** An abatement agreement may be transferred and assigned by the holder to a new owner or lessee of the same facility without the consent of County, upon twenty (20) days written notice to the County prior to such assignment, so long as each such assignee either has a net worth at least of fifty million dollars (\$50,000,000.00) or is a Related Entity. Otherwise, any such assignment shall be subject to obtaining written approval by resolution of the Commissioners Court. Approval shall be conditioned upon the assignee providing whatever proof the Commissioners Court may require to show the assignee's financial capability to carry out all the terms and conditions of the agreement. McCulloch County reserves the right to require such additional information as it may deem appropriate to determine not only the assignee's net worth and its

financial capability to carry out the terms and conditions of the agreement, but also its experience and historical record to determine that it is in fact capable of operating the project subject to the abatement in such a manner that it can reasonably be expected to strictly comply with every term, covenant, condition and assurance contained in the agreement. Further, the assignee shall agree in writing by amendment to the original agreement that it shall be bound by all the terms, covenants and conditions contained in the original agreement. No assignment or transfer shall be approved if the parties to the existing agreement, the new owner or new lessee are liable to McCulloch County or any other taxing unit affected by the agreement for delinquent taxes, or otherwise in default of any of the terms, covenants or conditions contained in the agreement. Subject to the foregoing conditions, the Commissioners Court shall not unreasonably withhold approval of any proposed assignment. Any approval of assignment of the agreement shall not release any previous TAXPAYER who has been a party to the agreement from its obligations under the agreement.

(c) **Collateral Assignment.** TAXPAYER may, without the consent of County, assign this Agreement to a financing party for collateral security purposes in connection with any financing or refinancing of the Project. In connection therewith, County agrees to execute a written consent to such collateral assignment in a form acceptable to County should the financing party reasonably request such an assignment.

(d) **Application for Exemption.** It shall be the responsibility of the TAXPAYER to perfect any right of exemption as a result of any agreements entered into with McCulloch County. For each year in which abatement has been authorized by McCulloch County under the agreement, it shall be the responsibility of the TAXPAYER to file its annual application with the proper County Appraisal District for property exemption in accordance with the Texas Tax Code and related administrative regulations.

(e) **Effective Date.** These Guidelines and Criteria shall be effective for two (2) years, from August 3, 2015 ("Effective Date") through August 3, 2017, inclusive.

(f) **Sunset Provision.** At the end of the two year effective period of these Guidelines and Criteria, all agreements created pursuant to these provisions will be reviewed by the Commissioners Court to determine whether the goals have been achieved. Based upon that review, the Guidelines and Criteria may be modified, renewed or eliminated. In the event that these Guidelines and Criteria are not modified or renewed, they shall automatically terminate effective August 3, 2017.

(g) **Effect of Modification or Termination.** The modification or termination of these Guidelines and Criteria shall have no effect upon existing agreements entered into while these Guidelines and Criteria are in effect.

(h) **Subtitles.** The use of subtitles in these Guidelines and Criteria is strictly for convenience, and shall have no legal significance whatsoever. The use of the singular shall include the plural and the use of plural shall include the singular when appropriate. The use of any reference to gender shall include any and all other genders when appropriate.

(i) **Severability.** In the event any paragraph, clause, phrase or other provision of these Guidelines and Criteria should be declared to be unconstitutional, void or otherwise unenforceable the remaining provisions shall remain in full force and effect as if the unconstitutional, void or otherwise unenforceable provisions had not been included.

SECTION 10

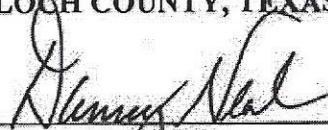
ADOPTION

At a properly noticed meeting of the McCulloch County Commissioners Court held in strict compliance with the Texas Open Meetings Act, this Order was approved by a vote of 2 for and 1 against. ; *ONE ABSTAINING*

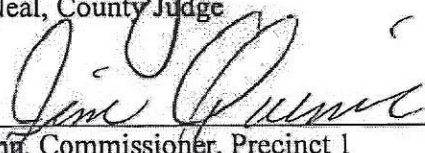
BE IT SO ORDERED.

Adopted this 3rd day of August, 2015.

MCCULLOCH COUNTY, TEXAS



Danny Neal, County Judge




Jim Quinn, Commissioner, Precinct 1

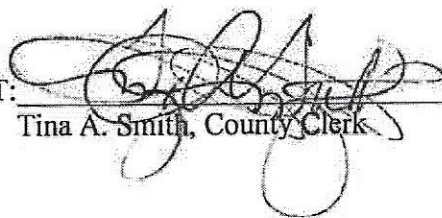


Gene Edmiston, Commissioner, Precinct 2

Jim Ross, Commissioner, Precinct 3



Brent Deeds, Commissioner, Precinct 4

ATTEST: 

Tina A. Smith, County Clerk