



**Hopkins County, Texas
Chapter 381 Tax Rebate
Program Requirements**

Preamble

Pursuant to Chapter 381 of the Texas Local Government Code, the Commissioner's Court of Hopkins County, Texas, establishes a program for the rebating of property taxes to promote local economic development and primary job development to stimulate business and commercial activity in the County.

Policy Statement

The Commissioners Court chooses to extend business incentives as authorized by Texas law when such incentives improve the quality of life for all citizens through the creation and retention of primary job opportunities within the community. The program requirements provide the criteria for review and Commissioners Court consideration when exercising discretion to grant business incentives. This program neither requires nor binds the Commissioner's Court to grant any business incentive.

Effective Date and Duration

These program requirements are effective upon the date of the Commissioners Court's adoption. The Commissioners Court may, at any time, eliminate the program or modify any provision.

Section 1. Definitions.

1.1 "Agreement" means a written contract authorized by the Commissioners Court and signed by the County Judge and the Business Prospect.

1.2 "Business Incentive" means any financial or non-financial inducement offered by the County to a Business Prospect.

1.3 "Business Incentive Period" means the commencement date and termination date of the Business Incentive. Maximum period of ten (10) years.

1.4 "Business Prospect" means a property owner, lessor, or lessee who proposes a project for consideration of a Business Incentive.

1.5 "County" or "Hopkins County" means Hopkins County, Texas.

1.6 "Commissioners Court" means the County's elective Court

1.7 "Deferred Maintenance Improvements" means improvements necessary for continued operation that either do not improve productivity or do not alter the process technology.

1.8 "Eligible Project" means Eligible Property, Exceptional Project, Existing Facility, Expanded Facility, Facility Modernization, or New Facility which, as a direct result of granting a Business Incentive, is reasonably likely to cause (1) the retention or expansion of primary employment, (2) an increase in the County's property tax base, or (3) the attraction of a major investment that would contribute to new economic development within the County.

1.9 "Eligible Property" means buildings, structures, fixed machinery and equipment, site improvements, or related fixed improvements, made or added subsequent to and specified in an Agreement. "Eligible Property" does not include "Ineligible Property".

1.10 "Exceptional Project" means a project that makes use of an underutilized asset, diversifies the local economic base, creates leverage with local economic interests, expands the local market for a good or service, or is located in a designated redevelopment or historical area or neighborhood.

1.11 "Expanded Facility" means the addition of buildings, structures, machinery, equipment or payroll to an Existing Facility for purposes of increasing production capacity.

1.12 "Existing Facility" means property improvements completed or in the process of construction which together comprise an integral whole.

1.13 "Facility Modernization" means replacing or upgrading an Existing Facility, through one or more combinations of construction, alteration, or installation of buildings, structures, machinery, or equipment, which increases the productive input or output, updates the technology, or substantially lowers the unit cost of an operation.

1.14 "Force Majeure" means an event, circumstance, or act of a third party that is beyond the control of either the County or the Business Prospect (e.g., "acts of God" as recognized by law; an act of the public enemy; an act of a government entity; acts of war; compliance with laws or regulations; strikes or other labor disturbances; hurricanes; earthquakes; fires; floods; epidemics; embargoes; war; and riots).

1.15 "Ineligible Property" means land, inventories, housing, supplies, tools, furnishings, other personal property, Deferred Maintenance Improvements, and property which has a Productive Life of less than ten (10) years.

1.16 "Leased Property" means the property associated with or related to an Eligible Project which is offered or intended to be offered for lease.

1.17 "New Facility" means a property previously undeveloped which is placed into service by means other than or in conjunction with an Expanded Facility or Facility Modernization

1.18 "Productive Life" means the number of years a property improvement is expected to be in service.

Section 2. Limited Availability, Exclusions, and Threshold Prerequisites

2.1 *Limited Availability.* Subject to Section 2.2, a Business Incentive shall be available only for an Eligible Project.

2.2 *Exclusions to Eligible Project.* A Business Incentive shall not be available to an otherwise Eligible Project in the event of any of the following:

2.2.1 Any proposed project activity (not including the Business Prospect's planning and due diligence) occurs prior to the filing of an application for a Business Incentive.

2.2.2 The Business Prospect, including any business or property owned or leased in whole or in part by the Business Prospect, has an outstanding tax lien owing to any governmental entity.

2.2.3 The Business Prospect, including any business or property owned or leased in whole or in part by the Business Prospect, within the five-year period preceding the date of filing the application, has been cited, noticed, or fined for noncompliance or violation of a federal law or regulation, a state law or regulation, or a City code, ordinance, or resolution.

2.2.4 The Business Prospect, including any business or property owned or leased in whole or in part by the Business Prospect, is a party to a claim or proceeding against the County or is implicated in a claim or proceeding against a third party that may hinder or interfere with the efficacy of the Business Incentive.

2.3 *Threshold Prerequisites.* As a condition for application filing and administrative evaluation, the project must:

2.3.1 Conform to the City's Comprehensive Zoning Ordinance; if located in the City

2.3.2 Comply with all City ordinances and state and federal laws and regulations;

2.3.3 Meet at least one of the following:

2.3.3.1 The project value, including land, construction and fixed improvements, totals at least \$500,000 new taxable value;

2.3.3.2 The County deems the project an Exceptional Project;

2.3.3.3 The project contributes to the retention or expansion of employment;

2.3.3.4 The project contributes substantially to redevelopment efforts;

2.3.3.5 At least fifteen (15) jobs will be created or retained that meet or exceed the per capita income level in Hopkins County.

Section 3. Application Guidelines and Evaluation.

3.1 *Application.* Any Business Prospect may request the consideration of a Business Incentive by filing a completed Application for Business Incentives Application with the Sulphur Springs Hopkins County EDC.

3.1.1 *Map, Description, and Schedule.* The Business Prospect must include with the application submission a detailed map and property description together with a time schedule for undertaking and completing the project.

3.1.2 *Application materials.* The Business Incentive Prospect must submit detailed financial and other information to enable EDC to evaluate the proposed project with the evaluative criteria set forth in section 3.2. Any required appraisal or appraised value required in section 3.2 by shall be performed or otherwise secured from the Chief Appraiser of the Hopkins County Appraisal District.

3.1.3 *Administrative rejection of application.* The EDC shall reject any incomplete application or an application proposing a project that does not conform with the Section 2 requirements. The Business Prospect may submit a new application to cure any incomplete or deficient application rejected under this subsection.

3.2 *Administrative evaluation.* The EDC shall review each application on its individual merits utilizing the following criteria as applicable to the proposed project.

3.2.1 The Business Prospect's financial capacity and available resources to fund, develop, and complete the proposed project, excluding consideration of any Business Incentive.

3.2.2 The assessed, taxable value of land and existing improvements, if any, associated with the project, separately stated for real and personal property, for the tax year immediately preceding the year of application.

3.2.3 Type, value, and Productive Life of proposed project improvements.

3.2.4 Number of existing jobs that meet or exceed the per capita income level for Hopkins County to be retained by the proposed project.

3.2.5 Number and type of new jobs that meet or exceed the per capita income level for Hopkins County to be created by the proposed project.

3.2.6 Amount of payroll within the County's jurisdiction to be created or retained by the proposed project.

3.2.7. Amount of local sales tax to be generated directly by the proposed project.

3.2.8 Amount of property tax base valuation that will be increased during and after the Business Incentive Period

3.2.9. County costs to be incurred to provide facilities or services directly resulting from the proposed project

3.2.10. The amount of ad valorem taxes to be paid to the County during the Business Incentive Period, taking into consideration the pre-application values, the amount and type of the Business Incentive, the Business Incentive Period, and the value after expiration of the Business Incentive Period

3.2.11. The population growth of the County that occurs directly as a result of the proposed project.

3.2.12 The types and values of public improvements, if any, to be made by the Business Prospect.

3.2.13 Whether the proposed project restricts or enhances the business opportunities of existing businesses within the County

3.2.14. Whether the proposed project attracts other new business or new economic development to the area

3.2.15. Whether the project is environmentally compatible with the County as it exists prior to receipt of the application.

3.2.16 Whether the proposed project will generate a negative impact on the quality of life within the County, constitute a nuisance, or constitute a hazard to public safety, health, and welfare.

3.2.17 Whether and to what extent the proposed project makes a substantial contribution to redevelopment efforts or special area plans by enhancing either functional or visual characteristics (examples include historical structures, traffic circulation, parking, facades, signs, materials, and urban design).

3.2.18 Whether the location of the proposed project furthers the County's development goals.

3.2.19 Whether the proposed project or requested Business Incentive would result in an adverse effect on government services or the local tax base.

3.3 *Commissioner's Court consideration.* EDC shall prepare a recommendation on the application and submit the recommendation to the Commissioner's Court for consideration.

3.3.1. A Business Incentive shall only be approved by formal resolution of the Commissioner's Court authorizing an Agreement.

Section 4. Required Agreement Provisions.

Any Agreement authorized by the Commissioners Court shall include the following provisions:

4.1 Business Incentive specific provisions

4.1.1. The Business Incentive Period, including provisions for County recovery of any Business Incentive, as applicable, in the event the Business Prospect relocates, sells, closes, or discontinues the business relating to the proposed project

4.1.2 The proposed project and intended use of project features (including such, as identifying the nature of construction and project improvements, time schedule for construction and completion, County remedies for project delay, size of investment and number of new jobs specific to the proposed project, and description and map of affected property).

4.1.3 Reasonable access by County to the areas of the proposed project and access to current financial documentation to evaluate performance of the Agreement.

4.1.4. County obligations under the Agreement, including the payment of the property tax rebate.

4.1.5 Compliance with Third Quarter TWC Report and investment report.

4.1.6 Business Prospect shall represent that it has not previously been, nor to its present knowledge, is not now in violation of or noncompliant with any City codes, ordinances, or resolutions, or any state or federal laws or regulations, including environmental laws or environmental permits.

4.1.7 County, through its designated agents or auditors, shall have the right at all reasonable times to audit, review and examine by any means, including electronically using telecommunications devices or otherwise, at County's expense, the books,

records, accounts and tax returns of Business Prospect to ensure compliance with the terms of the Agreement

4.2 Termination and Default provisions

4.2.1 Grounds for termination of the Agreement and a reasonable period for the Business Incentive Prospect to cure a default or breach of the Agreement.

4.2.2 Suspension of Business Incentive during any cure period, dispute resolution period, or Force Majeure.

4.2.3 County recapture or recovery of Business Incentive with interest as provided under Chapter 2264 of the Texas Government Code in the event of the Business Incentive Prospect's default or breach of the Agreement, violation of state or federal law, or delinquency on payment of ad valorem taxes owed to County.

4.3 Dispute resolution provisions

4.3.1 Initial resolution process requiring the party raising a dispute to provide written notice to the other party with enough detail describing the provision of the Agreement alleged to be breached, the underlying facts of the dispute, a proposed solution consistent with the terms of the Agreement, and the relief sought.

4.3.2 A required meeting of the designated representatives of the parties within thirty (30) days following receipt of the written notice to discuss the dispute.

4.4 Indemnity / Hold Harmless provisions

4.4.1 Business Prospect shall indemnify, defend, and hold harmless County from and against any and all suits, actions, losses, damages, claims or liability of any character, type or description, including all reasonable expenses of litigation, court costs, and attorney's fees, for injury or death to any person, or injury or loss to any property, received or sustained by any person or persons, including the Business Incentive Prospect, relating to, occasioned by, or arising from the performance of the Agreement.

4.4.2 With regard to the proposed project property, Business Prospect shall indemnify and hold harmless County from and against, and shall reimburse County for any and all losses arising out of, based on or in any way relating to any environmental claim arising under federal or state environmental laws or regulations, or relating to any remedial action arising pursuant to any federal or state environmental laws or regulations. Such claims or actions may include, but shall not be limited to, investigation, remediation, treatment, or cleanup of any hazardous substance which has been or is present, released, or disposed of on the proposed project property, or which has migrated or has been discharged or transported from the proposed project property in violation of environmental laws. Business Prospect shall also agree to indemnify, defend, and hold harmless County from and against any and all suits, actions, losses, damages, claims

or liability of any character, type or description, including all reasonable expenses of litigation, court costs, and attorney's fees, for injury or death to any person, or injury or loss to any property, received or sustained by any person or persons, including the Business Incentive Prospect, relating to, occasioned by, or arising from any environmental claim with regard to the proposed project property; any such defense of the County shall be made by legal counsel, acceptable to County, who is retained and paid for by the Business Prospect.

4.4.3 The indemnity and hold harmless provisions shall be solely for the benefit of the County and are not intended to create or grant any rights, contractual or otherwise, to any other person or entity

4.4.4 The indemnity and hold harmless provisions shall be extended by the Business Prospect to indemnify and protect the County from the negligent, reckless, or intentional acts of the Business Incentive Prospect, its officers, employees, agents, contractors, and privies, regardless of whether such acts are the sole or partial cause of any such injury, death, or damage

4.5 General Provisions:

4.5.1 *No Third-Party Beneficiaries.* Nothing in the Agreement should be construed to benefit any person or entity not a signatory to the Agreement.

4.5.2 *Governing Law and Venue.* The Agreement shall be governed exclusively by the laws of the State of Texas with venue fixed in Hopkins County, Texas.

4.6 *Construction.* In construing the Agreement, none of the parties shall have any term or provision, or any uncertainty or ambiguity as to any provisions, construed against such party solely by reason of such party having drafted the same.

4.7: *Independent Contractors.* The parties to the Agreement shall be independent contractors. No party shall exercise control over either the performance of the other party or the employees of the other party; and no party shall be deemed to be the agent, employee, or representative of the other party

4.8 *No Liability of County Officials.* No County Commissioner, officer, agent, employee, or independent contractor shall be personally responsible for any liability arising under or growing out of the Agreement

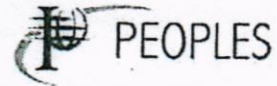
4.9 *No Creation of Debt.* Any Business Incentive extended under the Agreement shall not be construed nor deemed to create a debt under Texas law.

4.10 *Execution of Agreement.* The Agreement shall be approved by all applicable and requisite corporate or company actions of the Business Prospect, with a representation that the signatory on behalf of the Business Prospect has legal authority to enter into the Agreement.

4.11 *Not Conflict with Business Prospect's Other Agreements.* Business Prospect shall represent and warrant that the Agreement, the consummation of the transactions contemplated in the Agreement, and the fulfillment of and compliance with the terms and conditions in the Agreement, do not and will not result in either a breach or default of any agreement or instrument to which Business Prospect is a party or beneficiary, or a right of the Business Prospect to cancel any agreement or instrument to which Business Prospect is a party.

4.12 The Agreement shall bind, and the benefits thereof shall inure, to the respective parties to the Agreement and their representatives, executors, administrators, successors and assigns.

4.13 The Agreement constitutes the entire agreement between the parties. Any and all negotiations and oral understandings between the parties shall be merged into the Agreement and superseded by the Agreement. The Agreement may only be amended or changed by a written document executed by all contracting parties.



PO Box 920 Quitman, TX 75783
(903) 763-2214 • fax (903) 878-0148

Exhibit B Service Order & Master Agreement

Contract Term: 36 Months

BILLING INFORMATION

. Billing Name: Hopkins County Civic Center
. Attention: _____
. Billing Address: _____

. Account Contact: on file
. Contact Title: _____

Tax ID#: _____
Ph: _____ Fax: _____
E-mail: _____

ACCESS LOCATION INFORMATION

. Location A: 1200 W Houston Street
Sulphur Springs, TX 75482

IT Contact: _____ Ph: _____ Email: _____

AUTHORIZATION INFORMATION

Cayri Marshall
Peoples Commercial Sales Acct Specialist

Date: 6/17/19

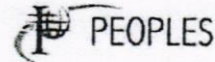
[Signature]
Hopkins County Civic Center

Date: 6/17/19

****Please attach a copy of****
Authorized signers drivers' license or
Letter of Authorization (LOA)

PCI QUOTE # 0000001

MASTER SERVICE AGREEMENT



This MASTER SERVICE AGREEMENT (the "AGREEMENT") is made this 17th day of June, 2019 between PEOPLES COMMUNICATION, INC. (PCI) and Hopkins County Civic Center the purchaser executing the Service Order (the "Purchaser").

WHEREAS, PCI provides communications services which Purchaser desires to purchase as set forth herein.

Now, therefore, it is agreed as follows:

1 During the Term of this Agreement PCI will provide Purchaser with the specific services identified on the Proposal (Exhibit A) and Service Order (Exhibit B) attached.

2 The Term of this Agreement shall be as set forth in the Service Order attached and shall extend thereafter until terminated by either party upon at least 60 days prior written notice. However, PCI may terminate this Agreement or suspend services hereunder at any time upon (a) any failure of Purchaser to pay any undisputed amounts as provided in this Agreement on the attached Proposal; (b) any breach by Purchaser of any material provision of this Agreement continuing for 30 days after receipt of notice thereof; (c) any insolvency, bankruptcy, assignment for the benefit of creditors, appointment of a trustee or receiver or similar event with respect to Purchaser; or (d) any governmental prohibition or required alteration of the services to be provided hereunder or any violation of an applicable law, rule or regulation. Any termination shall not relieve Purchaser of its obligation to pay any charges incurred prior to termination. The parties' rights and obligations which by their nature would extend beyond the termination, cancellation or expiration of this Agreement shall survive such termination, cancellation or expiration.

3 During the Term, Purchaser shall pay PCI for the services as set forth in the Service Order and fees outlined in the Proposal. PCI shall not increase pricing during the initial Term, but thereafter PCI may increase pricing upon 30 days prior written notice. Normal service charges shall be invoiced monthly in advance. All amounts owed by Purchaser shall be paid within 30 days after the date of invoice and PCI reserves the right to charge interest on all delinquent payments at 1.5 % per month. Prices do not include taxes and related charges (however designated) and all taxes, fees and governmental charges imposed on the provided services shall be paid by Purchaser in addition to any other amounts owing. Such amounts will be listed separately on Purchaser's monthly invoice.

4 PCI may substitute, change or rearrange any equipment, facility or system used in providing services at any time and from time to time, but shall not thereby alter the technical parameters of the services provided hereunder.

5 PCI will grant a credit allowance for service interruption calculated and credited in one-hour increments. A service interruption will be deemed to have occurred only if service becomes unusable to Purchaser as a result of failure of PCI's facility, equipment or personnel used to provide the service in question. This is only where the interruption is not the result of (a) the negligence or acts of Purchaser or its agents; (b) the failure or malfunction of non-PCI equipment or systems; (c) circumstances or causes beyond the control of PCI; or (d) a service interruption caused by service maintenance, alteration or implementation. After the initial term, Purchaser may upon thirty (30) days written notice to PCI, terminate this Agreement if a service interruption occurs for which a credit allowance may be granted. A qualified service interruption would be the granting of at least \$500 in cumulative service credits during any continuous 12-month period, or results in a single continuous service outage of 8 hours or more. The foregoing states Purchaser's sole remedy for service interruption which shall include, without limitation, loss of data.

6 As used in this Agreement, the term "PCI Group" shall mean (a) PCI; (b) any third parties providing facilities or equipment used by PCI, in furtherance of PCI's provision of services to Purchaser (c) any affiliates of PCI or such third parties; and (d) any director, officer, agent, servant, employee, independent contractor, or supplier of PCI, any such third parties, or any such affiliates. EXCEPT TO THE LIMITED EXTENT PROVIDED FOR ABOVE IN PARAGRAPH 5, IN NO EVENT SHALL PCI GROUP BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, SPECIAL OR OTHER DAMAGES, ARISING OUT OF OR RELATED TO ANY SERVICES, EQUIPMENT, FACILITIES OR SYSTEMS PROVIDED OR UTILIZED UNDER THIS AGREEMENT (INCLUDING, WITHOUT LIMITATION, ANY DAMAGES FOR LOSS OF DATA OR INTERRUPTION OF DATA TRANSMISSION), AND PURCHASER HEREBY RELEASES AND WAIVES ANY CLAIMS OR DEMANDS IT MAY HAVE AGAINST PCI GROUP, FOR OR WITH RESPECT TO ANY SUCH DAMAGES. PURCHASER FURTHER AGREES THAT ANY OTHER LIMITATION OF LIABILITY OR PROTECTION TO WHICH PCI MAY BE ENTITLED, ARISING OUT OF THIS AGREEMENT OR SERVICES PERFORMED HEREUNDER, SHALL FULLY APPLY TO AND BENEFIT PCI GROUP, IN THE SAME MANNER AND TO THE SAME EXTENT SUCH PROVISIONS OR PROTECTION APPLY TO AND BENEFIT PCI. THERE ARE NO WARRANTIES, REPRESENTATIONS OR AGREEMENTS EXPRESSED OR IMPLIED EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.

7 In the event that Purchaser cancels or terminates service at any time during the initial Term of this Agreement or any renewal thereof for any reason whatsoever other than a service interruption (as defined in Paragraph 5 above), Purchaser agrees to immediately pay to PCI all sums due and owing under this Agreement and payable in accordance with Paragraph 3 above.

8 Purchaser is responsible for all Non-Recurring and Recurring Charges on and after the Purchaser's desired due date (the "Due Date"). In the event that Purchaser refuses to accept service on and after the Due Date, Purchaser shall still be responsible for the Recurring Charges until such time as service is accepted.

9 In the event that Purchaser requests additional circuit engineering or changes equipment specifications, configurations or service parameters, premises locations, or any material provision of the Service Order, Purchaser shall be charged an additional administrative fee at least equal to 5% of the original Non-Recurring Charge in addition to all costs, fees and expenses reasonably incurred in connection therewith.

10 Neither party shall be liable for any delay or failure in performance of any part of this Agreement to the extent such delay or failure is caused by fire, flood, explosion, accident, war, strike, embargo, governmental requirement, civil or military authority, acts of God, inability to secure materials, labor or transportation upon reasonable commercial terms, acts or omission of common carriers or warehousemen, or any other causes beyond their reasonable control. Any such delay or failure shall suspend the Agreement until such force majeure ceases, and the Term shall be extended by the length of the suspension.

11 Neither party may assign this Agreement without the written consent of the other party, except that PCI may assign its rights and/or obligations hereunder (a) to any subsidiary, parent company or affiliate of PCI; (b) pursuant to any sale or transfer of substantially all of the assets of PCI; or (c) pursuant to any financing, merger or reorganization of PCI.

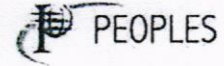
12 This Agreement, Proposal and Service Order attached, set forth the full agreement of the parties with respect to the subject matter hereof and supersede any prior agreement or understanding. If any provision hereof is held by a court to be invalid, void or unenforceable, the remainder of this Agreement shall nevertheless remain unimpaired and in effect. No term or condition of this Agreement shall be modified or amended except in writing signed by an authorized representative of both parties; however, one or more additional Service Orders may be subject to the terms and conditions of this Agreement.

13 No license, joint venture or partnership, express or implied, is granted by PCI pursuant to this Agreement.

14 Each party agrees to maintain in strict confidence all plans, designs, drawings, trade secrets, and other proprietary information of other party, which is disclosed pursuant to this Agreement.

15 If this Agreement is entered into by more than one Purchaser, each is jointly and severally liable for all agreements, covenants and obligations herein.

16 This Agreement shall be governed by the laws of the State of Texas without regard to its choice of law provisions. In any action between the parties to enforce any material provisions of this Agreement, the prevailing party shall be entitled to recover its legal fees and court costs from the non-prevailing party in addition to whatever other relief a court may award.



Hopkins County Civic Center

By: [Signature]

Name: Robert Newson

Title: County Judge

Notice Address:

Courthouse, 118 Church Street
Sulphur Springs, Tx. 75482

Peoples Communication, Inc.

By: [Signature]

Name: Caysi Marshall

Title: Commercial Sales Account Specialist