

ADDENDUM
TO
TAX ABATEMENT AGREEMENT EFFECTIVE AS OF DECEMBER 22, 2015
BETWEEN HIDALGO COUNTY, TEXAS
AND
SOUTH TEXAS ELECTRIC COOPERATIVE, INC.

This addendum (the "**Addendum**") is entered into effective as of May 16, 2017, between Hidalgo County, a political subdivision of the State of Texas (the "**County**"), duly acting herein by and through its duly authorized representatives, pursuant to an Order dated May 16, 2017, by the Hidalgo County Commissioners' Court (hereinafter referred to as the "**Commissioners Court**") and South Texas Electric Cooperative, Inc., a Texas non-profit corporation (the "**Owner**").

WITNESSETH:

WHEREAS, the County and the Owner entered into that certain Tax Abatement Agreement effective as of December 22, 2015 (the "**Agreement**");

WHEREAS, Section 3.02 of the Agreement provides for the applicable Tax Abatement Percentage (as defined in the Agreement) to be fixed by the parties through an addendum to the Agreement after evidence of the Capital Cost (as defined in the Agreement) of the improvements constructed or installed by Owner for the Facility (as defined in the Agreement) is certified by the Owner and approved by the County;

WHEREAS, Owner has provided such evidence to the County; and

WHEREAS, the parties now desire to enter into this Addendum in order to fix the Tax Abatement Percentage pursuant to the Agreement;

NOW, THEREFORE, the County and the Owner, for good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, do hereby contract, covenant and agree as follows:

1. **Definitions**. All terms defined in the Agreement and used herein shall have the meaning set forth therein unless otherwise defined herein.

2. **Representations and Warranties**. The Owner represents and warrants to the County as follows:

(a) The Capital Cost of the improvements constructed or installed by the Owner for the Facility for which the Owner has provided evidence to the County is Two Hundred Ten Million, Seventy-Six Thousand, Five Hundred Fifty and 44/100 Dollars (U.S.\$210,076,550.44).

(b) The Facility is in operation within the Zone for the generation and transmission of energy.

3. **Tax Abatement.**

(a) In accordance with Section 3.02 of the Agreement, the Tax Abatement Percentage is fixed at 80% of the newly created value.

(b) In accordance with Section 3.03(a) of the Agreement, the Abatement Period commenced on January 1, 2017.

4. **Current Tax.** The Owner has provided tax certificates verifying that no taxes are past due with respect to all property owned by the Owner within the Zone.

5. **Severability.** In the event any paragraph, subparagraph, sentence, phrase or word herein is held invalid, illegal, or unenforceable, the balance of this Addendum and the Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid paragraph, subparagraph, sentence, phrase and word. In such event there shall be substituted for such deleted provision as similar in terms and in effect to such deleted provision as may be valid, legal and enforceable.

6. **Applicable Law.** This Addendum shall be construed under the laws of the State of Texas and is performable in Hidalgo County, Texas.

7. **Ratification of Tax Abatement Agreement.** The Agreement is ratified and confirmed.

[SIGNATURE PAGE FOLLOWS]

EXECUTED IN DUPLICATE ORIGINALS as of the 16th day of May, 2017.

SOUTH TEXAS ELECTRIC COOPERATIVE, INC.

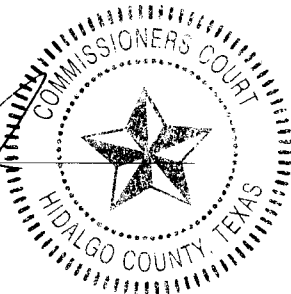
By: _____
Name: _____
Title: _____

HIDALGO COUNTY, TEXAS

By: Ramon Garcia
Ramon Garcia
Hidalgo County Judge

ATTEST:

Arturo Guajardo, M.
Arturo Guajardo, M.
Hidalgo County Clerk

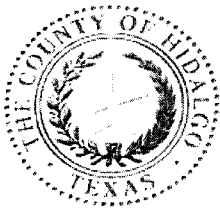


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APPROVED AS TO FORM FOR COUNTY:

Atlas, Hall & Rodriguez, L.L.P

By: Stephen L. Crain
Stephen L. Crain



**AGENDA
CC REGULAR
HIDALGO COUNTY
COMMISSIONERS COURT MEETING
May 16, 2017
9:30 A.M.**

NOTICE is hereby given in accordance with Chapter 551, Texas Government Code, that a SPECIAL MEETING of the Commissioners' Court will be held at the Edinburg Council Chambers 415 W. University Drive, Edinburg, Hidalgo County, Texas. Discussion and possible action relating to the following business will be transacted:

1. Roll Call

All members of the court were in attendance.

2. Pledge of Allegiance

Judge Garcia led the court in reciting the Pledge of Allegiance.

3. Prayer

Julia Sullivan led the courtroom in Prayer.

4. Approval of Consent Agenda

5. County Judge's Office:

A. AI-59878 Approval of Proclamation to proclaim May 2017 as "Motorcycle Safety and Awareness Month" in Hidalgo County.

B. AI-59606 Consideration and approval of a Proclamation declaring May 2017 as Elder Abuse Awareness Month.

C. AI-59797 Discussion and approval of the Addendum to the Tax Abatement Agreement between Hidalgo County and South Texas Electric Cooperative, Inc. effective December 22, 2015 granting an 80% tax abatement in accordance with the agreement and the tax abatement guidelines.

Michael Leo explained that this agreement was previously approved by court on December 2015, with the stipulation that once the company provided all documentation to the auditor's office, they could then notify the appraisal district. The process has been done, therefore to be in accordance with the agreement, they are providing this addendum so that the auditor's office can move forward with the documentation.

On motion by COMMISSIONER PCT. 1, DAVID FUENTES, seconded by COMMISSIONER PCT. 4, JOSEPH PALACIOS, the Court made a UNANIMOUS vote of approval.

Vote: 4 - 0 - Unanimously

6.

Constables:

- A. AI-59787** Constable Pct. 2:
Discussion, consideration, and approval to appoint Jose Jaime Leos as Reserve Deputy Constable by Martin N. Cantu, Constable Pct. 2 in accordance with Texas Local Government Code Section 86.012.

On motion by COMMISSIONER PCT. 1, DAVID FUENTES, seconded by COMMISSIONER PCT. 4, JOSEPH PALACIOS, the Court made a UNANIMOUS vote of approval.

Vote: 4 - 0 - Unanimously

- B. AI-59796** Constable Pct. 3 - OPSG (1284)
1. Authorization to accept the Approval Notice in reference to Operation Stonegarden FY 2016 for the amount of \$80,000.00.

On motion by COMMISSIONER PCT. 1, DAVID FUENTES, seconded by COMMISSIONER PCT. 4, JOSEPH PALACIOS, the Court made a UNANIMOUS vote of approval.

Vote: 4 - 0 - Unanimously

2. Authorization and approval for County Judge, as authorized official, to electronically accept grant award form and related documents.

On motion by COMMISSIONER PCT. 1, DAVID FUENTES, seconded by COMMISSIONER PCT. 4, JOSEPH PALACIOS, the Court made a UNANIMOUS vote of approval.

Vote: 4 - 0 - Unanimously

3. Authorization to pay Overtime reimburseable under the grant terms and conditions.

On motion by COMMISSIONER PCT. 1, DAVID FUENTES, seconded by COMMISSIONER PCT. 2, EDUARDO "EDDIE" CANTU, the Court made a UNANIMOUS vote of approval.

Vote: 4 - 0 – Unanimously

Commissioner Flores joined the meeting.

4. Approval of Certification of Revenues, as certified by the County Auditor, for the FY 2016 Operation Stonegarden Grant in the amount of \$80,000.00.

- D. **AI-59866** CCD-0378-H; State of Texas & Hidalgo County v. John Rigney & Melissa Rigney
- E. **AI-59874** CL-17-2105-A; Saragoza Gomez & Anita Gomez v KHIP Ventures LLC, et al
- F. **AI-59729** EEOC Charge No. 451-2016-02842; Jose Lauro Hinojosa v County of Hidalgo
- G. **AI-59768** EEOC Charge No. 451-2017-01461; Maria Leal v County of Hidalgo
- H. **AI-59727** Claim of Mary Alice Palacios
- I. **AI-59698** Claim of Maria Mendoza
- J. **AI-59703** Claim of Italy Perez
- K. **AI-59705** Claim of Maria Solmonson
- L. **AI-59809** Claim of Jim McAllen

25. **Closed Session:**
Commissioners Court may reconvene into Closed Session for the discussion regarding the agenda items listed

26. **Open Session:**
Commissioners Court may reconvene into Open Session for the discussion regarding the agenda items listed

27. **Adjourn**

On motion by COMMISSIONER PCT. 4, JOSEPH PALACIOS, seconded by COMMISSIONER PCT. 1, DAVID FUENTES, the Court made a UNANIMOUS vote of approval.

Vote: 3 - 0 - Unanimously

SPECIAL MEETING - May 16, 2017

BE IT REMEMBERED, that on this 16th day of May A.D., 2017, there was begun and held a **SPECIAL MEETING** of the Honorable Commissioners' Court of Hidalgo County, Texas, wherein the following members thereof were present, to-wit:

HONORABLE RAMON GARCIA

HIDALGO COUNTY JUDGE

HONORABLE DAVID FUENTES

COMMISSIONER, PRECINCT NO. 1

HONORABLE EDUARDO "EDDIE" CANTU

COMMISSIONER, PRECINCT NO. 2

HONORABLE JOE M. FLORES

COMMISSIONER, PRECINCT NO. 3

HONORABLE JOSEPH PALACIOS

COMMISSIONER, PRECINCT NO. 4

and **ARTURO GUAJARDO, JR., COUNTY CLERK & EX-OFFICIO CLERK OF THE COMMISSIONERS' COURT** of Hidalgo County, Texas, wherein the following proceedings were had, to-wit: